



ORIGINAL

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June 1, 2006

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Division of the Commission Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Enclosed as Attachment A please find revised tariff sheets for the following Lee County Electric Cooperative ("LCEC") Rates:

- General Service - Demand Electric Service, Rate Schedule GSD Sixth Revised Sheet No. 9.0 Canceling Fifth Revised Sheet No. 9.0
- Interruptible General Service - Demand Electric Service, Rate Schedule IS Seventh Revised Sheet No. 16.0 Canceling Sixth Revised Sheet No. 16.0
- General Service – Demand High Load Factor, Rate Schedule GSLD Fourth Revised Sheet No. 21.0 Canceling Third Revised Sheet No. 21.0

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**Purpose of Filing**

LCEC is proposing modifications to the following rate schedules: (1) General Service - Demand Electric Service Rate Schedule GSD, (2) Interruptible General Service - Demand Electric Service, Rate Schedule IS, and (3) General Service – Demand High Load Factor, Rate Schedule GSLD. The modifications are designed to correct inadvertent errors in the rates filed on January 13, 2006 and approved by the Commission on March 15, 2006 in Authority No. CE-06-001.

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There were three inadvertent errors in the original filing on January 13, 2006. First, the billing data collected for Rate Schedule IS indicated that all of the customers served under that rate were billed under the GSD portion of the rate. Subsequent questioning of that data by the LCEC staff discovered an error in the data. Upon discovering the error, LCEC decided to recollect the billing data for customers served under Rate Schedule IS. The results indicated that during the test year there were actually 43 customers billed under the GSD option and approximately 14 customers served under the GSD-O option of Rate Schedule IS.

Second, the break-even load factor relationship between Rate GSD and Rate GSD-O was inadvertently not preserved in the filing on January 13, 2006. Historically, Rate GSD has been a tilted rate, with some portion of the demand costs recovered through the energy component of the rate. Rate GSD-O is not tilted and recovers all of its demand costs

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through the demand component of the rate. This results in a load factor relationship between the two rates that produces a breakeven point at approximately 55% load factor. Therefore, customers with load factors below 55% that can qualify for both rates would benefit from being served under Rate GSD. Customers with load factors higher than 55% would benefit from being served under Rate GSD-O. LCEC intended to preserve that original relationship between the GSD and GSD-O rates when it filed its new rates on January 13, 2006. However, the GSD-O rate in that filing is always more expensive than the GSD rate, irrespective of the customer's load factor. This inadvertent error, if not corrected, would ultimately harm lower load factor Rate GSD customers and lead to those customers receiving increases much larger than LCEC intended.

Third, Rate Schedule IS should reflect the same basic charges as Rates GSD and GSD-O except for a higher customer charge. In the tariff filed on January 13, 2006, the rates shown in Rate Schedule IS did not reflect the basic charges from both of the GSD and GSD-O Rate Schedules.

As a result we are filing amended rates for Rate Schedules GSD and IS to correct those inadvertent errors. The rates filed herein produce the same combined overall increase as originally filed. However, the increase is distributed somewhat differently between the rates than what was filed originally in order to accomplish the tilting of the GSD Rate.

LCEC is also proposing to eliminate General Service Demand – High Load Factor, Rate Schedule GSLD and the GSLD option of Rate Schedule IS. There are currently no customers served under either of these rates.

### **Revenue Impact**

The proposed modifications to Rate Schedule GSD and Rate Schedule IS are revenue neutral in total. In its filing on January 13, 2006 LCEC asked the Commission for a combined increase, net of purchased power cost increases, from these two rate schedules of \$31,691. The increase for the modified rates proposed herein is \$31,937. The change for each proposed rate schedule as compared to LCEC's original rates in effect prior to the filing on January 13, 2006 is shown in Attachment B.

### **General Service – Demand Electric Service, Rate Schedule GSD**

The General Service Demand, Rate Schedule GSD was modified in order to tilt the rate so as to preserve the relationship to the GSDO Rate Schedule that existed prior to LCEC's filing on January 13, 2006. With the proposed modifications, Rate GSD would benefit customers whose load factor is less than 55% when compared to Rate GSDO.

LCEC is proposing no changes to the customer charge approved by the Commission in Authority No. CE-06-001.

The proposed demand charge is \$5.84, which is a decrease from the charge of \$8.67 approved in Authority No. CE-06-001.

The proposed energy charge of \$0.0573 reflects an increase from the current energy charge of \$0.0471.

**Interruptible General Service-Demand Electric Service, Rate Schedule IS**

The proposed modifications to Rate Schedule IS are to incorporate the charges from Rate Schedule GSD into the rate schedule. Customers who qualify for GSD and GSD-O and also meet the other terms and conditions of Rate IS can be served under Rate IS.

