

STATE OF FLORIDA

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OFFICE OF THE GENERAL COUNSEL
RICHARD D. MELSON
GENERAL COUNSEL
(850) 413-6199

Public Service Commission

December 12, 2003

Mr. Scott Boyd, Interim Director
Joint Administrative Procedures
Committee
Room 120 Holland Building
Tallahassee, FL 32399-1300

RE: Docket No. 031029-EI - Rules 25-6.043 and 25-6.0435

Dear Mr. Boyd:

Enclosed is an original copy of the following materials concerning the above referenced proposed rules:

1. A copy of the rules and the forms incorporated by reference into the rule.
2. A copy of the F.A.W. notice.
3. A statement of facts and circumstances justifying the proposed rules.
4. A federal standards statement.
5. A statement of estimated regulatory costs

If there are any questions with respect to these rules, please do not hesitate to call me.

Sincerely,

Christiana T. Moore
Associate General Counsel

031029amend.ctm

Enclosures

cc: Division of the Commission Clerk
& Administrative Services

DOCUMENT NO. 031029-EI

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FPSC-COMMISSION CLERK

1 25-6.043 Investor-Owned Electric Utility Minimum Filing
2 **Requirements; Commission Designee.**

3 (1) General Filing Instructions

4 (a) The petition under Section 366.06 and Section 366.071,
5 F.S. Florida Statutes, for adjustment of rates must include or be
6 accompanied by:

7 1. The information required by Commission Form PSC/ECR/011-E
8 EAG/11 (/) (~~3/90~~), entitled "Minimum Filing
9 Requirements for Investor-Owned Electric Utilities" which
10 is incorporated into this rule by reference. The form
11 may be obtained from the Commission's Division of
12 Economic Regulation.

13 2. The exact name of the applicant and the address of the
14 applicant's principal place of business.

15 3. Copies of prepared direct testimony and exhibits for each
16 witness testifying on behalf of the Company.

17 (b) In compiling the required schedules, a company shall
18 follow the policies, procedures and guidelines prescribed by the
19 Commission in relevant rules and in the company's last rate case or
20 in a more recent rate case involving a comparable utility. These
21 schedules shall be identified appropriately (e.g., Schedule B-1
22 would be designated Company Schedule B-1 - Company basis).

23 (c) Each schedule shall be cross-referenced to identify
24 related schedules as either supporting schedules ~~and/or~~ recap
25 schedules.

CODING: Words underlined are additions; words in ~~struck~~
~~through~~ type are deletions from existing law.

1 (d) Each page of the filing shall be numbered on 8 1/2 x 11
2 inch paper. Each witness' prefiled testimony and exhibits shall be
3 on numbered pages and all exhibits shall be attached to the
4 proponent's testimony.

5 (e) Except for handwritten official company records, all data
6 in the petition, testimony, exhibits and minimum filing
7 requirements shall be typed.

8 (f) Each schedule shall indicate the name of the witness
9 responsible for its presentation.

10 (g) All schedules involving investment data shall be
11 completed on an average investment basis. Unless a specific
12 schedule requests otherwise, average is defined as the average of
13 thirteen (13) monthly balances.

14 (h) Twenty-one (21) copies of the filing, consisting of the
15 petition and its supporting attachments, testimony, and exhibits,
16 shall be filed with the Division of the Commission Clerk and
17 Administrative Services.

18 (i) Whenever the company proposes any corrections, updates or
19 other changes to the originally filed data, twenty-one (21) copies
20 shall be filed with the Division of the Commission Clerk and
21 Administrative Services with copies also served on all parties at
22 the same time.

23 (2) Commission Designee: The Director of the Division of
24 Economic Regulation shall be the designee of the Commission for
25

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~~through~~ type are deletions from existing law.

1 purposes of determining whether the utility has met the minimum
2 filing requirements imposed by this rule. In making this
3 determination, the Director shall consider whether information that
4 would have been provided in a particular schedule required by this
5 rule has been provided to the same degree of detail in another
6 required schedule that the utility incorporates by reference.

