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Public Service Commission

LONG RANGE PROGRAM PLAN

Public Service Commission
Tallahassee
September 27, 2012

Jerry L. McDaniel, Director
Office of Policy and Budget
Executive Office of the Governor
1701 The Capitol
Tallahassee, FL 32399-1300

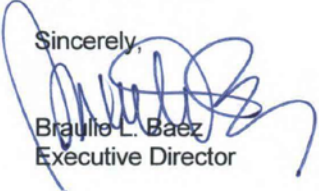
JoAnne Leznoff, Staff Director
House Appropriations Committee
221 The Capitol
Tallahassee, FL 32399-1300

Mike Hansen, Staff Director
Senate Budget Director
201 The Capitol
Tallahassee, FL 32399-1300

Dear Directors:

Pursuant to Chapter 216, Florida Statutes, our Long Range Program Plan (LRPP) for the Public Service Commission is submitted in the format prescribed in the budget instructions. The information provided electronically and contained herein is a true and accurate presentation of our mission, goals, objectives and measures for the Fiscal Year 2013-14 through Fiscal Year 2017-18.

Sincerely,


Braulio L. Baez
Executive Director

**FLORIDA
PUBLIC SERVICE COMMISSION**



**LONG RANGE PROGRAM PLAN
FY 2013-14 THROUGH FY 2017-18**

September 30, 2012

AGENCY MISSION

**Facilitate The Efficient Provision
Of Safe And Reliable Utility Services
At Fair Prices.**

PUBLIC SERVICE COMMISSION
Long Range Program Plan FY 2013-14 through FY 2017-18
Goals and Objectives
In Priority Order

GOAL #1: Ensure that the regulatory process results in fair and reasonable rates while offering rate-base-regulated utilities an opportunity to earn a fair return on their investments.

OBJECTIVE 1A: To establish rates and charges which result in fair and equitable treatment of all customer classes and competitive providers.

OUTCOME 1A: Percentage increase in annual utility bill for average residential usage compared to inflation as measured by the Consumer Price Index plus 1%: Electric, Gas, and Water/Wastewater Industries

	FY 2000-01 Baseline (Actual)	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
<i>Actual CPI/Actual FL</i>	CPI 3.4%/FL 1.84%	CPI + 1	CPI + 1	CPI + 1	CPI + 1	CPI + 1

OBJECTIVE 1B: To ensure that Commission established returns on equity are commensurate with the level of risk associated with similar investments and initiate corrective proceedings when appropriate.

OUTCOME 1B: Average allowed Return on Equity (ROE) in Florida compared to average ROE in the USA.

	FY 2000-01 Baseline (Actual)	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
<i>USA/ Florida</i>	Electric USA 12.2 / FL 11.38; Gas USA 11.6 / FL 11.31; WW USA 11.2 / FL 9.69	USA +/- 1	USA +/- 1	USA +/- 1	USA +/- 1	USA +/- 1

OBJECTIVE 1C: To monitor the earnings of all utilities to ensure that achieved returns on equity do not exceed authorized returns, and initiate corrective proceedings when appropriate.

OUTCOME 1C: Percentage of utilities achieving within range or over range of last authorized ROE.

	FY 2000-01 Baseline (Actual)	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
<i>Within Range/ Over Range</i>						
Electric	67% / 33%	100% / 0%	100% / 0%	100% / 0%	100% / 0%	100%/0%
Gas	25% / 0%	29% / 0%	29% / 0%	29% / 0%	29% / 0%	29%/0%
Water & Wastewater	10% / 5%	10% / 5%	10% / 5%	10% / 5%	10% / 5%	10%/5%

GOAL #2: Provide appropriate regulatory oversight to protect consumers and facilitate the development of fair and effective competition in provision of telecommunications services.

OBJECTIVE 2: To facilitate development of competitive markets and provide the appropriate level of regulatory review and oversight.

OUTCOME 2: Percentage of state access lines served by Competitive Local Exchange Companies (CLECs).

	FY 2000-01 Baseline (Actual)	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	6.1%	11.0%	11.0%	11.0%	11.0%	11.0%

Long Range Program Plan FY 2013-14 through FY 2017-18 Goals and Objectives

GOAL #3: Facilitate the provision of safe utility services at levels of quality and reliability that satisfy customer needs.

OBJECTIVE 3: To enforce Commission quality and safety standards for regulated utilities.

OUTCOME 3A: Percentage of communications service variances per inspection points examined: Local Exchange Companies, Interexchange Companies, and Pay Telephone Companies.

FY 2000-01 Baseline (Actual)	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
18.77%	19%	19%	19%	19%	19%

OUTCOME 3B: Percentage of electric and gas safety variances corrected on first re-inspection.

FY 2000-01 Baseline (Actual)	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
65.6%	87.3%	87.3%	87.3%	87.3%	87.3%

GOAL #4: Inform utility consumers regarding utility matters and expedite resolution of disputes between consumers and utilities.

OBJECTIVE 4: To provide timely and quality assistance to customers regarding utility complaints and inquiries.

OUTCOME 4A: Consumer Calls: Percentage of calls answered.

FY 2000-01 Baseline (Actual)	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
93%	95%	95%	95%	95%	95%

OUTCOME 4B: Consumer Calls: Average waiting time.

FY 2000-01 Baseline (Actual)	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
.83 min.	1.4 min.	1.4 min.	1.4 min.	1.4 min.	1.4 min.

GOAL #5: Encourage and facilitate responsible use of resources and technology in the provision and consumption of electric utility services.

OBJECTIVE 5: To reduce the rate of growth of energy consumption and weather sensitive peak demand as required by Florida Energy Efficiency and Conservation Act (FEECA).

OUTCOME 5: Per capita annual kWh energy savings through conservation programs.

FY 2000-01 Baseline (Actual)	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
193 kWh	250 kWh	250 kWh	250 kWh	250 kWh	250 kWh

TRENDS AND CONDITIONS STATEMENT

The Florida Public Service Commission (FPSC or Commission) is committed to making sure that Florida's consumers receive some of their most essential services — electric, natural gas, water, and wastewater — in a safe, affordable, and reliable manner. At the same time, the FPSC must balance these consumer needs with the opportunity for utilities and their stockholders to earn a fair rate of return for their capital investments. In doing so, the FPSC exercises regulatory authority over utilities in one or more of three key areas: rate base/economic regulation, competitive market oversight, and monitoring of safety, reliability, and service.