The proposed customer charge is unchanged from the current rate at \$50.00.

The demand charges and energy charges reflect the charges contained in the rate schedules for GSD and GSD-O.

LCEC is proposing to withdraw the GSLD option in this rate schedule since there are no customers taking service pursuant to the rate. Additionally, the GSDO option eliminated the need for having the GSLD option available for customers.


**General Service Demand High Load Factor Electric Service, Rate Schedule GSLD**

LCEC is proposing to withdraw this rate schedule since there are no customers taking service pursuant to the rate. Additionally, Rate GSDO eliminated the need for having this rate schedule available for customers.

**Effective Date**

LCEC believes that all of the modifications discussed above are fair, just and reasonable and respectfully requests that the Commission approve the rate designs effective July 1, 2006. Please contact me if you have any questions regarding this filing.

Respectfully,



Donald E. Schleicher  
Director, Finance/Accounting & CFO  
(239) 656-2401  
[donald.schleicher@lcec.net](mailto:donald.schleicher@lcec.net)

Attachments:

- A: Tariff Sheets – 1 set Legislative Format  
– 4 sets Final Format
- B: Present and Proposed Rates with Summary Results

**Lee County Electric Cooperative, Inc.**  
**Summary of All Modified Rates**

**Attachment B**

<b>Customer Class</b>	<b>Rate</b>	<b>Revenue From Authority No. CE 06-001 Filing</b>	<b>Proposed Rate</b>	<b>Change in Purchased Power Cost</b>	<b>Increase / (Decrease) Net of PP Change</b>	<b>Percent Increase / (Decrease) Net of PP Change</b>
General Service-Demand Electric Service	GSD	39,132,686	\$ 47,080,084	7,898,151	\$ 49,247	0.1%
Interruptible Service (GSD & GSDO))	IS GSD & GSDO	4,861,593	\$ 6,113,772	1,269,489	\$ (17,310)	-0.4%

Lee County Electric Cooperative, Inc.  
 General Service-Demand Electric Service  
 Rate Schedule GSD

Attachment B

**Rate Billings From Authority CE-06-001 Filing**

**Proposed Rate**

Description	Billing		Calculated Billings
	Units	Rate	
<b>Customer Charge</b>			
	<i>Customer Months</i>	<i>Per Customer</i>	
Facility Charge	30,673	\$ 15.00	\$ 460,095.00
<b>Energy Charge</b>			
	<i>kWh</i>	<i>Per kWh</i>	
All kWh	499,383,222	\$0.0486	\$ 24,270,024.59
<b>Demand Charge</b>			
	<i>kW</i>	<i>Per kWh</i>	
All kW	1,794,252	\$5.00	\$ 8,971,260.00
<b>Sub-total before application of correction factor</b>		0	33,701,379.59
Correction Factor			1.00694
<b>Revenue after application of correction factor</b>			\$ 33,469,016.03
<b>PCA</b>			
PCA	499,383,222	\$0.0000	\$ 5,663,670.29
<b>Total Rate GSD</b>			<u>\$ 39,132,686.32</u>

Description	Billing		Calculated Billings
	Units	Rate	
<b>Customer Charge</b>			
	<i>Customer Months</i>	<i>Per Customer</i>	
Facility Charge	30,673	\$ 23.50	\$ 720,815.50
<b>Energy Charge</b>			
	<i>kWh</i>	<i>Per kWh</i>	
All kWh	499,383,222	\$0.0573	\$ 28,614,658.62
<b>Demand Charge</b>			
	<i>kW</i>	<i>Per kWh</i>	
Distribution	1,794,252	\$1.22	\$ 2,188,987.44
Purchased Power	1,794,252	\$4.62	\$ 8,289,444.24
		\$5.84	\$ 10,478,431.68
<b>Sub-total before application of correction factor</b>			39,813,905.80
Correction Factor			1.00694
<b>Revenue after application of correction factor</b>			\$ 39,539,397.73
<b>PCA</b>			
PCA	499,383,222	\$0.0151	\$ 7,540,686.65
<b>Total Rate GSD</b>			<u>\$ 47,080,084.38</u>

Lee County Electric Cooperative, Inc.  
 Interruptible General Service Demand  
 Rate Schedule IS (GSD)

