

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Reporting Requirements for electric investor-owned utilities with Commercial/Industrial Service Rider (CISR) tariffs.

DOCKET NO. 140048-EI
ORDER NO. PSC-14-0197-PAA-EI
ISSUED: May 2, 2014

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING MODIFICATION TO THE COMMERCIAL/INDUSTRIAL SERVICE
RIDER TARIFF REPORTING REQUIREMENTS FOR FLORIDA INVESTOR-OWNED
ELECTRIC UTILITIES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein 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 (F.A.C.).

Background

Through the use of Commercial/Industrial Service Rider (CISR) tariffs, Florida investor-owned electric utilities are allowed the flexibility to negotiate pricing arrangements, within the parameters specified in the tariff, with commercial/industrial customers who are at risk of leaving a company's service territory for more competitive options outside of Florida, to become customers of other energy providers, or who may require competitive incentives to bring new load into Florida. We have approved CISR tariffs for Gulf Power Company (Gulf), Tampa Electric Company (TECO), Duke Energy Florida, Inc. (DEF), and Florida Power & Light Company (FPL).¹

¹ Gulf Power Company's tariff was approved as a pilot in 1996 and made permanent in 2001. Order No. PSC-96-1219-FOF-EI, issued September 24, 1996, in Docket No. 960789-EI, In re: Petition for authority to implement proposed commercial/industrial service rider on pilot/experimental basis by Gulf Power Company and Order No.

There is an opportunity to streamline CISR tariff reporting requirements and achieve greater consistency among investor-owned electric utilities while continuing to provide the appropriate oversight to ensure the general body of ratepayers is not harmed by the negotiated contracts. We have jurisdiction over this matter pursuant to Section 366.04, Florida Statutes (F.S.).

Decision

The Commission-approved CISR tariffs are similarly structured. For example, each contains limitations with regard to minimum customer size, the number of CSAs that can be executed, and the amount of system load available to CISR tariff customers. These limitations help to ensure that the CISR is targeted to the size of customer that has the ability and motivation to base its location decisions in substantial measure on electricity costs and also avoid the potential for the CISR to become over-subscribed. Each CISR tariff also contains language that prohibits the company from using the CISR tariff to attract existing load currently served by another Florida electric utility to its service territory.

However, there are variations among the four utilities with CISR tariffs regarding the nature and frequency of reporting requirements relative to active CISR customers. Our orders authorizing the respective tariffs were issued at different points in time in different proceedings and they impose different reporting requirements on respective utilities. Gulf is currently required to file quarterly CISR activity reports as well as supplemental CISR information in conjunction with its monthly Earnings Surveillance Reports. Certain customer-specific information contained in Gulf's reports typically has been filed requesting confidential classification. FPL is required to file supplemental CISR information in conjunction with its monthly Earnings Surveillance Reports. The current CISR tariffs for DEF and TECO were approved as part of settlement agreements and are silent regarding specific reporting requirements.

While the CISR tariff allows the utility to enter into negotiated contracts without our approval for each contract, we note that we have the authority pursuant to Section 366.06(2), F.S., to initiate a review at any time as to whether a CSA between a utility and a CISR customer is prudent. In the event that we chose to initiate such a review, the utility would have the burden

PSC-01-0390-TRF-EI, issued February 15, 2001, in Docket No. 001217-EI, In re: Petition for authority to modify Commercial/Industrial Service Rider Pilot Study by Gulf Power Company. Tampa Electric Company's CISR tariff was approved as a pilot in 1998. TECO did not seek to make its tariff permanent after the 48-month pilot expired; however, the Stipulation and Settlement filed by TECO and other parties in Docket No. 130040-EI includes a new CISR. Order No. PSC-13-0443-FOF-EI, issued September 30, 2013, in Docket No. 130040-EI, In re: Petition for rate increase by Tampa Electric Company. Florida Power Corporation's (now Duke Energy Florida, Inc.) tariff was approved as a pilot in 2001 and made permanent in 2005. Order No. PSC-01-1789-TRF-EI, issued September 4, 2001, in Docket No. 010876-EI, In re: Petition for approval of a new pilot Commercial/Industrial Service Rider to replace existing Economic Development Rider by Florida Power Corporation and Order No. PSC-05-0945-S-EI, issued September 28, 2005, in Docket No. 050078-EI, In re: Petition for rate increase by Progress Energy Florida, Inc. Florida Power & Light's tariff was approved in Order No. PSC-14-0110-TRF-EI, issued February 24, 2014, in Docket No. 130286-EI, In re: Petition for approval of new commercial/industrial service rider by Florida Power & Light Company.

of proof that its decision to enter into a particular CSA was in the best interest of its general body of customers.

We do not have a need to receive monthly or quarterly CISR filings. Thus, there is an opportunity to streamline CISR tariff reporting requirements and achieve greater consistency among investor-owned electric utilities while continuing to provide the appropriate oversight of CISR contracts. Therefore, we find that annually, in conjunction with the submission of December Earnings Surveillance Reports, companies with CISR tariff customers shall report the total difference for all executed CSAs between the calendar year revenues (excluding tax and franchise fees) that would have been received under the otherwise applicable tariff rate(s) and the CISR rate. The first submission of the CISR information under the new reporting format would be due with the December 2014 Earnings Surveillance Report. This shall apply to utilities with existing CISR customers and prospective CISR customers.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that annually, in conjunction with the submission of December Earnings Surveillance Reports, companies with CISR tariff customers shall report the total difference for all executed Contract Service Arrangements (CSAs) between the calendar year revenues that would have been received under the otherwise applicable tariff rate(s) and the CISR rate. It is further

ORDERED that the utilities with CISR tariff customers shall file the required information annually beginning with the December 2014 Earnings Surveillance Report. It is further

ORDERED that if a protest is filed within 21 days of the issuance of the order, utilities with CISR tariff customers shall continue to follow their current reporting procedures, pending resolution of the protest.

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that if no timely protest is filed, this Order shall become final, and this docket shall be closed.

By ORDER of the Florida Public Service Commission this 2nd day of May, 2014.



HONG WANG
Chief Deputy Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

KY

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 that is available under Section 120.57, 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 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 action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file 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 Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on May 23, 2014.

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/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.