FPSC Responsibilities

Scope of Authority

The FPSC regulates the retail rates and services provided by all investor-owned electric utilities, gas utilities, and water and wastewater companies. The regulation of energy (electricity and natural gas) and water and wastewater investor-owned utilities is commonly referred to as rate base or rate-of-return regulation, which includes rate setting responsibility and earnings oversight and also extends to quality of service and consumer complaints. A characteristic unique to Florida's water and wastewater industry is that counties have the option to elect to regulate the investor-owned water and wastewater companies in their county pursuant to Chapter 367, or transfer regulation to the FPSC. Currently 35 of 67 counties have either left regulation with the FPSC or transferred regulatory authority to the FPSC. For telecommunications companies, the Commission has jurisdiction over company-to-company matters, such as disputes over interconnection agreements. The Commission also provides oversight for programs established under the federal Universal Service Program, such as Lifeline for low income customers, and Telephone Relay Services for the deaf, hard of hearing, and speech impaired. The PSC also has oversight over pay phone services.

The FPSC also exercises rate structure, electric safety, and territorial jurisdiction over municipally-owned electric systems and rural electric cooperatives. Proper rate structure ensures that rates charged to customers of these utilities are non-discriminatory and that one class of customers does not subsidize another class.

In order to assure an adequate and reliable supply of electricity in Florida, the FPSC

has jurisdiction over the generation and transmission planning of all electric utilities in Florida. The Commission is responsible for reviewing electric utility Ten Year Site Plans and determining the need for major new power plant and transmission line additions under the Florida Power Plant and Transmission Siting Acts. Finally, the FPSC also has authority to set conservation goals for Florida's investor-owned electric utilities and the two largest municipal electric utilities.

The FPSC also ensures compliance with gas safety rules and regulations for municipally-owned natural gas utilities, special gas districts, investor-owned gas utilities, intrastate gas pipelines, and private master meters.

Statutory Authority

The FPSC's authority for its activity is contained in the following Florida Statutes:

- Chapter 120, Rulemaking
- Chapter 186, Planning and Development (10 Year Site Plans)
- Chapter 350, Organization, Powers and Duties
- Chapter 364, Telecommunications
- Chapter 366, Electric Utilities
- Chapter 367, Water and Wastewater Systems
- Chapter 368, Gas Transmission and Distribution Facilities
- Chapter 403, Power Plant, and Transmission Line Siting, and Intrastate Natural Gas Pipeline Siting
- Chapter 427, Special Transportation and Communications Services

Rules adopted by the FPSC to implement the above laws are contained in Chapter 25, Florida Administrative Code (F.A.C.). The FPSC also exercises quasi-judicial responsibilities to conduct evidentiary hearings regarding cost and quality of regulated services, hear complaints, and issue written orders.

To meet its statutory responsibilities, the FPSC has established the following five primary goals:

1. Utilize a regulatory process that results in fair and reasonable rates for consumers while offering rate base regulated utilities an opportunity to earn a fair return on their investments.
2. Provide appropriate regulatory oversight to facilitate fair and effective competition in the provision of telecommunications services.

3. Facilitate the provision of safe utility services at levels of quality and reliability that satisfy customer needs.
4. Inform utility consumers regarding utility matters and expedite resolution of disputes between consumers and utilities.
5. Encourage and facilitate responsible use of resources and technology in the provision and consumption of services.

Agency Priorities

As discussed previously, the FPSC's authority extends over three major utility industries: energy (electricity and natural gas), telecommunications, and water and wastewater. Each industry has unique characteristics and each has significant issues that will require regulatory actions by the FPSC over the next five years. The agency's priorities are based on legislative directives and economic and environmental factors affecting provision of utility services within the state.

Energy Priorities

Florida's electric utilities are required by law to furnish adequate, reliable electricity service at a reasonable cost to each customer. Meeting customer demand in a time of rising costs and uncertain economic conditions represents a significant challenge. Recent legislative initiatives stress the importance of diversifying fuels used for electric power generation, including further development of renewable energy resources.

Other recent legislation has created financial incentives to encourage utilities to make capital investments, to expand existing and construct new nuclear power plants, and to explore clean coal technologies such as integrated gasified combined cycle (IGCC) units. To date, utilities have proposed, and the FPSC has found, an affirmative need for approximately 5,000 megawatts of additional nuclear facilities through 2025 that will help maintain Florida's fuel diversity by reducing the State's future dependence on oil and natural gas while reducing the emission of greenhouse gases.

Fuel Diversity

During the late 1990's, utilities across the nation and within Florida selected natural gas-fired generation as the predominant source of new capacity. The use of natural gas for electricity production in Florida increased significantly from 19.3 percent in 1995 to 57.7 percent in 2011. Given the volatility of natural gas prices, evidenced by the wide range of projected prices and availability of natural gas, the FPSC has required electric utilities to explore the feasibility of improving the State's fuel diversity. Both Florida Power and Light Company (FPL) and Progress Energy Florida, Inc. (PEF) have begun the application process for approval to construct a total of four new nuclear reactors in Florida. In August 2009, PEF received approval for site certification by the Power Plant Siting Board for its two planned nuclear units in Levy County. FPL is currently proceeding through site certification and is scheduled to go before the Power Plant Siting Board in December 2013 with an order expected in January 2014. PEF and FPL also have both submitted applications to the Nuclear Regulatory Commission (NRC) for a Combined Operating License (COL). The COL is authorization to begin construction and operation of the new nuclear power units.

Both utilities (FPL and PEF) have filed petitions pursuant to Section 366.93, F.S., which provides for alternative cost recovery for new nuclear power plant additions. A hearing to address cost recovery of nuclear pre-construction expenditures for both utilities was held September 2012. The in-service dates of 2022 through 2025 for these nuclear units, will require the Commission to annually evaluate the cost recovery and the long-term feasibility of these projects over the next 10 to 13 years.

Fuel diversity will continue to be a critical issue for the FPSC as it monitors potential climate change legislation, fuel price variability, the changing capital cost of generating units, and the expansion and integration of renewable energy resources.

Energy Conservation

During the 2008 legislative session, the Legislature amended the Florida Energy Efficiency and Conservation Act (FEECA) to place greater emphasis on the pursuit, through utility sponsored incentives, of all cost-effective customer conservation and energy efficiency measures including demand-side renewable energy systems. Under FEECA, the FPSC must establish numeric conservation goals for each FEECA utility, at least every five years. FEECA goals were last set in 2009 to reflect the provisions of the revised FEECA statutes. Hearings to establish new conservation and energy efficiency goals were held August 2009. Intervenors in the hearing included the Florida Industrial Power Users Group, the Florida Solar Coalition, the National Resources Defense Council, and the Southern Alliance for Clean Energy.