Attachment B

Description	Rate in Effect Prior to Authority CE-06-001 Rate			Calculated Billings
	Billing Units	Rate		
<b>Customer Charge</b>				
	<i>Customer Months</i>	<i>Per Customer</i>		
Facility Charge	124	\$ 50.00	\$	6,200.00
Grandfathered Facility Charge	391	\$ 15.00	\$	5,865.00
			\$	12,065.00
<b>Energy Charge</b>				
	<i>kWh</i>	<i>Per kWh</i>		
All kWh	23,483,494	\$0.0486	\$	1,141,297.81
<b>Demand Charge</b>				
	<i>kW</i>	<i>Per kWh</i>		
kW	65,804	\$5.00	\$	329,018.37
<b>Interruptible Credit</b>	59,464	\$ (3.75)	\$	(222,988.32)
<b>Sub-total before application of correction factor</b>		0		1,259,392.86
Correction Factor				1.000000
<b>Revenue after application of correction factor</b>			\$	1,259,393.04
<b>PCA</b>				
PCA	23,483,494	\$0.000	\$	265,161.03
<b>Total Rate IS (GSD)</b>			\$	<u>1,524,554.07</u>

Description	Proposed Rate			Calculated Billings
	Billing Units	Rate		
<b>Customer Charge</b>				
	<i>Customer Months</i>	<i>Per Customer</i>		
Facility Charge	515	\$ 50.00	\$	25,750.00
<b>Energy Charge</b>				
	<i>kWh</i>	<i>Per kWh</i>		
First 50,000	23,483,494	\$0.0573	\$	1,345,604.21
<b>Demand Charge</b>				
	<i>kW</i>	<i>Per kWh</i>		
Distribution	65,804	\$1.22	\$	80,280.48
Purchased Power	65,804	\$4.62	\$	304,012.97
		\$5.84	\$	384,293.46
<b>Interruptible Credit</b>	59,464	\$ (3.75)	\$	(222,988.32)
<b>Sub-total before application of correction factor</b>				1,532,659.34
Correction Factor				1.000000
<b>Revenue after application of correction factor</b>				1,532,659.56
<b>PCA</b>				
PCA	23,483,494	\$0.0151	\$	354,600.76
<b>Total Rate IS (GSD)</b>			\$	<u>1,887,260.32</u>

Lee County Electric Cooperative, Inc.  
 Interruptible General Service Demand  
 Rate Schedule IS (GSDO)

Attachment B

Description	Rate in Effect Prior to Authority CE-06-001 Rate			Authority No. CE-06-001 Approved Rate		
	Billing Units	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings
<b>Customer Charge</b>				<b>Customer Charge</b>		
	<i>Customer Months</i>	<i>Per Customer</i>		<i>Customer Months</i>	<i>Per Customer</i>	
Facility Charge	150	\$ 50.00	\$ 7,500.00	Facility Charge	162	\$ 50.00 \$ 8,100.00
Grandfathered Facility Charge	12	\$ 15.00	\$ 180.00			
			\$ 7,680.00			
<b>Energy Charge</b>				<b>Energy Charge</b>		
	<i>kWh</i>	<i>Per kWh</i>		<i>kWh</i>	<i>Per kWh</i>	
All kWh	55,319,573	\$0.0295	\$ 1,631,927.40	First 50,000	55,319,573 \$0.0471	\$ 2,605,551.89
<b>Demand Charge</b>				<b>Demand Charge</b>		
	<i>kW</i>	<i>Per kWh</i>		<i>kW</i>	<i>Per kWh</i>	
kW	106,773	\$12.78	\$ 1,364,555.34	Distribution	106,773 \$4.15	\$ 443,106.78
				Purchased Power	106,773 \$5.84	\$ 623,552.67
<b>Interruptible Credit</b>	76,860	\$ (3.75)	\$ (288,224.62)		\$9.99	\$ 1,066,659.45
<b>Sub-total before application of correction factor</b>		0	2,715,938.12	Interruptible Credit	76,860 \$ (3.75)	\$ (288,224.62)
Correction Factor			1.000266	<b>Sub-total before application of correction factor</b>		3,392,086.72
<b>Revenue after application of correction factor</b>			\$ 2,715,217.17	Correction Factor		1.000266
<b>PCA</b>				<b>Revenue after application of correction factor</b>		3,391,186.28
PCA	55,319,573	\$0.000	\$ 621,821.81	<b>PCA</b>		
				PCA	55,319,573 \$0.0151	\$ 835,325.55
<b>Total Rate IS (GSD)</b>			<u>\$ 3,337,038.98</u>	<b>Total Rate IS (GSD)</b>		<u>\$ 4,226,511.83</u>

GSD

RATE SCHEDULE GSD  
GENERAL SERVICE-DEMAND ELECTRIC SERVICE RATE SCHEDULE

The Lee County Electric Cooperative, Inc., shall charge and collect for general service demand electric energy on the following bases of availability, application, character of service, monthly rate, power cost adjustment, primary service discount, minimum charge, power factor adjustment, and tax adjustment.

