

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF DEVELOPMENT OF RULEMAKING

TO

ALL INTERESTED PERSONS

UNDOCKETED

IN RE: Proposed amendments to Rule 25-9.001, F.A.C., Application and Scope, Rule 25-9.002, F.A.C., Definitions, Rule 25-9.050, F.A.C., Application and Scope, Rule 25-9.051, F.A.C., Definitions, Rule 25-9.052, F.A.C. General Submittal Instructions, and Rule 25-9.053, F.A.C., Filing and Evaluation of Submittals

ISSUED: April 13, 2015

NOTICE is hereby given pursuant to Section 120.54, Florida Statutes, that the Florida Public Service Commission staff has initiated rulemaking to amend Rule 25-9.001, Application and Scope, Rule 25-9.002, Definitions, Rule 25-9.050, Application and Scope, Rule 25-9.051, Definitions, Rule 25-9.052, General Submittal Instructions, and Rule 25-9.053, Filing and Evaluation of Submittals, Florida Administrative Code, to clarify, simplify, and update tariff requirements and tariff filing procedures, as well as clarifying definitions applicable to Rules 25-9.003 through 25-9.045, F.A.C., and Rules 25-9.052 through 25-9.071, F.A.C.

The attached Notice of Development of Rulemaking appeared in the April 13, 2015 edition of the Florida Administrative Register. If requested in writing and not deemed unnecessary by the agency head, a rule development workshop will be scheduled and noticed in the next available Florida Administrative Register. Written requests for a rule development workshop must be submitted to Pamela H. Page, (850) 413-6214, phpage@psc.state.fl.us, by April 27, 2015. A copy of the preliminary draft rules is attached.

NOTICE OF DEVELOPMENT OF RULEMAKING
UNDOCKETED
PAGE 2

By DIRECTION of the Florida Public Service Commission this 13th day of April, 2015.

Carlotta S. Stauffer

CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

PHP

NOTICE OF DEVELOPMENT OF RULEMAKING
UNDOCKETED
PAGE 3

Notice of Development of Rulemaking

PUBLIC SERVICE COMMISSION

<u>RULE NOS.:</u>	<u>RULE TITLES:</u>
<u>25-9.001</u>	Application and Scope
<u>25-9.002</u>	Definitions
<u>25-9.050</u>	Application and Scope
<u>25-9.051</u>	Definitions
<u>25-9.052</u>	General Submittal Instructions
<u>25-9.053</u>	Filing and Evaluation of Submittals

PURPOSE AND EFFECT: To clarify, simplify, and update tariff requirements and tariff filing procedures, as well as clarifying definitions applicable to Rules 25-9.003 through 25-9.045, F.A.C., and Rules 25-9.052 through 25-9.071, F.A.C. Docket No. Undocketed.

SUBJECT AREA TO BE ADDRESSED: Tariff requirements and filing procedures.

RULEMAKING AUTHORITY: 350.127(2), 366.05(1), 367.121, 367.091, 367.101 FS.

LAW IMPLEMENTED: 366.04(2)(b), 366.05(1), 367.091, 367.101, 367.081 FS.

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 REGISTER.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT AND A COPY OF THE PRELIMINARY DRAFT, IF AVAILABLE, IS: Pamela H. Page, Florida Public Service Commission, Office of the General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, (850)413-6214, phpage@psc.state.fl.us

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS AVAILABLE AT NO CHARGE FROM THE CONTACT PERSON LISTED ABOVE.

1 **25-9.001 Application and Scope.**

2 ~~(1) The provisions of Rules 25-9.002 through 25-9.045, F.A.C., Parts I, II and III of these~~
3 ~~rules shall only apply to public utilities as defined in Rule subsection 25-9.002(2), F.A.C., and~~
4 ~~the provisions of Rules 25-9.051 through 25-9.071, F.A.C., Parts IV and V of these rules shall~~
5 ~~only apply to municipalities and cooperatives as defined in Rule subsection 25-9.051(2),~~
6 ~~F.A.C. The provisions of this chapter shall not apply to Interexchange Companies, Pay~~
7 ~~Telephone Service Companies, Shared Tenant Service Companies, Operator Service Provider~~
8 ~~Companies, Alternative Access Vendor Service Providers, Competitive Local Exchange~~
9 ~~Companies, or Local Exchange Companies.~~

10 ~~(2) The following shall prescribe the procedures to be used by public utilities in filing:~~

11 ~~(a) Rules and Regulations.~~

12 ~~(b) Rate Schedules.~~

13 ~~(c) Standard Forms and Riders.~~

14 ~~(d) Contracts and Agreements.~~

15 ~~(e) Tariffs.~~

16 ~~(3) No rules and regulations, or schedules of rates and charges, or modifications or revisions~~
17 ~~of the same, shall be effective until filed with and approved by the Commission as provided by~~
18 ~~law.~~

19 ~~(4) Upon acceptable showing by any utility, the Commission may waive or modify, as to that~~
20 ~~utility, the provisions of any rule herein contained, except when such provisions are fixed by~~
21 ~~statute.~~

22 ~~(5) No deviation from these rules shall be permitted unless authorized in writing by the~~
23 ~~Commission.~~

24 *Rulemaking Authority 350.127(2), 366.05(1), 367.121 FS. Law Implemented 366.04(2)(b),*
25 *366.05(1), 367.091, 367.101 FS. History—New 1-8-75, Repromulgated 10-22-75, Amended 8-*
CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from
existing law.

