

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

UNDOCKETED

IN RE: INITIATION OF RULEMAKING TO ADOPT RULES 25-6.0431 AND 25-7.0391,
F.A.C., RELATING TO APPLICATION FOR LIMITED PROCEEDINGS, AND
TO AMEND RULE 25-22.0406, F.A.C.,
CONCERNING NOTICE AND PUBLIC INFORMATION REQUIREMENTS

NOTICE OF PROPOSED RULE DEVELOPMENT

TO

ALL INTERESTED PERSONS

ISSUED: June 2, 2010

NOTICE is hereby given pursuant to Section 120.54, Florida Statutes, that the Florida Public Service Commission staff has initiated rulemaking to adopt rules relating to applications for limited proceedings by electric and gas utilities and to amend a rule concerning notice and public information requirements for electric and gas utilities and telecommunication companies.

The attached Notices of Proposed Rule Development appeared in the May 28, 2010, edition of the Florida Administrative Weekly. A staff rule development workshop will be held at the following time and place:

Florida Public Service Commission
June 23, 2010 - 9:30 a.m.
Betty Easley Conference Center
Room 148, 4075 Esplanade Way
Tallahassee, Florida 32399-0850

A copy of the draft rules and the agenda for the workshop are attached. One or more Commissioners may be in attendance and participate in the workshop. The person to be contacted regarding the proposed rule development is Kathryn G.W. Cowdery, Office of General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, (850) 413-6216, kcowdery@psc.state.fl.us.

Any person requiring some accommodation at this workshop because of a physical impairment should call the Office of Commission Clerk at (850) 413-6770 at least 48 hours prior to the workshop. Any person who is hearing or speech impaired should contact the Florida Public Service Commission using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).

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FPSC-COMMISSION CLERK

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By DIRECTION of the Florida Public Service Commission, this 2nd day of June, 2010.



ANN COLE
Commission Clerk

(SEAL)

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**AGENDA
FLORIDA PUBLIC SERVICE COMMISSION
STAFF WORKSHOP
INITIATION OF RULEMAKING TO
ADOPT RULES 25-6.0431 AND 25-7.0391, F.A.C.,
RELATING TO APPLICATION FOR LIMITED PROCEEDINGS, AND
TO AMEND RULE 25-22.0406, F.A.C.
CONCERNING NOTICE AND PUBLIC INFORMATION REQUIREMENTS**

Undocketed

**June 23, 2010
9:30 A.M.**

**Betty Easley Conference Center, Room 148
4075 Esplanade Way
Tallahassee Florida**

- 1. Order of presentation. Staff will explain the proposed rules and rule amendments and solicit comments and/or questions, in the following order:
 - a. 25-6.0431**
 - b. 25-7.0391**
 - c. 25-22.0406****
- 2. Any Other Matters for Discussion**
- 3. Discussion of Next Steps in this Rulemaking**
- 4. Adjourn**

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1 25-6.0431 Application for a Limited Proceeding

2 (1) Each application for a limited proceeding shall provide the following general
3 information to the Commission:

4 (a) The name of the applicant and the address of the applicant's principal place of
5 business;

6 (b) The number(s) of the Commission order(s), in which the Commission most
7 recently considered the applicant's base rates:

8 (c) The addresses within the service area where the application is available for
9 customer inspection during the time the application is pending.

10 (2) The following minimum information shall be filed with the utility's application for
11 limited proceeding:

12 (a) A detailed statement of the reason(s) why the limited proceeding has been
13 requested.

14 (b) If the utility's application includes a request for recovery of plant in service,
15 accumulated depreciation and depreciation expense, a schedule that provides the specific rate
16 base components for which the utility seeks recovery on both a system and jurisdictional basis.

17 Supporting detail shall be provided for each item requested, including:

18 1. The actual or projected costs(s);

19 2. The date the item was, or is projected to be, placed in service;

20 3. Any corresponding adjustments that are required as a result of adding or removing
21 the requested component(s) from rate base, which may include retirement entries;

22 4. All supporting detail by primary account as defined by the Uniform System of
23 Accounts, in accordance with Rule 25-6.014, F.A.C.; and

24 5. Any other relevant supporting information.

