

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Clark) DOCKET NO. 911027-EM
Waage against Jacksonville) ORDER NO. PSC-92-0196-FOF-EM
Beach Electric Authority) ISSUED: 04/13/92
regarding ratchet demand charge)

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
SUSAN F. CLARK
J. TERRY DEASON
BETTY EASLEY
LUIS J. LAUREDO

ORDER APPROVING TARIFF REVISIONS

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On October 4, 1991 Clark Waage filed a complaint with the Florida Public Service Commission regarding the ratchet demand charge assessed by Jacksonville Beach Electric Authority (JBEA) against Vicars Landing. Vicars Landing is a residential facility run by an organization qualified under the Internal Revenue Code as a nonprofit organization. The apartments are not individually metered for electric consumption, and the facility takes service under JBEA's general service demand (GSD) rate schedule through a master meter. During the Christmas freeze of 1989, the facility experienced a power outage extending for several hours. After service was restored, the demand increased to a level far in excess of the facility's previous experience. Pursuant to the applicable tariff, the facility was billed for demand charges at 70% of the maximum demand amount for the next eleven months. Mr. Waage claimed that this resulted in an increase of approximately \$200,000 over the previous year's billing.

The matter was referred to JBEA for a response. Before the company responded, the parties asked the Commission to hold the matter in abeyance while they attempted to negotiate a settlement. The Jacksonville Beach City Council has approved revisions to its residential service (RS) tariff which permit residential facilities run by organizations qualified under section 501(c)(3) of the Internal Revenue Code to take service under that schedule. A copy of the revision is attached to this recommendation. The revision

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exempts such facilities from the maximum demand and kilowatt hour provisions of the residential tariff.

The revision allows master metered, federally assisted rental housing facilities and residential living facilities of nonprofit organizations qualifying as Internal Revenue Service 501(c)(3) organizations to take service on the RS rate schedule. The applicability paragraph of the rate schedule precludes electric energy for nonresidential uses of these facilities, such as for administrative offices, nursing facilities or utility facilities, being billed on the RS rates. Since only usage that is residential in character is to be served on the RS rate schedule, we find that the proposed revision is reasonable and should be approved.

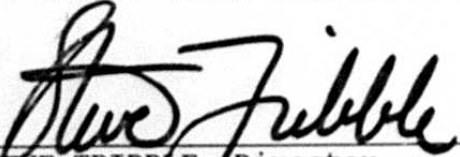
Mr. Waage's concern is the seventy percent ratchet on billing demand of the General Service Demand (GSD) rate schedule. When a rate schedule has a seventy-percent ratchet, the customer's billing KW is his maximum demand in the month or seventy percent of his highest billing demand in the preceding eleven months, whichever is greatest. Mr. Waage's problem should be satisfactorily addressed by the approval of the revision to the RS rate schedule because electric service for the residential buildings of the Vicars Landing facility will be on the RS rate schedule, which does not have a ratchet.

Based on the foregoing, it is

ORDERED that the revisions to the Residential Service (RS) rate schedule proposed by Jacksonville Beach Electric Authority are hereby APPROVED. It is further

ORDERED that this docket shall be CLOSED if no protest is filed within the time limit stated in the Notice of Further Proceedings and Judicial Review.

By ORDER of the Florida Public Service Commission, this 13th day of April, 1992.



STEVE TRIBBLE, Director
Division of Records and Reporting

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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.

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 action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on May 4, 1992.

In the absence of such a petition, this Order shall become final on the day subsequent to the above date.

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.

If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by 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 of the date this Order becomes final, 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.