On December 30, 2009, the PSC established aggressive new goals for the FEECA utilities that were more robust than those proposed by the utilities. These new goals were based on an Enhanced Total Resource Cost (E-TRC) test that includes total system costs and benefits and estimates of the potential impact of environmental regulations to control greenhouse gas emissions. In addition, the Commission increased the goals to include estimates of the effect of certain measures that have a payback period of two years or less to the participating customer. In order to implement the new goals, each FEECA utility was required to file plans and programs designed to meet the goals. The Commission approved plans submitted by Gulf Power, TECO, FPUC, JEA, and OUC in early 2010. On July 26, 2011 the Commission modified plans filed by FPL and PEF due to concerns over the rate impact of the plans filed by the utilities. The next goals proceeding is anticipated to begin in 2013, with a decision by the Commission required by the end of 2014.

Renewable Generation

Another priority of the FPSC is to increase the use of cost-effective renewable energy. Currently there are approximately 1,421 MW of renewable generation resources in Florida from non-utility and utility-owned renewable generating facilities. The majority, approximately 900 MW, are municipal solid waste (MSW) or biomass facilities. Over the next ten years, the utilities project an increase of approximately 957 MW of new renewable facilities, again primarily from solar and biomass facilities.

The Florida Legislature, in 2008, placed emphasis on customer-owned renewable energy as well as supply-side or grid-tied renewables. All electric utilities were directed to offer customers standard interconnection agreements and net metering for renewable energy generation. This policy ensures a simplified, expedited process for interconnecting a renewable system to the utility. Net metering is a billing function that allows customers to receive credit for renewable energy generated in excess of the customer's requirements. As of December 31, 2011, 3,966 customers owned renewable energy systems with an electric capacity of 28.6 MW, up from 537 systems with a capacity of 2.8 MW in 2008. Small customer-owned renewable facilities are primarily solar photovoltaic (PV) installations. Between 2008 and 2011, the number of these small solar installations increased approximately 639%.

To further encourage development of solar energy in Florida, the FPSC approved solar energy pilot programs to be offered by IOUs. The pilot programs provide customer rebates to offset a portion of the installation cost for solar photovoltaic and solar hot water heating systems, and also provide solar energy equipment to low-income customers and to schools. As the cost of these pilot programs, including rebates, are paid for by all IOU customers, the FPSC established an annual expenditure cap to limit the rate impact. The pilot programs were approved in December 2009.

Over the next five years, the FPSC will continue to enforce existing renewable policies, and explore additional policies to benefit Florida's consumers. In addition, the FPSC will monitor the utilities' efforts to interconnect and net meter customer-owned renewables under the FPSC's rule. The FPSC will also review and approve investor-owned utilities' standardized contracts to purchase renewable capacity and energy. Finally, the FPSC will monitor the impact of evolving federal and state energy policies on the development of renewables in Florida, and on the state's ratepayers and provide technical information to assist legislators in the formulation of renewable energy policy.

Rate Cases

During 2011, the Commission dealt with rate-related matters for three of the four major investor-owned electric utilities in the state. On July 8, 2011, Gulf Power Company (Gulf) filed a request for an annual base rate increase of \$101.6 million and a step increase of \$4.3 million associated with the Crist Units 6 and 7 turbine upgrade projects. Gulf's requested rate increases were based in part upon an authorized return on equity (ROE) of 11.70 percent. On February 27, 2012, the Commission approved an annual base rate increase of \$64.1 million based in part upon an ROE of 10.25 percent. In addition to this increase in base rates effective April 2012, the Commission also approved a step increase in base rates of \$4.0 million effective January 2013. On April 18, 2012, Gulf filed a Motion for Reconsideration (Motion) seeking reconsideration of the Commission's decision to exclude the costs associated with the North Escambia site from Property Held for Future Use. Gulf's Motion was denied by the Commission on July 17, 2012.

During 2011, Progress Energy Florida (PEF) operated under a Stipulation approved by the Commission on June 18, 2010. The PEF 2010 Stipulation provided for the following: a base rate freeze through December 2012; the discretion to record a specified depreciation expense credit; the discretion to accelerate the amortization of certain regulatory assets; and the specified recovery of storm damage costs and storm damage reserve replenishment. In addition, the PEF 2010 Stipulation also provided for any party to petition the Commission for a review of PEF's base rates if the Company's reported ROE exceeds 11.50 percent.

On January 20, 2012, PEF filed a Petition for Limited Proceeding to Approve Stipulation and Settlement Agreement (PEF 2012 Stipulation). The PEF 2012 Stipulation resolved certain outstanding issues in several existing dockets, including issues related to the examination of the outage and replacement costs associated with PEF's Crystal River Unit 3 (CR3) steam generator replacement and the Nuclear Cost Recovery Clause. The PEF 2012 Stipulation which was approved March 8, 2012, set limits on the recovery of costs associated with the

proposed Levy Nuclear Project, provided a framework for the treatment of costs associated with the repair or retirement of the CR3 nuclear plant, provided for a base rate increase of \$150 million effective January 2013, and provided for refunds totaling \$288 million over the period 2013–2016. Absent a major storm that results in significant damage to PEF's service territory or the Company earning an ROE above 11.50 percent or below 9.50 percent, PEF's base rates will not be increased prior to January 1, 2017.

Florida Power & Light Company (FPL) currently operates under a Settlement Agreement (FPL Stipulation) which was approved by the Commission on February 1, 2011. The FPL Stipulation provided for the following: a base rate freeze through December 2012 unless the ROE falls below 9.00 percent; the discretion to record a specified depreciation expense credit each calendar year in 2010, 2011, and 2012; specified recovery of storm damage costs and storm damage reserve replenishment; and recovery of the West County Unit 3 non-fuel revenue requirements equal to the projected fuel savings associated with the operation of the unit until the next rate proceeding. In addition, the FPL Stipulation also provided for any party to petition the Commission for a review of FPL's base rates if the Company's reported ROE exceeds 11.00 percent. On March 19, 2012, FPL filed a petition for an annual base rate increase of \$516.5 million to be effective January 2013 and a step increase of \$173.9 million associated with the Cape Canaveral Modernization Project to be effective June 2013. FPL's requested base rate increases are based in part upon an ROE of 11.50 percent. As part of the case process, the Commission held nine customer service hearing throughout FPL's service territory. A technical hearing was conducted August 20-24 and August 27-30, 2012. The Commission is expected to rule on FPL's petition in late 2012.

