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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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, Definitions, Rule 25-9.052, F.A.C., General Submittal Instructions, and Rule 25-9.053, F.A.C., Filing and Evaluation of Submittals. DOCKET NO. 150187-PU ORDER NO. PSC-15-0562-FOF-PU ISSUED: December 10, 2015

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman LISA POLAK EDGAR RONALD A. BRISÉ JULIE I. BROWN JIMMY PATRONIS

NOTICE OF ADOPTION OF RULE

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has adopted without changes Rules 25-9.001, 25-9.002, 25-9.050, 25-9.051, 25-9.052 and 25-9.053 Florida Administrative Code.

The rules were filed with the Department of State on December 10, 2015 and will be effective on December 30, 2015. A copy of the rules as filed with the Department is attached to this Notice.

This docket is closed upon issuance of this Notice.

By ORDER of the Florida Public Service Commission this 10th day of December, 2015.

HONG WANG

Chief Deputy 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.

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25-9.001 Application and Scope.

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

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

(a) Rules and Regulations.

(b) Rate Schedules.

(c) Standard Forms and Riders.

(d) Contracts and Agreements.

(e) Tariffs.

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

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

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

Rulemaking Authority 350.127(2), 366.05(1), 367.121 FS. Law Implemented 366.04(2)(b), 366.05(1), 367.091,

367.101 FS. History–New 1-8-75, Repromulgated 10-22-75, Amended 8-9-79, Formerly 25-9.01, Amended 2-23-86, 1-8-95, 1-25-09, _____.

25-9.002 Definitions.

For the purposes of <u>Rules 25-9.002 through 25-9.045</u>, F.A.C., these regulations the following definitions shall apply: (1) The word "Commission" refers to the Florida Public Service Commission.

(2) Except where a different meaning clearly appears from the context, <u>T</u>the word or words "utility" or "public utility" as used in these rules shall mean and include all electric and gas utilities, water systems, and wastewater

systems, which are, or may hereafter be, subject to the rate jurisdiction of this Commission.

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

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

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

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

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

(8) The term "tariff" shall refer to the assembled volume containing the "rules," "regulations," "rate schedules,"
"standard forms," "contracts," and other material required by these regulations as filed with the Commission. *Rulemaking Authority 350.127(2), 366.05(1), 367.121 FS. Law Implemented 366.05(1), <u>367.081, 367.091, 367.101,</u> <u>367.021</u> FS. History–New 1-8-75, Repromulgated 10-22-75, Formerly 25-9.02, Amended 1-25-09, ______.*

25-9.050 Application and Scope.

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

- (a) Rate Schedules
- (b) Contracts and Agreements

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

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

Rulemaking Authority 366.05(1) FS. Law Implemented 366.04(2)(b) FS. History-New 8-9-79, Formerly 25-9.50,

<u>Repealed_____.</u>

25-9.050 Application and Scope.

Rulemaking Authority 366.05(1) FS. Law Implemented 366.04(2)(b) FS. History–New 8-9-79, Formerly 25-9.50, <u>Repealed</u>.

25-9.051 Definitions.

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

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

(2) "Utility" refers applies to the municipal electric utilities and rural electric cooperatives subject to the jurisdiction

of this Commission <u>pursuant to Section 366.04(2)</u>, F.S. except where a different meaning clearly appears from the context.

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

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

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

(6) "Documentation" refers applies to the assembled volume containing the materials required by Rules 25-9.054

through 25-9.071, F.A.C. rate schedules, contracts and agreements and other materials required by these rules.

(7) "Rate structure" refers to the classification system used in justifying different rates and, more specifically, to the

rate relationship between various customer classes, as well as the rate relationship between members of a customer class.

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

Rulemaking Authority 366.05(1) FS. Law Implemented 366.04(2)(b) FS. History–New 8-9-79, Amended 5-3-83, Formerly 25-9.51, <u>Amended</u>_____.

25-9.052 General Filing Submittal Instructions.

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

(2) All supplements, revisions, modifications or changes to the documentation shall be filed with the Commission

<u>Clerk</u> submitted to the Commission in quadruplicate and in the form prescribed herein at least 30 days prior to final adoption by the utility. All materials <u>filed with the Commission Clerk</u> submitted to the Commission <u>pursuant to</u> <u>subsection (1) of this rule</u> will be <u>reviewed for compliance with Rules 25-9.051 through 25-9.071, F.A.C., and</u> retained in the Commission's files. After review, a letter indicating the Commission receipt of or comments on the utility's proposed rate structure will be transmitted to the utility. The comment letter may contain a request for data or explanation of the basis for any change in the utility's rate structure.

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

(4) When a utility's filing reflects a proposed change in rate structure, the utility shall provide documentation to support the change in rate structure. In the event the Commission determines that the rate structure of a utility may not be fair, just and reasonable, the Commission may initiate appropriate proceedings to prescribe a rate structure that is fair, just and reasonable. In so doing the Commission may, among other things, consider the cost of providing service to each customer class, as well as the rate history, value of service and experience of the utility, the consumption and load characteristics of the various classes of customers and the public acceptance of rate structures. The following principles may also be considered: simplicity, freedom from controversy, rate stability, fairness in apportioning costs, avoidance of undue discrimination and encouragement of efficiency.

(5) All documented materials filed with the Commission shall be accompanied by a letter listing the sheets being transmitted. The filing shall be acknowledged if the letter is sent in duplicate with a request for acknowledgement. *Rulemaking Authority 366.05(1) FS. Law Implemented 366.04(2)(b) FS. History–New 8-9-79, Amended 5-3-83, Formerly 25-9.52, <u>Amended</u>_____.*

25-9.053 Filing and Evaluation of Filings Submittals.

(1) <u>A change to a utility's rate structure must meet one of the following criteria: (a) is cost based; (b) has historical precedent; (c) embodies pricing concepts previously approved by the Commission; or (d) is not unduly discriminatory. Each letter transmitting a utility's proposed documentation in which any change in rate structure is proposed shall be accompanied by supporting information in sufficient detail as to allow the Commission to</u>

determine the derivation of all rate structure modifications. The supporting information shall consist of either a utility specific cost study or an analysis of utility specific cost and operating data prepared using a methodology previously approved by the Commission for any comparable utility. All additional relevant information deemed necessary by the Commission shall be submitted in addition to the above request.

(2) After review of the utility's proposed change in rate structure, staff will send written notification to the utility indicating: (a) administrative approval of the documentation or (b) how the proposed rate structure is inconsistent with the criteria listed in subsection (1) of this rule. Upon receipt of staff's notification of inconsistency, the utility shall file an alternative proposed rate structure addressing staff's concerns or file a statement that the utility disagrees with the staff determination of inconsistency and requesting the Commission to consider the proposed rate structure as filed. If the utility does not submit such supporting information the Commission shall evaluate the proposed change in rate structure on the basis of cost and operating data from one or more comparably situated public electric utilities which the Commission determines to be most similar to the filing utility. Data from the comparable utilities shall be considered in conjunction with all submitted information which is specific to the filing utility.

(3) If the Commission finds the proposed rate structure inconsistent with subsection (1), the Commission shall direct the utility to file a rate structure that is consistent with the criteria in subsection (1) of this rule.

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