NOTICE OF DEVELOPMENT OF RULEMAKING
UNDOCKETED
PAGE 5

1 9-79, Formerly 25-9.01, Amended 2-23-86, 1-8-95, 1-25-09, _____.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

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

1 **25-9.002 Definitions.**

2 For the purposes of Rules 25-9.002 through 25-9.045, F.A.C., ~~these regulations~~ the following
3 definitions shall apply:

4 (1) The word "Commission" refers to the Florida Public Service Commission.

5 (2) Except where a different meaning clearly appears from the context, the word or words
6 "utility" or "public utility" as used in these rules shall mean and include all electric and gas
7 utilities, water systems, and wastewater systems, which are, or may hereafter be, subject to the
8 jurisdiction of this Commission.

9 (3) The term "rules" and/or "regulations" refers to the general practices followed by the utility
10 in carrying on its business with its customers and includes the rules, practices, classifications,
11 exceptions and conditions observed by the utility in supplying service.

12 (4) The term "rate" refers to the price or charge for utility service.

13 (5) The term "rate schedule" refers to the rate or charge for the particular classification of
14 service plus the several provisions necessary for billing, including all special terms and
15 conditions under which service shall be furnished at such rate or charge.

16 (6) The term "standard forms" means and includes all standard contract or agreement forms
17 for execution between the utility and its customers.

18 (7) "Contracts and agreements" shall refer to special contracts entered into by the utility for
19 the sale of commodities ~~commodity~~ or services in a manner or subject to provisions not
20 specifically covered by its filed standard rate schedules.

21 (8) The term "tariff" shall refer to the assembled volume containing the "rules," "regulations,"
22 "rate schedules," "standard forms," "contracts," and other material required by these
23 regulations as filed with the Commission.

24 *Rulemaking Authority 350.127(2), 366.05(1), 367.121 FS. Law Implemented 366.05(1),*

25 *367.081, 367.091, 367.101, 367.021 FS. History—New 1-8-75, Repromulgated 10-22-75,*

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

NOTICE OF DEVELOPMENT OF RULEMAKING
UNDOCKETED
PAGE 7

1 *Formerly 25-9.02, Amended 1-25-09, _____.*

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

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

1 **25-9.050 Application and Scope.**

2 ~~(1) The following rules apply only to municipal electric utilities and rural electric cooperatives~~
3 ~~and prescribe the procedure to be followed by such utilities in submitting documentation of:~~

4 ~~(a) Rate Schedules~~

5 ~~(b) Contracts and Agreements~~

6 ~~(2) Upon acceptable showing by the utility, the Commission may waive or modify, as to that~~
7 ~~utility, the provisions of any rule herein contained, except when such provisions are fixed by~~
8 ~~statute.~~

9 ~~(3) No deviation from these rules shall be permitted unless authorized in writing by the~~
10 ~~Commission.~~

11 *Rulemaking Authority 366.05(1) FS. Law Implemented 366.04(2)(b) FS. History—New 8-9-79,*
12 *Formerly 25-9.50, Repealed _____.*

13

14

15

16

17

18

19

20

21

22

23

24

25

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

1 **25-9.051 Definitions.**

2 For the purposes of Rules 25-9.051 through 25-9.071, F.A.C., ~~these rules~~ the following
3 definitions shall apply:

4 (1) "Commission" refers to the Florida Public Service Commission.

5 (2) "Utility" applies to the municipal electric utilities and rural electric cooperatives subject to
6 the jurisdiction of this Commission pursuant to Section 366.04(2), F.S. ~~except where a~~
7 ~~different meaning clearly appears from the context.~~

8 (3) "Rate" refers to the price or charge for utility service.

9 (4) "Rate schedules" refer to the rate for a particular classification of service and the
10 provisions necessary for billing, including all special terms and conditions under which
11 service shall be furnished at such rate or charge.

12 (5) "Contracts and agreements" refer to the special contracts entered into by the utility for the
13 sale of electricity to consumers in a manner or subject to provisions not specifically covered
14 by its submitted rate schedules.

15 (6) "Documentation" ~~refers~~ applies to the assembled volume containing the materials required
16 by Rules 25-9.054 through 25-9.071, F.A.C. ~~rate schedules, contracts and agreements and~~
17 ~~other materials required by these rules.~~

18 (7) "Rate structure" refers to the classification system used in justifying different rates ~~and,~~
19 ~~more specifically, to the rate relationship between various customer classes, as well as the rate~~
20 ~~relationship between members of a customer class.~~

21 (8) "Customer class" refers to any group of customers distinguishable from other customers by
22 load, consumption or other characteristic.