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from existing law.

1 (c) If recovery is being requested for any costs, a calculation of the weighted average
2 cost of capital shall be provided for the most recent twelve-month period, using the mid-point
3 of the range of the last authorized rate of return on equity, the current embedded cost of fixed-
4 rate capital, the actual cost of short-term debt, the actual cost of variable-cost debt, and the
5 actual cost of other sources of capital which were used in the last individual rate proceeding of
6 the utility;

7 (d) If the utility is requesting recovery of operating expenses, the following
8 information shall be provided on both a system and jurisdictional basis;

9 1. A detailed description of the expense(s) requested;

10 2. The total cost by primary account pursuant to the Uniform System of Accounts;

11 3. Supporting documentation or calculations; and

12 4. Any allocations that are made between systems, affiliates or related parties. If
13 allocations are made, submit full detail that shows the total amount allocated, a description of
14 the basis of the allocation methodology, the allocation percentage applied to each allocated
15 cost, and the workpapers supporting the calculation of the allocation percentages.

16 (e) Calculations for all items or actions that will create cost savings or revenue impacts
17 from the implementation of the requested cost recovery items;

18 (f) A calculation of the revenue change;

19 (g) Schedules for the most recent twelve-month period showing that, without any
20 increased rates, the utility will earn below its authorized rate of return in accordance with
21 Section 366.071, F.S. The schedules shall consist of a rate base, net operating income, and
22 cost of capital schedule with adjustments to reflect those consistent with the utility's last rate
23 proceeding;

24 (h) Annualized revenues for the most recent twelve-month period using the rates in

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1 effect at the time the utility files its application for limited proceeding;

2 (i) A schedule showing how the utility proposes to allocate any change in revenues to
3 rate classes;

4 (j) A schedule of current and proposed rates for all rate schedules, along with
5 workpapers showing how those rates were derived;

6 (k) If the limited proceeding is being requested solely to change the current rate
7 structure, provide a copy of all workpapers and calculations used to calculate requested rates
8 and allocations between customer classes, and a description of the customer migrations
9 between rate schedules resulting from the restructuring. In addition, the following schedules,
10 which are incorporated herein by reference, from Form PSC/ECR/011-E(2/04), entitled
11 “Minimum Filing Requirements for Investor-Owned Electric Utilities,” shall be provided. The
12 schedules can be obtained from the Commission’s Division of Economic Regulation.

13 1. Schedule E-1, entitled “Cost of Service Study”

14 2. Schedule E-6, entitled “Cost of Service Study – Unit Costs, Present Rates”

15 3. Schedule E-6b, entitled “Cost of Service Study – Unit Costs, Proposed Rates”

16 4. Schedule E-8, entitled “Company Proposed Allocation of the Rate Increase by Rate
17 Class”

18 5. Schedule E-13a, entitled “Revenue from Sale of Electricity by Rate Schedule”

19 6. Schedule E-13c, entitled “Revenue by Rate Schedule – Calculations”

20 7. Schedule E-13d, entitled “Revenue by Rate Schedule – Lighting Schedule

21 Calculations”

22 8. Schedule E-14, Proposed Tariff Sheets and Support for Changes”

23 (3) In a limited proceeding application:

24 (a) Each schedule shall be cross-referenced to identify related schedules. Supporting

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1 documentation reflecting all calculations or assumptions made shall be filed.

2 (b) The original and twenty copies shall be filed with the Office of Commission Clerk.

3 To the extent possible, all filings made electronically or on diskette shall be provided in

4 Microsoft Word format and all schedules and calculations shall be provided in Excel format

5 with formulas intact and unlocked.

6 (4) A limited proceeding is inappropriate in the following circumstances:

7 (a) If the utility has the discretion to postpone or phase in any costs such that an

8 immediate rate increase is not necessary; or

9 (b) If the utility's filing includes more than two separate proposals for which recovery

10 is sought and the requested rate increase exceeds five percent of the utility's most recent

11 twelve-month annual jurisdictional base rate revenue. Corresponding adjustments for a given

12 proposal are not subject to the above limitation.

