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STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR DIVISION OF ACCOUNTING AND FINANCE (850) 413-6900

CONTINUS I SN

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Hublic Service Commission

November 21, 2012

To: Investor-Owned Electric Utilities, Municipal Electric Utilities, and Rural Electric Cooperatives

Re: Industry survey for legislative review of agency rules in effect on or before November 16, 2010 Docket No. 110303-OT

To whom this may concern:

Please see attached staff's survey questions. Your timely response to these survey questions regarding Rule 25-6.0131, Florida Administrative Code (F.A.C.) will be important to complete the Commission's Compliance Economic Review required by Subsection 120.745(5), Florida Statutes. All responses should be filed in Docket No. 110303-OT by 5:00 p.m., December 20, 2012, and addressed to:

John Slemkewicz c/o Ann Cole Commission Clerk Office of Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

If you have any questions, please contact John Slemkewicz at (850) 413-6420 or jslemkew@psc.state.fl.us. Thank you for your assistance.

Sincerely

Andrew L. Maurey

Bureau Chief, Surveillance and Rate Filings

Division of Accounting & Finance

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Rule 25-6.0131, F.A.C. - Survey Questions

The following survey questions apply to Rule 25-6.0131, F.A.C, Regulatory Assessment Fees. The Company's response data to these survey questions should be provided for the entire rule, unless the response data is available by rule section, in which case we request the response data be provided by rule section. Please present data in annualized format, if possible, and all cost or benefit dollar estimates should be stated in nominal terms. Please indicate whether the data is actual or projected. Relevant definitions are attached.

- 1. What are the Company's estimated transactional costs (as defined in Subparagraph 120.541(2)(d), F.S.) resulting from the Company's compliance with Rule 25-6.0131, F.A.C., for the five year period beginning July 1, 2011?
 - a. Please identify regulatory assessment fees separately from all other transactional costs required to comply with the rule.
- 2. Of the costs provided in response to question 1 above, which, if any, would be incurred by the Company if Rule 25-6.0131, F.A.C., were not in effect?
- 3. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on small businesses (as defined by Section <u>288.703</u>, F.S.) located in the Company's service territory, resulting from the implementation of 25-6.0131, F.A.C., for the five year period beginning July 1, 2011?
- 4. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on small counties and small cities (as defined in Section 120.52, F.S.) located in the Company's service territory, resulting from the implementation of 25-6.0131, F.A.C., for the five year period beginning July 1, 2011?
- 5. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on entities located in the Company's service territory other than those specifically identified in questions 3 and 4, resulting from the implementation of 25-6.0131, F.A.C., for the five year period beginning July 1, 2011?
- 6. What does the Company believe is the expected impact of Rule 25-6.0131, F.A.C., on economic growth, private sector job creation or employment, and private sector investment for the five year period beginning July 1, 2011 in the Company's service territory?
- 7. What does the Company believe is the expected impact of Rule 25-6.0131, F.A.C., on business competitiveness, productivity, and innovation, including the ability of persons doing business in the Company's service territory to compete with persons doing business in states other than Florida or other domestic markets for the five year period beginning July 1, 2011?
- 8. What does the Company believe are the benefits of Rule 25-6.0131, F.A.C.?

<u>25-6.0131</u> Regulatory Assessment Fees; Investor-owned Electric Companies, Municipal Electric Utilities, Rural Electric Cooperatives.

