

MEMORANDUM

February 23, 1998

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FEB 23 1998
2:55
FPSC - Records/Reporting

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (CRUZ-BUSTILLO) *RUE*
SCB

RE: DOCKET NO. 971597-EM - PETITION FOR APPROVAL OF LONG-TERM
LARGE DEMAND ELECTRIC SERVICE AGREEMENT BY KISSIMMEE
UTILITY AUTHORITY.

98-0325-FDE-EM

Attached is an ORDER GRANTING APPROVAL OF LONG-TERM LARGE
DEMAND ELECTRIC SERVICE AGREEMENT, to be issued in the above
referenced docket. (Number of pages in order - 3)

JCB/anr

Attachment

cc: Division of Electric and Gas

I: 971597.jcb

See 1

*boxed - 1/0
mailed -*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of
long-term large demand electric
service agreement by Kissimmee
Utility Authority.

DOCKET NO. 971597-EM
ORDER NO. PSC-98-0325-FOF-EM
ISSUED: February 24, 1998

The following Commissioners participated in the disposition of
this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

ORDER GRANTING APPROVAL OF LONG-TERM LARGE DEMAND
ELECTRIC SERVICE AGREEMENT

BY THE COMMISSION:

On November 4, 1997, Kissimmee Utility Authority (KUA) submitted a new Long-Term Large Demand Electric Service Agreement. This rate is available to those customers who qualify under KUA's existing General Service Large Demand rate schedule (GSLD). Applicability under this and the GSLD rate schedule requires that the customer's demand be 500 kW or more for two or more months out of the 12 consecutive months ending with the current billing period. In addition, the customer must maintain a 60% monthly load factor, which will be reviewed by KUA periodically. A 15% discount off of the GSLD rate shall apply to those customers who qualify and agree to take service under the agreement for a period of 10 years.

KUA does not propose to raise its rates to other classes of customers to make up the revenue shortfall. In fact, KUA reduced its rates across the board on October 1, 1997 by 2.5%. KUA is under increasing pressure from its larger customers to offer better rates or risk losing them to competing energy providers as the industry moves closer towards a competitive environment. The Commission has recently approved tariff offerings of this type filed by the City of Lakeland, Fort Pierce Utility Authority, the City of Homestead, Gulf Power Company, Jacksonville Electric Authority, and Gainesville Regional Utilities.

DOCUMENT NUMBER-DATE

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Since the Commission does not regulate the revenue requirement or rate level of a municipal utility, any shortfall in total utility revenues would not be subject to Commission review except to how it was collected from existing ratepayers. We believe approval of the proposed tariffs is appropriate, given our limited jurisdiction over municipalities, as well as our recent approval of similar tariffs.


Upon consideration, we find that the Long-term Large Demand Electric Service Agreement is in the best interest of KUA and its ratepayers and, should be approved.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the requested action by KUA, that the Commission approve KUA's Long-Term Large Demand Electric Service Agreement, is hereby approved. It is further

ORDERED that if a protest is filed within 21 days from the issuance date of the order, the tariff should remain in effect, pending resolution of the protest. If no timely protest is filed this docket should be closed.

By ORDER of the Florida Public Service Commission this 24th day of February, 1998.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

JCB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

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 March 17, 1998.

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.