7 Specific Authority: 366.05(1), (2), 366.06(3), F.S.

8 Law Implemented: 366.06(1), (2), (3), (4), 366.04(2)(f), 366.071,
9 F.S.

10 History--New 05/27/81, formerly 25-6.43, Amended 07/05/90,
11 01/31/00,_____.

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CODING: Words underlined are additions; words in ~~struck~~
~~through~~ type are deletions from existing law.

1 **25-6.0435 Interim Rate Relief.**

2 (1) Each electric utility petitioning for interim rate relief
3 pursuant to s. 366.071, F.S., shall file the data required by in
4 ~~Schedules 2 through 14, 17, and 23, in Rule 25-6.043(1)(a).~~ In
5 addition, ~~a schedule shall be submitted calculating the interim~~
6 ~~relief in accordance with s. 366.07, F.S., and allocation factors~~
7 ~~by functional group approved in the company's last rate case.~~

8 (2)(a) The requested interim increase in base rate revenues
9 shall be divided by interim test year base rate revenues to derive
10 a percentage increase factor. The percentage increase factor shall
11 be applied uniformly to all existing base rates and charges to
12 derive the interim base rates and charges. ~~Interim rates shall~~
13 ~~apply across the board based on base rate revenues for the test~~
14 ~~period less embedded fuel revenue by rate schedule. The resulting~~
15 ~~dollar amount shall be divided by base rate revenues per rate~~
16 ~~schedule to determine the percent increase applied to each rate~~
17 ~~schedule.~~

18 ~~(b) In determining the interim increase, the following data~~
19 ~~shall be provided: KWH sales; base rate revenue less base fuel~~
20 ~~revenue; base fuel revenues; total base rate revenue; fuel~~
21 ~~adjustment revenue; total revenue. The interim increase shall be~~
22 ~~shown by dollar amount and percentage by rate schedule in the~~
23 ~~following manner:~~

24 ~~I. Requested Interim Amount Across the board~~
25 ~~base rate revenue less = percentage constant~~

CODING: Words underlined are additions; words in ~~struck~~
through type are deletions from existing law.

1 ~~base fuel revenue~~
2 ~~II. Percentage x base rate revenue less = Dollar increase~~
3 ~~Constant base fuel revenue to rate schedule~~
4 ~~III. Dollar Increase = Percent increase applied~~
5 ~~total base rate revenue to rate schedule~~

6 (3) Interim rate relief collected is subject to refund
7 pending final order in the permanent rate relief request. Such
8 increase shall be subject to a corporate undertaking or under bond
9 as authorized by the Commission and any refund shall be made with
10 an interest factor determined by using the 30-day commercial paper
11 rate for high-grade, unsecured notes, sold through dealers by major
12 corporations in multiples of \$1,000 as regularly published in the
13 Wall Street Journal. The annual rate as published on the first day
14 of the current business month would be added to the rate as
15 published on the first day of the subsequent business month and
16 halved to obtain the simple average rate to be applied in that
17 month. This rate of interest would be applied to the refund amount
18 for that month. The amount of interest calculated would be added
19 to the beginning balance of the following month so as to accomplish
20 the compounding of the interest feature of the refund provision.

21 Specific Authority: 366.05(1), F.S.
22 Law Implemented: 366.04(2)(f), 366.06, 366.071, F.S.
23 History: New 5/27/81, formerly 25-6.435, Amended.
24 RULE25-60435INTERIM.CTM

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CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from existing law.

NOTICE OF PROPOSED RULEMAKING

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 031029-EI

RULE TITLE:

RULE NO.:

Investor-Owned Electric Utility Minimum

25-6.043

Filing Requirements; Commission Designee

Interim Rate Relief

25-6.0435

PURPOSE AND EFFECT: The Minimum Filing Requirements (MFRs) have been streamlined by significantly reducing both the requirements of, and the number of, schedules that must be filed by electric utilities in rate proceedings. Rule 25-6.0435 is amended to incorporate the latest revision of the MFRs. Paragraph (2) has been amended to clarify the calculation of interim rates.

