

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: August 1, 2013

TO: Office of Commission Clerk (Cole)

FROM: Office of the General Counsel (Cowdery, Page) *R PJP SMC ALM CRB*
Division of Accounting and Finance (Bulecza-Banks, Maurey) *W*
Division of Economics (McNulty) *W*

RE: Docket No. 130148-PU – Proposed adoption of Rule 25-6.0431, F.A.C., Petition for Limited Proceeding and Rule 25-7.0391, F.A.C., Petition for Limited Proceeding, and Amendment of Rule 25-22.0406, F.A.C., Notice and Public Information on General Rate Increase Request by Electric, Gas and Telephone Companies.

AGENDA: 08/13/13 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Graham

RULE STATUS: Proposal May Be Deferred

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\GCL\WP\130148.RCM.DOC

Case Background

Section 366.076(1), Florida Statutes (F.S.), addresses limited proceedings and provides:

Upon petition or its own motion, the commission may conduct a limited proceeding to consider and act upon any matter within its jurisdiction, including any matter the resolution of which requires a public utility to adjust its rates to consist with the provisions of this chapter. The commission shall determine the

issues to be considered during such a proceeding and may grant or deny any request to expand the scope of the proceeding to include other matters.

The staff of the Joint Administrative Procedures Committee (JAPC) of the Legislature, as part of its duty to maintain a continuous review of the administrative rulemaking process, pointed out that Section 366.06(1), F.S., requires that all applications for changes in rates be made to the Commission in writing under rules and regulations prescribed by the Commission. JAPC further noted that Section 366.076, F.S., authorizes the Commission to conduct limited proceedings, which can include the adjustment of rates, and suggested that the Commission adopt rules for applications for limited proceedings.

In response to JAPC's suggestion, staff initiated rulemaking in this docket to codify the procedure for electric and gas utilities when filing a petition for a limited proceeding. Proposed Rules 25-6.0431 and 25-7.0391, F.A.C., would prescribe the filing requirements for a petition for limited proceeding for electric and gas investor owned utilities as required by Section 366.06(1), F.S. Suggested amendments to Rule 25-22.0406, F.A.C., would amend the noticing procedures for general rate increase requests by electric and gas companies subject to the Commission's authority. The recommended amendments also create noticing requirements for utilities petitioning for a limited proceeding.

A rule development workshop was held on June 23, 2010. Workshop participants were the Office of Public Counsel (OPC), Florida Power and Light (FPL), Tampa Electric Company (TECO), Florida Industrial Power Users Group (FIPUG), Duke Energy Florida, Inc. (formerly Progress Energy Florida) (DEF), and Gulf Power Company (Gulf). Comments on the draft rules were submitted on July 28, 2010, by FPL, TECO, FIPUG, DEF, and Gulf. On March 15, 2012, a second workshop was held. Participants were Gulf, PEF, TECO, OPC, FPL and Florida Natural Gas Association/Associated Gas Distributors of Florida. Post-workshop comments were provided.

On March 7, 2013, staff issued a Notice of Development of Rulemaking which was published by the Commission in the Florida Administrative Register Vol. 39, No. 46, on the amendment of Rule 25-22.0406, F.A.C., and the adoption of Rules 25-6.0431 and 25-7.0391, F.A.C. The notice stated that written requests for a rule development workshop should be submitted by March 25, 2013. No requests for a workshop were received by the Commission. However, revisions to draft Rule 25-22.0406, F.A.C., were suggested by the utilities. Based upon these suggestions, Commission staff revised draft Rule 25-22.0406, F.A.C. On April 1, 2013, these revisions were provided to all interested parties. Comments were requested, but no comments were received by the deadline of April 15, 2013.

This recommendation addresses whether the Commission should propose the adoption of Rules 25-6.0431 and 25-7.0391, F.A.C., and the amendment of Rule 25-22.0406, F.A.C. The Commission has jurisdiction pursuant to Section 120.54, F.S., and Chapter 366, F.S.

Discussion of Issues

Issue 1: Should the Commission propose the adoption of Rule 25-6.0431, F.A.C., Petition for a Limited Proceeding, and Rule 25-7.0391, F.A.C., Petition for a Limited Proceeding, and the amendment of Rule 25-22.0406, F.A.C., Notice and Public Information on General Rate Increase Requests by Electric, Gas and Telephone Companies?

