

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

M E M O R A N D U M

AUGUST 1, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF ELECTRIC & GAS (DRAPER) *EID*
DIVISION OF LEGAL SERVICES (ERSTLING) *HLB* *SP* *AK* *BE* *RJT*

RE: DOCKET NO. 960844-EM - REQUEST FOR APPROVAL OF OPTIONAL
CONTRACT ELECTRIC RATE SCHEDULE BY CITY OF HOMESTEAD

AGENDA: AUGUST 13, 1996 - REGULAR AGENDA - TARIFF FILING -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\EAG\WP\960844EM.RCM

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve the City of Homestead's proposed optional Contract Electric Rate Schedule?

RECOMMENDATION: Yes.

STAFF ANALYSIS: The City of Homestead (Homestead) filed an optional Contract Electric Service Rate Schedule (Contract Rate) on July 1, 1996.

This optional rate allows Homestead to offer a discounted rate to existing commercial customers who expand their load or to new commercial customers who locate in the Homestead service territory. The customer charge and the demand charge are set at the applicable standard rate, the energy charge is subject to negotiation. A customer receiving service under this schedule shall contract to remain on the rate for a maximum of five years. The negotiated energy charge will be increased annually so that at the end of the five year period, the customer will pay the applicable standard rate. The effective date of this tariff is August 1, 1996.

DOCUMENT NUMBER-DATE

08037 AUG-1 96

FPSC-RECORDS/REPORTING

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DATE: August 1, 1996

With this additional capacity available, Homestead projects to have excess capacity for several years. Any excess capacity Homestead has will be available for sale to customers requesting service under the contract rate.

The Commission does not regulate the revenue requirement or rate level of municipal utilities. Therefore, staff gives great deference to Homestead's request. Having considered the request, staff finds it should be approved. This tariff is identical to a tariff approved by the Commission on November 7, 1995 for the City of Fort Pierce. Staff's treatment of commercial/industrial discounts, however, should not be used as a precedent for rate discounts proposed by utilities over which the Commission does have rate level jurisdiction.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If a protest is filed within 21 days from the issuance date of the order, the tariff should remain in effect, pending resolution of the protest. If no timely protest is filed, this docket should be closed.

STAFF ANALYSIS: At the conclusion of the protest period, if no protest is filed, this docket should be closed.

WILLIAMS, BRYANT, GAUTIER & DONOHUE P.A.
ATTORNEYS AT LAW

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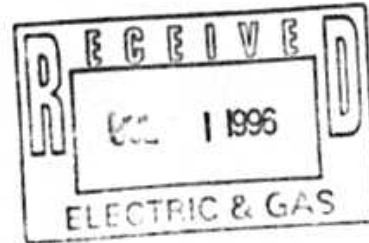
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July 1, 1996

VIA HAND DELIVERY

Ms. Connie S. Kummer, Rates Section
Electric and Gas Department, Room 200
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850



RE: City of Homestead
Changes to Tariff Book; Contract Electric Service Rate Schedule

Dear Connie:

Please find enclosed Original Sheet Nos. 18.0, - 18.2 and Third Revised Sheet No. 2.0 of the City of Homestead's tariff book. The purpose of these tariff sheets are to adopt and implement a Contract Electric Service Rate Schedule which will be identical to the rate schedule previously approved by the Commission for the Fort Pierce Utilities Authority. Please note the effective date of August 1, 1996.

Should you have any questions, please contact me. Thank you for your attention to these matters.

Sincerely,


Frederick M. Bryant

FMB/km
Enclosures

cc: Mr. James L. Swartz

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