SUMMARY: Rule 25-6.043 is amended to incorporate the latest revision of Commission Form PSC/ECR/011-E, entitled "Minimum Filing Requirements for Investor-Owned Electric Utilities." Schedules are added to report security costs and hedging costs. Rule 25-6.0435 incorporates the latest revision of "Minimum Filing Requirements for Investor-Owned Electric Utilities" and outdated requirements are deleted.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST:

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal

for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 366.05(1), (2), 366.06(3), FS

LAW IMPLEMENTED: 366.06(1), (2), (3), (4), 366.04(2)(f), 366.071, FS

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAW.

THE PERSON TO BE CONTACTED REGARDING THESE PROPOSED RULES ARE: CHRISTIANA T. MOORE, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6199.

THE FULL TEXT OF THESE PROPOSED RULES ARE:

25-6.043 Investor-Owned Electric Utility Minimum Filing Requirements; Commission Designee.

(1) General Filing Instructions

(a) The petition under Section 366.06 and Section 366.071, F.S. Florida Statutes, for adjustment of rates must include or be accompanied by:

1. The information required by Commission Form PSC/ECR/011-E EAG/11 (/) (3/90), entitled "Minimum Filing Requirements for

Investor-Owned Electric Utilities" which is incorporated into this rule by reference. The form may be obtained from the Commission's Division of Economic Regulation.

2. - 3.(b) No Change.

(c) Each schedule shall be cross-referenced to identify related schedules as either supporting schedules ~~and/or~~ recap schedules.

(d) - (i) No Change.

(2) Commission Designee: The Director of the Division of Economic Regulation shall be the designee of the Commission for purposes of determining whether the utility has met the minimum filing requirements imposed by this rule. In making this determination, the Director shall consider whether information that would have been provided in a particular schedule required by this rule has been provided to the same degree of detail in another required schedule that the utility incorporates by reference.

Specific Authority 366.05(1), (2), 366.06(3) FS

Law Implemented 366.06(1), (2), (3), (4), 366.04(2) (f), 366.071 FS

History--New 05-27-81, formerly 25-6.43, Amended 07-05-90, 01-31-00, _____.

25-6.0435 Interim Rate Relief.

(1) Each electric utility petitioning for interim rate

relief pursuant to s. 366.071, F.S., shall file the data required by ~~in Schedules 2 through 14, 17, and 23, in Rule 25-6.043(1) (a).~~ In addition, ~~a schedule shall be submitted calculating the interim relief in accordance with s. 366.07, F.S., and allocation factors by functional group approved in the company's last rate case.~~

~~(2) (a) The requested interim increase in base rate revenues shall be divided by interim test year base rate revenues to derive a percentage increase factor. The percentage increase factor shall be applied uniformly to all existing base rates and charges to derive the interim base rates and charges. Interim rates shall apply across the board based on base rate revenues for the test period less embedded fuel revenue by rate schedule. The resulting dollar amount shall be divided by base rate revenues per rate schedule to determine the percent increase applied to each rate schedule.~~

~~(b) In determining the interim increase, the following data shall be provided: KWH sales; base rate revenue less base fuel revenue; base fuel revenues; total base rate revenue; fuel adjustment revenue; total revenue. The interim increase shall be shown by dollar amount and percentage by rate schedule in the following manner:~~

~~I. Requested Interim Amount Across the board~~

~~base rate revenue less = percentage constant~~

~~base fuel revenue~~

~~II. Percentage x base rate revenue less = Dollar increase~~

~~Constant base fuel revenue to rate schedule~~

~~III. Dollar Increase = Percent increase applied~~

~~total base rate revenue to rate schedule~~

(3) Interim rate relief collected is subject to refund pending final order in the permanent rate relief request. Such increase shall be subject to a corporate undertaking or under bond as authorized by the Commission and any refund shall be made with an interest factor determined by using the 30-day commercial paper rate for high-grade, unsecured notes, sold through dealers by major corporations in multiples of \$1,000 as regularly published in the Wall Street Journal. The annual rate as published on the first day of the current business month would be added to the rate as published on the first day of the subsequent business month and halved to obtain the simple average rate to be applied in that month. This rate of interest would be applied to the refund amount for that month. The amount of interest calculated would be added to the beginning balance of the following month so as to accomplish the compounding of the interest feature of the refund provision.

