

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed tariff revisions by	)	DOCKET NO. 891064-EM
CITY OF LAKELAND ELECTRIC AND WATER	)	ORDER NO. 22091
UTILITIES to its Residential, General	)	ISSUED: 10-25-89
Service and General Service Demand Rates)	)	

The following Commissioners participated in the disposition of this matter:

- MICHAEL McK. WILSON, Chairman
- THOMAS M. BEARD
- BETTY EASLEY
- GERALD L. GUNTER
- JOHN T. HERNDON

ORDER APPROVING THE CITY OF LAKELAND'S PROPOSED CHANGES IN RATE STRUCTURE

BY THE COMMISSION:

Lakeland Electric and Water has filed revised tariffs for its residential service (RS), general service (GS), general service demand (GSD), and general service large demand (GSLD) rate classes which reflect an across-the-board 3 percent base rate revenue increase for all customer classes.

We find that the proposed rate structure revisions should be approved for two reasons. First, the proposed rates would move each rate class's rate of return closer to the system rate of return, or parity, thereby improving Lakeland's rate structure. Under the present rates the ratio of the class rate of return to the system rate of return ranges from .39 to 13.88. Under the proposed rates the ratio of the class rate of return to the systems rate of return ranges from .70 to 12.52.

Second, the cost allocation methodology appears reasonable. Lakeland's cost of service study uses the summer and winter coincident peak and average demand during the off-peak period to allocate production and transmission plant costs to the customer classes. This methodology recognizes that energy loads are an important determinant of production plant costs. Such methodology is similar to the twelve coincident peak (CP) and 1/13th weighted average demand methodology adopted by the Commission in IOU rate cases.

DOCUMENT NUMBER-DATE

10560 OCT 25 1989

FPSC-RECORDS/REPORTING

ORDER NO. 22091  
DOCKET NO. 891064-EM  
PAGE 2

It is, therefore,

ORDERED by the Florida Public Service Commission that Lakeland's proposed changes in its rate structure be approved. It is further

ORDERED that this docket be closed after the time has run in which to file a petition for reconsideration or notice of appeal if such action has not been taken.

By ORDER of the Florida Public Service Commission this 25th day of OCTOBER, 1989.

  
\_\_\_\_\_  
STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

BAB

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.

ORDER NO. 22091  
DOCKET NO. 891064-EM  
PAGE 3

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or sewer utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.