

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition by Florida Power) DOCKET NO. 920629-EI
and Light Company for contract) ORDER NO. PSC-92-0724-FOF-EI
flexibility in time of use rate) ISSUED: 07/28/92
schedules for customers partici-)
pating in one of the company's)
Demand Side Management Programs.)

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
SUSAN F. CLARK
J. TERRY DEASON
BETTY EASLEY
LUIS J. LAUREDO

ORDER REJECTING FLORIDA POWER AND
LIGHT COMPANY'S TARIFF REVISION

BY THE COMMISSION:

On May 25, 1992, Florida Power and Light Company (FPL) filed a proposed revision to Tariff Sheets Nos. 6.060 and 6.061. The revised tariff would allow customers participating in one of FPL's Demand Side Management Programs (DSM), who are on a time-of-use (TOU) rate schedule, the option of taking service on a corresponding standard rate, for a reasonable duration while repairs to the DSM equipment were being made.

The tariff revision was prepared in response to a customer's request. That customer participates in Thermal Energy Storage (TES), a DSM program. A thermal energy storage unit stores energy during off-peak periods and draws on the stored energy during the on-peak periods. The equipment is owned and maintained by the customer. A customer purchases TES equipment to enjoy the benefits of a TOU rate schedule. The customer in question has anticipated that its TES unit will be down for a period of two to three months for repairs. This would result in a substantial increase in the monthly power bill because electricity must be used during on-peak periods.

FPL's request to modify its tariff would allow temporary billing on a standard rate during the down-time of a customer's DSM equipment. According to FPL the rationale for this change is that the customer has made an investment in equipment which, during operation, provides substantial benefits to the utility. Incurring on-peak charges during equipment down-time could discourage participation in the time-of-use DSM programs.

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We recognize the benefits of DSM programs and the desirability of encouraging customers to utilize capacity off-peak whenever feasible. We also understand that customers who shift energy consumption from on-peak to off-peak time periods, postpone the need for additional plant capacity on-peak. However, we find that FPL's proposed tariff revision should be rejected for the following reasons. First, the twelve-month time constraint on the selections of optional rates serves an economic purpose. A utility needs a definite time frame to plan its capacity needs, in order to realize the benefits from shifts in usage.

Second, in a rate class, the standard rate is based on average cost to served that customer regardless of the time consumption occurs, on-peak or off-peak. Correspondingly, a TOU rate is based on the cost to serve a rate class during different time periods of the day. Approval of the revised tariff could force the general body of rate payers to subsidize the customer who would then be enjoying savings at both ends of the spectrum.

In consideration of the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power and Light Company's petition for approval of revision to Tariff Sheets Nos. 6.060 and 6.061 is denied.

ORDERED that this Order shall become final and the docket shall be closed unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission this 28th day of July, 1992.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

MRC:bmi

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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 August 18, 1992.

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.