

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of ) DOCKET NO. 930466-EI  
COG-3 tariff, purchase of power ) ORDER NO. PSC-93-1089-FOF-EI  
during generation capacity ) ISSUED: July 27, 1993  
alerts, by Florida Power and )  
Light Company. )  
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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  
LUIS J. LAUREDO

ORDER APPROVING TARIFF

BY THE COMMISSION:

On December 4, 1990, Florida Power & Light Company (FPL) filed a petition requesting approval of an incentive rider for the delivery of as-available energy sold by qualifying facilities during times of a generation capacity alert. FPL's petition was approved by Order No. 23999, issued January 17, 1991, in Docket No. 900958-EQ. The terms and conditions of the incentive payment were set out in a separate tariff schedule, Schedule COG-3, which had a termination date of December 31, 1991. Pursuant to Order No. 25694, issued February 5, 1992, in Docket No. 911231-EQ, we granted an extension to the COG-3 tariff until May 2, 1992. We extended the tariff again by Order No. PSC-92-0246-FOF-EQ, issued April 23, 1992, in Docket No. 911231-EQ, extending the term until May 1, 1993. On April 29, 1993, FPL requested that we make the COG-3 tariff a permanent tariff offering. By Order No. PSC-93-0951-FOF-EI, issued June 24, 1993, in this docket, we suspended FPL's COG-3 tariff to give Commission staff sufficient time to obtain outstanding information to evaluate the cost-effectiveness of the COG-3 tariff.

When we first approved the COG-3 tariff on a temporary basis, we questioned whether FPL's ratepayers would realize any actual benefits. Our main concern was whether as-available energy producers, who sell to utilities when the utilities' incremental fuel costs are the highest, would need an incentive to guarantee they would stay on line during a capacity shortage alert. Since the COG-3 tariff was implemented, some of FPL's as-available

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suppliers have actually increased their output during capacity shortage alerts. While we do not know whether FPL would have received the same response absent any incentive, it appears the incentive is working to the benefit of FPL's ratepayers.

The COG-3 tariff which FPL has requested be made permanent has the same terms and conditions as the temporary COG-3 tariffs previously approved by us. Since the tariff was first implemented in 1990, the incentive payment to as-available energy producers has been \$2.71/MWH. While FPL has not purchased any emergency power in the last two years, a review of other utilities' emergency power purchases indicates that \$2.71/MWH is far below the amount paid for emergency power, which ranged from \$30/MWH to \$90/MWH. Because we find this incentive payment to be far below the cost of emergency power available to FPL from other sources, we find FPL's COG-3 tariff to be cost-effective.

Because we find that FPL's COG-3 tariff appears to be of some benefit to FPL's ratepayers, we find that Schedule COG-3, Purchase of Power During Generation Capacity Alerts, shall be made a permanent offering.

It is, therefore,

ORDERED by the Florida Public Service Commission that Schedule COG-3, Purchase of Power During Generation Capacity Alerts, filed by Florida Power and Light Company shall be made a permanent offering, effective July 6, 1993. It is further

ORDERED that if a protest is filed in accordance with the requirement set forth below, the tariff shall remain in effect with any increase in revenues held subject to refund pending resolution of the protest. It is further

ORDERED that if no protest is filed in accordance with the requirement set forth below, this docket shall be closed.

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By ORDER of the Florida Public Service Commission this 27th  
day of July, 1993.

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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )  
MAH:bmi

By: Kay Hizon  
Chief, Bureau of Records

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 August 17, 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.