

M E M O R A N D U M

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Adoption of Rules 25-4.140) DOCKET NO. 920151-PU
26-6.140 and 25-7.140, F.A.C.)
) ORDER NO. PSC-92-0949-FOF-PU
)
)
) ISSUED: 09/08/92

NOTICE OF ADOPTION OF RULE AMENDMENT AND RULES

NOTICE is hereby given that the Commission, pursuant to section 120.54, Florida Statutes, has amended Rule 25-4.140, and adopted Rules 25-6.140 and 25-7.140, F.A.C., relating to Test Period Rules, with changes.

The rules were filed with the Department of State on September 1, 1992 and will be effective on September 21, 1992. A copy of the rules as adopted are attached to this Notice.

This docket is closed upon issuance of this notice.

By Direction of the Florida Public Service Commission, this 8th day of September, 1992.



STEVE TRIBBLE, Director
Division of Records & Reporting

(S E A L)

920151AD.CC

DOCUMENT NUMBER-DATE

10229 SEP -8 1992

F-PSC-RECORDS/REPORTING

PART IX - ~~RATE ADJUSTMENT APPLICATIONS~~ REVENUE REQUIREMENTS

25-4.140 Applicability, Test Year Approval, Notification.

(1) At least 60 days prior to filing a petition for a general rate increase, a company shall notify the Commission in writing of its selected test year and filing date. This notification shall include: ~~The Commission encourages companies to seek prior approval of the test year. In order to receive Commission approval for a test year increase under Rule 25-4.141, the petitioner shall submit to the Commission a written request for approval of a test year, supported by a statement of reasons and justifications therefor showing that the requested test year is representative of company operations. Copies of the letter requesting approval of a test period should be transmitted to the Commissioners, the Deputy Executive Director/Technical and the Directors of the Auditing and Financial Analysis, Communications and Legal Departments. The letter shall contain the following information:~~

- (a) An explanation for requesting the particular test period. If an historical test year is selected, there shall be an explanation of why the historical period is more representative of the company's operations than a projected period. If a projected test year is selected, there shall be an explanation of why the projected period is more representative than an historical period.
- ~~(a) A designation of the test period requested together with the~~

~~justification for requesting that particular period.~~

~~(b) A schedule of the Company's unadjusted earned rates of return for each month of the most recent twelve-month period.~~

(b) An explanation, including an estimate of the impact on revenue requirements, of the major factors which necessitate a rate increase. ~~(c) A statement certifying that the proposed test period is a representative period subject however to such adjustments as may be proper for ratemaking purposes.~~

(c) A statement describing the actions and efficiency measures implemented by the Company for the specific purpose of avoiding a rate increase.

(2) In the event that a test year other than one based on a calendar year or the company's normal fiscal year is selected, the notification shall include an explanation of why the chosen test year period is more appropriate.

(3) If the company cannot meet its filing date, it shall notify the Commission in writing before the due date and include an explanation of why it will not meet the filing date. The company shall include a revised filing date.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.05(3), F.S.

History: New 5/4/81, Amended 10/15/84, 09/01/92.

PART X - REVENUE REQUIREMENTS

25-6.140 Test Year Notification.

(1) At least 60 days prior to filing a petition for a general rate increase, a company shall notify the Commission in writing of its selected test year and filing date. This notification shall include:

(a) An explanation for requesting the particular test period. If an historical test year is selected, there shall be an explanation of why the historical period is more representative of the company's operations than a projected period. If a projected test year is selected, there shall be an explanation of why the projected period is more representative than an historical period.

(b) An explanation, including an estimate of the impact on revenue requirements, of the major factors which necessitate a rate increase.

(c) A statement describing the actions and measures implemented by the company for the specific purpose of avoiding a rate increase.

(2) In the event that a test year other than one based on a calendar year or the company's normal fiscal year is selected, the notification shall include an explanation of why the chosen test year period is more appropriate.

(3) If the company cannot meet its filing date, it shall

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notify the Commission in writing before the due date and include an explanation of why it will not meet the filing date. The company shall include a revised filing date.

Specific Authority: 350.127(2), F.S.

Law Implemented: 366.06(1), F.S.

History: New 09/01/92.

PARTS VI-IX

RESERVED FOR FUTURE USE

PART X - REVENUE REQUIREMENTS

25-7.140 Test Year Notification.

(1) At least 60 days prior to filing a petition for a general rate increase, a company shall notify the Commission in writing of its selected test year and filing date. This notification shall include:

(a) An explanation for requesting the particular test period. If an historical test year is selected, there shall be an explanation of why the historical period is more representative of the company's operations than a projected period. If a projected test year is selected, there shall be an explanation of why the projected period is more representative than an historical period.

(b) An explanation, including an estimate of the impact on revenue requirements, of the major factors which necessitate a rate increase.

(c) A statement describing the actions and measures implemented by the company for the specific purpose of avoiding a rate increase.

(2) In the event that a test year other than one based on a calendar year or the company's normal fiscal year is selected, the notification shall include an explanation of why the chosen test

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year period is more appropriate.

(3) If the company cannot meet its filing date, it shall notify the Commission in writing before the due date and include an explanation of why it will not meet the filing date. The company shall include a revised filing date.

Specific Authority: 350.127(2), F.S.

Law Implemented: 366.06(1), F.S.

History: New 09/01/92.