Recommendation: Yes, the Commission should propose the adoption and amendment of these rules as set forth in Attachment A. (Cowdery, Page, Bulecza-Banks, Maurey)

Staff Analysis: Staff recommends that the Commission propose the adoption of Rules 25-6.0431 and 25-7.0391, F.A.C., and the amendment of Rule 25-22.0406, F.A.C., as set forth in Attachment A. The rule adoptions would set forth application requirements for a petition for a limited proceeding for electric and gas utilities, as required for changes in rates by Section 366.06(1), F.S. Amendment of Rule 25-22.0406, F.A.C., updates general rate case noticing requirements for electric and gas utilities and establishes noticing requirements for gas and electric utility limited proceedings. Each rule is discussed in more detail below.

Recommended Rule 25-6.0431, Petition for a Limited Proceeding

Staff recommends the adoption of Rule 25-6.0431, prescribing the application requirements for filing a petition for a limited proceeding for electric utilities. In subsection (1), the rule would specify that a petition for a limited proceeding shall include, but not be limited to, a list of all issues the petitioner believes should be decided. Subsection (2) would specify that a petition for a limited proceeding must contain a detailed statement of the reasons for requesting the limited proceeding and why a limited proceeding is appropriate. Subsection (3) would require that a petition for a limited proceeding include a schedule showing the specific rate base components for which the utility seeks recovery on both a system and jurisdictional basis if the utility is requesting recovery of operating expenses. Subsection (4) would require that a petition for a limited proceeding include a schedule showing the specific expenses requested on both a system and jurisdictional basis. Finally, subsection (5) would specify that a petition for a limited proceeding must include a schedule showing how the utility proposes to allocate any change in revenues to rate classes, and the proposed rates, if the petition requests a change in retail rates. Subsection (6) has been added so as to not limit the contents of the petition to the items listed in subsections (1) through (5). These recommended requirements offer consistency in practice and codify the essential elements of a petition for limited proceedings by electric utilities.

Recommended Rule 25-7.0391, Petition for a Limited Proceeding

Staff recommends the adoption of Rule 25-7.0391, which would set forth the application requirements for filing a petition for a limited proceeding for gas utilities. This rule would state the same language contained in Rule 25-6.0431, and bears the purpose of offering consistency in practice and stating the components of a petition for limited proceedings by gas utilities.

Recommended Amendments to Rule 25-22.0406, F.A.C., Notice and Public Information on General Rate Increase Requests and Petitions for Limited Proceedings by Electric, Gas, and Telephone Companies

Draft Rule 25-22.0406, applies to both requests for general rate increases and to all limited proceedings filed by electric and gas utilities pursuant to proposed Rules 25-6.0431 and 25-7.0391. This rule would be amended so that section (2) would contain the revised noticing procedures that apply to requests for a general rate increase. In addition, all references to telephone companies would be deleted because the rule would be inapplicable to telecommunication companies as there are no longer any rate-of-return regulated telecommunications companies.

Under draft Rule 25-22.0406(2)(b), the noticing procedure for general rate increases would be changed to require the utility to establish a clearly identifiable link on the utility's website to provide electronic public access to all documents filed in the rate case. Subsection (2)(c)1 would state that a utility shall place a copy of the Minimum Filing Requirements (MFRs) at its official headquarters and at a location approved by the Commission staff. This amendment is designed for greater customer access to the MFRs as most utilities may no longer have a business office in each municipality in which service hearings were held in the last general rate case of the utility. Subsection (2)(c)4 would be added so that copies of the MFRs would be available for public inspection during the regular business hours of the location hosting the MFRs and through a link to the utility's website. Staff is recommending adoption of these amendments to ensure public access to the MFRs and to make their access consistent with current technology.

Subsection (2)(d) currently states the requirements for a utility's rate case synopsis. Staff recommends that language be added requiring the utility to prepare and submit the synopsis to Commission staff for approval, codifying standard Commission practice. The requirements of the rate case synopsis would remain the same as the current rule. Subsection (2)(d)2 would require the utility to distribute copies of the synopsis as currently set forth in the rule within seven days following approval of the synopsis. The addition of the seven day time frame is intended to ensure timely distribution of the synopsis.

Staff recommends amending subsection (2)(e) to state that, within 15 days after the rate case time schedule has been posted on the Commission website, the utility shall prepare and submit a customer notice to Commission staff for approval. The requirements for the customer notice would remain the same, except that the utility would be required to identify the link on the utility's website which accesses the MFRs. Recommended amendments to this rule codify existing agency procedure and would require that the customer notice: designate the docket number assigned to the petition; have a statement indicating that written comments regarding the proposed changes in rates and charges should be addressed to the Office of Commission Clerk; and specify that comments regarding service may be made to the Commission's Office of Consumer Assistance and Outreach. Staff recommends amending subsection (2)(f) to require the utility to send the notice to customers within 30 days after it has been approved by Commission

staff. All of these recommended amendments to the current rule would enable and ensure greater technological public participation in the process.

