

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of) DOCKET NO. 961106-EM
revised rate schedules, new) ORDER NO. PSC-96-1361-FOF-EM
interruptible/curtailable) ISSUED: November 18, 1996
service rider, and new optional)
retained, expanded, or attracted)
load service rider by)
Gainesville Regional)
Utilities/City of Gainesville)

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 DEFERRING IN PART AND APPROVING IN PART
PETITION FOR APPROVAL OF REVISED RATE SCHEDULES,
NEW INTERRUPTIBLE/CURTAILABLE SERVICE RIDER,
AND NEW OPTIONAL RETAINED, EXPANDED,
OR ATTRACTED LOAD SERVICE RIDER

BY THE COMMISSION:

On August 26, 1996, Gainesville Regional Utilities (GRU) filed a petition for a new optional Retained, Expanded, or Attracted Load Service Rider, a new optional Interruptible-Curtailable Service Rider, revised service charges, and revised rate schedule for most classes.

DECISION

Optional Retained, Expanded, or Attracted Load Service Rider

GRU proposes to offer discounted rates to commercial customers who represent either retained, expanded, or attracted load. The Gainesville City Commission expects to make a decision on this rider in January, 1997. Because the Rider can not go into effect without Gainesville City Commission's approval, we will not take action on this tariff.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

This docket will remain open pending the City Commission's approval of the optional Retained, Expanded, or Attracted Load Service Rider. We expect GRU to petition the Commission for approval of this Rider if GRU receives Gainesville City Commission approval and GRU intends to implement the Rider.

Optional Interruptible-Curtailable Service Rider (IS/CS Rider)

GRU filed its new optional IS/CS Rider as one rate schedule as opposed to having a separate tariff for the IS and for the CS rate schedule as most utilities do. Customers must have a minimum monthly billing demand of 1,000 kW to qualify and have to contract for a minimum of ten years. A three-year notice provision is required to discontinue service and return to a firm rate schedule. If the customer contracts for interruptible service, all his load is subject to interruption; under the curtailable service the customer specifies a non-curtailable demand, i.e., a portion of the customer's load is not subject to interruption. If the customer, upon request by GRU, fails to curtail its demand, he will be subject to a penalty.

A customer is subject to interruption/curtailment when GRU is required to maintain service to its or another utilities firm load obligations, and when the price of power available to GRU from other sources exceeds \$0.15 per kWh. Investor-owned utilities normally do not interrupt or curtail for economic reasons.

The credit for either IS or CS service is \$1.25 per kW, and is based on avoided production plant cost. To make no distinction in the amount of credit received by an IS or CS customer is unusual. Florida Power Corporation, for example, also developed its non-firm rates on an avoided cost basis. The CS credit, however, is less than the IS credit. A higher IS credit reflects the fact that the customer will be interrupted at times of capacity shortfall. A CS customer may or may not curtail its demand at times of capacity shortfall. Staff discussed this concern with GRU, but the utility chose not to modify its proposed tariff at that time.

GRU expects only a few customers to apply for service under this Rider because only a few customers are large enough to qualify for this Rider and the credit is less than avoided cost.

REVISED SERVICE CHARGES AND REVISED RATE SCHEDULES

The service charges are in line with service charges currently approved for the investor-owned utilities and appear reasonable.

GRU also proposed to lower the energy and demand charges for its Residential, Residential Time-of-Use, General Service Non-Demand, General Service-Demand, and Large Power Service. These revisions became effective October 1, 1996. The proposed rates result in an overall decrease in annual revenues of \$2,330,223. The cost of service study submitted to support the proposed rates appears to use reasonable cost allocators. In addition, the proposed revisions improve GRU's rate structure.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission, that we will not take action on Gainesville Regional Utilities request for approval of its optional Retained, Expanded, or Attracted Load Service Rider, as discussed in the body of this Order. It is further

ORDERED that Gainesville Regional Utilities may petition the Florida Public Service Commission for approval of the optional Retained, Expanded, or Attracted Load Service Rider if Gainesville Regional Utilities receives Gainesville City Commission's approval and Gainesville Regional Utilities still intends to implement this Rider. It is further

ORDERED that Gainesville Regional Utilities's optional Interruptible-Curtailable Service Rider is approved, as discussed in the body of this Order. It is further

ORDERED that Gainesville Regional Utilities's revised service charges and revised rate schedules are approved, as discussed in the body of this Order. It is further

ORDERED that each of the tariffs are severable. It is further

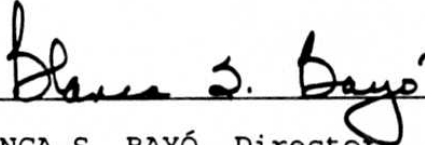
ORDERED that if a protest is filed in accordance with the requirement set forth below, the tariff shall remain in effect pending resolution of the protest. It is further

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ORDERED that if no protest is filed in accordance with the requirements set forth below, this docket shall be closed as to the new optional Interruptible-Curtailable Service Rider, revised service charges, and revised rate schedules. It is further

ORDERED that this docket shall remain open pending resolution of the optional Retained, Expanded, or Attracted Load Service Rider.

By ORDER of the Florida Public Service Commission, this 18th day of November, 1996.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on December 9, 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.