

ORIGINAL  
FILE COPY

CERTIFICATION OF  
PUBLIC SERVICE COMMISSION ADMINISTRATIVE RULES  
FILED WITH THE  
DEPARTMENT OF STATE

I do hereby certify:

/x/ (1) The time limitations prescribed by paragraph 120.54(11)(a), F.S., have been complied with; and

/x/ (2) There is no administrative determination under section 120.54(4), F.S., pending on any rule covered by this certification; and

/x/ (3) All rules covered by this certification are filed within the prescribed time limitations of paragraph 120.54(11)(b), F.S. They are filed not less than 28 days after the notice required by subsection 120.54(1), F.S., and;

/x/ (a) And are filed not more than 90 days after the notice; or

/ (b) Are filed not more than 90 days after the notice not including days an administrative determination was pending; or

/ (c) Are filed within 21 days after the adjournment of the final public hearing on the rule; or

/ (d) Are filed within 21 days after the date of receipt of all material authorized to be submitted at the hearing;

/ (e) Are filed within 21 days after the date that transcript was received by this agency.

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- LIN \_\_\_\_\_
- ORC \_\_\_\_\_
- ROH \_\_\_\_\_
- SEC 1
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

DEPARTMENT OF STATE  
TALLAHASSEE, FLORIDA  
APR 18 AM 11:18  
FILED

Attached are the original and two copies of each rule covered by this certification. The rules are hereby adopted by the undersigned agency by and upon their filing with the Department of State.

<u>Rule No.</u>	<u>Rulemaking Authority</u>	<u>Specific Law Being Implemented, Interpreted or Made Specific</u>
25-7.1352	350.127(2), F.S.	350.117(1), 366.04(2)(f), F.S.

Under the provision of paragraph 120.54(13)(a), F.S., the rules take effect 20 days from the date filed with the Department of State or a later date as set out below:

Effective: \_\_\_\_\_  
(month) (day) (year)

  
\_\_\_\_\_  
BLANCA S. BAYO, Director  
Division of Records & Reporting

\_\_\_\_\_  
Number of Pages Certified

(S E A L)  
RCB

1        25-7.1352 Earnings Surveillance Report.

2        (1) Each investor-owned natural gas utility shall file rate  
3 of return data using Commission Form PSC/AFA 13 (-/--), which is  
4 incorporated by reference into this rule. Form PSC/AFA 13,  
5 entitled "Investor-Owned Natural Gas Utility Earnings Surveillance  
6 Report," may be obtained from the Commission's Division of Auditing  
7 and Financial Analysis.

8        (2) The report shall be filed:

9        (a) Monthly, by the 15th day of the second month following  
10 the reported month for natural gas utilities companies with 50,000  
11 or more customers annual sales in excess of 50 million therms.

12        (b) Quarterly, by the 15th day of the second month following  
13 the reported quarter for natural gas utilities companies with fewer  
14 than 50,000 customers and more than 5,000 customers annual sales  
15 less than 50 million therms.

16        (c) Semiannually, by the 15th day of the second month  
17 following the reported period for natural gas utilities with 5,000  
18 or fewer customers.

19        (3) A utility may file a written request for an extension of  
20 time with the Division of Auditing and Financial Analysis prior to  
21 the due date of the report. One extension of 31 days will be  
22 granted upon request. A request for Commission approval of a  
23 longer extension must be accompanied by a statement of good cause  
24 and shall specify the date by which the report will be filed.  
25 ~~Requests for extensions of time in which to file the report must~~

CODING: Words underlined are additions; words in  
~~struck-through~~ type are deletions from existing law.

DEPARTMENT OF STATE  
TALLAHASSEE, FLORIDA  
96 APR 18 AM 11:18  
FILED

1 ~~submitted in writing to the Commission prior to the due date of the~~  
2 ~~report.~~

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

4 Law Implemented: 350.117(1), 366.04(2)(f), F.S.

5 History: New 11/18/82, formerly 25-7.24, Amended 4/23/92, formerly  
6 25-7.024, Amended 6/10/94, \_\_\_\_\_.

7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

CODING: Words underlined are additions; words in  
~~struck-through~~ type are deletions from existing law.

