

FLORIDA PUBLIC SERVICE COMMISSION  
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**M E M O R A N D U M**

April 2, 1997

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

**FROM:** DIVISION OF ELECTRIC & GAS (GOAD) <sup>26</sup> ✓  
DIVISION OF LEGAL SERVICES (PAUGH) *PAUGH R27*

**RE:** DOCKET NO. 970353-EM - FORT PIERCE UTILITIES AUTHORITY -  
REQUEST FOR APPROVAL OF CHANGES TO RATE SCHEDULE ED  
(ECONOMIC DEVELOPMENT) BY FORT PIERCE UTILITIES  
AUTHORITY.

**AGENDA:** 4/14/97 - REGULAR AGENDA - TARIFF FILING - INTERESTED  
PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** S:\PSC\EAG\WP\970353EM.RCM

**CASE BACKGROUND**

In November 1995, the Commission approved Fort Pierce Utilities Authority's (FPUA) Contract Electric Service Rate Schedule (C), Tariff Sheet No 11.5. The rate schedule allows FPUA to negotiate the energy portion of qualifying commercial customer's bills. Rate Schedule C was the first type of negotiated rate offered by FPUA. Through continued review of the tariff, FPUA now feels there is a need to clarify language regarding customers to whom the rate is applicable in order for the tariff to meet its original intent.

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission approve Fort Pierce Utilities Authority's revisions to its Contract Electric Service rate schedule, Tariff Sheet No. 11.5?

**RECOMMENDATION:** Yes. The changes to Tariff Sheet No. 11.5 more specifically define the customers eligible for the rate.

DOCUMENT NUMBER-DATE

03366 APR-26

FPSC-RECORDS/REPORTING

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**STAFF ANALYSIS:** FPUA requests that changes made to its Original Sheet No. 11.5 be approved. The changes requested more specifically define which customers will be eligible for the rate schedule. FPUA intends to rename the rate schedule from Contract Electric Service to Economic Development Electric Service (ED).

The current rate schedule C is applicable to qualifying commercial customers who increase maximum annual demand above historical levels and contract for a specific amount of new or additional capacity. FPUA's proposed changes specify a minimum increase of 200 kW in demand and require the customer to contract for a specific amount of capacity and energy. All Public Administration and Retail Trade customers, as defined by the Office of Management and Budget's Standard Industrial Classification Manual, will be excluded from the rate schedule. The language relating to the monthly rate will remain unchanged.

The existing rate schedule is intended to encourage load growth by new and existing customers on FPUA's system. FPUA recognizes that not all new load merits a discounted rate because some will not necessarily benefit the overall system, therefore, a minimum increase of 200 kW in demand was established. Customers will be required to contract for a specific amount of energy as well as capacity. This will limit low load factor customers from taking advantage of the rate.

Attempting to eliminate free riders, FPUA will exclude Public Administration and Retail Trade customers. The location and growth of these customers is not dependent upon the cost of electricity but rather the market they are serving. Any discount given to these customers would be a needless loss of revenue to FPUA's system.

Staff believes the changes will benefit FPUA's ratepayers. Staff agrees that the ED rate schedule should not be offered to a broad range of customers contracting for load. The changes made to the rate schedule will better specify who can receive a discounted rate reducing the potential for customers to receive a discount while not creating any benefit for either FPUA or its ratepayers. Staff believes the changes reinforce the original intent of the tariff and should be approved.

**ISSUE 2:** Should this docket be closed?

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**RECOMMENDATION:** Yes, if Issue 1 is approved this tariff should remain in effect. If a protest is filed within 21 days of 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.