

DOCKET NO. 971334-PU

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

I do hereby certify:

(1) That all statutory rulemaking requirements of Chapter 120, F.S., have been complied with; and

(2) There is no administrative determination under subsection 120.56(2), F.S., pending on any rule covered by this certification; and

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

(a) 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;

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(c) Are filed more than 90 days after the notice, but

not less than 21 days from the date of publication of the notice

of change; or

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(d) Are filed more than 90 days after the notice, but

within 21 days after the adjournment of the final public hearing.

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OPC _____

RCH _____

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DOCUMENT NUMBER-DATE

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FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE
WASHINGTON, D.C.

on the rule; or

∟/ (e) Are filed more than 90 days after the notice, but within 21 days after the date of receipt of all material authorized to be submitted at the hearing; or

∟/ (f) Are filed more than 90 days after the notice, but within 21 days after the date the transcript was received by this agency; or

∟/ (g) Are filed not more than 90 days after the notice, not including days the adoption of the rule was postponed following notification from the Joint Administrative Procedures Committee that an objection to the rule was being considered.

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.

Rule No.

25-6.0426

Under the provision of subparagraph 120.54(3)(e)6., 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. Bayó
BLANCA S. BAYÓ, Director
Division of Records & Reporting

Number of Pages Certified

(S E A L)

MAH

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) 95 ~~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

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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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Rules 25-6.0426 and 25-7.042
Docket No. 971334-PU

SUMMARY OF RULE

Subsection (1): The amendments strike the reference to the Department of Commerce.

Subsection (2): The amendments allow utilities to report 95, instead of 90, percent of economic development expenses for surveillance purposes.

Subsection (5): The amendments strike the reference to modified minimum filing requirements.

SUMMARY OF HEARINGS ON THE RULE

No hearing was requested and none was held.

FACTS AND CIRCUMSTANCES JUSTIFYING THE RULE

In 1996, the Florida legislature abolished the Department of Commerce and gave the Office of Tourism, Trade, and Economic Development responsibility for the criteria by which utility economic development expenditures must be judged. Subsection (1) of both rules must be amended to strike the reference to the Department of Commerce.

Section 288.035(3), Florida Statutes, requires the Commission to "adopt rules for the recovery of economic development expenses by public utilities, including the sharing of expenses by shareholders." Under the amendments to subsection (2) of both rules, ratepayers are responsible for 95, instead of 90, percent of economic development expenses. Shareholders are

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responsible for the remaining five percent of economic development expenses. This should create a further incentive for utilities to take part in economic development in their respective service areas.

Utilities are no longer required to file modified minimum filing requirements (MMFRs). Therefore, subsection (5) of both rules must be amended to strike the references to modified minimum filing requirements.

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CERTIFICATION OF
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I do hereby certify:

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

(a) 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 more than 90 days after the notice, but not less than 21 days from the date of publication of the notice of change; or

(d) Are filed more than 90 days after the notice, but within 21 days after the adjournment of the final public hearing

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TALLAHASSEE, FLORIDA

on the rule; or

✓/ (e) Are filed more than 90 days after the notice, but within 21 days after the date of receipt of all material authorized to be submitted at the hearing; or

✓/ (f) Are filed more than 90 days after the notice, but within 21 days after the date the transcript was received by this agency; or

✓/ (g) Are filed not more than 90 days after the notice, not including days the adoption of the rule was postponed following notification from the Joint Administrative Procedures Committee that an objection to the rule was being considered.

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.

Rule No.

25-7.042

Under the provision of subparagraph 120.54(3)(e)6., 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
BLANCA S. BAYO, Director
Division of Records & Reporting

Number of Pages Certified

(S E A L)

MAH

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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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~~
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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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Rules 25-6.0426 and 25-7.042
Docket No. 971334-PU

SUMMARY OF RULE

Subsection (1): The amendments strike the reference to the Department of Commerce.

Subsection (2): The amendments allow utilities to report 95, instead of 90, percent of economic development expenses for surveillance purposes.

Subsection (5): The amendments strike the reference to modified minimum filing requirements.

SUMMARY OF HEARINGS ON THE RULE

No hearing was requested and none was held.

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In 1996, the Florida legislature abolished the Department of Commerce and gave the Office of Tourism, Trade, and Economic Development responsibility for the criteria by which utility economic development expenditures must be judged. Subsection (1) of both rules must be amended to strike the reference to the Department of Commerce.

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