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OFFICE OF RECORDS & COMMUNICATIONS

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO: ~~970004~~ EG

RULE TITLE:

RULE NO.:

Recovery of Economic Development Expenses

25-6.0426

PURPOSE AND EFFECT: The purpose of the amendments shown below is to update the rule to reflect the Office of Tourism, Trade, and Economic Development's responsibilities concerning the economic development criteria, to increase the percentage of expenses to be reported on a utility's surveillance report and earnings review as required by subsection (2), and to strike modified minimum filing requirements from subsection (5).

SUBJECT AREA TO BE ADDRESSED: Recovery of economic development expenses for electric investor-owned utilities.

SPECIFIC AUTHORITY: 288.035(3), 350.127(2), F.S.

LAW IMPLEMENTED: 288.035, F.S.

IF REQUESTED AND NOT DEEMED UNNECESSARY BY THE AGENCY HEAD, A RULE DEVELOPMENT WORKSHOP WILL BE HELD AT THE TIME, DATE, AND PLACE

- ACK \_\_\_\_\_ SHOWN BELOW:
- AFA \_\_\_\_\_
- APP \_\_\_\_\_ TIME AND DATE: 10:00 a.m., Thursday, November 20, 1997
- CAS \_\_\_\_\_ PLACE: Betty Easley Conference Center, Room 171, 4075 Esplanade
- CMU \_\_\_\_\_ Way, Tallahassee, FL 32399-0850
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_ THE WORKSHOP REQUEST MUST BE SUBMITTED IN WRITING WITHIN 21 DAYS OF
- LEG \_\_\_\_\_ THE DATE OF THIS NOTICE TO THE COMMISSION'S DIVISION OF RECORDS AND
- LIN \_\_\_\_\_ REPORTING, 2540 SHUMARD OAK BOULEVARD, TALLAHASSEE, FL 32399-0850.
- OPR \_\_\_\_\_
- RSN \_\_\_\_\_ THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT
- SEC   I   IS: Elisabeth Draper, Division of Electric and Gas, Florida Public
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

~~10592~~ OCT 15 97

FPSC-RECORDS/REPORTING

Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0862.

Any person requiring some accommodation at this workshop because of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at least five calendar days prior to the hearing. If you are hearing or speech impaired, please contact the Florida Public Service Commission using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS:

25-6.0426 Recovery of Economic Development Expenses

(1) Pursuant to Section 288.035, Florida Statutes, the Commission shall allow a public utility to recover reasonable economic development expenses subject to the limitations contained in subsections (2) and (3), provided that such expenses are prudently incurred and are consistent with the criteria established by Rules 8E-15.001, 8E-15.002, and 8E-15.003, Florida Administrative Code, adopted by the Department of Commerce, and as subsequently modified by the Office of Tourism, Trade, and Economic Development.

(2) Prior to each utility's next rate change enumerated in subsection (5), the amounts reported for surveillance reports and earnings review calculations shall be limited to the greater of (a) the amount approved in each utility's last rate case escalated for customer growth since that time, or (b) 95 ~~90~~ percent of the expenses incurred for the reporting period so long as such does not exceed the lesser of 0.15 percent of gross annual revenues or \$3

million.

(3) At the time of each utility's next rate case and for subsequent rate proceedings enumerated in subsection (5) the Commission will determine the level of sharing of prudent economic development costs and the future treatment of these expenses for surveillance purposes.

(4) Each utility shall report its total economic development expenses as a separate line item on its income statement schedules filed with the earnings surveillance report required by Rule 25-6.1352, Florida Administrative Code. Each utility shall make a line item adjustment on its income statement schedule to remove the appropriate percentage of economic development expenses incurred for the reported period consistent with subsections (2) and (3).

(5) Requests for changes relating to recovery of economic development expenses shall be considered only in the context of a full revenue requirements rate case ~~or~~ in a limited scope proceeding for the individual utility, ~~or in a modified minimum filing requirement proceeding for the individual utility.~~

Specific Authority: 288.035(3), 350.127(2), F.S.

Law Implemented: 288.035, F.S.

History: New 07/12/95, \_\_\_\_\_.