

State of Florida



Public Service Commission
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-M-E-M-O-R-A-N-D-U-M-

DATE: February 1, 2007

TO: Director, Division of the Commission Clerk & Administrative Services (Bayó)

FROM: Division of Economic Regulation (Baxter) *[Signature]*
Office of the General Counsel (Holley) *[Signature]*

RE: Docket No. 070040-EI – Petition for approval to amend Rate Schedules SC-1 and LS-1, by Progress Energy Florida, Inc.

AGENDA: 02/13/07 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 03/12/07 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\070040.RCM.DOC

Case Background

On January 11, 2007, Progress Energy Florida, Inc. (PEF) filed a Petition for Approval to Amend Rate Schedules SC-1 and LS-1. The proposed change to rate schedule SC-1 would alter the \$50.00 charge for the reconnection of service for nonpayment or violation of Company or Commission rules to be assessed on each lighting installation that is reconnected instead of the previous single charge to the account being reconnected. For instance, a subdivision on a single account with 90 lighting fixtures being reconnected would be charged \$4500 (90 x \$50.00) instead of the previous charge of \$50.00. The proposed change to rate schedule LS-1 would restrict new lighting service taken after April 1, 2007 to PEF-owned, non-metered lighting and metered roadway lighting of federal, state, and local governments and would transfer to the applicable general service rate schedule service to new customer owned lighting.

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The Commission has jurisdiction pursuant to Sections 366.04, 366.05, and 366.06, Florida Statutes.

Discussion of Issues

Issue 1: Should Progress Energy Florida's petition to amend rate schedules SC-1 and LS-1 be suspended?

Recommendation: Yes. (Baxter, Holley)

Staff Analysis: On January 11, 2007, Progress Energy Florida, Inc. (PEF) filed a petition to amend rate schedules SC-1 and LS-1. Staff is recommending that the tariffs be suspended to allow sufficient time to review the petition and gather all pertinent information so that the Commission can make an informed decision on the tariff proposals. The proposed changes could have significant cost impacts for lighting customers.

Pursuant to section 366.06(3), Florida Statutes, the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such increase a reason or written statement of good cause for doing so within 60 days. Staff believes that the reason stated above is good cause consistent with the requirement of Section 366.06(3), Florida Statutes.

Issue 2 Should this docket be closed?

Recommendation: No. (Holley)

Staff Analysis: This docket should remain open pending the Commission vote on the proposed tariff revisions.