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April 1, 2013

### BY HAND DELIVERY

Ms. Ann Cole, Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 RECEIVED-FPS(
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COMMISSION

130074-EQ

Re: Petition of Florida Public Utilities Company for Approval of revisions to its Renewable Energy Tariff

Dear Ms. Cole:

Enclosed for filing, please find an original and 15 copies of Florida Public Utilities Company's Petition for Approval of revisions to its standard offer Renewable Energy Tariff (REN-1 and REN-2). This Petition is submitted in accordance with Rules 25-17.200 through 25-17.310, Florida Administrative Code. A copy of the Petition in Word is included on the enclosed CD.

Thank you for your assistance in connection with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,

Beth Keating

Gunster, Yoakley & Stewart, P.A.

215 South Monroe St., Suite 601

Tallahassee, FL 32301

(850) 521-1706

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DOCUMENT NUMBER-DATE

01602 APR-12

### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of Florida Public Utilities	)	Docket No. 130074 - EQ
Company for approval of revisions to	)	•
its Renewable Energy Tariff	)	Filed: April 1, 2013
	)	

### PETITION FOR APPROVAL OF REVISIONS TO RENEWABLE ENERGY TARIFF BY FLORIDA PUBLIC UTILITIES COMPANY

Florida Public Utilities Company ("FPUC" or "the Company") hereby files its petition for approval of the Company's revised Renewable Energy Tariff, in accordance with Rule 25-17.250, Florida Administrative Code. In support of this Petition, FPUC states:

1. The Company is a public utility with its principal office located at:

Florida Public Utilities Company 1641 Worthington Road, Suite 220 West Palm Beach, Fl 33409

2. The name and mailing address of the persons authorized to receive notices are:

Beth Keating Gunster, Yoakley & Stewart, P.A. 215 S. Monroe Street, Suite 601 Tallahassee, FL 32301-1804 (850) 521-1706 bkeating@gunster.com Mr. P. Mark Cutshaw Florida Public Utilities Company P.O. Box 418 Fernandina Beach, FL 32035-0418

3. Pursuant to the requirement in Rule 25-17.250, Florida Administrative Code, and consistent with the provisions in Rule 25-17.0832, Florida Administrative Code, and 25-17.200 through 25-17.310, Florida Administrative Code, investor-owned utilities are required to file a standard offer contract for the purchase of firm capacity and energy from renewable generating facilities and small qualifying facilities with a design capacity of 100 kW or less. These standard offer contracts must, in accordance with the Commission's Rules, be filed by April 1 of each year.

DOCUMENT NUMBER-DATE

01602 APR-12

- 4. Because FPUC does not own or operate any of its own electric generating facilities and, instead, purchases its electric energy under long term contracts, the avoided costs upon which the Renewable Energy Tariff is based, are those costs associated with avoiding or deferring a planned purchase, as contemplated by Rule 25-17.250(1), Florida Administrative Code.
- 5. The current electric power purchase agreement between FPUC and Gulf Power Company/Southern Company Services, Inc., as modified and amended, contains a so-called "ratchet" provision based upon prior demand levels. Consequently, capacity payments under this tariff are correctly reflected as \$0.00 for the current year, as set forth on revised Tariff Sheet 23.
- 6. FPUC respectfully asks for Commission approval of the revised and updated Renewable Energy Tariff, attached hereto as Exhibit "A", and containing Fourth Revised Sheets 18, 20, 23, 24, 26, and 29 in both legislative and finalized format. As revised, the Tariff complies with the Commission's Rules and with Section 366.91, Florida Statutes.

WHEREFORE, FPUC respectfully requests that the Commission approve the Company's revised Renewable Energy Tariff as filed.

RESPECTFULLY SUBMITTED this 1st day of April, 2013.

Beth Keating

Gunster, Yoakley & Stewart, P.A. 215 S. Monroe Street, Suite 601

Tallahassee, FL 32301-1804

(850) 521-1706

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Attorneys for Florida Public Utilities Company

<sup>&</sup>lt;sup>1</sup> The Agreement was approved by the Commission in Docket No. 070108-EI, while Amendment No. 1 was approved in Docket No. 110041-EI.

### **EXHIBIT "A"**

- 1. Renewable Energy Tariff, Sixth Revised Sheet Nos. 18, 20, 23, 24, 26, and 29 (legislative format)
- 2. Renewable Energy Tariff, Sixth Revised Sheet Nos. 18, 20, 23, 24, 26, and 29 (final format)

## STANDARD RATE FOR PURCHASE OF AS-AVAILABLE ENERGY FROM RENEWABLE ENERGY PRODUCTION FACILITIES (QUALIFYING FACILITIES)

#### Availability

Available within the territory served by the Company in Jackson, Calhoun, and Liberty Counties.

