

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed tariff filing to offer new electric rate schedule, Transmission Voltage Service, by Withlacoochee River Electric Cooperative, Inc.

DOCKET NO. 010942-EC
ORDER NO. PSC-01-1785-TRF-EC
ISSUED: September 4, 2001

The following Commissioners participated in the disposition of this matter:

E. LEON JACOBS, JR., Chairman
J. TERRY DEASON
LILA A. JABER
BRAULIO L. BAEZ
MICHAEL A. PALECKI

ORDER APPROVING NEW RATE SCHEDULE

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On June 5, 2001, Withlacoochee River Electric Cooperative, Inc. (Withlacoochee or Cooperative), filed for approval a new Transmission Voltage Service rate schedule. The new rate is applicable to customers served at delivery voltages of 69 kilovolts(kV) or higher, and requires a written agreement for electric service between the Cooperative and the customer.

Staff has been delegated the authority to administratively approve tariff filings by cooperatives as long as: (1) there is no change in the rate structure previously approved for that utility; (2) the change results in the rate relationships moving closer to those approved for the investor-owned electric utilities; or (3) the proposal does not contain new pricing concepts. This is a new rate offering and, therefore, cannot be approved administratively

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by Staff. Pursuant to Section 366.04(2)(b), Florida Statutes, this agency has authority over the rate structure of rural electric cooperatives which own, operate or maintain an electric generation, transmission or distribution system within the State.

Withlacoochee's proposed Transmission Voltage Service Rate (TVS) Schedule is available to customers served at delivery voltages of 69 kV or higher. The service is available throughout the Cooperative's territory at or near points of delivery from which it receives wholesale power at transmission voltage from Seminole Electric Cooperative, Inc. (Seminole). The rendering of service requires a written electric service agreement between Withlacoochee and the customer.

The TVS rate consists of a customer charge, a two-part demand charge, a production fixed energy charge, a non-fuel energy charge, and a distribution facilities charge. In addition, TVS customers must pay all applicable billing adjustments, including the Fuel Adjustment Clause and all applicable taxes.

The TVS customer charge is approximately equal to the customer charge contained in Withlacoochee's currently effective General Service Demand (LP) rate schedule. The distribution facilities charge is customer-specific, and will be contained in the electric service agreement required under the TVS rate schedule. It is designed to recover the costs of any electric facilities installed to provide service to the customer, and will be determined by applying a monthly fixed carrying charge rate to the installed cost of the facilities. The remaining base rate charges consist of a two-part demand charge, a production fixed energy charge, and a non-fuel energy charge.

The two part demand charge consists of a production charge and a transmission charge applied to the TVS customer's KW demand at the time of Seminole's system peak hour for the month. This is identical to the manner in which Withlacoochee is billed under the SECI-7c rate by Seminole.

The production fixed energy charge is a fixed monthly charge allocated to Seminole's member cooperatives based upon each member's percentage share of the actual energy used for the three prior calendar years. For the TVS rate, Withlacoochee converted

this annual charge to a per kWh charge based on the preceding calendar year's kWh purchased from Seminole. The production fixed energy charge will be updated annually to reflect changes in the amount billed by Seminole and changes in the kWh usage.

The demand charges, production fixed energy charges and non-fuel energy charges contained in the proposed TVS rate are 5% higher than the rates billed by Seminole under Rate SECI-7c. This difference is approximately equal to Withlacoochee's operating margins.

Upon review of the development of the charges contained in the TVS rate schedule, we find that they appropriately recover the costs associated with service to the customer and approve the Transmission Voltage Service Rate Schedule.

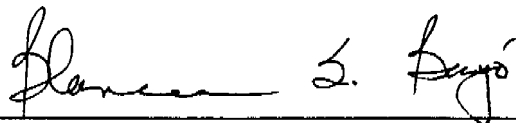
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Withlacoochee River Electric Cooperative, Inc.'s new Transmission Voltage Service rate schedule is approved.

ORDERED that if a protest is filed within 21 days of issuance of the Order, the tariff shall remain in effect. It is further

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

By ORDER of the Florida Public Service Commission this 4th day of September, 2001.



BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

(S E A L)

MKS

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 the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on September 25, 2001.

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.