CERTIFICATION OF  
PUBLIC SERVICE COMMISSION

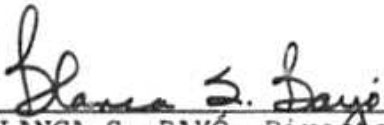
FORM INCORPORATED BY REFERENCE IN RULE 25-25-7.1352

FILED WITH THE DEPARTMENT OF STATE

Pursuant to Rule 1S-1.005, Florida Administrative Code, I hereby certify that the attached is a true and complete copy of Form PSC/AFA 13 (5/96), "Investor Owned Natural Gas Utility Earnings Surveillance Report", which is incorporated by reference in Rule 25-25-7.1352, Florida Administrative Code.

Under the provisions of paragraph 120.54(13)(a), F.S., the incorporated material takes effect 20 days from the date filed with the Department of State or a later date as set out below:

Effective: \_\_\_\_\_  
(month) (day) (year)

  
\_\_\_\_\_  
BLANCA S. BAYO, Director  
Division of Records & Reporting

\_\_\_\_\_  
Number of Pages Certified

(S E A L)

FILED  
96 APR 18 AM 11:18  
DEPARTMENT OF STATE  
TALLAHASSEE, FLORIDA

FLORIDA PUBLIC SERVICE COMMISSION

INVESTOR OWNED NATURAL GAS UTILITY  
EARNINGS SURVEILLANCE REPORT

PSC/AFA 13 ( 98)

DEPARTMENT OF STATE  
TALLAHASSEE, FLORIDA  
96 APR 18 AM 11:18

FILED

**INVESTOR-OWNED NATURAL GAS UTILITY  
EARNINGS SURVEILLANCE REPORT**

The earnings surveillance report (ESR) consists of the following schedules:  
SCHEDULE 1 - Earnings Surveillance Report Summary  
SCHEDULE 2 - Average Rate of Return  
SCHEDULE 3 - Year End Rate Base  
SCHEDULE 4 - Capital Structure  
SCHEDULE 5 - Earned Return on Common Equity

The above schedules represent the data that is to be filed by each natural gas company. An investor-owned natural gas utility may, at its own option, include any additional schedules that it deems appropriate or necessary for further explanation or clarification of the data reported.

Requests for extension of time in which to file must be submitted in writing prior to the due date for the data to the following:

Florida Public Service Commission  
Division of Auditing and Financial Analysis  
Bureau of Revenue Requirements  
101 East Gaines Street  
Tallahassee, FL 32399-0865

**SCHEDULE 1**

**EARNINGS SURVEILLANCE REPORT SUMMARY**

The purpose of this schedule is to summarize the results of the calculations required by the other schedules. This summary also provides a composite overview of the utility's current earnings on a single page.

Although this schedule only summarizes other schedules, it is necessary to define a few of the terms utilized in the schedule. These are as follows:

**Per Books** - This term means that the amounts reported represent the amounts as recorded in the accounting records of the utility.

Actual per books rate base includes construction work in progress (CWIP) on which allowance for funds used during construction (AFUDC) is not charged and a working capital allowance that is adjusted only to exclude those amounts that are includible in the capital structure. Also since the per books amounts include common use plant, it is necessary to allocate common expenses to non-utility operations.

Actual per book net operating income (NOI) should be computed consistent with the per books rate base determination. Also since the per books amounts would include common use expenses, it is necessary to allocate common expenses to non-utility operations.

FPSC Adjustments - The adjustments reflected in this column should represent all of the adjustments required to adjust the per books amounts in accordance with Commission policies, practices, and adjustments made in the utility's most recent rate case. This includes the adjustments made by the utility that were not in dispute, but were accepted by the Commission without direct reference in the order. However, those adjustments that can be considered to be annualizing or pro forma should not be included.

FPSC NOI adjustments should include the elimination of purchased gas related revenues and expenses, as well as conservation related revenues and expenses, if applicable.