### Applicability

To any cogeneration or small power producing "qualifying facility".

#### Character of Service

Alternating current, 60 cycle, single phase or three phase at the options of the Company, at a specified interconnection point and voltage.

### Limitations of Service

The capacity rating of the QF's generator shall not exceed:

- 1. One-half of the Company's minimum requirements of the interconnected distribution circuit; or
- 2. The thermal capacity of the connected distribution lines or transformers of the Company.

- 1. Payments to QF's for energy sales to Company
  - A. As-Available energy is purchased at a unit cost calculated from avoided fuel costs. Avoided energy costs are the Company's actual fuel cost for energy purchased by the Company from its wholesale supplier for the applicable calendar month.
  - B. The actual fuel costs as defined above will be adjusted upward by a fixed percentage factor for avoided line losses (if any). Such factor will be determined by the Company for each QF based upon the locations of the QF on the Company's distribution system and the applicable voltage level.
  - C. The current base fuel cost in the energy rate of the Company's wholesale supplier is 3.823 cents per KWH.
  - D. Because the Company's avoided energy cost is based on the wholesale supplier's monthly average fuel cost for energy, the price per KWH is uniform without regard to time of day or system peak, and no variations in computing the amount to be paid is made on the basis of metering techniques.

## STANDARD RATE FOR PURCHASE OF AS-AVAILABLE ENERGY FROM RENEWABLE ENERGY PRODUCTION FACILITIES (QUALIFYING FACILITIES)

### Availability

Available within the territory served by the Company in Jackson, Calhoun, and Liberty Counties.

### Applicability

To any cogeneration or small power producing "qualifying facility".

### Character of Service

Alternating current, 60 cycle, single phase or three phase at the options of the Company, at a specified interconnection point and voltage.

#### Limitations of Service

The capacity rating of the QF's generator shall not exceed:

- 1. One-half of the Company's minimum requirements of the interconnected distribution circuit; or
- 2. The thermal capacity of the connected distribution lines or transformers of the Company.

- 1. Payments to QF's for energy sales to Company
  - A. As-Available energy is purchased at a unit cost calculated from avoided fuel costs. Avoided energy costs are the Company's actual fuel cost for energy purchased by the Company from its wholesale supplier for the applicable calendar month.
  - B. The actual fuel costs as defined above will be adjusted upward by a fixed percentage factor for avoided line losses (if any). Such factor will be determined by the Company for each QF based upon the locations of the QF on the Company's distribution system and the applicable voltage level.
  - C. The current base fuel cost in the energy rate of the Company's wholesale supplier is 3.823 4.840—cents per KWH.
  - D. Because the Company's avoided energy cost is based on the wholesale supplier's monthly average fuel cost for energy, the price per KWH is uniform without regard to time of day or system peak, and no variations in computing the amount to be paid is made on the basis of metering techniques.

Sixth Revised Sheet No. 20 Cancels Fifth Sheet No. 20

## NORTHWEST FLORIDA DIVISION RATE SCHEDULE REN-1

# STANDARD RATE FOR PURCHASE OF AS-AVAILABLE ENERGY FROM RENEWABLE ENERGY PRODUCTION FACILITIES (QUALIFYING FACILITIES)

Continued from Sheet No. 19

### Estimated Future Rates

<u>Year</u>	Estimated Average Rate per KWH
2006	2.31 cents
2007	2.38 cents
2008	4.109 cents
2009	5.851 cents
2010	5.705 cents
2011	5.056 cents
2012	4.840 cents
2013	3.823 cents

# STANDARD RATE FOR PURCHASE OF AS-AVAILABLE ENERGY FROM RENEWABLE ENERGY PRODUCTION FACILITIES (QUALIFYING FACILITIES)

Continued from Sheet No. 19

### Estimated Future Rates

Year	Estimated Average Rate per KWH
<del></del>	
2006	2.31 cents
2007	2.38 cents
2008	4.109 cents
2009	5.851 cents
2010	5.705 cents
2011	5.056 cents
2012	4.840 cents
2013	3.823 cents

# STANDARD RATE FOR PURCHASE OF FIRM ENERGY FROM RENEWABLE ENERGY PRODUCTION FACILITIES (QUALIFYING FACILITIES)

Continued from Sheet No. 22

#### Special Provisions

- 1. It shall be the QF's responsibility to inform the Company in writing of any change in the QF's electric generating capacity.
- 2. The QF shall agree to maintain a seventy percent capacity factor for energy delivered on a 12-month rolling average basis. Failure to do so may disqualify the QF for capacity payments under this rate schedule.
- 3. Any electric service delivered by the Company to the QF shall be metered separately and billed under the rate schedule applicable to the Company's other customers with similar load characteristics. The terms and conditions of the Company's standard rate schedule applicable to the class of service shall pertain.
- 4. Service under this rate schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission.

