

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa  
Electric Company to close Rate  
Schedules IS-3 and IST-3, and  
approve new Rate Schedules GSLM-  
2 and GSLM-3.

DOCKET NO. 990037-EI  
ORDER NO. PSC-00-0374-S-EI  
ISSUED: February 22, 2000

The following Commissioners participated in the disposition of  
this matter:

JOE GARCIA, Chairman  
J. TERRY DEASON  
SUSAN F. CLARK

ORDER APPROVING SETTLEMENT STIPULATION

BY THE COMMISSION:

By Order No. PSC-99-1778-FOF-EI, issued September 10, 1999, this Commission granted Tampa Electric Company's (TECO) petition to close rate schedules Interruptible Service-3 (IS-3), Interruptible Service Time of Use-3 (IST-3), and Interruptible Standby and Supplemental Service-3 (SBI-3) on the basis that the rates were no longer cost effective. By the same Order, we granted to approve two new rates, General Service Industrial Load Management Rider (GSLM-2) and General Service Industrial Standby and Supplemental Load Management Rider (GSLM-3).

On October 1, 1999, the Florida Industrial Power Users Group (FIPUG) protested Order No. PSC-99-1778-FOF-EI and petitioned for a formal proceeding pursuant to Rule 28-106.201, Florida Administrative Code. FIPUG protested the closure of the IS-3, IST-3, and SBI-3 rate schedules, maintaining that the rate schedules continued to be cost-effective. FIPUG also protested the creation of the new GSLM-2 and GSLM-3 rate schedules. Coronet Industries, Inc. (Coronet) had been granted intervenor status in the underlying proposed agency action proceeding in this docket, and, on October 20, 1999, Coronet filed a supplemental petition to intervene in this formal proceeding.

On January 27, 2000, TECO, FIPUG, and Coronet filed a Settlement Stipulation and Motion for Acceptance of Stipulation and Closure of This Docket (Stipulation). A copy of the Stipulation is attached to this Order as Attachment A and is incorporated herein by reference. As discussed below, we find that the Stipulation should be approved.

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Under the Stipulation, the parties agree that it is appropriate for the existing IS-3, IST-3, and SBI-3 rates to be closed to new customers on the date an order approving the Stipulation is issued. In addition, the parties agree that the new GSLM-2 and GSLM-3 rates should become effective as of that same date. FIPUG agrees to withdraw its protest of Order No. PSC-99-1778-FOF-EI, and the parties agree that this docket should be closed upon approval of the Stipulation.

The parties continue to disagree on the cost-effectiveness of rate schedules IS-3, IST-3, and SBI-3. By their agreement to the Stipulation, FIPUG and Coronet do not accept the cost-effectiveness methodology used by TECO and do not waive their right to contest it in another proceeding.

The Stipulation also provides that customer accounts receiving service under rate schedules IS-3, IST-3, and SBI-3, shall continue to receive such service and shall not forfeit such service by the sale of a company or location taking service under one of the above-mentioned accounts or the relocation of the point of delivery of existing accounts. This provision allows new customers who purchase the facilities of existing IS-3, IST-3, and SBI-3 customers to continue to receive service under the IS rates, rather than requiring them to take service under the new GSLM-2 and GSLM-3 rates. In addition, it allows existing customers who relocate their delivery point to continue taking service under the old rates.

We acknowledge that this provision potentially allows new customers to take service under rates that we found not cost-effective in Order No. PSC-99-1778-FOF-EI. However, if this occurs, there is no immediate adverse impact on the rates of TECO's other ratepayers, because (unlike the GSLM rates) the discount received under the IS rates is not recovered from TECO's ratepayers through the Energy Conservation Cost Recovery Clause.

The stipulation also provides the following:

It is agreed that customers taking service under all IS and SBI Rate Schedules and customers taking service under the new Rates Schedules GSLM-2 and GSLM-3 shall be treated as a single customer class with regard to interruption of service and the operation of the optional purchase power provision.

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Although this provision is not entirely clear, we believe that the intent of this provision is to ensure that all interruptible rate customers will be treated in the same manner with regard to the number and duration of interruptions, and to the price and availability of buy-through power for those customers who opt to buy such power in lieu of being interrupted. This is consistent with TECO's practice with regard to its interruptible customers. Thus, our approval of the Stipulation is subject to the clarification that TECO may continue to rotate customers' interruptions and exercise the buy-through provision within the rate classes and is not required to interrupt all interruptible customers or buy power for all customers, unless it is necessary in order to continue service to firm customers.

In addition, our approval of the Stipulation is given with the understanding that the provisions of the Stipulation will be superseded by any changes to TECO's interruptible rates that this Commission may order in a rate case proceeding, including the closure of the IS-3, IST-3, and SBI-3 rates to existing customers.

