

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of revisions to renewable energy tariff, by Florida Public Utilities Company. | DOCKET NO. 080283-EQ
ORDER NO. PSC-08-0545-TRF-EQ
ISSUED: August 19, 2008

The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman
LISA POLAK EDGAR
KATRINA J. McMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

ORDER APPROVING STANDARD OFFER CONTRACT AND
ASSOCIATED TARIFFS FILED BY FLORIDA PUBLIC UTILITIES COMPANY

BY THE COMMISSION:

Background

Since January 1, 2006, each investor-owned electric utility (IOU), as well as each electric municipal utility subject to the Florida Energy Efficiency and Conservation Act (FEECA), has been required to continuously offer to purchase capacity and energy from specific types of renewable sources. Section 366.91(3), Florida Statutes, specifies that the contracts for purchase must be based on the utility's full avoided cost as defined in Section 366.051, Florida Statutes, and provide a term of at least ten years. Rules 25-17.200 through 25-17.310, Florida Administrative Code, implement the statutes.

On April 14, 2008, Florida Public Utilities Company (FPUC or Company) provided a letter to Commission staff advising that FPUC had an approved energy tariff and standard offer contract in force for renewable generators, available and in effect since it was approved by the Commission on December 27, 2005.¹ FPUC explained further that some revisions would be needed to reflect the results of a pending rate case. On May 20, 2008, FPUC filed a petition requesting our approval of revisions to the Renewable Energy Tariff.

Because FPUC does not own or operate any electric generating plants, this Company does not have any planned generating unit that can be avoided. For such a circumstance, Rule 25-17.250(1), Florida Administrative Code, requires the Company to base the standard offer

¹ See Order No. PSC-05-1260-TRF-EQ issued in Docket No. 050809-EQ, In Re: Petition for Approval of renewable energy tariff by Florida Public Utilities Company.

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contract on avoiding or deferring a planned purchase. In the current filing, FPUC proposes modifications and revisions to costs that reflect the Company's recently concluded rate case.²

This Order addresses whether FPUC's proposed standard offer contract and associated tariffs are in compliance with Rules 25-17.200 through 25-17.310, Florida Administrative Code, and should therefore be approved. We have jurisdiction over this matter pursuant to Sections 366.04 through 366.06, 366.91, and 366.92, Florida Statutes.

Decision

Because the company is an IOU, Rule 25-17.250(1), Florida Administrative Code, requires FPUC to continuously make available a standard offer contract for purchase of firm capacity and energy from renewable generating facilities and small qualifying facilities with a design capacity of 100 kW or less. Since FPUC does not generate any electric energy for sale to retail customers, FPUC does not file a Ten-Year Site Plan and has no planned unit that can serve as an avoided unit. In such a case, Rule 25-17.250(1), Florida Administrative Code, requires that the standard offer be based on avoiding or deferring a planned purchase. The standard offer provided by FPUC meets this requirement.

The petition by FPUC seeks limited modifications to the Company's standard offer for renewable generation that has been in effect since we first approved on December 27, 2005.³ The changes include revisions to change all references formerly reading the "Marianna Division" to read "Northwest Florida Division"; all references to "Fernandina Beach" to read "Northeast Florida Division"; and various revisions to the rates and fees set out in the tariff sheets.

FPUC explains that portions of the tariff sheets require revision to reflect decisions in the recent rate case.⁴ Various tariff sheets are revised to be consistent with revised costs for operation and maintenance activities, as well as other expenses that were included in the rate case. The proposed revisions merely update the information relating to payments to the cogenerator, or add payment information for an additional year.

FPUC has not made any change to the operating arrangements that were in the standard offer contract that has been in force since we approved it on December 27, 2005, in Docket No. 050809-EQ.⁵ The contract has no subscription limit, and is based on full avoided cost for the power purchase agreements under which the Company is now operating. The contract term is for not less than ten years.

We find the proposed tariff revisions are reasonable updates that reflect the changes to costs incurred by the Company. The provisions of the standard offer contract, including proposed tariff revisions, are in compliance with Rules 25-17.200 through 25-17.310, Florida

² See Order No. 080327-FOF-EI, issued may 19, 2008 in Docket No. 070304-EQ, In Re: Petition for rate increase by Florida Public Utilities Company.

³ See Order No. PSC-05-1260-TRF-EQ, op. cit.

⁴ See Docket No. 070304-EQ, op. cit.

⁵ Op. cit.

Administrative Code, and continue to satisfy the intent of the Legislature to encourage renewable energy projects.

In conclusion, we find that FPUC's proposed standard offer contract, with revised tariff sheets, is in compliance with Rules 25-17.200 through 25-17.310, Florida Administrative Code, and they are hereby approved.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Standard Offer Contract and associated tariffs proposed by Florida Public Utilities Company are hereby approved, effective July 29, 2008. It is further

ORDERED that if a protest is filed within 21 days of issuance of this Order, the tariffs shall remain in effect pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 19th day of August, 2008.



ANN COLE
Commission Clerk

(S E A L)

JEH

NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), 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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

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 proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on September 9, 2008.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

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.