The noticing procedures for a limited proceeding filed pursuant to draft Rules 25-6.0431 and 25-7.0391 are stated in draft Rule 25-22.0406(3)(a) through (c). Under subsection (3)(a), the utility would be required to establish a clearly identifiable link on the utility's website to the address on the Commission's website to provide electronic access to all documents filed in the limited proceeding. Staff recommends the adoption of this amendment as it provides for electronic access which would increase public knowledge regarding the pending rate case. The mandatory contents of the customer notice for limited proceedings would be nearly identical to those required for general rate increases. Like the customer notices in general rate proceedings, the customer notices in limited proceedings would be required to be sent to the customers within 30 days after the notice has been approved by Commission staff.

Staff recommends that subsections (4) through (8) be added to the rule to address noticing in both limited proceedings and general rate cases. Subsection (4) would require all customer notices to be sent to the customer's address of record in the manner in which the customer typically receives the monthly bill, whether electronically or via U.S. mail. Subsection (5) would require that all customer notices regarding locations and time of service hearings or customer meetings be sent to customers no less than 10 days and no more than 45 days prior to the first service hearing or customer meeting. Staff believes that these amendments would provide for more direct and efficient exchange of information between the utility and the customer regarding general rate increases and limited proceedings.

Current subsection (6) of Rule 25-22.0406 requires that at least seven days, and not more than 20 days, prior to each service hearing, a display advertisement approved by the Commission staff shall be published in a newspaper of general circulation in the area in which the hearing is to be held. Staff recommends the amendment of the rule to state that the display advertisement requirement applies to any service hearing or customer meeting. The only amendment to subsection (8) would codify agency procedure by stating that the notice of revised rates must be approved by Commission staff, not the Commission.

Statement of Estimated Regulatory Cost (SERC)

Section 120.54(3), F.S., encourages each agency to prepare a statement of estimated regulatory cost (SERC) before the adoption, amendment, or repeal of any rule. The SERC is appended to this recommendation as Attachment B. The SERC includes an economic analysis pursuant to subparagraph 120.541(2)(a)1, F.S., showing whether the draft rules directly or indirectly are likely to have an adverse impact on economic growth, private sector job creation or employment, or private sector investment in excess of \$1 million in the aggregate within five years after the implementation of the rules. In addition, the SERC includes an economic analysis pursuant to subparagraph 120.541(2)(a)2, F.S., showing whether the draft rules directly or indirectly are likely to have an adverse impact on business competitiveness in excess of \$1 million in the aggregate within five years after the implementation of the rule.

The SERC includes an economic analysis pursuant to subparagraph 120.541(2)(a)3, F.S., showing whether the draft rule directly or indirectly is likely to increase regulatory costs, including any transaction costs, in excess of \$1 million in the aggregate within five years after implementation of the rules. The SERC states that none of the draft rule amendments are expected to introduce new transaction costs or costs to the agency, which are the two components of regulatory costs. The SERC concludes that the draft rule amendments and the new rules will not have any of the adverse impacts on the economic measures identified in subparagraphs 120.54(2)(a)1, 2, and 3, F.S., and will not require legislative ratification pursuant to subparagraph 120.54(3), F.S.

Based upon the above, staff recommends that the Commission propose the adoption of Rules 25-6.0431 and 25-7.0391, F.A.C., and the amendments to Rule 25-22.0406, F.A.C., as set forth in Attachment A.

Docket No. 130148-PU

Date: August 1, 2013

Issue 2: Should this docket be closed?

Recommendation: Yes. If no requests for hearing or comments are filed, the rules may be filed with the Department of State, and then this docket may be closed. (Cowdery, Page)

Staff Analysis: If no requests for hearing or comments are filed, the rules may be filed with the Department of State, and then this docket may be closed.