Natural Gas Bare Steel and Cast Iron Pipe Replacement

In August 2012, the Commission approved cast iron/bare steel pipe replacement riders for three natural gas utilities, Peoples Gas System, Florida Public Utilities, and the Florida Division of Chesapeake Utilities. Gas utilities have been urged by the Pipeline Hazardous Materials and Safety Administration, which acts through the Office of Pipeline Safety within the U.S. Department of Transportation, to replace these older facilities as a safety measure. Cast iron pipe is subject to "graphitization" or graphitic softening and bare steel is subject to corrosion. Both hazards can lead to structural failure and the release of gas. Under the approved pipeline replacement program, these three utilities will replace 917 miles of cast iron and bare steel distribution pipe and 8,052 service lines within a 10-year period. For the period 2012-2014, the monthly residential bill impacts are projected to be .05 cents for Peoples Gas System customers, .04 cents for Florida Public Utilities customers, and .22 cents for customers of the Florida Division of Chesapeake Utilities Corporation.

Water & Wastewater Priorities

The water and wastewater industry, although not subject to competitive pressures, faces unique challenges of its own in the areas of aging infrastructure, rate relief requests, affordability, and reuse.

The major workload for the PSC in this industry is ratemaking to ensure utilities remain financially viable so that customers continue to receive their water at reasonable rates. A key consideration in setting water rates is sending proper price signals to customers to encourage efficient use of this critical resource.

Population growth exerts upward pressure on water rates as demand continually increases for this finite resource. Compared to other utility industries, water and wastewater utilities generally have much smaller customer bases over which to spread the increasing costs. Therefore, the impacts of increased costs may be greater for the individual customer of a water or wastewater utility than for customers of other utility services. Increases in the cost of gasoline, insurance, labor, chemicals, property taxes and sludge removal negatively impact the financial position of water and wastewater utilities. During the fiscal year 2011/2012, the FPSC processed 15 petitions for rate relief, nine file and suspend cases, six staff assisted cases, and one overearnings case. The FPSC expects rate case activity for the water and wastewater industry to remain the same in the coming year.

Compliance with the standards in the federal Safe Drinking Water Act and the Clean Water Act has also increased the cost of providing water and wastewater services to the public, in some instances dramatically. Drinking water standards have become more stringent with respect to the maximum levels allowed for certain contaminants. The tightening of standards often requires utilities to expend monies to make modifications to their plants or processes in order to gain compliance with the more stringent standards.

A significant issue for the water and wastewater industry is the challenge of regulatory compliance for small systems. Encouraging acquisitions of small systems by larger more financially sound water and wastewater companies may be one way to address the problems

of small systems. A Commission workshop was held on January 27, 2010 to address the effectiveness of the Commission's existing acquisition policy. The Commission issued an amended rule regarding its acquisition policy November 22, 2010.

Telecommunications Priorities

In 1995, the Florida Legislature recognized the potential benefits of introducing competition for telecommunications services and enacted legislation to open local telecommunications markets to service providers other than the incumbent local exchange companies (ILECs). The following year, Congress enacted the Telecommunications Act of 1996 making local competition a national objective. The emergence of unregulated technologies such as wireless and VoIP have created an increasingly competitive market for telecommunications services.

Under the new law, the FPSC will continue promoting competitive markets by resolving disputes between companies, facilitating company-to-company interconnection (arbitrations, contract interpretations, complaints, etc.), and monitoring evolving telecommunications technology. Also, the FPSC will continue to address Lifeline and Telephone Relay Service matters and monitor related federal matters that may impact Florida carriers and consumers.

The Lifeline program provides a credit of up to \$12.75 per month to subscribers bills to make telephone service affordable to eligible low-income customers. Lifeline is a program funded by the Federal Universal Service Fund. All customers contribute to the Universal Service Fund through a line item on their monthly bill. Wireless carriers designated as Eligible Telecommunications Carriers (ETCs) in Florida have been extremely successful in increasing Lifeline enrollment in Florida, thereby increasing Universal Service Fund benefits to our state.

To facilitate access to affordable telecommunications service for all consumers, the FPSC and DCF implemented a Lifeline automatic enrollment process. The FPSC and DCF are continuing to work together to make enrolling in the Lifeline program easier for applicants. FPSC efforts ensure that all Florida consumers have access to telecommunications services at affordable rates.

Pursuant to the Telecommunications Access Services Act of 1991 (TASA), the FPSC is responsible for establishing, implementing, promoting, and overseeing the administration of a statewide telecommunications access system to provide access to telecommunications relay

services by people who are hearing or speech impaired and those who communicate with them. As part of its TASA responsibility, the FPSC oversees Florida Telecommunications Relay, Inc. a not-for-profit corporation that fulfills certain TASA requirements by providing for the distribution of specialized equipment required for telecommunications services to the deaf, hard of hearing, and speech impaired and for outreach in the most cost-effective manner.

Conclusion

Safe, reliable and affordable utility services are critical to promoting a positive business and social environment for Florida's residents. Measures of our success focus on customer protection and assistance, conservation, safety oversight, competitive market oversight, and ratemaking.

The FPSC's primary responsibility is to ensure that customers of regulated utility companies receive safe and reliable service at fair and reasonable rates. At the same time, the FPSC is required by law to ensure that rate base regulated companies are afforded an opportunity to earn a fair return on their investment in property dedicated to providing utility service. With Florida's dynamic energy climate, the targets are ever changing, and this task is more complex than ever before.

At this time, the FPSC is proposing a continuation budget. The FPSC does not have any task forces.

**FLORIDA PUBLIC SERVICE
COMMISSION**

LRPP EXHIBIT II

**PERFORMANCE MEASURES AND
STANDARDS**

LRPP Exhibit II - Performance Measures and Standards

Department: Florida Public Service Commission **Department No:** 61000000
Program: Utilities Regulation/ Consumer Assistance **Code:** 1205.00.00.00
Service/Budget Entity: Utility Regulation **Code:** 61030100

	Approved Performance Measure FY 2013-14	Approved Prior Year Standard FY 2011-12	Prior Year Actual FY 2011-12	Approved Standards for 2012-13	Requested FY 2013-14
1	Percentage of annual utility increases for average residential usage compared to inflation as measured by the Consumer Price Index (CPI): Composite	CPI + 1 (4.15%)	1.61%	CPI + 1	CPI + 1
2	Average allowed return on equity (ROE) in Florida compared to average ROE in the USA: Composite	USA +/- 1 (10.49% +/- 1)	10.4%	USA +/- 1	USA +/- 1
3	Percent of utilities achieving within range and over range of last authorized ROE: Electric	100% / 0%	40%/0%	100% / 0%	100% / 0%
4	Percent of utilities achieving within range and over range of last authorized ROE: Gas	29% / 0%	43%/14%	29% / 0%	29% / 0%
5	Percent of utilities achieving within range and over range of last authorized ROE: Water & Wastewater	10% / 5%	3%/4%	10% / 5%	10% / 5%
6	Percent of communications service variances per inspection points examined	19.0%	0.00%	Measure Deleted	Measure Deleted
7	Percent of electric and gas safety variances corrected on first reinspection	60.1%	87.90%	60.1%	60.1%
8	Consumer Calls: Percent of calls answered	86%	91.57%	86%	86%
9	Consumer Calls: Average waiting time (in minutes)	1.4	.33	1.4	1.4
10	Conservation Programs Reviewed and Conservation Proceedings Undertaken	87	103	87	87
11	Per capita annual kWh energy savings through conservation programs (in kWh)	250	404	368	368
12	Utility Companies for which Rates or Earnings were Reviewed/Adjusted: Electric	19	29	19	19

