

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Proposed Revisions In Rate)	DOCKET NO. 900828-EM
Schedules By City of Quincy.)	ORDER NO. 23753
)	ISSUED: 11-14-90
)	

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
 THOMAS M. BEARD
 BETTY EASLEY
 GERALD L. GUNTER
 FRANK S. MESSERSMITH

ORDER APPROVING THE CITY OF QUINCY'S
PROPOSED CHANGES IN RATE STRUCTURE

BY THE COMMISSION:

On August 3, 1990 the City of Quincy (City) filed with the Commission revised tariffs for its residential service (RS), regular general service (GSS) and regular general service demand (GSDS) classes.

The City has revised the customer and energy charges of its three rate classifications as follows:

	<u>BEFORE INCREASE</u>		<u>PRESENT</u>	
	<u>CUSTOMER</u>	<u>ENERGY</u>	<u>CUSTOMER</u>	<u>ENERGY</u>
	<u>CHARGE</u>	<u>CHARGE</u>	<u>CHARGE</u>	<u>CHARGE</u>
RS	\$ 2.10	\$.0485	\$ 2.40	\$.0560
GSS	5.78	.0497	6.65	.0570
GSDS	52.50	.0390	60.45	.0450

Since there is no cost of service study to use in evaluating the appropriateness of the City's changes in rates, they were evaluated by our Staff with a comparison of rates or charges of investor-owned utilities. With respect to the level of GSS charges, three of the four investor-owned utilities cost of service studies and load research data show that for the demand-and energy-related costs it is cheaper to serve the GSS class than the RS class. Thus, the GSS energy charge (which recovers these costs) should be lower than or equal to that of the RS class. The changes reduce the differential between the GSS and RS energy charges from

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\$.0012 to \$.0010 thus, resulting in a small improvement in the relationship of the GSS and RS rates. The relationship between the rates of these two classes appears to be reasonable.

In evaluating the change in the relationship between the rates of the GSDS and RS classes, our staff calculated bills for typical RS and GSDS customers of the City and the investor-owned utilities. A typical bill for the RS class is for 1000 KWH; for GSDS it was calculated using a demand of 75 KW and usage of 26,000 KWH. To calculate a per KWH charge for those typical customers, the total bills were divided by KWH usage. Before the change in rates, the billed charge per KWH for the City's typical GSDS customer was \$.0575 or 102 per cent of the RS charge of \$.0564. After the change the GSDS billed charge per KWH is 99 per cent of the RS charge. As of June 1988, the average of the four investor-owned utilities was 80 per cent. Since the percentage for the City has dropped from 102 per cent to 99 per cent, it appears that there is a slight improvement in the relationship of the rates for the RS and the GSDS classes.

Seeing that the changes result in a slight improvement in the relationship of the rates of the various classes, we agree with staff's recommendation that the revisions be approved. We are, however, concerned with a possible significant overcharging of the GSDS class relative to the RS and GSS classes. We are therefore, requiring the City in its next tariff filing to improve significantly the relationship between the rates and charges of the GSDS class and those of the other classes.

It is therefore,

ORDERED by the Florida Public Service Commission that the City of Quincy's proposed changes in its rate structure are approved. It is further

ORDERED that the City of Quincy shall improve with its next tariff filing significantly the revenue relationship of the GSDS class and those of the other classes. It is further

ORDERED that this docket be closed if no appeal is timely filed herein.

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By ORDER of the Florida Public Service Commission, this 14th
day of NOVEMBER, 1990.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

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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 at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on December 5, 1990.

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

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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 sewer 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.