1 **25-6.0431 Petition for a Limited Proceeding**

2 A petition for a limited proceeding shall include:

3 (1) A list of all issues the petitioner believes should be decided;

4 (2) A detailed statement of the reason(s) why the limited proceeding has been requested and
5 why a limited proceeding is the appropriate type of proceeding for consideration of the
6 requested relief;

7 (3) A schedule showing the specific rate base components for which the utility seeks recovery,
8 on both a system and jurisdictional basis, if the utility is requesting recovery of rate base
9 components;

10 (4) A detailed description of the expense(s) requested on both a system and jurisdictional
11 basis, if the utility is requesting recovery of operating expenses;

12 (5) A schedule showing how the utility proposes to allocate any change in revenues to rate
13 classes, and the proposed rates, if the petition requests a change in retail rates; and

14 (6) Any other information that the utility deems relevant.

15 Rulemaking Authority: 350.127(2), 366.05, 366.06(1), FS. Law Implemented: 366.05(1),
16 366.06(1), 366.076(1), FS. History – New _____.

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1 **Rule 25-7.0391 Petition for a Limited Proceeding**

2 A petition for a limited proceeding shall include:

3 (1) A list of all issues the petitioner believes should be decided;

4 (2) A detailed statement of the reason(s) why the limited proceeding has been requested and
5 why a limited proceeding is the appropriate type of proceeding for consideration of the
6 requested relief;

7 (3) A schedule showing the specific rate base components for which the utility seeks recovery,
8 on both a system and jurisdictional basis, if the utility is requesting recovery of rate base
9 components;

10 (4) A detailed description of the expense(s) requested on both a system and jurisdictional
11 basis, if the utility is requesting recovery of operating expenses;

12 (5) A schedule showing how the utility proposes to allocate any change in revenues to rate
13 classes, and the proposed rates, if the petition requests a change in retail rates; and

14 (6) Any other information that the utility deems relevant.

15 Rulemaking Authority: 350.127(2), 366.05, 366.06(1), FS. Law Implemented: 366.05(1),
16 366.06(1), 366.076(1), FS. History – New _____.

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1 **25-22.0406 Notice and Public Information on General Rate Increase Requests and**
2 **Petitions for Limited Proceedings by Electric, ~~and Gas and Telephone Companies~~**
3 **Utilities.**

4 (1) The provisions of this rule shall be applicable to all requests for general rate
5 increases and to all limited proceedings filed by electric and gas utilities pursuant to Rules 25-
6 6.0431 and 25-7.0391, by electric, gas and telephone companies subject to the Commission's
7 jurisdiction.

8 (2) The following noticing procedures shall apply to requests for a general rate
9 increase:

10 (a) Upon filing a petition for a general rate increase, Tthe utility shall mail a copy of
11 the petition to the chief executive officer of the governing body of each municipality and
12 county within the service area affected.

13 (b) The utility shall establish a clearly identifiable link on the utility's website to the
14 address on the Commission's website that provides electronic access to all documents filed in
15 the rate case.

16 (c) Location of Minimum Filing Requirements.

17 1.~~(3)~~(a) Within 15 days after it has been notified by the Commission that the Minimum
18 Filing Requirements (MFRs) have been met, the utility shall place a copy of the MFRs at its
19 official headquarters and at a location approved by the Commission staff ~~its business office~~ in
20 each municipality in which service hearings were held in the last general rate case of the
21 utility.

22 2. Within 15 days after the time schedule has been posted on the Commission's
23 website ~~mailed to the utility~~, copies of the MFRs shall be placed in a location approved by
24 Commission staff ~~the utility business office~~ in each additional city in which service hearings
25 are to be held in the current rate case. ~~Upon customer request a copy of the MFRs shall be~~

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

1 ~~placed in a utility business office not located in a city where a service hearing is to be held.~~

2 ~~The copies of the MFRs shall be available for public inspection during the utility's regular~~
3 ~~business hours.~~

4 3.(b) In addition to the locations listed above, if the Commission staff determines that
5 the locations listed above will not provide adequate access, the Commission staff will require
6 that copies of the MFRs be placed at other specified locations.

7 4. Copies of the MFRs shall be available for public inspection during the regular
8 business hours of the location hosting the MFRs and through a link on the utility's website.

9 (d) Rate Case Synopsis.

10 1.(4)(a) Within 15 days after the time schedule for the case has been posted to the
11 Commission's website, mailed to the utility, the utility shall prepare and submit to the
12 Commission staff for approval and distribute a synopsis of the rate request. The synopsis shall
13 ~~be approved by the Commission or its staff prior to distribution and shall~~ include:

14 a.1 A summary of the section of the MFRs showing a comparison of the present and
15 proposed rates for major services;

16 b.2 A statement of the anticipated major issues involved in the rate case;

17 c.3 A copy of the executive summary filed with the MFRs;

18 d.4 A description of the ratemaking process and the time schedule established for the
19 rate case; and

20 e.5 The locations at which complete MFRs are available.

