

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO: UNDOCKETED

IN RE: PROPOSED ADOPTION OF RULE 25-30.4705, F.A.C., CALCULATION
OF RATE REDUCTION AFTER RATE CASE EXPENSE IS AMORTIZED

NOTICE OF PROPOSED RULE DEVELOPMENT

TO

ALL INTERESTED PERSONS

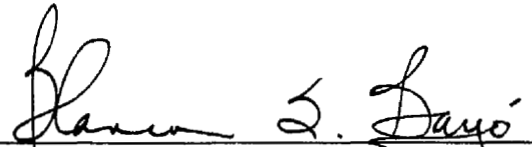
ISSUED: October 2, 2001

NOTICE is hereby given pursuant to Section 120.54, Florida Statutes, that the Florida Public Service Commission staff has initiated the development of Rule 25-30.4705, Florida Administrative Code, to adopt provisions relating to the calculation of rate reduction after rate case expense is amortized.

The attached Notice of Proposed Rule Development will appear in the October 12, 2001, edition of the Florida Administrative Weekly. If timely requested and not deemed unnecessary by the Commission, a rule development workshop will be held at a time and place that will be announced.

The request must be submitted in writing and received by Samantha Cibula, Division of Appeals, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, no later than October 26, 2001.

By Direction of the Florida Public Service Commission, this 2nd day of October, 2001.



BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

(S E A L)

SMC

DOCUMENT NUMBER-DATE

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NOTICE OF PROPOSED RULE DEVELOPMENT
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO: UNDOCKETED

RULE TITLE:	RULE NO.:
Calculation of Rate Reduction After Rate Case Expense is Amortized	25-30.4705

PURPOSE AND EFFECT: Codifies the method to be used to remove rate case expense from rates after the four year amortization period has expired as required by section 367.0816, F.S.

SUBJECT AREA TO BE ADDRESSED: Water and Wastewater Industry -
Removal of Rate Case Expense

SPECIFIC AUTHORITY: 350.127(2), 367.121, F.S.

LAW IMPLEMENTED: 367.0816, 367.121, F.S.

IF REQUESTED IN WRITING AND NOT DEEMED UNNECESSARY BY THE AGENCY HEAD, A RULE DEVELOPMENT WORKSHOP WILL BE NOTICED IN THE NEXT AVAILABLE FLORIDA ADMINISTRATIVE WEEKLY. THE WORKSHOP REQUEST MUST BE SUBMITTED IN WRITING WITHIN 14 DAYS OF THE DATE OF THIS NOTICE TO SAMANTHA CIBULA, DIVISION OF APPEALS, 2540 SHUMARD OAK BOULEVARD, TALLAHASSEE, FL 32399-0850

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT AND A COPY OF THE PRELIMINARY DRAFT IS: Samantha Cibula, see

address above.

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS:

25-30.4705 Calculation of Rate Reduction After Rate Case Expense is Amortized.

To calculate the rate reduction to be made four years after a rate case as required by section 367.0816, F.S., the following methodology shall be used. The annual amount of rate case expense, which is equal to one-fourth of the total allowed rate case expense, shall be divided by the regulatory assessment fee gross up factor. The resulting number shall then be divided by the revenue requirement to determine the percentage of the rate reduction. The percentage is then multiplied against the new rates to determine the amount of the future rate reduction. Revised tariff sheets implementing the reduction shall be filed no later than one month before the end of the fourth year.

Specific Authority: 350.127(2), 367.121, F.S.

Law Implemented: 367.0816, 367.121, F.S.

History: New / / .