- (1) As applicable and as provided in Section 350.113, F.S., each company, utility, or cooperative shall remit to the Commission a fee based upon its gross operating revenue. This fee shall be referred to as a regulatory assessment fee. Regardless of the gross operating revenue of a company, a minimum annual regulatory assessment fee of \$25 shall be imposed.
- (a) Each investor-owned electric company shall pay a regulatory assessment fee in the amount of .00072 of gross operating revenues derived from intrastate business, excluding sales for resale between public utilities, municipal electric utilities, and rural electric cooperatives or any combination thereof.
- (b) Each municipal electric utility and rural electric cooperative shall pay a regulatory assessment fee in the amount of 0.00015625 of its gross operating revenues derived from intrastate business, excluding sales for resale between public utilities, municipal electric utilities, and rural cooperatives or any combination thereof.
- (2) Regulatory assessment fees are due each January 30 for the preceding period or any part of the period from July 1 until December 31, and on July 30 for the preceding period or any part of the period from January 1 until June 30.
- (3) If the due date falls on a Saturday, Sunday, or a holiday, the due date is extended to the next business day. If the fees are sent by registered mail, the date of the registration is the United States Postal Service's postmark date. If the fees are sent by certified mail and the receipt is postmarked by a postal employee, the date on the receipt is the United States Postal Service's postmark date. The postmarked certified mail receipt is evidence that the fees were delivered. Regulatory assessment fees are considered paid on the date they are postmarked by the United States Postal Service or received and logged in by the Commission's Division of Administrative Services Tallahassee. Fees are considered timely paid if properly addressed, with sufficient postage and postmarked no later than the due date.
- (4) Commission Form PSC/ECR 68 (01/99), entitled "Investor-Owned Electric Utility Regulatory Assessment Fee Return"; Form PSC/ECR 69 (07/96), entitled "Municipal Electric Utility Regulatory Assessment Fee Return"; and Form PSC/ECR 70 (07/96), entitled "Rural Electric Cooperative Regulatory Assessment Fee Return" are incorporated into this rule by reference and may be obtained from the Commission's Division of Administrative Services. The failure of a utility to receive a return form shall not excuse the utility from its obligation to timely remit the regulatory assessment fees.
 - (5) Each company, utility, or cooperative shall have up to and including the due date in which to:
 - (a) Remit the total amount of its fee; or
 - (b) Remit an amount which the company, utility, or cooperative estimates is its full fee.
- (6) Where the company, utility, or cooperative remits less than its full fee, the remainder of the full fee shall be due on or before the 30th day from the due date and shall, where the amount remitted was less than 90 percent of the total regulatory assessment fee, include interest as provided by paragraph (8)(b) of this rule.
- (7) A company may request from the Division of Administrative Services a 30-day extension of its due date for payment of regulatory assessment fees or for filing its return form.
 - (a) The request for extension must be written and accompanied by a statement of good cause.
- (b) The request for extension must be received by the Division of Administrative Services at least two weeks before the due date.
- (c) Where a company, utility, or cooperative receives an extension of its due date pursuant to this rule, then the entity shall remit a charge in addition to the regulatory assessment fee, as set out in Section 350.113, F.S.
- (8) The delinquency of any amount due to the Commission from the company, utility, or cooperative pursuant to the provisions of Section 350.113, F.S., and this rule, begins with the first calendar day after any date established as the due date either by operation of this rule or by an extension pursuant to this rule.
 - (a) A penalty, as set out in Section 350.113, F.S., shall apply to any such delinquent amounts.
 - (b) Interest at the rate of 12 percent per annum shall apply to any such delinquent amounts.

Specific Authority 350.127(2) FS. Law Implemented 350.113, 366.14 FS. History-New 5-18-83, Amended 2-9-84, Formerly 25-6.131, Amended 6-18-86, 10-16-86, 3-7-89, 2-19-92, 7-7-96, 1-1-99.

Excerpts from Florida Statutes

120.541 Statement of estimated regulatory costs.—

(2)(d) A good faith estimate of the transactional costs likely to be incurred by individuals and entities, including local government entities, required to comply with the requirements of the rule. As used in this section, "transactional costs" are direct costs that are readily ascertainable based upon standard business practices, and include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used or procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring and reporting, and any other costs necessary to comply with the rule.

288.703 Definitions. — As used in ss. 288.702-288.706, the term:

(6) "Small business" means an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As applicable to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments.

120.52 Definitions. — As used in this act:

- (18) "Small city" means any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census.
- (19) "Small county" means any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census.