21 2. (b) Within 7 days following approval of the synopsis, cCopies of the synopsis shall
22 be distributed to the same locations as required for the MFRs, to the main county library
23 within or most convenient to the service area, and to the chief executive officer of each county
24 and municipality within the service area affected.

25 (e)(5) Within 15 ~~30~~ days after the rate case time schedule has been posted on the

1 Commission's website, mailed to the utility, the utility shall prepare and submit a customer
2 notice to Commission staff for approval. The customer notice shall include: ~~begin sending a~~
3 ~~notice approved by the Commission or its staff to its customers containing:~~
4 1.(a) A statement that the utility has applied for a rate increase and the general reasons
5 for the request;
6 2.(b) The locations at which copies of the MFRs and synopsis are available, including
7 the link on the utility's website;
8 3.(c) The time schedule established for the case, and the dates, times and locations of
9 any hearings that have been scheduled; ~~and~~
10 4.(d) A comparison of current rates and service charges and the proposed new rates
11 and service charges;- ~~Such notice shall be completed at least 10 days prior to the first~~
12 ~~scheduled service hearing.~~
13 5. The docket number assigned to the petition by the Commission's Office of
14 Commission Clerk;
15 6. A statement that written comments regarding the proposed changes in rates and
16 charges should be addressed to the Office of Commission Clerk, 2540 Shumard Oak
17 Boulevard, Tallahassee, Florida, 32399-0850, and that such correspondence should include the
18 docket number; and
19 7. A statement that comments regarding service may be made to the Commission's
20 Office of Consumer Assistance and Outreach at this toll free number: (800) 342-3552.
21 (f) The utility shall begin sending the notice to customers within 30 days after it has
22 been approved by Commission Staff.
23 (3) The following noticing procedures shall apply to a petition for a limited proceeding
24 filed pursuant to Rules 25-6.0431 and 25-7.0391:
25 (a) The utility shall establish a clearly identifiable link on the utility's website to the

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

1 address on the Commission's website that provides electronic access to all documents filed in
2 the limited proceeding.

3 (b) Within 15 days after the time schedule for the limited proceeding has been posted
4 to the Commission's website, the utility shall prepare and submit a customer notice to the
5 Commission staff for approval. The customer notice shall contain:

6 1. A statement that the utility has requested a change in rates, a statement of the
7 amount requested, and the general reason for the request;

8 2. A statement of where and when the petition and supporting documentation are
9 available for public inspection, including the link on the utility's website;

10 3. A comparison of the current and proposed rates;

11 4. The utility's address, telephone number, and website address;

12 5. The docket number assigned to the petition by the Commission's Office of
13 Commission Clerk;

14 6. A statement that written comments regarding the proposed changes in rates and
15 charges should be addressed to the Office of Commission Clerk, 2540 Shumard Oak
16 Boulevard, Tallahassee, Florida, 32399-0850, and that such correspondence should include the
17 docket number; and

18 7. A statement that comments regarding service may be made to the Commission's
19 Office of Consumer Assistance and Outreach at this toll free number: (800) 342-3552.

20 (c) The utility shall begin sending the notice to customers within 30 days after it has
21 been approved by staff.

22 (4) All customer notices prepared pursuant to this rule shall be sent to the customer's
23 address of record at the time the notice is issued, in the manner in which the customer
24 typically receives the monthly bill, whether electronically or via U.S. mail.

25 (5) All customer notices regarding the locations and time of any service hearings or

1 customer meetings shall be sent to the customer no less than 10 days, or more than 45 days,
2 prior to the first service hearing or customer meeting.

3 (6) At least 7 days and not more than 20 days prior to any each service hearing or
4 customer meeting, the utility shall have published in a newspaper of general circulation in the
5 area in which the hearing or customer meeting is to be held a display advertisement stating the
6 date, time, location and purpose of the hearing or customer meeting. The advertisement shall
7 be approved by the Commission ~~or its~~ staff prior to publication.

8 (7) When the Commission issues proposed agency action and a hearing is subsequently
9 held, the utility shall give written notice of the hearing to its customers at least 14 days in
10 advance of the hearing. This notice shall be approved by the Commission ~~or its~~ staff prior to
11 distribution.

12 (8) After the Commission's issuance of an order granting or denying a rate change, the
13 utility shall give notice to its customers of the order and the revised rates. The notice shall be
14 approved in advance by the Commission ~~or its~~ staff and transmitted to the customers with the
15 first bill containing the new rates.

