

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of) DOCKET NO. 960566-EI
a new customer charge for) ORDER NO. PSC-96-0911-FOF-EI
qualifying facilities not) ISSUED: July 15, 1996
directly interconnected with)
Tampa Electric Company.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER APPROVING NEW CUSTOMER CHARGE FOR QUALIFYING FACILITIES
NOT INTERCONNECTED WITH TAMPA ELECTRIC COMPANY

BY THE COMMISSION:

Qualifying facilities (QFs) selling firm or as-available energy to a utility may be interconnected or non-interconnected. Interconnected QFs are located within the utility's service territory and generally take some type of service from the utility such as standby power. Non-interconnected QFs are located outside the service territory of the utility to whom it is selling power and, therefore, do not take power from the utility. Both types of QFs pay the purchasing utility a customer charge intended to recover the costs associated with metering, billing, system operations, and capital costs incurred by the utility.

Tampa Electric Company (TECO) currently applies the firm standby (SBF) customer charge to interconnected QFs who do not take power and non-interconnected QFs. TECO contends that this charge does not fully recover the costs incurred to provide the necessary services for non-interconnected QFs.

TECO requests that QFs not directly interconnected to the company be billed a customer charge of \$580 per month. Using an itemized calculation of the costs to provide necessary services to non-interconnected QFs, TECO estimates the total monthly cost to be \$582.15. This amount is consistent with the unit cost for the SBF customer charge of \$587.98 found in the 1993 Compliance Cost of Service Study. Although the unit customer charge for the combined General Service Large Demand (GSLD) and SBF classes was found to be

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\$587.98, the billing rate was set at \$280. This represented a 50% increase in the existing customer charge and was deemed the maximum increase feasible to avoid undue customer rate shock. The shortfall in revenue is recovered in various other charges for interconnected QFs, including the non-fuel energy charge and reservation charges. While a QF on the SBF rate may not take power often, occasions exist where it will need to purchase power. On these occasions, the QF will pay the customer related costs not recovered by the customer charge. Non-interconnected QFs, however, cannot take retail service from the utility and thus there is no opportunity to collect the balance of the customer charge through other charges. Since the customer charge for the GSLD and SBF classes are not set at unit cost, we believe it is appropriate to develop a separate customer charge that will recover all costs for non-interconnected QFs.

In addition, TECO proposes to revise the delivery voltage adjustment that will be used for non-interconnected QFs. The delivery voltage adjustment will be determined by the Company's current annual system average transmission loss factor. We find this is appropriate because TECO receives energy from a non-interconnected QF at transmission voltage as opposed to primary or secondary voltage.

Based on the foregoing, it is

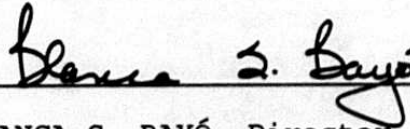
ORDERED by the Florida Public Service Commission that the tariff revisions proposed by Tampa Electric Company as described in the body of this Order should be approved, effective June 25, 1996. It is further

ORDERED that if a protest is filed in accordance with the requirement set forth below, the tariff shall remain in effect with any increase in revenues held subject to refund pending resolution of the protest. It is further

ORDERED that if no protest is filed in accordance with the requirements set forth below, this docket shall be closed.

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By ORDER of the Florida Public Service Commission, this 15th
day of July, 1996.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

VDJ

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 5, 1996.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

Any objection or protest filed in this docket before the issuance date of this Order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

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If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the date this Order becomes final, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.