ORIGINAL

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 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

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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History: New 11/30/93, Repealed . . .