16 ~~Rulemaking-Specific Authority: 350.127(2), 366.05, 366.06(1) FS. Law Implemented: 120.569,~~
17 ~~120.57, 364.01(4), 364.035(1), 364.04(3), (4), 364.05(1), (2), 364.19, 366.03, 366.041(1),~~
18 ~~366.05(1), 366.06(1), 366.076(1) FS.~~

19 ~~History—New 9-27-83, Formerly 25-22.406, Amended 5-27-93, 5-3-99, _____.~~

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State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: May 21, 2013
TO: Kathryn G.W. Cowdery, Senior Attorney, Office of the General Counsel
FROM: William B. McNulty, Economic Analyst, Division of Economic Regulation *WBM*
RE: Statement of Estimated Regulatory Cost for Draft Rule 25-6.0431, F.A.C., Petition for a Limited Proceeding (Electric); Draft Rule 25-7.0391, F.A.C., Petition for a Limited Proceeding (Gas); and Draft Amendment to Rule 25-22.0406, F.A.C., Notice of Public Information on General Rate Increase Requests and Petitions for Limited Proceedings by Electric, Gas, and Telephone Companies

Summary of Rules

The purpose of draft Rules 25-6.0431 and 25-7.0391, F.A.C., is to prescribe the filing requirements for a petition for limited proceeding for electric and gas investor owned utilities, respectively, as required by Section 366.06(1), F.S. Section 366.076(1), F.S., states that the Commission, upon petition or its own motion, may conduct a limited proceeding to consider and act upon any matter within its jurisdiction, including adjustment of rates. The draft rules would require petitions for limited proceeding to include a proposed list of issues to be decided, a statement of the reasons why a limited proceeding has been requested, schedules showing rate base components and expenses (if requested for recovery), and proposed changes in revenues and rates by rate class (if requested).

Rule 25-22.0406, F.A.C., provides for the noticing procedures for general rate increase requests by electric, gas, and telephone companies subject to the Commission's jurisdiction. The current rule requires the utility to provide copies of its petition for a general rate increase to each municipality and county within the affected service area and to provide a copy of the Minimum Filing Requirements (MFRs) at its headquarters, its business offices, and other locations the Commission may determine. The rule also requires the petitioning utility to prepare a synopsis of the case to be approved by the Commission or its staff and distribute the synopsis to the same locations as required for the MFRs. Finally, Rule 25-22.0406, F.A.C., requires the petitioning utility to mail to its customers a notice of the rate increase, including the locations of the MFRs and the synopsis, the time schedule for the case, and current and proposed rates and service charges.

The draft amendment to Rule 25-22.0406, F.A.C., would modify the existing noticing requirements for utilities petitioning for a general rate increase and create noticing requirements for utilities petitioning for a limited proceeding. Under the draft amended rule, the utility seeking a general rate increase would be required to establish a link on its website to the address

Kathryn G.W. Cowdery
Page 2
5/21/2013

on the Commission's website that provides electronic access to all documents filed in the rate case. The draft rule would specify the time requirements for preparing and sending customer notices to staff for approval. The customer notice would contain statements soliciting the public's written comments to the Commission regarding the proposed changes in rates and soliciting the public's oral comments to the Commission's toll free number.

The draft amendments to Rule 25-22.0406, F.A.C. extend noticing procedures to cases initiated by a petition for limited proceeding filed pursuant to Rules 25-6.0431 and 25-7.0391, F.A.C. Under the draft amended rule, the utility would be required to establish a clearly identifiable link on its website to the Commission's website that provides electronic access to all documents filed in the limited proceeding. It also establishes procedures for preparation, approval, and timeframes for a customer notice.

The draft amendments to Rule 25-22.0406, F.A.C., requires customer notices for both general rate increase petitions and limited proceeding petitions to be sent to customer's address of record in a manner in which the customer typically receives the monthly bill. Also, all customer notices of service hearings or meetings under the draft amendment must be sent to the customer no less than 10 days or more than 45 days prior to the first service hearing or customer meeting.

The draft amendment would eliminate the noticing requirements for telephone companies since the Commission no longer has retail ratemaking authority over telephone companies, pursuant to the 2011 legislative changes to Chapter 364, F.S.

