

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed amendments to
Rules 25-6.0426 and 25-7.042,
F.A.C., Recovery of Economic
Development Expenses.

DOCKET NO. 000418-PU
ORDER NO. PSC-00-1603-FOF-PU
ISSUED: September 7, 2000

The following Commissioners participated in the disposition of
this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
E. LEON JACOBS, JR.
LILA A. JABER


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 recovery of economic development
expenses without changes.

The rule amendments were filed with the Department of State on
September 5, 2000 and will be effective on September 25, 2000. A
copy of the rules as filed with the Department is attached to this
Notice.

This docket is closed upon issuance of this notice.

By ORDER of the Florida Public Service Commission, this 7th
day of September, 2000.



BLANCA S. BAYÓ, Director
Division of Records & Reporting

(S E A L)

MAH

DOCUMENT NUMBER-DATE
11085 SEP-78
FPSC-RECORDS/REPORTING

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 ~~(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 ~~(6)(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 25-6.1352, 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 ~~(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

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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) F.S.

Law Implemented: 288.035 F.S.

History--New 07-17-95, Amended 06-02-98, 09-25-00.

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.

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(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.

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 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;
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