13 Rulemaking Authority: 350.127(2), 366.05, 366.06(1) 366.076(2) F.S. Law Implemented:

14 366.05, 366.06, 366.076 F.S.

15 History - New: _____

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1 25-7.0391 Application for a Limited Proceeding

2 (1) Each application for a limited proceeding shall provide the following general
3 information to the Commission:

4 (a) The name of the applicant and the address of the applicant's principal place of
5 business;

6 (b) The number(s) of the Commission order(s), in which the Commission most
7 recently considered the applicant's base rates;

8 (c) The addresses within the service area where the application is available for
9 customer inspection during the time the application is pending.

10 (2) The following minimum information shall be filed with the utility's application for
11 limited proceeding:

12 (a) A detailed statement of the reason(s) why the limited proceeding has been
13 requested.

14 (b) If the utility's application includes a request for recovery of plant in service,
15 accumulated depreciation and depreciation expense, a schedule that provides the specific rate
16 base components for which the utility seeks recovery on both a system and jurisdictional basis.

17 Supporting detail shall be provided for each item requested, including:

18 1. The actual or projected costs(s);

19 2. The date the item was, or is projected to be, placed in service;

20 3. Any corresponding adjustments that are required as a result of adding or removing
21 the requested component(s) from rate base, which may include retirement entries;

22 4. All supporting detail by primary account as defined by the Uniform System of
23 Accounts, in accordance with Rule 25-7.014, F.A.C.; and

24 5. Any other relevant supporting information.

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1 (c) If recovery is being requested for any costs, a calculation of the weighted average
2 cost of capital shall be provided for the most recent twelve-month period, using the mid-point
3 of the range of the last authorized rate of return on equity, the current embedded cost of fixed-
4 rate capital, the actual cost of short-term debt, the actual cost of variable-cost debt, and the
5 actual cost of other sources of capital which were used in the last individual rate proceeding of
6 the utility;

7 (d) If the utility is requesting recovery of operating expenses, the following
8 information shall be provided on both a system and jurisdictional basis;

- 9 1. A detailed description of the expense(s) requested;
10 2. The total cost by primary account pursuant to the Uniform System of Accounts;
11 3. Supporting documentation or calculations; and
12 4. Any allocations that are made between systems, affiliates or related parties. If
13 allocations are made, submit full detail that shows the total amount allocated, a description of
14 the basis of the allocation methodology, the allocation percentage applied to each allocated
15 cost, and the workpapers supporting the calculation of the allocation percentages.

16 (e) Calculations for all items or actions that will create cost savings or revenue impacts
17 from the implementation of the requested cost recovery items;

18 (f) A calculation of the revenue change;

19 (g) Schedules for the most recent twelve-month period showing that, without any
20 increase, the utility will earn below its authorized rate of return in accordance with Section
21 366.071, F.S. The schedules shall consist of a rate base, net operating income, and cost of
22 capital schedule with adjustments to reflect those consistent with the utility's last rate
23 proceeding;

24 (h) Annualized revenues for the most recent twelve-month period using the rates in
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1 effect at the time the utility files its application for limited proceeding;

2 (i) A schedule showing how the utility proposes to allocate any change in revenues to
3 rate classes;

4 (j) A schedule of current and proposed rates for all rate schedules, along with
5 workpapers showing how those rates were derived;

6 (k) If the limited proceeding is being requested solely to change the current rate
7 structure, provide a copy of all workpapers and calculations used to calculate requested rates
8 and allocations between customer classes, and a description of the customer migrations
9 between rate schedules resulting from the restructuring. The test year should be the most
10 recent 12-month period. In addition, the following schedules, which are incorporated herein by
11 reference, from Form PSC/ECR/010-G (11/89), entitled "Minimum Filing Requirements for
12 Investor-Owned Gas Utilities," shall be provided. The schedules can be obtained from the
13 Commission's Division of Economic Regulation.

14 1. Schedule H-1, entitled "Embedded Cost of Service Study"

15 2. Schedule H-2, entitled "Development of Allocation Factors"

16 (3) In a limited proceeding application:

17 (a) Each schedule shall be cross-referenced to identify related schedules. Supporting
18 documentation reflecting all calculations or assumptions made shall be filed;

19 (b) The original and twenty copies shall be filed with the Office of Commission Clerk.

