

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO: 000418-PU

IN RE: PROPOSED AMENDMENTS TO RULES 25-6.0426, F.A.C., AND
25-7.042, F.A.C., RECOVERY OF ECONOMIC DEVELOPMENT EXPENSES

NOTICE OF PROPOSED RULE DEVELOPMENT

TO

ALL INTERESTED PERSONS

ISSUED: April 13, 2000

NOTICE is hereby given pursuant to Section 120.54, Florida Statutes, that the Florida Public Service Commission staff has initiated the development of Rule 25-7.042, Florida Administrative Code, to amend provisions relating to recovery of economic development expenses.

The attached Notice of Proposed Rule Development will appear in the April 21, 2000, edition of the Florida Administrative Weekly. If timely requested and not deemed unnecessary by the Commission, a rule development workshop will be held at the following time and place:

Florida Public Service Commission
1:00 p.m., Monday, May 15, 2000
Betty Easley Conference Center
Room 148, 4075 Esplanade Way
Tallahassee, Florida

The request must be submitted in writing and received by Director of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, no later than May 5, 2000.

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 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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By Direction of the Florida Public Service Commission, this
13th day of April, 2000.

BLANCA S. BAYÓ, Director
Division of Records & Reporting

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

(S E A L)

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NOTICE OF PROPOSED RULE DEVELOPMENT

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO: 000418-PU

RULE TITLE: RULE NO.:

Recovery of Economic Development Expenses 25-7.042

PURPOSE AND EFFECT: To insert the Department of Commerce economic development criteria into the Commission's rule.

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

SPECIFIC AUTHORITY: 288.035(3), 350.127(2), FS

LAW IMPLEMENTED: 288.035, FS

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

TIME AND DATE: 1:00 p.m., Monday, May 15, 2000

PLACE: Room 148, Betty Easley conferenceCenter, 4075 Esplanade Way, Tallahassee, Florida 32399-0850

THE WORKSHOP REQUEST MUST BE SUBMITTED IN WRITING WITHIN 14 DAYS OF THE DATE OF THIS NOTICE TO THE COMMISSION'S DIVISION OF RECORDS AND REPORTING, 2540 SHUMARD OAK BOULEVARD, TALLAHASSEE, FL 32399-0850.

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 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida

Relay Service, which can be reached at: 1-800-955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT AND A COPY OF THE PRELIMINARY DRAFT, IF AVAILABLE, IS: Shevie Brown, Division of Electric and Gas, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0862.

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS:

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 ~~(3)(2)~~ and ~~(4)(3)~~, provided that such expenses are prudently incurred and are consistent with the criteria established ~~in subsection (7) by Rules 8E-15.001, 8E-15.002, and 8E-15.003,~~ Florida Administrative Code.

(2) Definitions

(a) "Economic Development" means those activities designed to improve the quality of life for all Floridians by building an economy characterized by higher personal income, better employment opportunities, and improved business access to domestic and international markets.

(b) "Economic development organization" means a state, local, or regional public or private entity within Florida that engages in economic development activities, such as city and county economic development organizations, chambers of commerce, Enterprise Florida, the Florida Economic Development Council, and World Trade

Councils.

(c) "Trade show" means an exhibition at which companies, organizations, communities, or states advertise or display their products or services, in which economic development organizations attend or participate to identify potential industrial prospects, to provide information about the locational advantages of Florida and its communities, or to promote the goods and services of Florida companies.

(d) "Prospecting mission" means a series of meetings with potential industrial prospects at their business locations with the objectives of convincing the prospect that Florida is a good place to do business and offers unique opportunities for that particular business, and encouraging the prospect to commit to a visit to Florida if a locational search is pending or in progress.

(e) "Strategic plan" means a long-range guide for the economic development of a community or state that focuses on broad priority issues, is growth-oriented, is concerned with fundamental change, and is designed to develop and capitalize on new opportunities.

(f) "Recruitment" means active efforts to encourage specific companies to expand or begin operations within Florida.

(3)(2) Prior to each utility's next rate change enumerated in subsection (6)(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 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.

~~(4)(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.

~~(5)(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 ~~(3)(2)~~ and ~~(4)(3)~~.

~~(6)(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.

(7) All financial support for economic development activities given by public utilities to state and local governments and organizations shall be pursuant to a prior written agreement. Recoverable economic development expenses shall be limited to the following:

- (a) Expenditures for operational assistance, including:
1. Planning, attending, and participating in trade shows;
 2. Planning, conducting, and participating in prospecting missions designed to encourage the location in Florida of domestic and foreign companies;
 3. Providing financial support to economic development organizations to assist with their economic development operations;
 4. Providing financial support to economic development programs or initiatives identified or developed by Enterprise Florida, Inc.;
 5. Participating in joint economic development efforts, including public-private partnerships, consortia, and multi-county regional initiatives;
 6. Participating in downtown revitalization and rural community developmental programs;
 7. Supporting state and local efforts to promote small and minority-owned business development efforts; and
 8. Supporting state and local efforts to promote business retention and expansion activities.

(b) Expenditures for assisting state and local governments in the design of strategic plans for economic development activities, including:

1. Making financial contributions to state and local governments to assist strategic planning efforts; and

2. Providing technical assistance, data, computer programming, and financial support to state and local governments in the design and maintenance of information systems used in strategic planning activities.

(c) Expenditures of marketing and research services, including:

1. Assisting state and local governments and economic development organizations in marketing specific sites for business and industry development or recruitment;

2. Assisting state and local governments and economic development organizations in responding to inquiries from business and industry concerning the development of specific sites within the utility's service area;

3. Providing technical assistance, data, computer programming, and financial support to state and local governments in the design and maintenance of geographic information systems, computer networks, and other systems used in marketing and research activities;

4. Providing financial support to economic development organizations to assist with their research and marketing activities;

5. Sponsoring publications, conducting direct mail campaigns, and providing advertising support for state and local economic development efforts;

6. Participating in cooperative marketing efforts with

economic development organizations;

7. Helping state and local businesses identify suppliers, markets, and sources of financial assistance;
8. Helping economic development organizations identify specific industries and companies for targeting and recruitment;
9. Working with economic development organizations to identify businesses in need of help for expansion, going out of business, or at risk of leaving the area;
10. Providing site and facility selection assistance, including lists of commercial or industrial sites, computer databases, toll-free telephone numbers, maps, photographs, videos, and other activities in cooperation with economic development organizations; and
11. Supporting state and local efforts to promote exports of goods and services, and other international business activities.

Specific Authority 288.035(3), 350.127(2) FS.

Law Implemented 288.035 FS.

History--New 7-17-95, Amended 6-2-98, _____.