In conclusion, we find that the Stipulation between TECO, FIPUG, and Coronet is a reasonable resolution of the issues that arose between the parties in this docket. The Stipulation will allow this Commission and the affected parties to avoid the time and expense associated with litigation in this docket and is consistent with our long-standing practice of encouraging parties to contested proceedings to settle issues whenever possible. Accordingly, we hereby approve the Stipulation, subject to the clarifications stated above.

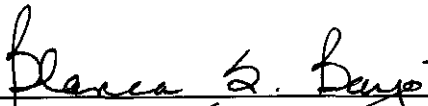
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Settlement Stipulation filed by Tampa Electric Company, Florida Industrial Power Users Group, and Coronet Industries, Inc., is hereby approved, as set forth in the body of this Order. It is further

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ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission this 22nd  
day of February, 2000.

  
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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

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.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/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 after the issuance of this order, 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.

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition of Tampa Electric Company )  
to close Rate Schedules IS-3 and IST-3 and )  
approve new Rate Schedules GSLM-2 and )  
GSLM-3 )  
\_\_\_\_\_ )  
DOCKET NO. 990037-EI

**SETTLEMENT STIPULATION  
AND MOTION FOR ACCEPTANCE  
OF STIPULATION AND CLOSURE OF THIS DOCKET**

This Stipulation is entered into on this 25<sup>th</sup> day of January 2000 by and between the Florida Industrial Power Users Group ("FIPUG"), Coronet Industries, Inc. ("Coronet") and Tampa Electric Company ("Tampa Electric") (collectively, the "Parties") with regard to the matters at issue in Docket 990037-EI.

The Parties continue to disagree with regard to the cost effectiveness of Rate Schedules IS-3, IST-3 and SBI-3. By their agreement to this stipulation FIPUG and Coronet do not accept the cost effectiveness methodology used or waive their right to contest it in another proceeding. However, despite this difference of opinion, the Parties hereby agree and recommend to the Florida Public Service Commission that Rate Schedules IS-3, IST-3 and SBI-3 be closed to new business, as of the date of the Commission Order approving this Stipulation. FIPUG further hereby agrees to withdraw its protest to Commission Order No. PSC-99-1778-FOF-EI.

It is stipulated that customer accounts receiving service under Rate Schedules IS-3, IST-3 and SBI-3, as of the date of the Commission Order approving this stipulation, shall continue to receive such service pursuant to the terms and conditions of said Rate Schedules, provided that such end use is not materially altered and so long as such loads continue to

meet the eligibility provisions of the applicable Rate Schedule. Subject to the above-mentioned limitations, periodic changes in demand and consumption for those accounts under the IS and SBI Rate Schedules shall be accommodated pursuant to the terms and conditions of those rate schedules. This entitlement shall not be forfeited by the sale of a company or location taking service under one of the above-mentioned accounts or the relocation of service for existing accounts. It is agreed that customers taking service under all IS and SBI Rate Schedules and customers taking electric service under the new Rate Schedules GSLM-2 and GSLM-3 shall be treated as a single customer class with regard to interruption of service and the operation of the optional purchase power provision.

The parties further stipulate and agree that Rate Schedule GSLM-2 and GSLM-3 be adopted, without amendment, and made effective as of the date of the Commission order adopting this Stipulation.

The parties further hereby request the prehearing officer assigned to this docket immediately suspend the procedural schedule established for this case in Order No. PSC-00-0114-PCO-EI issued January 12, 2000.

Finally the parties further stipulate, agree and hereby move the Commission that this Settlement Stipulation be approved and that Docket No. 990037-EI be closed concurrent with the Commission adoption of this Stipulation.

This Settlement Stipulation may be executed in counterpart originals and a facsimile of the original signature shall be deemed an original.



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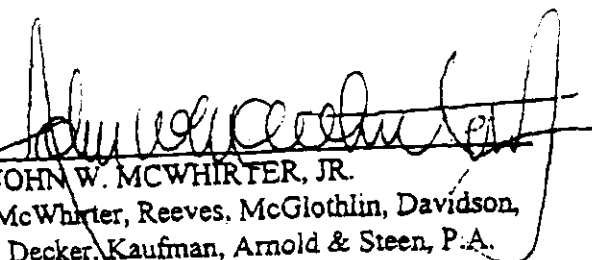
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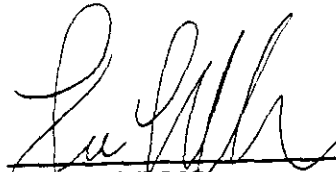
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