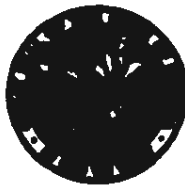


Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J TERRY DEASON
SUSAN F CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF APPEALS
DAVID E SMITH
DIRECTOR
(850) 413-6245

Public Service Commission

May 5, 1998

Mr. Carroll Webb
Joint Administrative Procedures
Committee
120 Holland Building
Tallahassee, Florida 32399

Re: Docket No. 971334-PU - Proposed Amendments to Rules 25-6.0426, F.A.C., Recovery of Economic Development Expenses, and 25-7.042, F.A.C., Recovery of Economic Development Expenses

Dear Mr. Webb:

The Commission has approved the adoption of Rules 25-6.0426 and 25-7.042, without changes.

We plan to file the rule for adoption on May 13, 1998.

Sincerely,

Mary Anne Helton
Associate General Counsel

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____ ADT0426.MRD
- LR _____ Enclosure
- OPC _____ cc: Division of Records & Reporting
- RCH _____
- SEC _____
- WAS _____
- OTH _____

DOCUMENT NUMBER-DATE
05069 MAY-58
FPSC RECORDS/REPORTING

1 | 25-6.0426 Recovery of Economic Development Expenses

2 | (1) Pursuant to Section 288.035, Florida Statutes, the
3 | Commission shall allow a public utility to recover reasonable
4 | economic development expenses subject to the limitations contained
5 | in subsections (2) and (3), provided that such expenses are
6 | prudently incurred and are consistent with the criteria established
7 | by Rules 8E-15.001, 8E-15.002, and 8E-15.003, Florida
8 | Administrative Code, ~~adopted by the Department of Commerce.~~

9 | (2) Prior to each utility's next rate change enumerated in
10 | subsection (5), the amounts reported for surveillance reports and
11 | earnings review calculations shall be limited to the greater of (a)
12 | the amount approved in each utility's last rate case escalated for
13 | customer growth since that time, or (b) 25 ~~90~~ percent of the
14 | expenses incurred for the reporting period so long as such does not
15 | exceed the lesser of 0.15 percent of gross annual revenues or \$3
16 | million.

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

22 | (4) Each utility shall report its total economic development
23 | expenses as a separate line item on its income statement schedules
24 | filed with the earnings surveillance report required by Rule 25-
25 | 6.1352, Florida Administrative Code. Each utility shall make a

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

1 | line item adjustment on its income statement schedule to remove the
2 | appropriate percentage of economic development expenses incurred
3 | for the reported period consistent with subsections (2) and (3).

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

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

10 | Law Implemented: 288.035, F.S.

11 | History: New 07/12/95, _____.

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

1 25-7.042 Recovery of Economic Development Expenses

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

9 (2) Prior to each utility's next rate change enumerated in
10 subsection (5), the amounts reported for surveillance reports and
11 earnings review calculations shall be limited to the greater of (a)
12 the amount approved in each utility's last rate case escalated for
13 customer growth since that time, or (b) ~~25~~ 90 percent of the
14 expenses incurred for the reporting period so long as such does not
15 exceed the lesser of 0.15 percent of gross annual revenues or \$3
16 million.

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

22 (4) Each utility shall report its total economic development
23 expenses as a separate line item on its income statement schedules
24 filed with the earnings surveillance report required by Rule 25-
25 7.1352, Florida Administrative Code. Each utility shall make a

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10 | Law Implemented: 288.035, F.S.

11 | History: New 07/12/95, .

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