Specific Authority 366.05(1) FS

Law Implemented 366.04(2)(f), 366.06, 366.071 FS

History: New 5-27-81, formerly 25-6.435, Amended_____.

NAME OF PERSON ORIGINATING PROPOSED RULES: John Slemkewicz

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULES:

Florida Public Service Commission.

DATE PROPOSED RULES APPROVED: December 2, 2003

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: Volume 29, Number 9, February 28, 2003 (25-6.043) and Volume 29, Number 42, October 17, 2003 (25-6.0435)

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of the Commission Clerk and Administrative Services 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).

**STATEMENT OF FACTS AND CIRCUMSTANCES
JUSTIFYING RULE**

Rule 26-6.043: The Minimum Filing Requirements have been streamlined by significantly reducing both the number of schedules and the requirements of the schedules that must be filed by electric utilities in rate proceedings. These schedules were last revised in 1990. The reduction and modifications have been made in an effort to ensure that the requested data is sufficient, pertinent and necessary. In addition, outdated, unnecessary and unduly burdensome schedules have been eliminated. The amendments will provide up to date rules and procedures. Further, the revisions will eliminate reporting requirements that are no longer needed at this time.

Two schedules have been added. Schedule C-42, titled "Hedging Costs," requests data on the costs associated with initiating or maintaining a non-speculative financial or physical hedging program designed to mitigate fuel and purchased power price volatility for a utility's ratepayers. This schedule segregates the data into costs recoverable through base rates and costs recoverable through the fuel clause. The information is necessary to determine a fair and appropriate cost allocation between base rates and the fuel clause. The schedule also segregates the cost data into operation and maintenance (O&M) expenses and annual plant in service.

Schedule C-43, titled "Security Costs," requires the utilities to report their incremental security costs recovered through base rates and through the capacity and fuel cost recovery clauses. The information is necessary to fairly allocate incremental security costs between base rates and the capacity cost recovery clause. To prevent possible double recovery, the Commission determined in Docket No. 030001-EI that the data included in the minimum filing requirements (MFRs) should be used to establish a security cost baseline, adjusted by growth in KWH sales. Also, a utility may seek to transfer some or all incremental security costs from clause recovery to base rate recovery or vice versa, which would be revealed by the data in the schedule.

STATEMENT ON FEDERAL STANDARDS

There is no federal standard on the same subject.



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: October 15, 2003
TO: Office of the General Counsel (Moore)
FROM: Division of Economic Regulation (Hewitt) *BN* *JDJ* *TD*
RE: Statement of Estimated Regulatory Costs for Proposed Amendments to Rules 25-6.043, F.A.C., Investor-Owned Electric Utility Minimum Filing Requirements; and Rule 25-6.0435, Interim Rate Relief, F.A.C.

The Minimum Filing Requirements (MFRs) rule contains the requirements for Investor-Owned Electric Utilities (IOUs) to provide data to support an adjustment of rates requested in rate case proceedings. The Interim Rate Relief rule requires an IOU to file the MFRs when seeking rate relief and to derive a percentage increase factor for the increase. A multitude of schedules are included in the MFRs, but some are no longer needed and others are duplicative.

The rule amendments would streamline, update, and, on balance, significantly lessen the total submission requirements of the MFRs to better reflect Commission staff needs. Although there may be some minor costs to revise the MFRs' submissions for a rate case, the reduction in the number of schedules and requirements should result in a net benefit to MFRs filers.

The Administrative Procedures Act encourages an agency to prepare a Statement of Estimated Regulatory Costs (SERC). However, there should be a net decrease in costs to the IOUs and no significant negative impacts on small businesses, small cities, or small counties. Therefore, a SERC will not be prepared for the proposed rule amendments at this time.

cc: Mary Andrews Bane
John Slemkewicz
Hurd Reeves

mfrsercmem.wpd