

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Complaint by Coastal) DOCKET NO. 921128-EC
Lumber Company against Talquin) ORDER NO. PSC-93-1591-FOF-EC
Electric Cooperative, Inc.) ISSUED: November 1, 1993
regarding rate structure.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JULIA L. JOHNSON
LUIS J. LAUREDO

ORDER SETTING MATTER FOR HEARING

BY THE COMMISSION:

On November 2, 1992, Coastal Lumber Company (Coastal) filed a complaint against Talquin Electric Cooperative (Talquin or the cooperative), which alleged that Talquin's rate structure was not fair, just, and reasonable. On January 19, 1993, the Commission voted to issue Talquin a comment letter asking Talquin to either justify its rate structure or redesign its rates. On April 16, 1993, Talquin responded stating that it believed its rate structure was justified because the Commission approved the rate structure presently in place and because Talquin's revenue requirements have not warranted a rate change. Nevertheless, Talquin prepared a cost of service study which it filed on July 29, 1993 along with proposed rates. On September 13, 1993, Talquin filed a revised cost of service study and revised proposed rates.

In its filing, Talquin eliminated the GSLD rate schedule under which Coastal presently takes service. Under the proposed rates, Coastal must take service under General Service Demand (GSD) as it did before 1984 when the GSLD rate schedule was implemented. Under the proposed rates, the residential rate class experiences a 2.95 percent increase, Outdoor Lighting a 14.91 percent increase, General Service Non-demand (GS) a 0.85 percent decrease, and GSD a 12.9 percent decrease. Under the proposed GSD rates, Coastal Lumber receives a 9.74 percent decrease.

The rates of return by class and their indices at present and proposed rates from Talquin's cost of service study are shown below.

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RATES OF RETURN AND RATE OF RETURN INDICES BY CLASS

Class	Present Rates		Proposed Rates	
	ROR	Index	ROR	Index
RS	4.45%	/ .65	6.13%	/ .85
GS	12.25%	/ 1.78	11.61%	/ 1.61*
GSD	27.42%	/ 3.99	13.17%	/ 1.83*
GSLD (Coastal)	48.38%	/ 7.03	29.94%	/ 4.15*
GSD (Combined GSD and GSLD on GSD rates)			15.07%	/ 2.09
OL (Outdoor Lighting)	4.13%	/ .60	6.52%	/ .90
Total Talquin	6.88%	/ 1.00	7.21%	/ 1.00

*All expense and rate base items allocated by Talquin; rate of return calculated by Commission staff and Coastal Lumber.

After reviewing Talquin's proposed rates and cost of service study, we find a formal hearing is necessary to hear evidence on whether Talquin's proposed rates and rate structure are discriminatory, unfair, unjust, and excessive. Accordingly, we find that Talquin's proposed rates shall not be approved, and this matter shall be set for hearing.

It is, therefore,

ORDERED by the Florida Public Service Commission that the proposed rates filed by Talquin Electric Cooperative, Inc. are not approved and that this matter shall be set for hearing.

By ORDER of the Florida Public Service Commission this 1st day of November, 1993.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)
MAH:bmi

Commissioner Clark dissented from the Commission's decision.

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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 this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) 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 wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.