Pro Forma Adjustments - This type of adjustment refers to those adjustments that would distort the utility's earned rate of return if they were included in the "FPSC Adjustments" category. The most specific example is the effect of a recent rate increase/decrease. When a rate increase/decrease becomes effective, the operating revenues and related expenses are annualized as though the rate increase had actually been in effect for the entire preceding 12 month period. Unless the new rates have been in effect for that one year period, the utility would not have actually billed those new rates for the entire 12 month period. Therefore, it would not be appropriate to include those revenues in the income statement for the purposes of evaluating the utility's earned rate of return. This indicator should provide a forward look for earnings and a forecast of future performance on a regulatory basis.

## SCHEDULE 2

### AVERAGE RATE OF RETURN

This schedule presents the data necessary to adjust the utility's per books amounts and calculate the average earned rate of return on a Per Books; FPSC Adjusted; and Pro Forma basis. This schedule consists of the following two pages:

Page 1 - Rate Base

Page 2 - Income Statement



The terms, "Per Books," "FPSC Adjusted," and "Formula Adjustments" have previously been defined in the explanation of SCHEDULE 1. Except for these items, SCHEDULE 2 is self explanatory.

In recognition of the fact that there may be numerous adjustments to the per books amount of working capital, only the total amount of the adjustments to working capital needs to be shown on Page 1, if an additional schedule is provided which shows each specific adjustment.

This schedule also includes a section for calculating the average rate base and NOI excluding flex rate revenues that have been included for the twelve month period. The flex rate revenue adjusted average rate base and NOI are to be used in calculating the overall rate of return for the purpose of calculating an earned return on common equity excluding flex rate revenues in Item B of SCHEDULE 5.

### SCHEDULE 3

#### YEAR END RATE BASE

This schedule presents the data necessary to adjust the utility's per books amounts and calculate the year-end rate base on a Per Books; and FPSC Adjusted basis.

The terms "Per Books" and "FPSC Adjusted" have previously been defined in the explanation of SCHEDULE 1. Except for these items, this schedule is self explanatory.

The average working capital allowance from SCHEDULE 2, should be used in calculating the year end rate base.

### SCHEDULE 4

#### CAPITAL STRUCTURE

This schedule shows the computation of the average and year end required rates of return on a FPSC Adjusted and year end basis. Inherent in this computation, this schedule reconciles the amount of capital to the rate base total using the same procedures employed by the Commission in the utility's last rate proceeding. The terms "Per Books" and "FPSC Adjusted" have previously been

defined in the explanation of SCHEDULE 1. It is necessary, however, to explain the following terms:

**Specific** - Based on the adjustments made to the rate base, this column should reflect the cumulative effect of all the adjustments that were made to reconcile the rate base and the capital structure on a basis other than pro rata.

**Pro Rata** - Based on the adjustments made to the rate base, this column should reflect the cumulative effect of all the adjustments that were made to reconcile the rate base and capital structure on a pro rata basis.

Except for these two terms, this schedule is self explanatory.

#### SCHEDULE 5

##### EARNED RETURN ON COMMON EQUITY

This schedule shows the calculation of the utility's average earned return on common equity on an FPSC adjusted basis.

**Item A** is the average earned return on common equity including the flex rate revenues (surplus/deficit) that are included in NOI in computing the utility's FPSC Adjusted Average Overall Rate of Return for the period.

**Item B** is the average earned return on common equity excluding the flex rate revenues (surplus/deficit) that are included in NOI in computing the utility's FPSC Adjusted Average Overall Rate of Return for the period.



(COMPANY NAME)  
 YEAR END RATE BASE  
 (MONTH/YEAR)

SCHEDULE 3

(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) NET PLANT IN SERVICE	(4) PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(7) NET UTILITY PLANT	(8) WORKING CAPITAL	(9) TOTAL RATE BASE
----------------------------	--	-----------------------------------	--	--	-----------------------------	---------------------------	---------------------------

PER BOOKS

FPSC ADJUSTMENTS:

TOTAL FPSC ADJUSTMENTS

FPSC ADJUSTED

**(COMPANY NAME)**  
**EARNINGS SURVEILLANCE REPORT SUMMARY**  
**(MONTH/YEAR)**

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL) NET OPERATING INCOME	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
AVERAGE RATE BASE	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
AVERAGE RATE OF RETURN	_____ %	_____ %	_____ %	_____ %	_____ %

II. YEAR END RATE BASE  
(JURISDICTIONAL) \_\_\_\_\_ \$ \_\_\_\_\_ %

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)	LOW _____ %	MIDPOINT _____ %	HIGH _____ %
N. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)	A. INCLUDING FLEX RATE REVENUES _____ %	B. EXCLUDING FLEX RATE REVENUES _____ %	

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082 or s. 775.083.