20 To the extent possible, all filings made electronically or on diskette shall be provided in
21 Microsoft Word format and all schedules and calculations shall be provided in Excel format
22 with formulas intact and unlocked.

23 (4) A limited proceeding is inappropriate in the following circumstances:

24 (a) If the utility has the discretion to postpone or phase-in any costs such that an
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from existing law.

1 immediate rate increase is not necessary; or

2 (b) If the utility's filing includes more than two separate proposals for which recovery
3 is sought and the requested rate increase exceeds five percent of the utility's total most recent
4 twelve-month annual jurisdictional base rate revenue. Corresponding adjustments for a given
5 proposal are not subject to the above limitation.

6 Rulemaking Authority:350.127(2), 366.05, 366.06(1), 366.076(2), F.S. Implementing

7 Authority: 366.05, 366.06, 366.076 F.S.

8 History New:

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1 25-22.0406 Notice and Public Information on General Rate Increase Requests and Limited
2 Proceedings by Electric, and Gas Utilities ~~and Telephone Companies~~.

3 (1) The provisions of this rule shall be applicable to all requests for general rate
4 increases, and to all limited proceedings filed pursuant to Rules 25-6.0431 and 25-7.0391, by
5 electric, and gas utilities ~~and telephone companies~~ subject to the Commission's jurisdiction.

6 (2) The following noticing procedures shall apply to requests for a general rate
7 increase:

8 (a) ~~Upon filing a petition for a general rate increase, The~~ the utility shall mail a copy of
9 the petition to the chief executive officer of the governing body of each municipality and
10 county within the service area affected.

11 (b) The utility shall establish a clearly identifiable link on the utility's website which
12 allows electronic access to all documents filed in the rate case docket.

13 (c) Location of MFRs

14 1. ~~(3)(a)~~ Within 15 days after it has been notified by the Commission that the
15 Minimum Filing Requirements (MFRs) have been met, the utility shall place a copy of the
16 MFRs at its official headquarters and at a location approved by Commission staff ~~its business~~
17 ~~office~~ in each municipality in which service hearings were held in the last general rate case of
18 the utility and through a link on the utility's website.

19 2. Within 15 days after the case time schedule has been ~~mailed to the utility~~ posted to
20 the Commission's website, copies of the MFRs shall be placed in ~~the utility business office~~ a
21 location approved by Commission staff in each additional city in which service hearings are to
22 be held. ~~Upon customer request a copy of the MFRs shall be placed in a utility business office~~
23 ~~not located in a city where a service hearing is to be held. The copies of the MFRs shall be~~
24 ~~available for public inspection during the utility's regular business hours.~~

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1 3. Copies of the MFRs shall be available for public inspection during the regular
2 business hours of the location housing the MFRs, and through a link on the utility's website.

3 ~~(b) In addition to the locations listed above, if the Commission determines that the~~
4 ~~locations listed above will not provide adequate access, the Commission will require that~~
5 ~~copies of the MFRs be placed at other specified locations.~~

6 (d) Rate Case Synopsis

7 1. (4)(a) Within 15 days after the time schedule for the case a general rate increase has
8 been mailed to the utility posted to the Commission's website, the utility shall prepare and
9 distribute a synopsis of the rate request. The synopsis shall be approved by the Commission or
10 its staff prior to distribution and shall include:

11 a. 1. A summary of the section of the MFRs showing a comparison of the present and
12 proposed rates for all rate classifications and service charges major services;

13 b. 2. A statement of the anticipated major issues involved in the rate case;

14 c. 3. A copy of the executive summary filed with the MFRs;

15 d. 4. A description of the ratemaking process and the time schedule established for the
16 rate case; and

17 e. 5. The locations at which complete MFRs are available.

18 2. (b) Copies of the synopsis shall be distributed to the same locations as required for
19 the MFRs, to the main county library within, or most convenient to, the service area, and to
20 the chief executive officer of each county and municipality within the service area affected.