	Approved Performance Measure FY 2013-14	Approved Prior Year Standard FY 2011-12	Prior Year Actual FY 2011-12	Approved Standards for 2012-13	Requested FY 2013-14
13	Utility Companies for which Rates or Earnings were Reviewed/Adjusted: Gas	6	6	6	6
14	Utility Companies for which Rates or Earnings were Reviewed/Adjusted: Water & Wastewater	155	144	145	145
15	Proceedings to Evaluate or Resolve Retail and Wholesale Telecommunications Competitive Issues	600	439	300	300
16	Number of proceedings granting certificates to operate as a telecommunications company and registering intrastate interexchange telecommunications companies	70	38	20	20
17	Number of proceedings granting service authority, resolving territorial disputes, or approving territorial agreements: Electric	3	6	3	3
18	Number of proceedings granting service authority, resolving territorial disputes, or approving territorial agreements: Gas	1	3	1	1
19	Number of proceedings granting service authority, resolving territorial disputes, or approving territorial agreements: Water & Wastewater	55	39	45	45
20	Number of proceedings relating to wholesale competition or electric reliability	33	38	33	33
21	Utility Consumer Complaints and Information Requests Closed	43,000	51,626	43,000	43,000
22	Safety Inspections Performed (Electric and Gas)	3,000	4,184	3,000	3,000
23	Communications Service Evaluations Performed	4,000	0	Measure Deleted	Measure Deleted
24	Number Average Customer Satisfaction Rating of the Complaint Handling Function	4	6	4	4

**FLORIDA PUBLIC SERVICE
COMMISSION**

LRPP EXHIBIT III

**PERFORMANCE MEASURE
ASSESSMENT**

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Florida Public Service Commission
Program: Utilities Regulation / Consumer Assistance
Service/Budget Entity: Consumer Safety / Protection
Measure: #3 Percentage of Utilities Achieving Within Range
And Over Range of Last Authorized ROE: Gas

Action:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
100%/0%	40%/0%	60%/0%	60%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation: Three of the five electric utilities earned below the ROE range. Underearning utilities are responsible for filing petitions for rate increases to correct underearnings. The Commission does not initiate rate increases.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Florida Public Service Commission
Program: Utility Regulation/Consumer Assistance
Service/Budget Entity: Utility Regulation
Measure #6: Percent of Communications Service Variances Per Inspection Points Examined

Action:

- Performance Assessment of Outcome Measure Revision of Measure
 Performance Assessment of Output Measure Deletion of Measure
 Adjustment of GAA Performance Standards

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
19%	0	0	0

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input checked="" type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation: The Regulatory Reform Act of 2011 eliminated certain telecommunications service standards contained in Chapter 364. This resulted in the elimination of local exchange company and hotel/motel call aggregator service evaluations. The measured task will no longer be performed. **A request to delete Measure #6 has been approved for FY 2012-13.**

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Florida Public Service Commission
Program: Utilities Regulation / Consumer Assistance
Service/Budget Entity: Consumer Safety / Protection
Measure: #14 Water and Wastewater Utility Companies for which Rates or Earnings were Reviewed/Adjusted

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
155	144	10	92%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem | |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission | |

Explanation: The approved standard represents the total water and wastewater utilities under the Commission's jurisdiction. The number of water and wastewater utilities that fall under the Commission's jurisdiction increases as new companies are formed and decreases as existing companies are transferred to governmental entities. Since the time the standard was established at 155 entities, the Commission has experienced a net loss in jurisdictional entities. As of 8/15/2011, there were 145 jurisdictional water and wastewater utilities. **A request was approved to change the standard to reflect the appropriate number of regulated water and wastewater utilities of 145 for FY 2012-13.** For 2011/2012, 144 utilities were reviewed, which was the total number of utilities under the Commission's jurisdiction required to file an annual report.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Florida Public Service Commission
Program: Utilities Regulation/Consumer Assistance
Service/Budget Entity: Utility Regulation
Measure #15: Proceedings to Evaluate/Resolve Retail and Wholesale Competitive Issues

Action:

- Performance Assessment of Outcome Measure Revision of Measure
 Performance Assessment of Output Measure Deletion of Measure
 Adjustment of GAA Performance Standards

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
600	439	(161)	27%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | X Other (Identify) |

Explanation: Due to the statutory changes, the Commission will no longer resolve retail telecommunications issues. A request was made to amend the standard to reflect only wholesale competitive proceedings. The data source will be the Commission’s Case Management System (CMS). This is the same source previously used with the deletion of the retail cases. **A request to change the standard from 600 to 300 has been approved for FY 2012-2013.**

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Florida Public Service Commission
Program: Utilities Regulation/Consumer Assistance
Service/Budget Entity: Utility Regulation
Measure: #16 Number of Proceedings Granting Certificates to Operate as a Telecommunications Company

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
70	38	(32)	45%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | X Other (Identify) |

Explanation: The number of proceedings granting certificates is extracted from The Commission's Case Management System (CMS). The Intrastate Interexchange Companies (IXCs) have been deregulated; therefore they no longer will be registered by the Commission. This number will now only reflect certifications of telecommunications companies since we will have no more registrations by IXCs. **A request to change the standard from 70 to 20 has been approved for FY 2012-1013.**

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Florida Public Service Commission
Program: Utilities Regulation / Consumer Assistance
Service/Budget Entity: Consumer Safety / Protection
Measure: #19 – Water and Wastewater Utility Companies for
which Rates Or Earnings were Revised/Adjusted

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
55	39	(16)	29%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem | |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission | |

Explanation: The Commission does not control the number of petitions received from utilities seeking changes in service territories, initiating territorial disputes, or seeking approvals of territorial agreements.

