

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Florida Power Corporation for approval of revised Rate Schedule LS-1, Lighting Service, to provide an up-front payment option in lieu of monthly fixture and pole charges, and a related standard form contract.

DOCKET NO. 990894-EI
ORDER NO. PSC-99-1955-TRF-EI
ISSUED: October 5, 1999

The following Commissioners participated in the disposition of this matter:

JOE GARCIA, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.

ORDER GRANTING APPROVAL OF REVISED RATE SCHEDULE

BY THE COMMISSION:

Florida Power Corporation (FPC) has proposed to allow street and outdoor lighting customers leasing decorative fixtures and poles under its LS-1 rate schedule to make a one-time up-front lump sum payment in lieu of monthly fixture and pole charges.

Customers choosing the up-front payment option will be required to sign an Up-Front Lease Agreement (Agreement) in lieu of the standard form agreement otherwise required for lighting service under the LS-1 rate. The Agreement provides for an initial term of ten years. After that the customer has the option of signing another 10-year agreement and paying a lump-sum payment, or pay the then-effective monthly fixture and pole charges as required under the LS-1 rate. The up-front lump sum payment will be calculated based on the present value of the otherwise applicable monthly fixture and pole charges of the 10-year term of the agreement, discounted at the current interest rate paid on ten-year Treasury Notes. Customers choosing the lump sum payment option will continue to pay the applicable maintenance and energy charges for the fixtures, which is appropriate, because the up-front payment

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covers only the installed cost of the fixtures, and not any maintenance or energy costs.

To support its petition, FPC states that during discussions with its governmental lighting customers it has learned from several of these customers that they would prefer to have the option of paying for the fixed costs of lighting fixtures and poles through a lump sum payment option instead of the monthly payments for these facilities currently required by the LS-1 tariff. More specifically, FPC states that some cities are receiving grant money for community beautification projects. These customers would prefer to apply the grant money towards the lump sum payment.

FPC proposes a minimum up-front lump sum payment of \$50,000. FPC states that this new payment option will require special handling by billing and accounting personnel, and FPC therefore proposes to begin with a limited scope program to initially offer this payment option to customers asking for large projects targeted at community beautification. In addition, a one-time processing fee of \$700 will be charged for contract preparation and monitoring to ensure that all terms and conditions of the contract are met over the 10-year period.

We find that this optional provision as it is structured is appropriate to allow those customers who expressed an interest in an up-front payment to do so. Accordingly, we approve the tariff revision.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Petition by Florida Power Corporation for approval of revised Rate Schedule LS-1, Lighting Service, to provide an up-front payment option in lieu of monthly fixture and pole charges, and a related standard form contract be approved, effective September 7, 1999. It is further

ORDERED that if a protest is filed within 21 days of issuance of the Order, the tariff shall remain in effect with any charges held subject to refund pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

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By ORDER of the Florida Public Service Commission this 10th
day of October, 1999.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

By: _____

Kay Flynn
Kay Flynn, Chief
Bureau of Records

(S E A L)

TRC

NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), 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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

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 proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, 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 October 26, 1999.

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In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

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.