## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

## UNDOCKETED

IN RE: RULE 25-30.470, CALCULATION OF RATE REDUCTION AFTER RATE CASE EXPENSE IS AMORTIZED

## NOTICE OF PROPOSED RULE REPEAL

TO

## ALL INTERESTED PERSONS

ISSUED: February 25, 2000

NOTICE is hereby given pursuant to Section 120.54, Florida Statutes, that the Florida Public Service Commission staff has initiated the repeal of Rule 25-30.470, Florida Administrative Code, to repeal provisions relating to the reduction of rates after the amortization period for rate case expense expires.

The attached Notice of Proposed Rule Development will appear in the March 3, 2000, 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 Mary Anne Helton, Division of Appeals, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, no later than March 17, 2000.

By Direction of the Florida Public Service Commission, this <u>25th</u> day of <u>February</u>, <u>2000</u>.

BLANCA S. BAYÓ, Director

Division of Records & Reporting

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NOTICE OF PROPOSED RULE DEVELOPMENT

FLORIDA PUBLIC SERVICE COMMISSION

UNDOCKETED

RULE TITLE:

RULE NO.:

Calculation of Rate Reduction After Rate 25-30.470

Rate Case Expense is Amortized

PURPOSE AND EFFECT: To repeal the rule requiring rates to be reduced four years after a rate case after the amortization period for rate case expense has expired.

SUBJECT AREA TO BE ADDRESSED: The recovery 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 THE COMMISSION'S DIVISION OF APPEALS, MARY ANNE HELTON, 2540 SHUMARD OAK BOULEVARD, TALLAHASSEE, FL 32399-0850.

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS:

25-30.470 Calculation of Rate Reduction After Rate Case Expense is Amortized.

To calculate the rate reduction to be made 4 years after a rate case as required by section 367.0816, F.S., the following

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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 1 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 11/30/93, Repealed .