

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF DEVELOPMENT OF RULEMAKING

TO

ALL INTERESTED PERSONS

DOCKET NO. 20180143-EI

PETITION TO INITIATE RULEMAKING TO REVISE AND AMEND PORTIONS OF RULE 25-6.0426, F.A.C., BY FLORIDA POWER & LIGHT COMPANY, GULF POWER COMPANY, AND TAMPA ELECTRIC COMPANY.

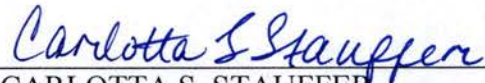
ISSUED: September 7, 2018

NOTICE is hereby given pursuant to Section 120.54, Florida Statutes, that the Florida Public Service Commission has initiated rulemaking to amend Rule 25-6.0426, Florida Administrative Code, to increase an investor-owned electric utility's recoverable economic development expenses on a phased basis through 2023 and to counter the effects of inflation since the cap was originally set.

The attached Notice of Development of Rulemaking appeared in the September 7, 2018 edition of the Florida Administrative Register. A rule development workshop will be held at a date, time and place to be determined and noticed in a future edition of the Florida Administrative Register. A copy of the preliminary draft rule is attached.

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By DIRECTION of the Florida Public Service Commission this 7th day of September,
2018.



CARLOTTA S. STAUFFER
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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Notice of Development of Rulemaking

PUBLIC SERVICE COMMISSION

RULE NO: RULE TITLE

25-6.0426 Recovery of Economic Development Expenses

PURPOSE AND EFFECT: Among other things, Rule 25-6.0426, F.A.C., limits an investor-owned electric utility's recoverable economic development expenses to the greater of: (a) the amount approved in the utility's last rate case escalated for customer growth; or (b) 95 percent of the expenses incurred for the reporting period not to exceed the lesser of 0.15 percent of gross annual revenues or \$3 million. Rule 25-6.0426 would be amended to increase an investor-owned electric utility's recoverable economic development expenses on a phased basis through 2023 and to counter the effects of inflation since the cap was originally set.

Docket No. 20180143-EI

SUBJECT AREA TO BE ADDRESSED: Investor-owned electric utility regulation.

RULEMAKING AUTHORITY: 350.127(2), 288.035 FS.

LAW IMPLEMENTED: 288.035 FS.

A RULE DEVELOPMENT WORKSHOP WILL BE HELD AT A DATE, TIME AND PLACE TO BE DETERMINED AND NOTICED IN A FUTURE EDITION OF THE FAR.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT AND A COPY OF THE PRELIMINARY DRAFT, IF AVAILABLE, IS: Rosanne Gervasi, Florida Public Service Commission, Office of the General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, (850)413-6224, rgervasi@psc.state.fl.us.

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS AVAILABLE AT NO CHARGE FROM THE CONTACT PERSON LISTED ABOVE.

1 **25-6.0426 Recovery of Economic Development Expenses.**

2 (1) Pursuant to Section 288.035, F.S., the Commission shall allow a public utility to
3 recover reasonable economic development expenses subject to the limitations contained in
4 subsections (3) and (4), provided that such expenses are prudently incurred and are consistent
5 with the criteria established in subsection (7).

6 (2) Definitions.

7 (a) “Economic Development” means those activities designed to improve the quality of
8 life for all Floridians by building an economy characterized by higher personal income, better
9 employment opportunities, and improved business access to domestic and international
10 markets.

11 (b) “Economic development organization” means a state, local, or regional public or
12 private entity within Florida that engages in economic development activities, such as city and
13 county economic development organizations, chambers of commerce, Enterprise Florida, the
14 Florida Economic Development Council, and World Trade Councils.

15 (c) “Trade show” means an exhibition at which companies, organizations, communities, or
16 states advertise or display their products or services, in which economic development
17 organizations attend or participate to identify potential industrial prospects, to provide
18 information about the locational advantages of Florida and its communities, or to promote the
19 goods and services of Florida companies.

20 (d) “Prospecting mission” means a series of meetings with potential industrial prospects at
21 their business locations with the objectives of convincing the prospect that Florida is a good
22 place to do business and offers unique opportunities for that particular business, and
23 encouraging the prospect to commit to a visit to Florida if a locational search is pending or in
24 progress.

25 (e) “Strategic plan” means a long-range guide for the economic development of a

CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from
existing law.

1 community or state that focuses on broad priority issues, is growth-oriented, is concerned with
2 fundamental change, and is designed to develop and capitalize on new opportunities.