A request to change the standard from 55 to 45 was approved for the FY 2012-2013.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Florida Public Service Commission
Program: Utility Regulation/Consumer Assistance
Service/Budget Entity: Utility Regulation
Measure: #23 Communications Service Evaluations Performed

Action:

- Performance Assessment of Outcome Measure Revision of Measure
 Performance Assessment of Output Measure Deletion of Measure
 Adjustment of GAA Performance Standards

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
4000	0	0	0

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input checked="" type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation: The Regulatory Reform Act of 2011 eliminated certain telecommunications service standards contained in Chapter 364. This resulted in the elimination of local exchange company and hotel/motel call aggregator service evaluations. The measured task will no longer be performed. **A request to delete Measure #23 has been approved.**

**FLORIDA PUBLIC SERVICE
COMMISSION**

LRPP EXHIBIT IV

**PERFORMANCE MEASURE VALIDITY
AND RELIABILITY**

**NO CHANGES IN STANDARDS
ARE BEING REQUESTED IN THE
LRPP FY 2012-13 THROUGH 2017-18
THEREFORE THERE ARE NOT
EXHIBIT IV'S**

**FLORIDA PUBLIC SERVICE
COMMISSION**

LRPP EXHIBIT V

**ASSOCIATED ACTIVITIES
CONTRIBUTING TO PERFORMANCE
MEASURES**

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures		
Measure Number	APPROVED PERFORMANCE MEASURES FOR FY 2012-13	Associated Activities Title
1	Percentage of annual utility increases for average residential usage compared to inflation as measured by the Consumer Price Index (CPI): Composite	Ratemaking
2	Average allowed return on equity (ROE) in Florida compared to average ROE in the USA: Composite	Ratemaking
3	Percent of utilities achieving within range and over range of last authorized ROE: Electric	Ratemaking
4	Percent of utilities achieving within range and over range of last authorized ROE: Gas	Ratemaking
5	Percent of utilities achieving within range and over range of last authorized ROE: Water & Wastewater	Ratemaking
6	MEASURE DELETED	
7	Percent of electric and gas safety variances corrected on first reinspection	Safety Oversight
8	Consumer Calls: Percent of calls answered	Consumer Protection And Assistance
9	Consumer Calls: Average waiting time (in minutes)	Consumer Protection And Assistance
10	Conservation Programs Reviewed and Conservation Proceedings Undertaken	Conservation
11	Per capita annual kWh energy savings through conservation programs (in kWh)	Conservation
12	Utility Companies for which Rates or Earnings were Reviewed/Adjusted: Electric	Ratemaking

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures		
Measure Number	APPROVED PERFORMANCE MEASURES FOR FY 2012-13	Associated Activities Title
13	Utility Companies for which Rates or Earnings were Reviewed/Adjusted: Gas	Rate-making
14	Utility Companies for which Rates or Earnings were Reviewed/Adjusted: Water & Wastewater	Rate-making
15	Proceedings to Evaluate or Resolve Retail and Wholesale Telecommunications Competitive Issues	Competitive Market Oversight
16	Number of proceedings granting certificates to operate as a telecommunications company and registering intrastate interexchange telecommunications companies	Certificates And Territorial Disputes
17	Number of proceedings granting service authority, resolving territorial disputes, or approving territorial agreements: Electric	Certificates And Territorial Disputes
18	Number of proceedings granting service authority, resolving territorial disputes, or approving territorial agreements: Gas	Certificates And Territorial Disputes
19	Number of proceedings granting service authority, resolving territorial disputes, or approving territorial agreements: Water & Wastewater	Certificates And Territorial Disputes
20	Number of proceedings relating to wholesale competition or electric reliability	Electric Reliability
21	Utility Consumer Complaints and Information Requests Closed	Consumer Protection And Assistance
22	Safety Inspections Performed (Electric and Gas)	Safety Oversight
23	MEASURE DELETED	
24	Number Average Customer Satisfaction Rating of the Complaint Handling Function	Consumer Protection And Assistance

**FLORIDA PUBLIC SERVICE
COMMISSION**

LRPP EXHIBIT VI

**AGENCY-LEVEL UNIT
COST SUMMARY**

PUBLIC SERVICE COMMISSION		FISCAL YEAR 2011-12					
SECTION I: BUDGET		OPERATING			FIXED CAPITAL OUTLAY		
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT					26,003,508	0	
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)					-992,918	0	
FINAL BUDGET FOR AGENCY					25,010,590	0	
SECTION II: ACTIVITIES * MEASURES		FTE	Number of Units	(1) Unit Cost	Expenditures	(2) Expenditures (Allocated)	(3) FCO
<i>Executive Direction, Administrative Support and Information Technology (2)</i>		32.00			2,647,038		0
Rate-making * <i>Utility companies for which rates or earnings were reviewed/adjusted</i>		119.25	170	64,102.59	9,701,738	10,697,440	
Competitive Market Oversight * <i>Proceedings to evaluate or resolve retail and wholesale competitive issues</i>		37.75	300	11,597.33	3,100,695	3,479,199	
Consumer Protection And Assistance * <i>Utility consumer inquiries, complaints, and information requests handled</i>		40.50	43,000	96.40	3,309,949	3,715,036	
Certificates And Territorial Disputes * <i>Proceedings granting service authority, approving territorial agreements or resolving disputes</i>		8.50	69	11,217.90	689,607	774,035	
Electric Reliability * <i>Proceedings relating to wholesale competition or electric reliability/review of site plans</i>		29.00	33	80,489.82	2,365,395	2,656,164	
Safety Oversight * <i>Safety inspections performed</i>		22.25	3,000	686.73	1,837,091	2,060,178	
Conservation * <i>Conservation programs reviewed and conservation proceedings undertaken</i>		6.75	87	6,937.99	536,923	603,604	
TOTAL		296.00			24,185,656	24,185,656	
SECTION III: RECONCILIATION TO BUDGET							
PASS THROUGHS							
TRANSFER - STATE AGENCIES							
AID TO LOCAL GOVERNMENTS							
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS							
OTHER							
REVERSIONS							
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)					25,010,602		
SCHEDULE XI/EXHIBIT VI: AGENCY-LEVEL UNIT COST SUMMARY							

(1) Some activity unit costs may be overstated due to the allocation of double budgeted items.

(2) Expenditures associated with Executive Direction, Administrative Support and Information Technology have been allocated based on FTE. Other allocation methodologies could result in significantly different unit costs per activity.

(3) Information for FCO depicts amounts for current year appropriations only. Additional information and systems are needed to develop meaningful FCO unit costs.

(4) Final Budget for Agency and Total Budget for Agency may not equal due to rounding.

