

MEMORANDUM

May 14, 1998

RECEIVED

MAY 15 1998  
10:40  
Recording

TO : DIVISION OF RECORDS & REPORTING  
FROM : MARY ANNE HELTON, ASSOCIATE GENERAL COUNSEL *Watt*  
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

*6 pgs*

*98-0644-FNF-PU*

Attached please find a Notice of Adoption for distribution by your office.

Industry distribution is:

- Electric (EI)
- Electric (EM)
- Electric (EC)
- Gas (GU)
- Gas (GS)
- Gas Pipeline (GP)
- Telephone (TL)
- Telephone (TI)
- Telephone (TC)
- Telephone (TS)
- Telephone (TX)
- Telephone Alternate Access Vendors (TA)
- Water and Wastewater (WAW)

*See 1*

*Marked 5/15/98*

This document has the following priority:

- Must be issued today.
- Must be issued within 48 hours.
- Must be issued within 5 working days.

This docket will be closed upon issuance of the Notice.

NOR0642.MRD

Attachment

cc: File

Sandy Simmons (w/o attach.)

W. Terrell

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: 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.

DOCKET NO. 971334-PU  
ORDER NO. PSC-98-0664-FOF-PU  
ISSUED: May 14, 1998

The following Commissioners participated in the disposition of  
this matter:

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

NOTICE OF ADOPTION OF RULE (AMENDMENT)

NOTICE is hereby given that the Florida Public Service  
Commission, pursuant to Section 120.54, Florida Statutes, has  
adopted the amendments to Rules 25-6.0426 and 25-7.042, Florida  
Administrative Code, relating to the recovery of economic  
development expenses, without changes.

The rules were filed with the Department of State on May 13,  
1998, and will be effective on June 2, 1998. A copy of the rules  
as filed with the Secretary of State is attached to this Notice.

This docket is closed upon issuance of this notice.

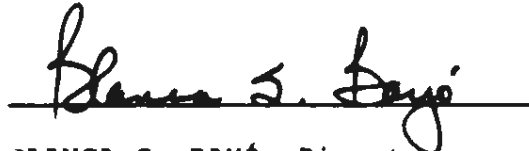
DOCUMENT NUMBER-DATE

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FPSC RECORDS/REPORTING

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By ORDER of the Florida Public Service Commission, this 14th  
day of May, 1998.

A handwritten signature in cursive script, reading "Blanca S. Bayó", is written over a solid horizontal line.

BLANCA S. BAYÓ, Director  
Division of Records & Reporting

( S E A L )

MAH

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.~~

(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

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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, Amended 06/02/98.

25-7.042 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.~~

(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 25-7.1352, 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

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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, Amended 06/02/98 .