

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval to modify demonstration project consisting of proposed time-of-use and interruptible rate schedules and corresponding fuel rates in the Northwest Division, by Florida Public Utilities Company.

DOCKET NO. 120263-EI
ORDER NO. PSC-13-0082-TRF-EI
ISSUED: February 13, 2013

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

ORDER APPROVING TARIFF MODIFICATIONS

BY THE COMMISSION:

BACKGROUND

On October 22, 2012, Florida Public Utilities Company (FPUC) filed a petition to modify the participation limits of its optional time-of-use (TOU) and interruptible (IS) rate schedules in the Northwest Division. Specifically, FPUC is proposing to increase the participation levels for the General Service Large Demand TOU (GSLD-TOU) rate schedule from one customer to a maximum of three customers and the IS rate schedule from one customer to a maximum of four customers. The TOU and IS rate schedules were approved in Order No. PSC-11-0112-TRF-EI as a four year experimental pilot program.¹

FPUC filed the first annual status report on the TOU and IS rate schedules on August 31, 2012, in Docket No. 100459-EI. Customer participation in the pilot program was less than anticipated during the first year. In the current petition, FPUC has stated that increases in the maximum participation levels for the GSLD-TOU and IS rate classes could attract new businesses and thus encourage local economic development efforts.

¹ See Order No. PSC-11-0112-TRF-EI, issued February 11, 2011, in Docket No. 100459-EI, In re: Petition for Authority to Implement a Demonstration Project Consisting of Proposed Time-of-Use and Interruptible Rate Schedules and Corresponding Fuel Rates in the Northwest Division on an Experimental Basis and Request for Expedited Treatment, by Florida Public Utilities Company.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

On November 27, 2012, FPUC responded to our staff's first data request. In Order No. PSC-12-0663-PCO-EI, we suspended FPUC's proposed tariff.² We have jurisdiction over this subject matter pursuant to Sections 366.06 and 366.075, Florida Statutes (F.S.).

DECISION

FPUC purchases power from Gulf Power Company (Gulf) for its Northwest Division. In Order No. PSC-11-0269-PAA-EI we approved an amendment to FPUC's purchased power contract with Gulf.³ The amended agreement (Amendment No. 1) reduced the capacity purchase quantity from 97,944 Megawatts (MW) to 91 MW, thereby lowering FPUC's monthly capacity payments to Gulf. The savings associated with the reduced capacity purchase quantity fund the discounts in FPUC's TOU and IS rates. We note that the City of Marianna has filed appeals with the Florida Supreme Court of the orders approving the TOU and IS rates and Amendment No. 1.

FPUC opted to limit the participation in the TOU and IS rates to achieve targeted annual savings levels. This prevents non-participating customers from subsidizing participating customers. If participation in the experimental rate options does not reach the stated maximums upon which the rates are based, any remaining fuel savings not used to offset revenue losses will be flowed back to all ratepayers. The maximum participation rates vary by rate class.

FPUC absorbed all start-up costs related to the pilot program, including any special metering requirements, a customer education program, and a mandatory energy audit for each participant in the TOU and IS rate schedules. Customers can be enrolled on a first-come, first-served basis, until the maximum participation levels as defined in the TOU/IS tariffs are reached.

FPUC submitted the first annual status report regarding the TOU and IS rate schedules on August 31, 2012, in Docket 100459-EI. As of that report date, there were six residential customer participants and one public authority customer participant in the experimental TOU rates. There were no participants in the experimental IS rates.

Proposed Tariff Modifications

FPUC proposed to modify Tariff Sheet No. 34.2 and Tariff Sheet No. 38.0 to increase the maximum number of program participants. Specifically, proposed revisions to Tariff Sheet No. 34.2 would increase the potential maximum number of participants in the GSLD-TOU rate from one to three. Proposed revisions to Tariff Sheet No. 38.0 would increase the potential maximum number of participants in the IS rate from one to four. These changes do not mean that the number of customers actually choosing to take service under those rate schedules will increase, but FPUC anticipates that they will be beneficial for the local Chamber of Commerce efforts to attract new business into the area. No other modifications to the TOU/IS tariffs are being proposed at this time.

² See Order No. PSC-12-0663-PCO-EI, issued December 19, 2012, in Docket No. 120263-EI, In re: Petition for Approval to Modify Demonstration Project Consisting of Proposed Time-of-Use and Interruptible Rate Schedules and Corresponding Fuel Rates in the Northwest Division, by Florida Public Utilities Company.

³ See Order No. PSC-11-0269-PAA-EI, issued June 21, 2011, in Docket No. 110041-EI, In re: Petition for Approval of Amendment No. 1 to Generation Services Agreement with Gulf Power Company, by Florida Public Utilities Company.

Conclusion

Based on the foregoing, we hereby approve FPUC's proposed modifications to the TOU and IS rate schedules. Increasing the participation levels is intended to further encourage customer participation and will not negatively impact FPUC's general body of ratepayers.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Public Utilities Company's modifications to its time-of-use and interruptible rate schedules are hereby approved as set forth in the body of this Order. It is further

ORDERED that the tariffs are hereby approved effective January 24, 2013. It is further

ORDERED that if a protest is filed within 21 days of the issuance of this Order, the tariffs shall remain in effect, with any revenues held subject to refund, 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 13th day of February, 2013.



ANN COLE
Commission Clerk
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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 March 6, 2013.

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.