PUBLIC SERVICE COMMISSION		FISCAL YEAR 2011-12					
SECTION I: BUDGET		OPERATING			FIXED CAPITAL OUTLAY		
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT					26,003,508		
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)					892,918		
FINAL BUDGET FOR AGENCY					25,010,590		
SECTION II: ACTIVITIES * MEASURES		FTE	Number of Units	(1) Unit Cost	Expenditures	(2) Expenditures (Allocated)	(3) FCO
<i>Executive Direction, Administrative Support and Information Technology (2)</i>		32.00			2,647,088		0
Rate-making * Utility companies for which rates or earnings were reviewed/adjusted		119.25	170	64,102.59	9,701,728	10,897,440	
Competitive Market Oversight * Proceedings to evaluate or resolve retail and wholesale competitive issues		37.75	300	11,597.33	3,100,685	3,479,199	
Consumer Protection And Assistance * Utility consumer inquiries, complaints, and information requests handled		40.60	45,000	86.40	3,308,949	3,716,006	
Certificates And Territorial Disputes * Proceedings granting service authority, approving territorial agreements or resolving disputes		8.50	69	11,217.90	688,807	774,005	
Electric Reliability * Proceedings relating to wholesale competition or electric reliability/review of site plans		29.00	33	10,489.82	2,366,285	2,656,164	
Safety Oversight * Safety inspections performed		22.25	3,000	688.73	1,837,081	2,060,173	
Conservation * Conservation programs reviewed and conservation proceedings undertaken		6.75	87	6,327.91	535,923	603,604	
TOTAL		296.00			24,185,656	24,185,656	
SECTION III: RECONCILIATION TO BUDGET							
PASS THROUGHS							
TRANSFER - STATE AGENCIES							
AID TO LOCAL GOVERNMENTS							
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS							
OTHER							
REVERSIONS						824,936	
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)						25,010,592	

SCHEDULE XI/EXHIBIT VI: AGENCY-LEVEL UNIT COST SUMMARY

(1) Some activity unit costs may be overstated due to the allocation of double budgeted items.
(2) Expenditures associated with Executive Direction, Administrative Support and Information Technology have been allocated based on FTE. Other allocation methodologies could result in significantly different unit costs per activity.
(3) Information for FCO depicts amounts for current year appropriations only. Additional information and systems are needed to develop meaningful FCO unit costs.
(4) Final Budget for Agency and Total Budget for Agency may not equal due to rounding.

NUCSSP03 LAS/PBS SYSTEM
BUDGET PERIOD: 2003-2014
STATE OF FLORIDA

SP 09/18/2012 16:45
SCHED XI: AGENCY-LEVEL UNIT COST SUMMARY
AUDIT REPORT PUBLIC SERVICE COMMISSION

ACTIVITY ISSUE CODES SELECTED:

TRANSFER-STATE AGENCIES ACTIVITY ISSUE CODES SELECTED:

1-8:

AID TO LOCAL GOVERNMENTS ACTIVITY ISSUE CODES SELECTED:

1-8:

THE FOLLOWING STATEWIDE ACTIVITIES (ACT0010 THROUGH ACT0490) HAVE AN OUTPUT STANDARD (RECORD TYPE 5)
AND SHOULD NOT:

*** NO ACTIVITIES FOUND ***

THE ECO ACTIVITY (ACT0210) CONTAINS EXPENDITURES IN AN OPERATING CATEGORY AND SHOULD NOT:
(NOTE: THIS ACTIVITY IS ROLLED INTO EXECUTIVE DIRECTION, ADMINISTRATIVE SUPPORT AND INFORMATION
TECHNOLOGY)

*** NO OPERATING CATEGORIES FOUND ***

THE FOLLOWING ACTIVITIES DO NOT HAVE AN OUTPUT STANDARD (RECORD TYPE 5) AND ARE REPORTED AS 'OTHER' IN
SECTION III: (NOTE: 'OTHER' ACTIVITIES ARE NOT 'TRANSFER-STATE AGENCY' ACTIVITIES OR 'AID TO LOCAL
GOVERNMENTS' ACTIVITIES. ALL ACTIVITIES WITH AN OUTPUT STANDARD (RECORD TYPE 5) SHOULD BE REPORTED
IN SECTION II.)

*** NO ACTIVITIES FOUND ***

TOTALS FROM SECTION I AND SECTIONS II + III:

DEPARTMENT: 61	EXPENDITURES	FCO
FINAL BUDGET FOR AGENCY (SECTION I):	25,010,590	
TOTAL BUDGET FOR AGENCY (SECTION III):	25,010,602	
DIFFERENCE:	12-	
(MAY NOT EQUAL DUE TO ROUNDING)	=====	=====

**FLORIDA PUBLIC SERVICE
COMMISSION**

**GLOSSARY OF TERMS
AND
CONDITIONS**

Glossary of Terms and Acronyms

NOTE: This Glossary includes terms and acronyms required in the ***Long Range Program Plan Instructions*** dated July 2012 as well as terms and acronyms unique to and used by the FPSC.

Activity -- A unit of work which has identifiable starting and ending points, consumes resources, and produces outputs. Unit cost information is determined using the outputs of activities.

Appropriation Category -- The lowest level line item of funding in the General Appropriations Act which represents a major expenditure classification of the budget entity. Within budget entities, these categories may include: salaries and benefits, other personal services (OPS), expenses, operating capital outlay (OCO), data processing services, fixed capital outlay, etc. These categories are defined within this glossary under individual listings. For a complete listing of all appropriation categories, please refer to the ACTR section in the LAS/PBS User's Manual for instructions on ordering a report.

Baseline Data -- Indicators of a state agency's current performance level, pursuant to guidelines established by the Executive Office of the Governor in consultation with legislative appropriations and appropriate substantive committees.

Budget Entity -- A unit or function at the lowest level to which funds are specifically appropriated in the appropriations act. "Budget entity" and "service" have the same meaning.

COL -- Combined Operating License

CLEC -- Competitive Local Exchange Carrier...Any telecommunications company certificated by the Public Service Commission to provide local exchange telecommunications services in Florida on or after July 1, 1995.

CR3 -- Crystal River Unit 3

D3-A -- A legislative budget request (LBR) exhibit which presents a narrative explanation and justification for each issue for the requested years.

Demand -- The number of output units which are eligible to benefit from a service or activity.

EOG -- Executive Office of the Governor

ETC -- Eligible Telecommunications Carriers

E-TRC -- Enhanced Total Resource Cost

Estimated Expenditures -- Includes the amount estimated to be expended during the current fiscal year. These amounts will be computer generated based on the current year appropriations adjusted for vetoes and special appropriations bills.

FAC -- Florida Administrative Code

FCC -- Federal Communications Commission

Glossary of Terms and Acronyms

FCC -- **Federal Communications Commission**The federal agency empowered by law to regulate all interstate and foreign radio and wire communication services originating in the United States, including radio, television, facsimile, telegraph, and telephone systems. The agency was established under the Communications Act of 1934.

