

FLORIDA PUBLIC SERVICE COMMISSION  
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Tallahassee, Florida 32399-0850

MEMORANDUM

JUNE 12, 1997

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FPSC - Records/Reporting

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

FROM: DIVISION OF ELECTRIC & GAS (DRAPER) EJD  
DIVISION OF LEGAL SERVICES (WAGNER) LW RVE JDT

RE: DOCKET NO. 961106-EM - PETITION FOR APPROVAL OF REVISED RATE SCHEDULES, NEW INTERRUPTIBLE/CURTAILABLE SERVICE RIDER, AND NEW OPTIONAL RETAINED, EXPANDED, OR ATTRACTED LOAD SERVICE RIDER BY THE CITY OF GAINESVILLE

AGENDA: JUNE 24, 1997 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\EAG\WP\961106EM .RCM

CASE BACKGROUND

On August 26, 1996, Gainesville Regional Utilities (GRU) filed a petition for revised electric rates, a new optional Interruptible-Curtailable Service Rider, and a new optional Retained, Expanded, or Attracted Load Service Rider. At the October 29, 1996 Agenda Conference, the Commission decided not to take action on GRU's request for approval of its new optional Retained, Expanded, or Attracted Load Service Rider (Rider) since at that time the Gainesville City Commission had not yet approved the Rider. See, Docket 961106-EM, Order No. PSC-96-1361-FOF-EM, 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, issued November 18, 1996. On May 27, 1997, the Gainesville City Commission approved the Rider with an effective date of June 1, 1997 and GRU filed a petition to implement the Rider.

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### DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve GRU's new optional Retained, Expanded, or Attracted Load Service Rider (Rider)?

RECOMMENDATION: Yes.

STAFF ANALYSIS: The Rider allows GRU to offer discounted rates to commercial customers who GRU determines to be either retained, expanded, or attracted load. Existing customers qualifying under load retention must have a documentable alternative source of electricity. Existing customers qualifying under expanded load must add at least 100 kW of additional verifiable load at the same site. New customers must have at least 100 kW of load after having considered other locations, not within the City's service area.

In order to be eligible for the Rider, a customer must demonstrate a viable economic alternative to taking service from GRU. The Strategic Planning Department of GRU will evaluate a customer's application for service under the Rider and the Gainesville City Commission will then determine whether offering this Rider to a particular customer is in the best interest of the City of Gainesville. After agreeing on the negotiated discount the customer will execute a contract with the City of Gainesville.

The contract shall be for a minimum of ten years. A negotiated discount will be granted only for the first four years of the contract life and a customer can negotiate a different discount price for each of the first four years. After the first four years the customer will return to the otherwise applicable rate schedule. The discount will never exceed 13 percent of base rates (customer, energy, and demand charge). GRU currently transfers 14.65 percent of gross revenue from base rates to the City's General Fund. Limiting the discount to 13 percent or less assures that there will always be some level of benefit to the City's General Fund.

Staff recommends approval of the Rider because GRU is not proposing to recover any shortfalls from the rest of the GRU's ratepayers. Any shortfalls will be reflected as a reduction in the City's General Fund.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. This municipal tariff was filed with an effective date of June 1, 1997. 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: 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.