3 (f) "Recruitment" means active efforts to encourage specific companies to expand or begin
4 operations within Florida.

5 (3) Prior to each utility's next rate change enumerated in subsection (6), the amounts
6 reported for surveillance reports and earnings review calculations shall be limited to the
7 greater of:

8 (a) The amount approved in each utility's last rate case escalated for customer growth
9 since that time, or

10 (b) 95 percent of the expenses incurred for the reporting period so long as such does not
11 exceed the ~~greater~~ lesser of 0.15 percent of gross annual revenues or \$3 million. Beginning on
12 January 1, 2020, the amounts reported for surveillance reports and earnings review
13 calculations shall not exceed the greater of \$3 million or 95 percent of the following
14 percentages of gross annual revenues: January 1, 2020 – 0.175 percent; January 1, 2021 – 0.2
15 percent; January 1, 2022 – 0.225 percent; and January 1, 2023 and beyond – 0.25 percent.

16 (4) At the time of each utility's next rate case and for subsequent rate proceedings
17 enumerated in subsection (6) the Commission will determine the level of sharing of prudent
18 economic development costs and the future treatment of these expenses for surveillance
19 purposes.

20 (5) Each utility shall report its total economic development expenses as a separate line
21 item on its income statement schedules filed with the earnings surveillance report required by
22 Rule 25-6.1352, F.A.C. Each utility shall make a line item adjustment on its income statement
23 schedule to remove the appropriate percentage of economic development expenses incurred
24 for the reported period consistent with subsections (3) and (4).

25 (6) Requests for changes relating to recovery of economic development expenses shall be
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1 considered only in the context of a full revenue requirements rate case or in a limited scope
2 proceeding for the individual utility.

3 (7) All financial support for economic development activities given by public utilities to
4 state and local governments and organizations shall be pursuant to a prior written agreement.

5 Recoverable economic development expenses shall be limited to the following:

6 (a) Expenditures for operational assistance, including:

7 1. Planning, attending, and participating in trade shows;

8 2. Planning, conducting, and participating in prospecting missions designed to encourage
9 the location in Florida of domestic and foreign companies;

10 3. Providing financial support to economic development organizations to assist with their
11 economic development operations;

12 4. Providing financial support to economic development programs or initiatives identified
13 or developed by Enterprise Florida, Inc.;

14 5. Participating in joint economic development efforts, including public-private
15 partnerships, consortia, and multi-county regional initiatives;

16 6. Participating in downtown revitalization and rural community developmental programs.

17 7. Supporting state and local efforts to promote small and minority-owned business
18 development efforts; and

19 8. Supporting state and local efforts to promote business retention and expansion activities.

20 (b) Expenditures for assisting state and local governments in the design of strategic plans
21 for economic development activities, including:

22 1. Making financial contributions to state and local governments to assist strategic
23 planning efforts; and

24 2. Providing technical assistance, data, computer programming, and financial support to
25 state and local governments in the design and maintenance of information systems used in

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1 strategic planning activities.

2 (c) Expenditures of marketing and research services, including;

3 1. Assisting state and local governments and economic development organizations in
4 marketing specific sites for business and industry development or recruitment;

5 2. Assisting state and local governments and economic development organizations in
6 responding to inquiries from business and industry concerning the development of specific
7 sites within the utility's service area;

8 3. Providing technical assistance, data, computer programming, and financial support to
9 state and local governments in the design and maintenance of geographic information systems,
10 computer networks, and other systems used in marketing and research activities;

11 4. Providing financial support to economic development organizations to assist with their
12 research and marketing activities;

13 5. Sponsoring publications, conducting direct mail campaigns, and providing advertising
14 support for state and local economic development efforts;

15 6. Participating in cooperative marketing efforts with economic development
16 organizations;

17 7. Helping state and local businesses identify suppliers, markets, and sources of financial
18 assistance;

19 8. Helping economic development organizations identify specific industries and
20 companies for targeting and recruitment;

21 9. Working with economic development organizations to identify businesses in need of
22 help for expansion, going out of business, or at risk of leaving the area;

23 10. Providing site and facility selection assistance, including lists of commercial or
24 industrial sites, computer databases, toll-free telephone numbers, maps, photographs, videos,
25 and other activities in cooperation with economic development organizations; and

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1 11. Supporting state and local efforts to promote exports of goods and services, and other
2 international business activities.

3 *Rulemaking Authority 288.035(3), 350.127(2) FS. Law Implemented 288.035 FS. History–*
4 *New 7-17-95, Amended 6-2-98, 9-25-00.*

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