23 *Rulemaking Authority 366.05(1) FS. Law Implemented 366.04(2)(b) FS. History—New 8-9-79,*
24 *Amended 5-3-83 _____, Formerly 25-9.51.*

25

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

1 **25-9.052 General Filing Submittal Instructions.**

2 (1) Each utility shall ~~submit to the Commission~~ file with the Commission documentation as
3 defined in Rule 25-9.051(6), F.A.C. ~~documentation of all territory and customers served by it.~~

4 (2) All supplements, revisions, modifications or changes to the documentation shall be filed
5 with the Commission Clerk ~~submitted to the Commission in quadruplicate and in the form~~
6 ~~prescribed herein~~ at least 30 days prior to final adoption by the utility. All materials filed with
7 the Commission Clerk ~~submitted to the Commission pursuant to subsection (1) of this rule~~
8 will be reviewed for compliance with Rules 25-9.051 through 25-9.071, F.A.C., and retained
9 ~~in the Commission's files. After review, a letter indicating the Commission receipt of or~~
10 ~~comments on the utility's proposed rate structure will be transmitted to the utility. The~~
11 ~~comment letter may contain a request for data or explanation of the basis for any change in the~~
12 ~~utility's rate structure.~~

13 (3) All documentation filed with the Commission Clerk shall be accompanied by a list of the
14 materials being filed. ~~After reviewing Commission comments and adopting a final rate~~
15 ~~structure, the utility shall submit the adopted rate structure to the Commission, along with any~~
16 ~~response to the Commission's comment letter. The Commission will acknowledge these~~
17 ~~filings.~~

18 (4) When a utility's documentation reflects a proposed change in rate structure, the utility shall
19 provide information that shall include utility-specific costs to support the change in rate
20 structure. ~~In the event the Commission determines that the rate structure of a utility may not~~
21 ~~be fair, just and reasonable, the Commission may initiate appropriate proceedings to prescribe~~
22 ~~a rate structure that is fair, just and reasonable. In so doing the Commission may, among other~~
23 ~~things, consider the cost of providing service to each customer class, as well as the rate~~
24 ~~history, value of service and experience of the utility, the consumption and load characteristics~~
25 ~~of the various classes of customers and the public acceptance of rate structures. The following~~
CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from
existing law.

NOTICE OF DEVELOPMENT OF RULEMAKING
UNDOCKETED
PAGE 11

1 ~~principles may also be considered: simplicity, freedom from controversy, rate stability,~~
2 ~~fairness in apportioning costs, avoidance of undue discrimination and encouragement of~~
3 ~~efficiency.~~

4 ~~(5) All documented materials filed with the Commission shall be accompanied by a letter~~
5 ~~listing the sheets being transmitted. The filing shall be acknowledged if the letter is sent in~~
6 ~~duplicate with a request for acknowledgement.~~

7 *Rulemaking Authority 366.05(1) FS. Law Implemented 366.04(2)(b) FS. History—New 8-9-79,*
8 *Amended 5-3-83, _____ . Formerly 25-9.52.*

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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

1 **25-9.053 Filing and Evaluation of Filings Submittals.**

2 (1) In evaluating a utility rate structure filing, the Commission shall consider whether the rate
3 structure proposed by the utility: (a) is cost based; (b) has historical precedent; (c) embodies
4 pricing concepts previously reviewed and approved by the Commission; and (d) is not unduly
5 discriminatory. Each letter transmitting a utility's proposed documentation in which any
6 change in rate structure is proposed shall be accompanied by supporting information in
7 sufficient detail as to allow the Commission to determine the derivation of all rate structure
8 modifications. The supporting information shall consist of either a utility specific cost study or
9 an analysis of utility specific cost and operating data prepared using a methodology previously
10 approved by the Commission for any comparable utility. All additional relevant information
11 deemed necessary by the Commission shall be submitted in addition to the above request.

12 ~~(2) If the utility does not submit such supporting information the Commission shall evaluate~~
13 ~~the proposed change in rate structure on the basis of cost and operating data from one or more~~
14 ~~comparably situated public electric utilities which the Commission determines to be most~~
15 ~~similar to the filing utility. Data from the comparable utilities shall be considered in~~
16 ~~conjunction with all submitted information which is specific to the filing utility.~~

17 (2)(3) After review of the utility's proposed change in rate structure, staff will send written
18 notification to the utility indicating: (a) administrative approval of the documentation filed by
19 the utility; (b) a request for data or explanation of the basis for any change in the utility's rate
20 structure; or (c) how the proposed rate structure is inconsistent with the criteria listed in
21 subsection (1) of this rule.

22 (3)(4) If the Commission finds that the utility's proposed rate structure is inconsistent with the
23 criteria listed in subsection (1) of this rule, the Commission will issue a comment letter to the
24 utility. Upon receipt of the comment letter, the utility shall file a statement justifying its
25 proposed rate structure. If the Commission finds that the utility cannot justify its proposed

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

1 rate structure, the Commission shall prescribe a rate structure for the utility that is consistent
2 with the criteria in subsection (1) of this rule.

3 *Rulemaking Authority 366.05(1) FS. Law Implemented 366.04(2)(b), FS. History—New 8-9-79,*
4 *Formerly 25-9.53, Amended 1-17-93, _____.*

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

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