

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Investigation of) DOCKET NO. 930055-EU
proposed stockholder incentives) ORDER NO. PSC-93-1093-FOF-EU
for off-system sales of capacity) ISSUED: July 27, 1993
and energy by investor-owned)
utilities.)
_____)

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 CLOSING DOCKET

BY THE COMMISSION:

In its most recent rate case (Docket No. 920324-EI), Tampa Electric Company proposed that the revenue from certain off-system sales of capacity be divided between the ratepayers (40%) and the shareholders (60%) of TECO Energy, Inc. The panel approved a modified incentive, permitting the shareholders to retain 20% of the revenue above an annual sales level of 18 million dollars. Staff was directed to open this docket to investigate the whole area of shareholder incentives to encourage off system sales.

The four generating investor-owned utilities (IOU's), the Office of Public Counsel (OPC), the Florida Industrial Power Users Group (FIPUG) and the Florida Municipal Power Agency are all parties to the docket. The four generating investor-owned utilities have filed responses to staff interrogatories. All parties, except Gulf Power Company, have filed testimony.

There is strong disagreement among the parties as to whether incentives are appropriate for this type of transaction. Not surprisingly, the peninsula IOU's favor incentives. FIPUG, OPC and the staff vigorously oppose incentives for off-system sales.

Last year the United States Congress passed the 1992 National Energy Policy Act. Assessing the impact that the implementation of the 1992 Energy Policy Act will have on the economics of, and opportunity for the type transactions under discussion in this docket is speculation, at best. It is fair to say that the impact will be substantial. We believe that the Commission should have

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the benefit of this decision before considering shareholder incentives for off-system sales. The Federal Energy Regulatory Commission proceedings to implement this legislation will likely take a year or more to resolve.

For this reason, we find that this docket should be closed. Our action in closing the docket is without prejudice to the right of any party to file a petition to consider any issue in this docket at such time as the party believes appropriate. By operation of law, the incentive offered to Tampa Electric Company in its rate case will expire at the end of 1993.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that this docket shall be closed.

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

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

RVE

by: Kay Flynn
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.