

FLORIDA PUBLIC SERVICE COMMISSION  
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Tallahassee, Florida 32399-0850

RECEIVED

MEMORANDUM

FEB 26 1998

February 26, 1998

FPSC - Records/Reporting

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF APPEALS (BELLAK) *OS*  
DIVISION OF ELECTRIC AND GAS (MCKIN, LOWERY, *PLT*)  
BULECZA-BANKS *MS*  
DIVISION OF RESEARCH & REGULATORY REVIEW (HEWITT) *PA*  
DIVISION OF AUDITING AND FINANCIAL ANALYSIS (SLEMKEWICZ) *SDM*  
DIVISION OF ADMINISTRATION (SEWELL) *SW*

RE: DOCKET NO. 971444-GU - PROPOSED RULES 25-7.100, F.A.C.,  
ANNUAL REPORTS; AND 25-7.101 F.A.C., REGULATORY  
ASSESSMENT FEES FOR NATURAL GAS TRANSMISSION COMPANIES

AGENDA: MARCH 10, 1998 - REGULAR AGENDA - RULE PROPOSAL -  
INTERESTED PERSONS MAY PARTICIPATE

RULE STATUS: PROPOSAL MAY BE DEFERRED

SPECIAL INSTRUCTIONS: S:\PSC\APP\WP\971444.RCM

CASE BACKGROUND

Pursuant to a rulemaking request, staff requested that attached Rules 25-7.100 and 25-7.101 be proposed. Rule 25-7.100, concerning the filing of annual reports, and Rule 25-7.101, concerning payment of regulatory assessment fees, apply to natural gas transmission companies.

The attached Statement of Estimated Regulatory Cost (SERC) indicates that there is currently one intrastate natural gas pipeline company that would be required to comply with these rules. The customers of the pipeline would benefit through the funding of state safety inspections by means of the regulatory assessment fee and the application of safety guidelines to the utility. There are no alternative methods that would meet the objectives of implementing Section 368.109, Florida Statutes.

DOCUMENT NUMBER-DATE

02653 FEB 26 8

FPSC-RECORDS/REPORTING

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DISCUSSION OF ISSUES

ISSUE 1: Should the Commission propose Rules 25-7.100 and 25-7.101?

RECOMMENDATION: Yes. The Commission should propose Rules 25-7.100 and 25-7.101.

STAFF ANALYSIS: As indicated, implementation of Section 368.109 F.S. is intended by these rules. As a result, the means by which the legislative intent in Section 368.05 that the Commission exercise jurisdiction over "gas transmission or distribution facilities with respect to their compliance with the rules and regulations governing safety standards established by the Commission" will be appropriately accomplished.

ISSUE 2: If there are no comments or requests for hearing filed, should Rules 25-7.100 and 25-7.101 be sent to the Secretary of State for adoption and this docket closed:

RECOMMENDATION: Yes.

STAFF ANALYSIS: For the reasons previously stated, Rules 25-7.100 and 25-7.101 appropriately implement legislative policies articulated in Chapter 368, Florida Statutes.

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25-7.100 Annual Report

(1) Each natural gas transmission company shall annually file the following information with the Commission on a calendar year basis:

(a) Comparative Balance Sheet for the reporting year and the prior year

(b) Comparative Statement of Income for the reporting year and the prior year

(c) Statement of Retained Earnings for the reporting year.

(2) The report shall be due on or before April 30 for the preceding calendar year.

(3) A company may file a written request for an extension of time with the Division of Auditing and Financial Analysis no later than April 30. One extension of 31 days will be granted upon request. A request for a longer extension must be accompanied by a statement of good cause and shall specify the date by which the report will be filed.

(4) The company shall file an original and three copies of the information required in subsection (1).

Specific Authority: 368.104, F.S.

Law Implemented: 368.104, F.S.

History--New

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25-7.101 Regulatory Assessment Fees

(1) As provided in s. 368.109, F.S., each natural gas transmission company shall pay a regulatory assessment fee. The regulatory assessment fee shall be 0.25 percent annually of the natural gas transmission company's gross operating revenue derived from intrastate business, excluding sales of gas for resale to natural gas transmission companies, public utilities that supply gas, municipal gas utilities and gas districts.

