

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-**

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**DATE:** May 22, 2015  
**TO:** Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk  
**FROM:** Pamela H. Page, Senior Attorney, Office of the General Counsel *PHP*  
**RE:** Letter from FECA requesting a Rule Development Workshop

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Please place this letter in Docket No. 150000-OT.

Thank you.

RECEIVED FPSC  
15 MAY 22 PM 3:00  
COMMISSION  
CLERK



# FECA

Florida Electric Cooperatives Association, Inc.

2916 Apalachee Parkway  
Tallahassee, Florida 32301  
(850) 877-6166  
FAX: (850) 656-5485

April 27, 2015

Pamela Page, Esquire  
Florida Public Service Commission  
Office of the General Counsel  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

VIA U.S. mail and email to  
[phpage@psc.state.fl.us](mailto:phpage@psc.state.fl.us)

RE: Request for Workshop/Proposed Rules 25-9.002 and 25-9.050 – 25-9.053,  
F.A.C.

Dear Ms. Page:

Please accept this letter as the Florida Electric Cooperatives Association's (FECA) request for the Public Service Commission to hold a rule development workshop on the proposed changes to Rules 25-9.002 and 25-9.050 – 25-9.053, F.A.C. For discussion purposes at the workshop, FECA has included its proposed suggested changes to the rules.

Thank you for your assistance. Please call me if you have any questions.

Sincerely,

Michelle Hershel  
FECA Director of Regulatory Affairs



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 rate jurisdiction of the Commission.

9 ...

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 \_\_\_\_\_.*

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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 Florid Public Service Commission.

5 (2) "Utility" ~~applies~~ refers to the municipal electric utilities and rural electric cooperatives  
6 subject to 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" refers 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 agreement 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*

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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 with  
5 the Commission Clerk submitted to the Commission in quadruplicate and in the form prescribed  
6 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 the filing requirements of Rules 25-9.051 through 25-  
9 9.071, F.A.C., and retained in the Commission's files. After review, a letter indicating the

10 Commission receipt of or comments on the utility's proposed rate structure will be transmitted to  
11 the utility. The comment letter may contain a request for data or explanation of the basis for any  
12 change in the 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 or an analysis of utility specific costs and operating data prepared using a methodology  
21 previously approved by the Commission for any comparable utility or investor owned utility. In  
22 the event the

23 Commission determines that the rate structure of a utility may not be fair, just and reasonable,  
24 the Commission may initiate appropriate proceedings to prescribe a rate structure that is fair, just  
25 and reasonable. In doing so the Commission may, among other things, consider the cost of  
26 providing service to each customer class, as well as the rate history, value of service and  
27 experience of the utility, the consumption and load characteristics of the various classes of  
28 customers and the public acceptance of rate structures. The following

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~~  
6 ~~in 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.*

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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 change to a utility's rate structure must meet one or more of  
4 the following criteria: (a) is cost based; (b) has historical precedent; (c) embodies pricing  
5 concepts previously reviewed and approved by the Commission; and (d) is not unduly  
6 discriminatory. If the typical bill ratios of kWh charged under the proposed rate structure fall  
7 within the range of 10% of the ratios of a comparable utility or investor owned utility, then the  
8 proposed rate structure  
9 shall be deemed to satisfy the foregoing criteria. Each letter transmitting a utility's proposed  
10 documentation in which any change in rate structure is proposed shall be accompanied by  
11 supporting information in sufficient detail as to allow the Commission to determine the  
12 derivation of all rate structure modifications. The supporting information shall consist of either a  
13 utility specific cost study or an analysis of utility specific costs and operating data prepared using  
14 a methodology previously approved by the Commission for any comparable utility. All  
15 additional relevant information deemed necessary by the Commission shall be submitted in  
16 addition to the above request.

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

22 (2)(3) After review of the utility's proposed change in rate structure, staff will send written  
23 notification to the utility indicating: (a) administrative approval of the documentation filed by  
24 the utility; (b) a request for data or explanation of the basis for any change in the utility's rate  
25 structure; or (c) how the proposed rate structure is inconsistent with subsection (1) of this rule.

26 (3)(4) If the Commission staff finds that the utility's proposed rate structure is inconsistent with  
27 the criteria listed in subsection (1) of this rule, the Commission staff will issue a comment letter  
28 to the utility. Upon receipt of the letter, the utility shall file either a statement justifying its  
29 proposed rate structure or an alternative proposed rate structure. After adopting a final rate



1 structure, the utility shall submit the adopted rate structure to the Commission, along with any  
2 response to the Commission's comment letter. If the Commission staff finds that the utility  
3 cannot justify its proposed rate structure, the Commission staff shall may initiate an appropriate  
4 proceeding for the Commission to prescribe a consider whether the rate  
5 structure for the utility that is consistent with subsection (1) of this  
6 rule.

7 *Rulemaking Authority 366.05(1) FS. Law Implemented 366.04(2)(b) FS. History-New 8-9-79,*  
8 *Formerly 25-9.53, Amended 1-17-93 \_\_\_\_\_.*

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