Statement of Estimated Regulatory Cost

In accordance with Section 120.541(2), F.S., a Statement of Estimated Regulatory Cost (SERC) has been prepared for the draft Rules 25-6.0431 and 25-7.0391, F.A.C., and for the draft amendments to Rule 25-22.0406, F.A.C.. The SERC for these rules is attached.

cc: Marshall Willis
Tom Ballinger
Jim Dean

FLORIDA PUBLIC SERVICE COMMISSION
STATEMENT OF ESTIMATED REGULATORY COSTS

RULE 25-6.0431, F.A.C.,
RULE 25-7.0391, F.A.C., AND
RULE 25-22.0406, F.A.C.

1. Will the proposed rule have an adverse impact on small business?
[120.541(1)(b), F.S.] (See Section E., below, for definition of small business.)

Yes No

If the answer to Question 1 is "yes", see comments in Section E.

2. Is the proposed rule likely to directly or indirectly increase regulatory costs in excess of \$200,000 in aggregate in this state within 1 year after implementation of the rule? [120.541(1)(b), F.S.]

Yes No

If the answer to either question above is "yes", a Statement of Estimated Regulatory Costs (SERC) must be prepared. The SERC shall include an economic analysis showing:

A. Whether the rule directly or indirectly:

(1) Is likely to have an adverse impact on any of the following in excess of \$1 million in the aggregate within 5 years after implementation of the rule?
[120.541(2)(a)1, F.S.]

Economic growth Yes No

Private-sector job creation or employment Yes No

Private-sector investment Yes No

(2) Is likely to have an adverse impact on any of the following in excess of \$1 million in the aggregate within 5 years after implementation of the rule?
[120.541(2)(a)2, F.S.]

Business competitiveness (including the ability of persons doing business in the state to compete with persons doing business in other states or domestic markets) Yes No

Productivity Yes No

Innovation	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<p>(3) Is likely to increase regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule? [120.541(2)(a)3, F.S.]</p> <p style="text-align: center;">Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Economic Analysis:</p> <p>RULE 25-6.0431, F.A.C. A data request was issued to the 5 investor-owned electric utilities operating in Florida to collect information pertaining to the level of incremental expense and/or investment anticipated if the draft rule were to be implemented. Four utilities reported the draft rule was expected to result in no incremental expense or additional investments for the five year period. Duke Energy Florida stated the effect of the rule on the Company's cost will vary depending upon the specific circumstances of each case, but that the savings could be substantial.</p> <p>The authority for the Commission to conduct a limited proceeding upon its own motion or a petition filed by an investor-owned electric utility are provided in Chapter 366.076, F.S. Draft Rule 25-6.0431, F.A.C., provides a mechanism for utilities to file the minimal information required for review of a limited proceeding petition. The draft rule imposes no incremental expense upon investor-owned electric utilities.</p> <p>RULE 25-7.0391, F.A.C. A data request was issued to the 7 investor-owned gas utilities operating in Florida to collect information pertaining to the level of incremental expense and/or investment anticipated if the draft rule were to be implemented. Four utilities reported the draft rule was not expected to result in incremental expense or additional investments for the five year period. Florida City Gas indicated it did not know what the impact on its expenses would be.</p> <p>The authority for the Commission to conduct a limited proceeding upon its own motion or a petition filed by an investor-owned gas utility is provided in Chapter 366.076, F.S. Draft Rule 25-7.0391, F.A.C., provides a mechanism for utilities to file the minimal information required for review of a limited proceeding petition which would be required even in the absence of the draft rule. The draft rule imposes no incremental expense upon investor-owned gas utilities.</p> <p>RULE 25-22.0406, F.A.C. Data requests were issued to the 5 investor-owned electric utilities and 7 investor-owned gas utilities operating in Florida to collect information pertaining to the level of incremental expense and/or investment anticipated if the draft amendment to Rule 25-22.0406, F.A.C., were to be implemented. Eight utilities (four electric IOUs, four gas IOUs) reported the draft rule amendment, if approved, is expected to result in no incremental expense or additional</p>	

investments for the five year period. Duke Energy Florida reported that the expected impact of the rule on regulatory costs was immaterial and Florida City Gas reported that the expected impact was unknown.

The noticing procedures in the draft rule amendment are refinements of the existing rule and extend similar noticing procedures to limited proceedings. Such administrative costs are immaterial and some utilities report that the administrative tasks can be accomplished with existing resources. The new rule removes telephone companies from the noticing requirements since the Commission no longer has retail ratemaking authority over telephone companies, pursuant to the 2011 legislative changes to Chapter 364, F.S. Thus, the deletion of the reference to telephone companies from the rule has no economic impact on telephone companies.

