



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: FEBRUARY 4, 1999

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

FROM: DIVISION OF ELECTRIC AND GAS (WHEELER) *W.W.*
DIVISION OF LEGAL SERVICES (COLLINS) *RUE For TRC*

RE: DOCKET NO. 990050-EI - REQUEST BY FLORIDA POWER CORPORATION TO CLOSE REAL TIME PRICING RATE SCHEDULE RTP-1

AGENDA: 2/16/99 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE - 3/14/99

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\EAG\WP\990050.RCM

RECEIVED
FEB-4 AM 11:30
RECORDS AND REPORTING

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve Florida Power Corporation's request to close its Real Time Pricing (RTP-1) Rate Schedule?

RECOMMENDATION: Yes. Since no customers have taken service under the rate prior to the December 31, 1998 deadline, the rate should be closed. [WHEELER]

STAFF ANALYSIS: Florida Power Corporation (FPC) received Commission approval for its optional experimental Real Time Pricing (RTP-1) rate schedule effective on May 8, 1996 (Order No. PSC-96-0717-FOF-EI). Under the RTP rate, customers are provided 24 hourly energy prices by 4:00 p.m. of the day before they are applicable. The rate was intended to allow FPC to gauge customers' reactions to the hourly price signals, and was to be open to a maximum of ten customers whose maximum monthly demands exceeded 1,000 kilowatts.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

On November 7, 1997, the Commission approved a modification to the RTP-1 rate which changed the method by which the hourly prices were determined. FPC requested this change in order to reduce the volatility of the hourly prices. At that time, three customers had signed agreements for service under the rate, but had not yet taken service. FPC indicates that these customers were never billed under the revised rate.

Pursuant to the availability section of the approved tariff, customers were required to begin service under the rate no later than December 31, 1998. By letter dated January 6, 1999, FPC has indicated that no customers began taking service under the rate prior to the expiration date. FPC is thus requesting a modification to their tariffs to cancel the sheets containing the RTP-1 rate. Staff recommends that the proposed amendment be approved.

ISSUE 2: What is the appropriate effective date for the revised tariffs?

RECOMMENDATION: February 16, 1999.

STAFF ANALYSIS: If the Commission approves the proposed tariff amendment at its February 16, 1999 Agenda Conference, it should become effective on that date.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes, if no protest is filed within 21 days of the issuance of the order. [COLLINS]

STAFF ANALYSIS: If a protest is filed within 21 days of the Commission order approving this tariff, the tariff should remain in effect pending resolution of the protest, with any increase in revenue held subject to refund. If no protest is filed, this docket may be closed.