(2) Regulatory assessment fees are due each January 30 for the preceding 6 month period or any part of the period from July 1 until December 31, and on July 30 for the preceding 6 month 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 legal 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 Administration in Tallahassee. Fees are considered timely paid if properly addressed, with sufficient postage, and postmarked no later than the due date.

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(4) Commission Form PSC/ADM 244 (2/98), entitled "Natural Gas Transmission Pipeline Company Regulatory Assessment Fee Return" is incorporated into this rule by reference and may be obtained from the Commission's Division of Administration. 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 natural gas transmission company shall have up to and including the due date in which to remit the total amount of its fee.

(6) A company may request from the Division of Administration 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 Administration at least two weeks before the due date.

(7) The delinquency of any amount due to the Commission from the company, pursuant to the provisions of s. 368.109, 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 to this rule.

(a) A penalty shall be added to the amount of fee due, in the amount of 5% for each 30 days or fraction thereof, not to exceed a total penalty of 25%.

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(b) In addition, interest shall be added in the amount of 1½  
for each 30 days or fraction thereof, not to exceed a total of 12  
½ per year.

(8) A Regulatory Assessment Fee Return must be completed, signed,  
and filed even if there are no revenues to report.

Specific Authority: 368.104, F.S.

Law Implemented: 368.109, F.S., 368.111, F.S.

History--New

Natural Gas Transmission Pipeline Company Regulatory Assessment Fee Return

Florida Public Service Commission

(See Filing Instructions on Back of Form)

STATUS:

\_\_\_\_ Actual Return  
 \_\_\_\_ Estimated Return

**FIELD(1)**

PERIOD COVERED:  
**FIELD(3)**

Please Complete Below if Official Address Has Changed

**FOR PSC USE ONLY**

Check# \_\_\_\_\_

\$ \_\_\_\_\_ 0601003  
 003001

\$ \_\_\_\_\_ P  
 0601003  
 004010

\$ \_\_\_\_\_ I

Postmark Date \_\_\_\_\_

Initials of Preparer \_\_\_\_\_

\_\_\_\_\_  
 (Name of Utility) (Address) (City/State) (Zip)

LINE NO.	ACCOUNT CLASSIFICATION	AMOUNT
1.	Gas Service Revenues	\$ _____
2.	Other Operating Revenues	_____
3.	Other Gas Revenues	_____
4.	TOTAL GROSS REVENUES	\$ _____
5.	Less:	
6.	Sales For Resale To Natural Gas Transmission Companies, Public Utilities That Supply Gas, Municipal Gas Utilities, and Gas Districts (attach a listing of Companies with amounts) (_____)	
7.	Revenues Subject To Regulatory Assessment Fee	_____
8.	Regulatory Assessment Fee Rate	_____ .0025
9.	Regulatory Assessment Fee Due (Line 8 x Line 9)	\$ _____

**THIS FORM MUST BE COMPLETED AND RETURNED REGARDLESS OF THE AMOUNT OF REVENUES REPORTED**

I, the undersigned owner/officer of the above named vendor have read the foregoing and declare that to the best of my knowledge and belief, the above information is a true and correct statement. I am aware that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.

\_\_\_\_\_  
 (Signature of Utility Official) (Title) (Date)

\_\_\_\_\_  
 (Please Print Name) Telephone Number ( ) Fax Number ( )

F.E.I. No. \_\_\_\_\_

PSC/ADMIN 244 (2/98)  
 PSC/NGTFC XX (Rev. 6/97) (P)

**FLORIDA PUBLIC SERVICE COMMISSION**  
Instructions For Filing Regulatory Assessment Fee Return  
(Natural Gas Transmission Pipeline Company)

1. **WHEN TO FILE:** This Regulatory Assessment Fee Return and payment must be filed or postmarked:

*On or before July 30* for the six-month period January 1 through June 30, *AND*  
*On or before January 30* for the six-month period July 1 through December 31.

However, if July 30 or January 30 falls on a Saturday, Sunday, or holiday, the Regulatory Assessment Fee may be filed or postmarked on the next business day.