B. A good faith estimate of: [120.541(2)(b), F.S.]

(1) The number of individuals and entities likely to be required to comply with the rule.

RULE 26-6.0431, F.A.C. The number of investor-owned electric utilities likely to be required to comply with the rule is five.

RULE 25-7.0391, F.A.C. The number of investor-owned gas utilities likely to be required to comply with the rule is seven.

RULE 25-22.0406, F.A.C. A total of 12 investor owned utilities (5 investor-owned electric utilities and 7 investor-owned gas utilities) would be required to comply with the rule.

(2) A general description of the types of individuals likely to be affected by the rule.

RULE 25-6.0431, F.A.C. Investor-owned electric utilities operating in Florida

RULE 25-7.0391, F.A.C. Investor-owned gas utilities operating in Florida.

RULE 25-22.0406, F.A.C. Investor owned electric and gas utilities operating in Florida.

C. A good faith estimate of: [120.541(2)(c), F.S.]

(1) The cost to the Commission to implement and enforce the rule.

None. To be done with the current workload and existing staff.

Minimal. Provide a brief explanation.

RULE 25-6.0431 AND 25-7.0391, F.A.C.

The draft rule identifies the required contents of a petition for a limited proceeding. The draft rule, if implemented, would require staff time to review related petitions. The amount of staff time necessary to complete the review and the Commission to deliberate is not likely to be increased by the draft rule because investor-owned gas utilities can file such petitions currently under Chapter 366.076, F.S.

RULE 25-22.0406, F.A.C.

Draft amendments to Rule 25-22.0406, F.A.C., provide for the Commission or its staff to take certain actions to assist in the required noticing procedures, such as time schedule website postings, approval of locations to place MFRs, and approval of customer notices, not only for rate cases but also for limited proceedings. These administrative activities are expected to require minimal staff time and resources and can be absorbed by existing personnel.

Other. Provide an explanation for estimate and methodology used.

(2) The cost to any other state and local government entity to implement and enforce the rule.

None. The rule will only affect the Commission.

Minimal. Provide a brief explanation.

Other. Provide an explanation for estimate and methodology used.

(3) Any anticipated effect on state or local revenues.

None

Minimal. Provide a brief explanation.

Other. Provide an explanation for estimate and methodology used.

D. A good faith estimate of the transactional costs likely to be incurred by individuals and entities (including local government entities) required to comply with the requirements of the rule. "Transactional costs" include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used, procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring or reporting, and any other costs necessary to comply with the rule.
[120.541(2)(d), F.S.]

None. The rule will only affect the Commission

Minimal. Provide a brief explanation.

Other. Provide an explanation for estimate and methodology used.

E. An analysis of the impact on small businesses, and small counties and small cities:
[120.541(2)(e), F.S.]

(1) "Small business" is defined by Section 288.703, F.S., as an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments.

No adverse impact on small business.

Minimal. Provide a brief explanation.

Other. Provide an explanation for estimate and methodology used.

(2) A "Small City" is defined by Section 120.52, F.S., as any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census. A "small county" is defined by Section 120.52, F.S., as any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census.

No impact on small cities or small counties

Minimal. Provide a brief explanation.

CHAPTER 25-22.0406, F.A.C. ONLY (Other two draft rules: "No Impact")
Florida Power and Light Company indicated that the draft rule amendment

provides some informational benefits to small counties and small cities. Duke Energy Florida indicated that counties and cities may incur the cost or inconvenience of maintaining documents (MFRs, synopses, notices) and making them available to the public. Other utilities (e.g. Tampa Electric Company, FPUC - Electric, Peoples Gas Company, Florida City Gas, FPUC - Gas, Chesapeake, Indiantown) do not expect any material impact on costs to such governmental entities. Gulf Power Company did not provide a position on the issue due to it being a complex process with multiple assumptions. The impact on small counties and small cities to comply with the rule, which may include maintaining and making available to the public the MFRs, synopses, and customer notices, is expected to be de minimus.

Other. Provide an explanation for estimate and methodology used.

F. Any additional information that the Commission determines may be useful. [120.541(2)(f), F.S.]

None.

Additional Information:

G. A description of any regulatory alternatives submitted and a statement adopting the alternative or a statement of the reasons for rejecting the alternative in favor of the proposed rule. [120.541(2)(g), F.S.]

No regulatory alternatives were submitted.

A regulatory alternative was received from

Adopted in its entirety.

Rejected. Describe what alternative was rejected and provide a statement of the reason for rejecting that alternative.