

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Florida Power
& Light Company for approval of
proposed revisions to
curtailable service tariff.

DOCKET NO. 000298-EI
ORDER NO. PSC-00-1319-TRF-EI
ISSUED: July 20, 2000

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
E. LEON JACOBS, JR.
LILA A. JABER

ORDER APPROVING TARIFF MODIFICATION

BY THE COMMISSION:

Florida Power & Light Company (FPL) filed a petition for approval of proposed revisions to its curtailable rate schedules on March 8, 2000. This Commission voted to suspend the tariff at our April 18, 2000, Agenda Conference to allow staff additional time to evaluate the petition. On May 26, 2000, FPL filed an amended petition for approval of proposed revisions to its curtailable rate schedules.

FPL is proposing identical changes to each of its curtailable rate schedules (i.e., rates CS-1, CST-1, CS-2, CST-2, CS-3 and CST-3). The proposed provisions are substantially similar to those already contained in FPL's non-firm Commercial-Industrial Load Control (CILC) and Interruptible Standby and Supplemental (ISST) rate schedules.

Under the terms of the curtailable rate schedules, customers agree to curtail their use to at or below their agreed-upon maximum level of kilowatt (kw) demand when requested to do so by FPL. In return for agreeing to curtail when requested, the customer is given a credit of \$1.70 per kw applied to the difference between the customer's actual maximum demand for the month and the contracted maximum demand specified in their agreement for service.

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If a customer fails to curtail when requested, a charge is imposed that includes repayment of credits given in the past and payment of a per kw penalty amount based on the customer's demand in excess of the contracted level during the curtailment period.

The proposed changes to the curtailable tariffs add provisions that forgive payment of this charge if the failure to curtail is attributable to certain events:

1. Force Majeure events - Defined in the tariff as causes not within the reasonable control of the customer and not caused by negligence or lack of due diligence by the customer
2. Maintenance of generation equipment performed at a prearranged time and date mutually agreeable to by FPL and the customer and which is necessary for the implementation of load curtailment
3. Events affecting local, state or national security

The proposed changes also state that if a customer fails to curtail due to one of these events and is forgiven the charge, the customer must pay the otherwise applicable tariff charges, and in addition, an energy charge equal to:

...the greater of the Company's As-Available Energy cost, or the most expensive energy (calculated on a cents per kilowatt-hour basis) that FPL is purchasing during that period, less the applicable fuel charge. As-Available Energy cost is the cost calculated for Schedule COG-1 in accordance with FPSC Rule 25-17.0825, F.A.C.

By charging curtailable customers the actual cost of energy during those periods when they fail to meet their curtailment obligation, the impact on the remaining body of ratepayers is minimized.

As noted above, the proposed provisions are substantially similar to those already contained in FPL's other non-firm rate offerings. FPL believes that it is important that curtailable customers be treated in the same manner as its other non-firm customers in the case of force majeure or other unusual events, to prevent decreased participation in curtailable service.

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We believe that it is reasonable and equitable to afford curtailable customers the same treatment regarding failure to comply with curtailment requests as FPL's other non-firm customers. We therefore approve the proposed tariff revisions. The revised tariffs shall become effective July 11, 2000.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light Company's proposed tariff revisions to its curtailable rate schedules are hereby approved. It is further

ORDERED that Florida Power & Light Company's proposed tariff revisions to its curtailable rate schedules shall be effective July 11, 2000, the date of our vote on this matter. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 20th day of July, 2000.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS

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 proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, 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 August 10, 2000.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

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.