2. **FEES:** Each utility shall pay the currently authorized percentage, as indicated on Line 8 on the reverse side, of its gross operating revenues derived from intrastate business. Gross Operating Revenues are defined as the total revenues before expenses. The currently authorized percentage was implemented by Section 25-7.101(1), Florida Administrative Code.
3. **FAILURE TO FILE BY DUE DATE:** A Regulatory Assessment Fee Return must be completed, signed, and filed even if there are no revenues to report. Failure to file a return by the established due date will result in a penalty being added to the amount of fee due, 5% for each 30 days or fraction thereof, not to exceed a total penalty of 25% (Line 9). In addition, interest shall be added in the amount of 1% for each 30 days or fraction thereof, not to exceed a total of 12% per year.
4. **FEE ADJUSTMENTS:** The utility will be notified as to the amount and reason for any adjustment. Penalty and interest charges may be applicable to additional amounts owed to the Commission by reason of the adjustment. A utility may file a written request for a refund of any overpayments. The request should be directed to Fiscal Services at the below-referenced address.
5. **MAILING INSTRUCTIONS:** Please complete this form, make a copy for your file, and return the original in the enclosed preaddressed envelope. Use of this envelope should assure a more accurate and expeditious recording of your payment. If you are unable to use the enclosed envelope, please address your remittance as follows:

Florida Public Service Commission

2540 Shumard Oak Boulevard

Tallahassee, FL 32399-0850

ATTENTION: Fiscal Services

6. **ADDITIONAL ASSISTANCE:** If any additional assistance is required in preparing the Regulatory Assessment Fee Return, please contact the Division of Auditing and Financial Analysis at (805) 413-6480 or at the above-referenced address, directing correspondence to the attention of the division.



MEMORANDUM

January 7, 1998

TO: DIVISION OF APPEALS (BELLAK)

FROM: DIVISION OF RESEARCH AND REGULATORY REVIEW (HEWITT) *CBH P.D. 1/10/98*

SUBJECT: STATEMENT OF ESTIMATED REGULATORY COST FOR DOCKET NO. 971444-GU, PROPOSED NEW RULES 25-7.100, F.A.C., ANNUAL REPORTS, AND 25-7.101, F.A.C., REGULATORY ASSESSMENT FEES (NATURAL GAS TRANSMISSION COMPANIES)

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SUMMARY OF THE RULE

The proposed new Rules 25-7.100, F.A.C., Annual Reports, and 25-7.101, F.A.C., Regulatory Assessment Fees (Natural Gas Transmission Companies) would require the filing of annual reports and payment of regulatory assessment fees (RAFs) of 0.25 percent of gross operating revenues as authorized by Section 368.109, Florida Statutes.

ESTIMATED NUMBER AND DESCRIPTION OF INDIVIDUALS AND ENTITIES IMPACTED

There is currently one intrastate natural gas pipeline company that would be required to comply with the new rule. A data request was sent to the company. However, there was no reply, which would be necessary to more completely assess the impact of the proposed rule.

Customers of the pipeline could be affected by the proposed rule. They could benefit from pipeline safety inspections funded by the RAFs. Customers may also pay for some or all of the RAFs when their contracts for gas delivery are renewed.

DIRECT COSTS TO THE AGENCY AND OTHER STATE OR LOCAL GOVERNMENT ENTITIES

The Florida Public Service Commission (Commission) would have some additional direct costs with adoption of the proposed rules, because annual report filings would have to be examined

and analyzed, safety inspections would have to be made, and RAFs would have to be accounted for. However, these additional tasks could be handled by existing staff and the RAFs would offset the additional costs. No other direct costs to state or local government entities are foreseen.

ESTIMATED TRANSACTIONAL COSTS  
TO INDIVIDUALS AND ENTITIES REQUIRED TO COMPLY

The affected gas pipeline company would have additional transaction costs to prepare the information required in the proposed rules. However, the data should be readily available. The amount of the RAFs required would be 0.25 percent of gross operating income, but that amount is unknown at this time.

IMPACT ON SMALL BUSINESS, SMALL CITIES, OR SMALL COUNTIES

The company subject to the proposed rules does not likely meet the statutory definition of a small business. No additional direct impact on small cities or small counties is foreseen.

REASONABLE ALTERNATIVE METHODS

There are no alternative methods that would meet the objectives of the law being implemented with the proposed rules.

CBH:e-gasraf