

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval to) DOCKET NO. 960905-EI
revise Sebring Rider, Rate) ORDER NO. PSC-96-1194-FOF-EI
Schedule SR-1, by Florida Power) ISSUED: September 23, 1996
Corporation.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER APPROVING TARIFF REVISION
AND
NOTICE OF PROPOSED AGENCY ACTION ORDER
CHANGING SEBRING RIDER REVIEW CYCLE

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein relative to changing the review cycle of the Sebring Rider is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

CASE BACKGROUND

On December 17, 1992, the Commission issued its final order in Docket No. 920949-EU, In Re: Joint Petition of Florida Power Corporation and Sebring Utilities Commission for Approval of Certain Matters in Connection with the Sale of Assets by Sebring Utilities Commission to Florida Power Corporation, Order No. PSC-92-1468-FOF-EU. In that order the Commission approved several aspects of the sale of Sebring Utilities Commission's electric facilities to Florida Power Corporation (FPC). Included was the "Sebring Rider" rate (SR-1), a rate to be charged by FPC to customers in the former Sebring service area in addition to FPC's regular rates. The SR-1 rate reflects the costs associated with the large debt that Sebring had accumulated over the years to serve its customers.

In approving the Sebring Rider, the Commission recognized that the rider might need to be adjusted over time to match the rider revenues to the debt service requirements as closely as possible.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

As such, the Commission retained jurisdiction over all aspects of the rider and directed FPC to review the Rider on an annual basis and submit the results of the review to the Commission. This recommendation is the result of the FPC's 1996 annual review of the rider.

DECISION

Section I - Tariff

The Sebring Rider is a formula rate similar to other rates that the Commission has established. The amount of the Sebring rider is simply the total dollars to be recovered divided by the total number of kWh's forecasted over a fifteen year time period. FPC has completed its annual review of the Rider and believes that the Sebring Rider's balancing account will have an over-collection of approximately \$900,000 as of October 1, 1996. FPC has also provided an updated load forecast which shows higher kWh sales than the forecast used to develop the current rate. The revised forecast indicates that unless the Rider is adjusted downward, the Rider will continue to over-collect revenues from the former Sebring customers and the over-collection balance will increase.

We agree with the company's position that it is appropriate to revise the Sebring Rider. Utilizing the updated sales forecast through the end of the Rider's 15 year term, FPC has calculated a revised Rider of 1.524 cents per kWh. See Attachment A, Revised Tariff Sheet No. 6.340. The existing \$900,000 over-collection balance was excluded from the revised calculation to minimize the possibility of needing to raise the Rider in the future. We approve the revised Rider of 1.524 cents per kWh.

Section II - Proposed Agency Action

FPC is required to review the Rider on an annual basis and submit the results of the review to the Commission. The company is also required to submit reports of the Sebring Rider as part of its monthly surveillance reports. FPC requests that it be authorized to submit the Sebring Rider review on a three-year cycle instead of annually, as currently required. The company feels that a longer-term review of the Sebring Rider will allow the identification of trends more representative of future performance than is currently the case with an annual review. We agree with the company; however, the company may petition the Commission at closer intervals to adjust the rider if the revenues collected through the rider do not closely match the ongoing debt service requirements. The company shall continue to provide the Commission with the

reports of the Sebring Rider as part of its monthly surveillance reports.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power Corporation's petition to revise the Sebring Rider, Rate Schedule R-1 is approved as discussed herein. It is further

ORDERED that the effective date of the revised Sebring Rider shall begin with the October, 1996 billing cycles. 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

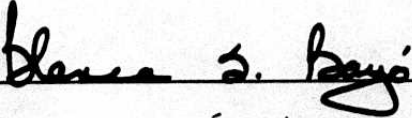
ORDERED that Florida Power Corporation shall submit the Sebring Rider review on a three year schedule. It is further

ORDERED that Florida Power Corporation shall continue to provide, as part of its monthly surveillance reports, reports of the Sebring Rider. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

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

By ORDER of the Florida Public Service Commission, this 23rd day of September, 1996.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

SLE

Section I:

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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on October 14, 1996.

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 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.

Section II:

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 action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on October 14, 1996.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

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 and effective on the date described above, any party substantially 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 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 effective date 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.