

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of Florida ) DOCKET NO. 930229-EI  
Power Corporation for Authority ) ORDER NO. PSC-93-0756-FOF-TI  
to Revise Its Curtailable ) ISSUED: May 19, 1993  
General Service Rate Schedules )  
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The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman  
THOMAS M. BEARD  
SUSAN F. CLARK  
JULIA L. JOHNSON

ORDER APPROVING TARIFF

On March 4, 1993, Florida Power Corporation (FPC) filed a petition to revise the applicability and penalty clauses of its curtailable rate schedules (CS-1 and CST-1) in order to remedy rate design flaws in the two rate schedules. The current applicability clause of the curtailable rate schedules specifies a minimum curtailment of 25 KW, or 25 percent of the customer's maximum annual billing KW, whichever is greater. The company proposes to change the "maximum annual" billing KW to "average monthly."

The current penalty clause for noncompliance with a requested curtailment provides for a rebilling for 115 percent of the curtailable demand credit for the customer's actual KW demand that exceeds his contracted non-curtailable demand during a curtailment period. The rebilling is for each billing period from the current month to the most recent prior billing period in which curtailment was requested, not to exceed twelve billing periods. The proposed penalty provision rebills the customer for any savings the customer received under the curtailable rate compared to the applicable firm service rate plus twenty-five percent of the savings.

On March 22 the company filed an amended petition that adds a paragraph to Special Provision No. 2 of the curtailable rate schedules to ensure that the 25 percent minimum curtailability requirement of the applicability clause will continue to be met after the commencement of service. This revision requires a customer's contract non-curtailable demand to be reset if it exceeds 75 percent of his average monthly demand for the most recent twelve months. The contract non-curtailable demand shall be reset equal to 75 percent of the customer's average billing demand effective with the current billing period.

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FPC-RECORDS/REPORTING

In its amended petition FPC requested, in fairness to customers who elected curtailable service under different conditions, that the five-year notice requirement for transfer to firm service be waived for existing curtailable customers whose contract non-curtailable demand will be reduced due to the revision of Special Provision No. 2.

The problems that Florida Power Corporation addresses in its petition result from treating curtailable service as a separate rate class with rates designed to produce the revenue requirements of that class identified in the cost of service study. Prior to the conclusion of FPC's last rate case, Docket 910890-EI, the rate charges on the CS and CST rate schedules had historically been the same as those on the General Service Large Demand (GSLD and GSLDT) rate schedules, with the exception that CS and CST-1 had a curtailable credit that applied to curtailable billing KW. Paragraph 8 of the Cost of Service and Rate Design Stipulation approved by the Commission in Docket 910890-EI provided that the curtailable class would be treated as a separate rate class with rates designed to produce the revenue requirements of that class identified in the cost of service study. This provision resulted in a non-fuel energy charge for CS which is .564 cents or 34 percent lower than the non-fuel energy charge for the General Service Demand (GSD) rate schedule and a capacity cost recovery factor that is currently .027 cents less than the GSD's. (The GSD and GSLD classes were combined into the GSD class in Docket 910890-EI.)

In addition, due to the interruptible/curtailable load management conservation program the CS rate schedule provides for a curtailable credit of \$2.33 that is applicable to curtailable billing KW. The curtailable credit is based on avoided production plant cost and is recovered through the conservation cost recovery clause, not through base rates. Curtailable service customers with a load factor of 60 percent or more get a lower bill on curtailable service compared to firm service even when they have no curtailable demand.

We approve Florida Power Corporation's request to revise the applicability and penalty clauses of its curtailable service rate schedules. The proposed revisions are reasonable remedies for existing flaws in the rate schedules. They will result in more uniform amounts of curtailable load throughout the year. They also ensure that the 25 percent curtailability requirement of the applicability clause will continue to be met after a customer

initially takes curtailable service. Curtailable service customers who do not comply with the terms of their curtailable service contracts will no longer be able to save on curtailable rates.

We also approve FPC's request that the five-year notice requirement for transfer to firm service be waived for current curtailable customers whose contract non-curtailable demand is reduced by application of the proposed revisions to the curtailable service rate schedules. A one-time waiver of the five-year notice requirement for transfer to firm service is appropriate to be fair to those customers who elected curtailable service when a different minimum curtailment requirement was in effect. Florida Power Corporation should notify all curtailable service customers that the requested changes have been approved within two weeks of approval. Those customers whose contract non-curtailable demand is reduced by the addition of paragraph (d) to Special Provision No. 2 should then have one month after notification to transfer to firm service.

The revisions to the applicability and penalty clauses of FPC's curtailable rate schedules will become effective on May 20, 1993. It is therefore

ORDERED that Florida Power Corporation's request to revise the applicability and penalty clauses of its curtailable rate schedules is approved, effective May 29, 1993. It is further

ORDERED that the five-year notice requirement for transfer to firm service shall be waived one time for current curtailable customers whose contract non-curtailable demand is reduced by application of the proposed revisions to the curtailable service rate schedules. It is further

ORDERED Florida Power Corporation shall notify all curtailable service customers that the requested changes have been approved within two weeks of approval. It is further

ORDERED that if a timely protest is filed, the new tariff will remain in effect pending resolution of the protest. It is further

ORDERED that this Order shall become final and this docket closed unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business

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on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission this 19th day of May, 1993.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )  
MCB:bmi

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 June 9, 1993.

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

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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 wastewater 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.