### Estimated Future Rates

	Estimate	Average Rate
	Capacity	Energy
Year	\$ per KW	cents per KWH
2006	\$7.10	2.31 cents
2007	\$7.25	2.38 cents
2008	\$7.80	4.109 cents
2009	\$0.00	5.851 cents
2010	\$0.00	5.705 cents
2011	\$0.00	5.056 cents
2012	\$0.00	4.840 cents
2013	\$0.00	3.823 cents

# STANDARD RATE FOR PURCHASE OF FIRM ENERGY FROM RENEWABLE ENERGY PRODUCTION FACILITIES (QUALIFYING FACILITIES)

Continued from Sheet No. 22

### Special Provisions

- 1. It shall be the QF's responsibility to inform the Company in writing of any change in the QF's electric generating capacity.
- 2. The QF shall agree to maintain a seventy percent capacity factor for energy delivered on a 12-month rolling average basis. Failure to do so may disqualify the QF for capacity payments under this rate schedule.
- 3. Any electric service delivered by the Company to the QF shall be metered separately and billed under the rate schedule applicable to the Company's other customers with similar load characteristics. The terms and conditions of the Company's standard rate schedule applicable to the class of service shall pertain.
- 4. Service under this rate schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission.

### Estimated Future Rates

	Estimate	Average Rate
	Capacity	Energy
Year	\$ per KW	cents per KWH
2006	\$7.10	2.31 cents
2007	\$7.25	2.38 cents
2008	\$7.80	4.109 cents
2009	\$0.00	5.851 cents
2010	\$0.00	5.705 cents
2011	\$0.00	5.056 cents
2012	\$0.00	4.840 cents
2013	\$0.00	3.823 cents

## STANDARD RATE FOR PURCHASE OF AS-AVAILABLE ENERGY FROM RENEWABLE ENERGY PRODUCTION FACILITIES (QUALIFYING FACILITIES)

#### Availability

Available within the territory served by the Company in Nassau County.

#### Applicability

To any cogeneration or small power producing "qualifying facility".

### Character of Service

Alternating current, 60 cycle, single phase or three phase at the options of the Company, at a specified interconnection point and voltage.

### Limitations of Service

The capacity rating of the QF's generator shall not exceed:

- 1. One-half of the Company's minimum requirements of the interconnected distribution circuit; or
- 2. The thermal capacity of the connected distribution lines or transformers of the Company.

- 1. Payments to QF's for energy sales to Company
  - A. As-Available energy is purchased at a unit cost calculated from avoided fuel costs. Avoided energy costs are the Company's actual fuel cost for energy purchased by the Company from its wholesale supplier for the applicable calendar month.
  - B. The actual fuel costs as defined above will be adjusted upward by a fixed percentage factor for avoided line losses (if any). Such factor will be determined by the Company for each QF based upon the locations of the QF on the Company's distribution system and the applicable voltage level.
  - C. The current base fuel cost in the energy rate of the Company's wholesale supplier is 4.360 cents per KWH.
  - D. Because the Company's avoided energy cost is based on the wholesale supplier's monthly average fuel cost for energy, the price per KWH is uniform without regard to time of day or system peak, and no variations in computing the amount to be paid is made on the basis of metering techniques.

## STANDARD RATE FOR PURCHASE OF AS-AVAILABLE ENERGY FROM RENEWABLE ENERGY PRODUCTION FACILITIES (QUALIFYING FACILITIES)

#### Availability

Available within the territory served by the Company in Nassau County.

### Applicability

To any cogeneration or small power producing "qualifying facility".

### Character of Service

Alternating current, 60 cycle, single phase or three phase at the options of the Company, at a specified interconnection point and voltage.

### Limitations of Service

The capacity rating of the QF's generator shall not exceed:

- 1. One-half of the Company's minimum requirements of the interconnected distribution circuit; or
- 2. The thermal capacity of the connected distribution lines or transformers of the Company.

