

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed adoption of Rule
25-30.4705, F.A.C., Calculation
of Rate Reduction After Rate
Case Expense is Amortized.

DOCKET NO. 011495-WS
ORDER NO. PSC-02-0165-FOF-WS
ISSUED: February 5, 2002

The following Commissioners participated in the disposition of
this matter:

E. LEON JACOBS, JR., Chairman
J. TERRY DEASON
LILA A. JABER
BRAULIO L. BAEZ
MICHAEL A. PALECKI

NOTICE OF ADOPTION OF RULE

NOTICE is hereby given that the Florida Public Service
Commission, pursuant to Section 120.54, Florida Statutes, has
adopted Rule 25-30.4705, Florida Administrative Code, relating to
calculation of rate reduction after rate case expense is amortized
without changes.

The rule was filed with the Department of State on February 4,
2002 and will be effective on February 24, 2002. A copy of the
rule as filed with the Department is attached to this Notice.

This docket is closed upon issuance of this notice.

By ORDER of the Florida Public Service Commission, this 5th
day of February, 2002.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records and Hearing
Services

(S E A L)

SMC

DOCUMENT NUMBER-DATE

01335 FEB-58

FPSC-COMMISSION CLERK

25-30.4705 Calculation of Rate Reduction After Rate Case Expense is Amortized

To calculate the rate reduction to be made four years after a rate case as required by section 367.0816, F.S., the following methodology shall be used. The annual amount of rate case expense, which is equal to one-fourth of the total allowed rate case expense, shall be divided by the regulatory assessment fee gross up factor. The resulting number shall then be divided by the revenue requirement to determine the percentage of the rate reduction. The percentage is then multiplied against the new rates to determine the amount of the future rate reduction. Revised tariff sheets implementing the reduction shall be filed no later than one month before the end of the fourth year.

Specific Authority: 350.127(2), 367.121, F.S.

Law Implemented: 367.0816, 367.121, F.S.

History: New 02/24/02.