AVAILABILITY:

This schedule is available throughout the entire territory served by the Lee County Electric Cooperative, Inc.

APPLICATION:

This schedule is applicable to all electric service required for lighting, power, and any other purpose with a maximum demand in excess of 20 kW for which no specific rate schedule is applicable.

CHARACTER OF SERVICE:

Service under this schedule shall be single phase or three phase, 60 Hertz, alternating current at the Lee County Electric Cooperative, Inc.'s available standard voltages. All service required on the premises of the customer shall be furnished through one meter. Standby or resale service is not permitted under this rate schedule.

MONTHLY RATE:

Customer Charge . . . . . \$23.50

Demand Charge:

All kW of billing demand per month @ . . . \$5.84

Energy Charge:

All kWh per month @ . . . . . 5.73¢

Power Cost Adjustment:

The amount computed at the above monthly rate shall be adjusted plus or minus by an amount calculated in accordance with the formula specified in the Lee County Electric Cooperative, Inc.'s, power cost adjustment clause which is a part of this rate schedule.

(Continued on Sheet No. 9.1)

ISSUED BY: PAMELA M. MAY  
EXECUTIVE VICE PRESIDENT  
AND CHIEF EXECUTIVE OFFICER

EFFECTIVE: July 1, 2006



IS

RATE SCHEDULE IS  
 INTERRUPTIBLE GENERAL SERVICE-DEMAND  
ELECTRIC SERVICE RATE SCHEDULE

The Lee County Electric Electric Cooperative, Inc., shall charge and collect for interruptible general service-demand electric energy on the following basis of availability, application, character of service, monthly rate, minimum charge, power cost adjustment, primary service discount, power factor adjustment, and tax adjustment.

AVAILABILITY:

This schedule is available throughout the entire territory served by and at the option of the Lee County Electric Cooperative, Inc.

APPLICATION:

This schedule is available to any customer who qualifies for Rate Schedule GSD or GSD-0 and contracts for at least 50 kW demand and agrees to curtail its demand by 50 kW or more upon request from time to time of the Lee County Electric Cooperative, Inc.

CHARACTER OF SERVICE:

Service under this schedule shall be single phase or three phase, 60 Hertz, alternating current at the Lee County Electric Cooperative, Inc.'s available standard voltages. All service required on the premises by the customer shall be furnished through one meter. Stand-by or resale service is not permitted hereunder.

MONTHLY RATE:	<u>GSD</u>	<u>GSD-0</u>
Customer Charge. . . . .	\$50.00	\$50.00
Demand Charge:		
All kW of billing demand per month @ . . . . .	\$ 5.84	\$ 9.99
Energy Charge:		
All kWh per month @ . . . . .	5.73¢	4.71¢

(Continued on Sheet No. 16.1)

ISSUED BY: PAMELA M. MAY  
 EXECUTIVE VICE PRESIDENT  
 AND CHIEF EXECUTIVE OFFICER

EFFECTIVE: July 1, 2006

GSLD

CLOSED RATE SCHEDULE GSLD  
GENERAL SERVICE DEMAND HIGH LOAD FACTOR ELECTRIC SERVICE RATE SCHEDULE

The Lee County Electric Cooperative, Inc., shall charge and collect for general service demand high load factor electric energy on the following bases of availability, application, character of service, monthly rate, power cost adjustment, primary service discount, minimum charge, power factor adjustment, and tax adjustment.

AVAILABILITY:

This schedule is closed and is no longer available as of the effective date.

APPLICATION:

This schedule is applicable to all electric service required for lighting and power to any customer contracting for not less than 20 kilowatts (kW), with a monthly load factor of not less than seventy percent (70%).

CHARACTER OF SERVICE:

Service under this schedule shall be three phase, 60 Hertz, alternating current at the Lee County Electric Cooperative, Inc.'s, available standard voltages. All service required on the premises of the customer shall be furnished through one meter. Standby or resale service is not permitted under this rate schedule.

MONTHLY RATE:

Customer Charge . . . . .	\$23.50
Demand Charge:	
All kW of billing demand per month @	\$ 8.67
Energy Charge:	
All kWh per month @ . . . . .	4.71¢

(Continued on Sheet No. 21.1)

ISSUED BY: PAMELA M. MAY  
EXECUTIVE VICE PRESIDENT  
AND CHIEF EXECUTIVE OFFICER

EFFECTIVE: July 1, 2006