FEECA -- Florida Energy Efficiency and Conservation Act

FFMIS -- Florida Financial Management Information System

FPSC -- Florida Public Service Commission....An agency of the State of Florida that regulates the state's investor-owned electric and natural gas companies, local and long distance telephone companies, and certain water and wastewater companies. The PSC's primary responsibility is to ensure that customers of regulated utility companies receive safe and reliable service at fair and reasonable rates.

FPL -- Florida Power and Light

FPUC -- Florida Public Utility Companies

F.S. -- Florida Statutes

GAA -- General Appropriations Act

GR -- General Revenue Fund

GULF -- Gulf Power Company

IGCC -- Integrated Gasification Combined Cycle

ILEC -- Incumbent Local Exchange Carrier...A term coined from the Telecommunications Act of 1996 to describe the incumbent local telephone company providing local transmission and switching services.

Indexing -- Permits utilities to recognize inflationary increases in major categories of operating expenses, such as chemicals, fuel, materials and supplies, rent and insurance.

Indicator -- A single quantitative or qualitative statement that reports information about the nature of a condition, entity or activity. This term is used commonly as a synonym for the word "measure."

IOE -- Itemization of Expenditure

IOU -- Investor-Owned Utility

IT -- Information Technology

kWh -- Kilowatt-Hour

LAN -- Local Area Network

Glossary of Terms and Acronyms

LAS/PBS -- Legislative Appropriations System/Planning and Budgeting Subsystem. The statewide appropriations and budgeting system owned and maintained by the Executive Office of the Governor.

LBC -- Legislative Budget Commission

LBR -- Legislative Budget Request

LBC -- Legislative Budget Commission....A standing joint committee of the Legislature. The Commission was created to: review and approve/disapprove agency requests to amend original approved budgets; review agency spending plans; and take other actions related to the fiscal matters of the state, as authorized in statute. It is composed of 14 members appointed by the President of the Senate and by the Speaker of the House of Representatives to two-year terms, running from the organization of one Legislature to the organization of the next Legislature.

LBR -- Legislative Budget Request....A request to the Legislature, filed pursuant to section 216.023, Florida Statutes, or supplemental detailed requests filed with the Legislature, for the amounts of money an agency or branch of government believes will be needed to perform the functions that it is authorized, or which it is requesting authorization by law, to perform.

L.O.F. -- Laws of Florida

LRPP -- Long-Range Program Plan....A plan developed on an annual basis by each state agency that is policy-based, priority-driven, accountable, and developed through careful examination and justification of all programs and their associated costs. Each plan is developed by examining the needs of agency customers and clients and proposing programs and associated costs to address those needs based on state priorities as established by law, the agency mission, and legislative authorization. The plan provides the framework and context for preparing the Legislative Budget Request and includes performance indicators for evaluating the impact of programs and agency performance.

Motion -- Motion for Reconsideration

MSW -- Municipal solid waste

Narrative -- Justification for each service and activity is required at the program component detail level. Explanation, in many instances, will be required to provide a full understanding of how the dollar requirements were computed.

Nonrecurring -- Expenditure or revenue which is not expected to be needed or available after the current fiscal year.

NRC -- Nuclear Regulatory commission

OPB -- Office of Policy and Budget, Executive Office of the Governor

Outcome -- See Performance Measure.

Glossary of Terms and Acronyms

Output -- See Performance Measure

PBPB/PB2 -- Performance-Based Program Budgeting

Pass Through -- (1) Funds the state distributes directly to other entities, e.g., local governments, without being managed by the agency distributing the funds. These funds flow through the agency's budget; however, the agency has no discretion regarding how the funds are spent, and the activities (outputs) associated with the expenditure of funds are not measured at the state level. **NOTE: This definition of "pass through" applies ONLY for the purposes of long-range program planning;** (2) A mechanism that allows increases in expenses beyond the control of the utility such as purchased water and/or wastewater, purchased electric, ad valorem taxes, required testing, and regulatory fees to be passed through to the customer.

Performance Ledger -- The official compilation of information about state agency performance-based programs and measures, including approved programs, approved outputs and outcomes, baseline data, approved standards for each performance measure and any approved adjustments thereto, as well as actual agency performance for each measure.

Performance Measure -- A quantitative or qualitative indicator used to assess state agency performance.

- Input means the quantities of resources used to produce goods or services and the demand for those goods and services.
- Outcome means an indicator of the actual impact or public benefit of a service.
- Output means the actual service or product delivered by a state agency.

Policy Area -- A grouping of related activities to meet the needs of customers or clients which reflects major statewide priorities. Policy areas summarize data at a statewide level by using the first two digits of the ten-digit LAS/PBS program component code. Data collection will sum across state agencies when using this statewide code.

Primary Service Outcome Measure -- The service outcome measure which is approved as the performance measure which best reflects and measures the intended outcome of a service. Generally, there is only one primary service outcome measure for each agency service.

Program -- A set of services and activities undertaken in accordance with a plan of action organized to realize identifiable goals and objectives based on legislative authorization (a program can consist of single or multiple services). For purposes of budget development, programs are identified in the General Appropriations Act by a title that begins with the word "Program." In some instances a program consists of several services, and in other cases the program has no services delineated within it; the service is the program in these cases. The LAS/PBS code is used for purposes of both program identification and service identification. "Service" is a "budget entity" for purposes of the LRPP.

Program Component -- An aggregation of generally related objectives which, because of their special character, related workload and interrelated output, can logically be considered an entity for purposes of organization, management, accounting, reporting, and budgeting.

Glossary of Terms and Acronyms

Program Purpose Statement -- A brief description of approved program responsibility and policy goals. The purpose statement relates directly to the agency mission and reflects essential services of the program needed to accomplish the agency's mission.

PEF -- Progress Energy Florida

PSC -- Public Service Commission

Reliability -- The extent to which the measuring procedure yields the same results on repeated trials and data are complete and sufficiently error free for the intended use.

ROE -- Return on equity

RPS -- Renewable Portfolio Standard

Reuse -- Using effluent water for a beneficial purpose, such as irrigation.

Standard -- The level of performance of an outcome or output.

TASA -- Telecommunications Access Services Act

TECO -- Talquin Electric Company

TF -- Trust Fund

TRW -- Technology Review Workgroup

Unit Cost -- The average total cost of producing a single unit of output – goods and services for a specific agency activity.

Validity -- The appropriateness of the measuring instrument in relation to the purpose for which it is being used.

Wages -- Work Gain Economic Stability (Agency for Workforce Innovation)