

Ann Cole

From: Mary Bane
Sent: Monday, March 16, 2009 3:39 PM
To: Cayce Hinton
Cc: Tim Devlin; Chuck Hill; Pete Lester; William C. Garner; Roberta Bass; Lorena Holley; Larry Harris; Bill McNulty; Betty Ashby; Ann Cole; Booter Imhof; Mary Anne Helton
Subject: RE: Request for Oral Modification to Item 7, March 17, 2009 Agenda Conference, Docket No. 090001-EI - FPUC Midcourse Correction Staff Recommendation

Approved.

From: Cayce Hinton
Sent: Monday, March 16, 2009 2:55 PM
To: Mary Bane
Cc: Tim Devlin; Chuck Hill; Pete Lester
Subject: Request for Oral Modification to Item 7, March 17, 2009 Agenda Conference, Docket No. 090001-EI - FPUC Midcourse Correction Staff Recommendation

Staff requests approval to make oral modifications to its recommendation scheduled for Tuesday's agenda. The modifications are necessary due to JEA's recent decision to delay implementation of their new rates until May. The result is a decrease in the total under-recovery amount projected by FPUC. The appropriate modifications are as follows:

On page 3, the third and fourth paragraphs:

At an informal meeting on February 19, 2009, staff and parties questioned whether FPUC had adequate time and information to review JEA's rate increase. To ensure that JEA's charges were correct, FPUC needed to take all necessary actions pursuant to the contract terms. On February 24, 2009, FPUC reported that after further discussion with JEA, JEA had delayed the implementation of the new rates until April 1, 2009. Further, on March 16, 2009, FPUC informed staff that JEA had again delayed implementation of the new rates until May 1, 2009.

Because JEA delayed the implementation of the new rates, FPUC's Witness Cutshaw provided revised schedules on February 25, 2009, and then again on March 16, 2009. Without a mid-course correction, the Company projects a year-end under-recovery of ~~\$2,160,471~~ \$1,743,884, as compared to the estimated \$2,671,081 under-recovery based on FPUC's original filing on February 12, 2009. The reduction reflects the benefit that JEA's energy and demand charges will remain at the current rate ~~in~~ March through April.

On page 4, the first full paragraph and the tables that follow:

Staff's review of the mid-course correction based on the revised estimates is summarized in Table 1, Table 2, and Table 3. For residential customers with usage ranging from 1,000 kWh to 2,000 kWh, the

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bill increase ranges from ~~\$9.31~~ \$7.60 to ~~\$18.62~~ \$15.20. At these usage levels, the bill impact to customers will be an increase of approximately ~~7.7~~ 6.26 percent from the current period.

<u>Rate Schedule</u>	Current Fuel cost-recovery factor (c/kWh)	Proposed Fuel cost-recovery factor (c/kWh)
RS – First 1,000 kWh	8.697	9.605 9.438
RS – Above 1,000 kWh	9.697	10.605 10.438
GS	8.801	9.651 9.489
GSD	8.447	9.208 9.056
GSLD	8.502	9.275 9.122
OL	6.839	7.188 7.080
SL	6.841	7.191 7.083

1,000 kWh Usage	Actual Jan 09-Mar 09	Proposed Apr 09-Dec 09	Difference From Current	
			\$	%
Base Rates	\$31.58	\$31.58	\$0.00	0.00%
Purchased Power Cost	\$86.97	\$96.05	\$9.08	10.44%
Recovery Factor		\$94.38	\$7.41	8.52%
Conservation Factor	\$0.78	\$0.78	\$0.00	0.00%
Gross Receipts Tax	\$3.06	\$3.29	\$0.23	7.52%
		\$3.25	\$0.19	6.21%
Total	\$122.39	\$131.70	\$9.31	7.61%
		\$129.99	\$7.60	6.21%

Usage	Current Jan 09 - Mar 09	Proposed Apr 09 - Dec 09	Difference From Current	
			\$	%
1,000 kWh	\$122.39	\$131.70 129.99	\$9.31 7.60	7.61% 6.21%
1,200 kWh	\$146.45	\$157.63 155.58	\$11.18 9.13	7.63% 6.23%
1,500 kWh	\$182.56	\$196.53 193.96	\$13.97 11.40	7.65% 6.24%
2,000 kWh	\$242.73	\$261.35 257.93	\$18.62 15.20	7.67% 6.26%

Cayce Hinton
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