(Name and Title of Chief  
Financial Officer)

(Signature)

(Date)

PSC/AFA13

**(COMPANY NAME)  
AVERAGE RATE OF RETURN  
RATE BASE  
(MONTH/YEAR)**

(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) NET PLANT IN SERVICE	(4) PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(7) NET UTILITY PLANT	(8) WORKING CAPITAL	(9) TOTAL RATE BASE
----------------------------	--	-----------------------------------	--	--	-----------------------------	---------------------------	---------------------------

PER BOOKS

FPSC ADJUSTMENTS:

TOTAL FPSC ADJUSTMENTS

FPSC ADJUSTED

FLEX RATE REVENUES  
ADJUSTED FOR

FLEX RATE REVENUES

PRO FORMA REVENUE INCREASE AND  
ANNUALIZATION ADJUSTMENTS:

TOTAL PRO FORMA ADJUSTMENTS

PRO FORMA ADJUSTED



(COMPANY NAME)  
**EARNED RETURN ON COMMON EQUITY**  
**FPSC ADJUSTED BASIS**  
**(MONTH/YEAR)**

SCHEDULE 5

**A. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY**  
**INCLUDING FLEX RATE REVENUES**

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN			_____ % (Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL			
WEIGHTED COST RATES FOR:			
LONG TERM DEBT	(     )	%	
SHORT TERM DEBT	(     )	%	
PREFERRED STOCK	(     )	%	
CUSTOMER DEPOSITS	(     )	%	
TAX CREDITS - WEIGHTED COST (MIDPOINT)	(     )	%	
SUBTOTAL	(     )	%	
<b>TOTAL</b>			_____ %
<b>DIVIDED BY RECONCILED COMMON EQUITY RATIO</b>			_____ %
<b>JURISDICTIONAL RETURN ON COMMON EQUITY</b>			_____ %

**B. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY**  
**EXCLUDING FLEX RATE REVENUES**

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	\$		_____ (Schedule 2, p. 2 of 2)
RATE BASE EXCLUDING FLEX RATE REVENUES	\$		_____ (Schedule 2, p. 1 of 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN			_____ %
LESS: RECONCILED AVERAGE JURISDICTIONAL			
WEIGHTED COST RATES FOR:			
LONG TERM DEBT	(     )	%	
SHORT TERM DEBT	(     )	%	
PREFERRED STOCK	(     )	%	
CUSTOMER DEPOSITS	(     )	%	
TAX CREDITS - WEIGHTED COST (MIDPOINT)	(     )	%	
SUBTOTAL	(     )	%	
<b>TOTAL</b>			_____ %
<b>DIVIDED BY RECONCILED COMMON EQUITY RATIO</b>			_____ %
<b>JURISDICTIONAL RETURN ON COMMON EQUITY</b>			_____ %



**SUMMARY OF RULE**

For gas utilities with 50,000 or more customers, monthly Earnings Surveillance Reports (ESR) are required. For gas utilities with fewer than 50,000, but more than 5,000 customers, quarterly ESRs are required. For gas utilities with 5,000 or fewer customers, semi-annual ESRs are required. One written request for a 31-day extension to file made prior to the due date will be granted. Requests for Commission approval of a longer extension must include a statement of good cause and specify the date by which the report will be filed.

**SUMMARY OF HEARINGS ON THE RULE**

No hearing was requested or held.

**FACTS AND CIRCUMSTANCES JUSTIFYING THE RULE**

Because the current ESR (Earnings Surveillance Report) reporting frequency is unnecessary, the rule amendment is needed to reduce the reporting requirement to quarterly for gas utilities with fewer than 50,000, but more than 5,000 customers, and semi-annually for gas utilities with 5,000 or fewer customers.

**FILED**  
96 APR 18 AM 11:18  
DEPARTMENT OF STATE  
TALLAHASSEE, FLORIDA