- 1. Payments to QF's for energy sales to Company
  - A. As-Available energy is purchased at a unit cost calculated from avoided fuel costs. Avoided energy costs are the Company's actual fuel cost for energy purchased by the Company from its wholesale supplier for the applicable calendar month.
  - B. The actual fuel costs as defined above will be adjusted upward by a fixed percentage factor for avoided line losses (if any). Such factor will be determined by the Company for each QF based upon the locations of the QF on the Company's distribution system and the applicable voltage level.
  - C. The current base fuel cost in the energy rate of the Company's wholesale supplier is 4.360 4.774 cents per KWH.
  - D. Because the Company's avoided energy cost is based on the wholesale supplier's monthly average fuel cost for energy, the price per KWH is uniform without regard to time of day or system peak, and no variations in computing the amount to be paid is made on the basis of metering techniques.

## STANDARD RATE FOR PURCHASE OF AS-AVAILABLE ENERGY FROM RENEWABLE ENERGY PRODUCTION FACILITIES (QUALIFYING FACILITIES)

Continued from Sheet No. 25

### Estimated Future Rates

<u>Year</u>	Estimated Average Rate per KWH
2006	1.95 cents
2007	2.474 cents
2008	4.014 cents
2009	5.514 cents
2010	4.416 cents
2011	5.064 cents
2012	4.774 cents
2013	4.360 cents

# STANDARD RATE FOR PURCHASE OF AS-AVAILABLE ENERGY FROM RENEWABLE ENERGY PRODUCTION FACILITIES (QUALIFYING FACILITIES)

Continued from Sheet No. 25

#### Estimated Future Rates

Year	Estimated Average Rate per KWH	
2006	1.95 cents	
2007	2.474 cents	
2008	4.014 cents	
2009	5.514 cents	
2010	4.416 cents	
2011	5.064 cents	
2012	4.774 cents	
2013	4.360 cents	

# STANDARD RATE FOR PURCHASE OF FIRM ENERGY FROM RENEWABLE ENERGY PRODUCTION FACILITIES (QUALIFYING FACILITIES)

Continued from Sheet No. 28

### Special Provisions

- 1. It shall be the QF's responsibility to inform the Company in writing of any change in the QF's electric generating capacity.
- 2. The QF shall agree to maintain a seventy percent capacity factor for energy delivered on a 12-month rolling average basis. Failure to do so may disqualify the QF for capacity payments under this rate schedule.
- 3. Any electric service delivered by the Company to the QF shall be metered separately and billed under the rate schedule applicable to the Company's other customers with similar load characteristics. The terms and conditions of the Company's standard rate schedule applicable to the class of service shall pertain.
- 4. Service under this rate schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission.

### Estimated Future Rates

	Estimate	Average Rate
	Capacity	Energy
Year	\$ per KW	cents per KWH
2006	\$6.00	1.95 cents
2007	<b>\$7.</b> 00	2.474 cents
2008	\$7.00	4.014 cents
2009	\$8.91	5.514 cents
2010	\$10.67	4.416 cents
2011	\$11.38	5.064 cents
2012	\$11.38	4.774 cents
2013	\$11.38	4.360 cents

# STANDARD RATE FOR PURCHASE OF FIRM ENERGY FROM RENEWABLE ENERGY PRODUCTION FACILITIES (QUALIFYING FACILITIES)

Continued from Sheet No. 28

### Special Provisions

- 1. It shall be the QF's responsibility to inform the Company in writing of any change in the QF's electric generating capacity.
- 2. The QF shall agree to maintain a seventy percent capacity factor for energy delivered on a 12-month rolling average basis. Failure to do so may disqualify the QF for capacity payments under this rate schedule.
- 3. Any electric service delivered by the Company to the QF shall be metered separately and billed under the rate schedule applicable to the Company's other customers with similar load characteristics. The terms and conditions of the Company's standard rate schedule applicable to the class of service shall pertain.
- 4. Service under this rate schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission.

#### Estimated Future Rates

	Estimate Average Rate	
	Capacity	Energy
Year	\$ per KW	cents per KWH
2006	\$6.00	1.95 cents
2007	\$7.00	2.474 cents
2008	\$7.00	4.014 cents
2009	\$8.91	5.514 cents
2010	\$10.67	4.416 cents
2011	\$11.38	5.064 cents
2012	\$11.38	4.774 cents
2013	\$11.38	4.360 cents