

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of) DOCKET NO. 960844-EM
optional Contract Electric Rate) ORDER NO. PSC-96-1096-FOF-EM
Schedule by City of Homestead.) ISSUED: August 27, 1996
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER APPROVING TARIFF

BY THE COMMISSION:

The City of Homestead (Homestead or the City) 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 and to new commercial customers who locate in the Homestead service territory.

The optional rate is structured so that 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.

Through its participation in the Florida Municipal Power Agency, Homestead is receiving about 8 MW of additional capacity. Because of the available additional capacity, 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. Hence, we give great deference to the City's request. This tariff is identical to a tariff approved by us on November 7, 1995, for the City of Fort Pierce. Therefore, upon due consideration, we approve the optional Contract Electric Service Rate Schedule tariff. However, our treatment of

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commercial/industrial discounts for municipal utilities does not set a precedent for treatment of rate discounts proposed by utilities over which this Commission has full rate jurisdiction.

Based on the foregoing, it is

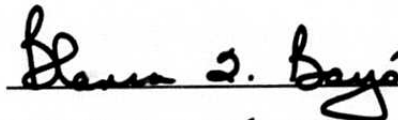
ORDERED by the Florida Public Service Commission that the City of Homestead's proposed optional Contract Electric Rate Schedule is approved. It is further

ORDERED that the effective date of the tariff is August 1, 1996. It is further

ORDERED that if a protest is filed in accordance with the requirement set forth below, the tariff shall remain in effect pending resolution of the protest. It is further

ORDERED that if no protest is filed in accordance with the requirements set forth below, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 27th day of August, 1996.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

SLE

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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on September 17, 1996.

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.