

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request by Orlando Utilities)	DOCKET NO. 890157-EM
Commission for revision of fuel)	
adjustment to recognize different)	ORDER NO. 20899
line loss factors for different)	
customer classes.)	ISSUED: 3-15-89
_____)	

The following Commissioners participated in the disposition of this matter:

- MICHAEL MCK. WILSON, Chairman
- THOMAS M. BEARD
- BETTY EASLEY
- GERALD L. GUNTER
- JOHN T. HERNDON

ORDER APPROVING THE RATE STRUCTURE REVISION

BY THE COMMISSION:

On January 16, 1989, the Orlando Utilities Commission (OUC or utility) requested this Commission's approval to change the fuel adjustment charge to reflect different line losses experienced by different customer classes. The utility presently assesses the same fuel adjustment charge to all customer classes.

According to OUC, line losses and the fuel cost vary according to the voltage level at which customers receive service. The utility's proposal apportions fuel and purchased power costs to customer classes based on percentage of each class' KWH plus line losses to total KWH generated and purchased. Fuel and purchased power cost which are allocated to each customer class are then divided by the metered KWH sales for the corresponding class to develop the cost per KWH sold for each class. Costs per KWH are then adjusted to remove any fuel cost included in base rates and a tax factor is applied to derive the final fuel adjustment factor.

Our experience with investor-owned utilities in Florida substantiates OUC's assertion that the use of a line loss factor is appropriate in order to recognize line losses for customers receiving power at different voltage levels. After reviewing the utility's request and supporting data, we find that the Orlando Utilities Commission's request for approval of the revision to its tariff, as described in the body of this Order, should be granted.

Based upon the foregoing, it is

ORDERED by the Florida Public Service Commission that the tariff revision of the Orlando Utilities Commission as described in the body of this Order is approved. It is further

ORDERED that this tariff revision shall be effective as of February 1, 1989. It is further

ORDERED that this docket is closed.

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By ORDER of the Florida Public Service Commission,
this 15th day of MARCH, 1989.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

MRC

by: Kay Flynn
Chief, Bureau of Records