21 (e) (5) Within 30 days after the rate case time schedule has been posted to the
22 Commission's website mailed to the utility, the utility shall begin sending a notice approved
23 by the Commission or its staff to its customers containing:

24 1. (a) A statement that the utility has applied for a rate increase and the general reasons
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1 for the request;

2 2. (b) The locations at which copies of the MFRs and synopsis are available, including
3 a link on the utility's website to that information;

4 3. (e) The time schedule established for the case, and the dates, times and locations of
5 any hearings that have been scheduled; and

6 4. (d) A comparison of current rates and service charges and the proposed new rates
7 and service charges; ~~Such notice shall be completed at least 10 days prior to the first~~
8 ~~scheduled service hearing.~~

9 5. The docket number assigned to the petition by the Commission's Office of
10 Commission Clerk;

11 6. A statement that written comments regarding the proposed changes in rates and
12 charges should be addressed to the Office of Commission Clerk, 2540 Shumard Oak
13 Boulevard, Tallahassee, Florida 32399-0850, and that such correspondence should identify the
14 docket number assigned to the proceeding; and

15 7. A statement that complaints regarding service may be made to the Commission's
16 Division of Service, Safety & Consumer Assistance at this toll free number: (800) 342-3552.

17 (3) The following noticing procedures shall apply to a limited proceeding filed
18 pursuant to Rule 25-6.0431 or 25-7.0391, which would result in a change to customer rates;

19 (a) Within 30 days after the time schedule for the limited proceeding has been posted
20 to the Commission's website, the utility shall begin sending a notice approved by the
21 Commission staff to its customers.

22 (b) The notice shall contain:

23 1. A statement that the utility has requested a change in rates from the Commission and
24 a statement of the amount requested and the general reasons for the change;

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1 2. A statement of where and when the application and supporting documentation is
2 available for public inspection, including a clearly identified link on the utility's website to
3 such information;

4 3. A comparison of current and proposed rates and charges;

5 4. The utility's address, telephone number, and website;

6 5. The docket number assigned to the proceeding;

7 6. A statement that written comments regarding the proposed changes in rates and
8 charges should be addressed to the Office of Commission Clerk, 2540 Shumard Oak
9 Boulevard, Tallahassee, Florida, 32399-0850, and that such correspondence should identify
10 the docket number assigned to the proceeding; and

11 7. A statement that complaints regarding service may be made to the Commission's
12 Division of Service, Safety & Consumer Assistance at this toll free number: (800) 342-3552.

13 (c) The utility shall establish a clearly identifiable link on the utility's website which
14 allows electronic access to all documents filed in the limited proceeding docket.

15 (4) All customer notices prepared pursuant to this rule shall be mailed to the
16 customer's address of record at the time the notice is issued.

17 (5) All customer notices regarding location and time of service hearings or customer
18 meetings shall be sent to customers no less than 14 days and no more than 30 days prior to the
19 first scheduled service hearing or customer meeting.

20 (6) At least 7 days and not more than 20 days prior to each service hearing or customer
21 meeting, the utility shall have published in a newspaper of general circulation in the area in
22 which the hearing is to be held a display advertisement stating the date, time, location and
23 purpose of the hearing. The advertisement shall be approved by the Commission ~~or its~~ staff
24 prior to publication.

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1 (7) When the Commission issues proposed agency action and a hearing is subsequently
2 held, the utility shall give written notice of the hearing to its customers at least 14 days in
3 advance of the hearing. This notice shall be approved by the Commission ~~or its~~ staff prior to
4 distribution.

5 (8) After the Commission's issuance of an order granting or denying a rate change, the
6 utility shall give notice to its customers of the order and the revised rates. The notice shall be
7 approved in advance by the Commission ~~or its~~ staff and transmitted to the customers with the
8 first bill containing the new rates.

9 Rulemaking ~~Specific~~ Authority 350.127(2), 366.05, 366.06(1), 366.076(2) F.S. Law
10 Implemented ~~120.569, 120.57, 364.01(4), 364.035(1), 364.04(3), (4), 364.05(1), (2), 364.19,~~
11 ~~366.03, 366.041(1), 366.05(1), 366.06(1),~~ 366.076 F.S. History—New 9-27-83, Formerly 25-
12 22.406, Amended 5-27-93, 5-3-99, _____.

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