

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric)	DOCKET NO. 891303-EI
Company for a one-year extension)	ORDER NO. 22467
of its Supplemental Service Rider)	ISSUED: 1-24-90
for Interruptible Service.)	
)	

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
 THOMAS M. BEARD
 BETTY EASLEY
 GERALD L. GUNTER

ORDER APPROVING EXTENSION OF SUPPLEMENTAL
 SERVICE RIDER FOR INTERRUPTIBLE CUSTOMERS

BY THE COMMISSION:

On November 16, 1989, Tampa Electric Company (TECO) filed a petition for a one-year extension of its Supplemental Service Rider for Interruptible Service (SSI). The previous SSI Rider became effective January 1, 1989 and expired on December 31, 1989. TECO's proposal in this docket is essentially the same as was approved by staff administratively in accordance with Order No. 20581, Docket No. 881499-EI on December 20, 1988. Like the previous rider, the proposed extension provides for an 80/20 split of any incremental fuel savings between interruptible and general ratepayers when marginal fuel cost is below average fuel cost. TECO requests our approval of an additional year in order to maintain increased levels of energy sales currently occurring under the rider and to provide an incentive to interruptible customers requesting service under the rate.

The proposed SSI Rider is applicable to customers served under TECO's IS-1, IS-3, IST-1, IST-3, SBI-1, and SBI-3 with 12 continuous months of actual energy billing history and who sign

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a tariff agreement for Supplemental Service-Interruptible. Interruptible customers served under the proposed SSI Rider would pay an additional customer charge of \$200 per month.

The SSI Rider provides an incentive discount to those interruptible customers who increase their energy consumption above a billing threshold. Each customer's billing threshold is determined as the average of the three highest energy billing periods established during the most recent 12-month period preceding the month of application for service under the SSI schedule. The discount would not be effective until the next billing month following the month of application and the billing threshold would remain fixed for the entire period the customer remains on the SSI Rider.

In its petition, TECO stated that the company does not expect to make the volume of bulk power sales during 1990 that it has in previous years. The SSI Rider provides an opportunity to increase utilization of plant that may not otherwise be used. Under the first year of the rider, several operations significantly increased their usage due to the credit, according to the company. While the rate of increase in usage in 1990 is expected to slow, TECO believes there is still some room for growth if the credit is maintained, in addition to retaining existing levels of usage encouraged by the first year's credit.

The company proposes continuing to adjust fuel revenues downward reflecting the discounts earned by customers served under the SSI Rider. While the bulk of the credit earned by increased KWH sales goes to the interruptible customers on the rider, the general body of ratepayers realized a net benefit of over \$2 million due to increased base rate revenues during the first nine months of 1989. KWH sales increased by 238,693,928, generating \$3,294,877 in base rate revenues while TECO paid out \$1,216,224 in fuel credits.

The proposed tariff provides for customers served under the SSI Rider to be credited with an amount equal to 80% of the difference between average fuel cost and marginal fuel cost when marginal fuel cost is below average fuel cost. The credit is only applicable to any KWH sold exceeding customers' billing threshold during the billing month. The proposed extension also remedies one of the shortfalls of the previous tariff. The previous tariff provided for a credit when marginal cost of

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fuel is less than average but for a zero adjustment if marginal cost rises above average. Under the proposed extension, as orally amended by TECO at the January 2, 1990 agenda conference, in months where marginal fuel costs exceed average fuel costs, customers served under the SSI schedule pay an amount equal to the KWHs above the billing threshold times 80% of the difference between TECO's marginal and average fuel cost. This ensures that the rest of the ratepayers are not harmed when marginal fuel costs increase above average.

In consideration of the foregoing, it is

ORDERED that Tampa Electric Company's request for a one year extension of its Supplemental Service Rider for Interruptible Service, as amended by Tampa Electric Company at the January 2, 1990 agenda conference, is hereby granted. It is further

ORDERED that this docket be closed on February 23, 1990 if no motion for reconsideration or Notice of Appeal is timely filed prior to that time.

By Order of the Florida Public Service Commission
this 24th day of JANUARY, 1990.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

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by: Kay Dyer
Chief, Bureau of Records

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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.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) 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 by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.