

Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

March 30, 2017

E-PORTAL FILING

Ms. Carlotta Stauffer, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: [New Filing] -In re: Petition of Florida Public Utilities Company for Approval of Revised Standard Offer for Energy Purchases from Cogenerators and Renewable Generating Facilities and Standard Offer Contract for Purchases of Firm Capacity and Energy.

Dear Ms. Stauffer:

Attached for filing on behalf of the Florida Public Utilities Company is a Petition for Approval of Revised Standard Offer. Included with the Company's Petition are the following revised tariff pages, in clean and legislative format:

First Revised Sheet No. 3
First Revised Sheet No. 5
First Revised Sheet No. 18
First Revised Sheet No. 24

As always, please don't hesitate to let me know if you have any questions. Thank you for your assistance with this filing.

Kind regards,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Public Utilities
Company for Approval of Revised Standard Offer for Energy Purchases from Cogenerators
and Renewable Generating Facilities and
Standard Offer Contract for Purchases of Firm Capacity and Energy. Filed: March 30, 2017
Docket No. _____

**PETITION FOR APPROVAL OF REVISED STANDARD OFFER
BY FLORIDA PUBLIC UTILITIES COMPANY**

Pursuant to Sections 366.051 and 366.91, Florida Statutes, and Rules 25-9.003, 25-17.0825, 25-17.0832, as well as Rules 25-17.210 through 25-17.310, Florida Administrative Code, Florida Public Utilities Company (“FPUC” or “the Company”) hereby files its petition for approval of revisions to the Company's Standard Offer Contract and tariff addressing purchases of capacity and energy from renewable energy facilities and from small qualifying facilities. The tariff revisions, in clean and legislative versions, are attached hereto as Exhibit A, in support of this Petition. In further support of this Petition, FPUC states:

1. The Company is a public utility, subject to jurisdiction of the Florida Public Service Commission (“Commission”) in accordance with Chapter 366, Florida Statutes. The Company’s principal offices are located at:

Florida Public Utilities Company
1750 S. 14th Street, Suite 200
West Palm Beach, FL 33409

2. The name and mailing address of the persons authorized to receive notices are:

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 S. Monroe Street, Suite 601
Tallahassee, FL 32301-1804
(850) 521-1706
bkeating@gunster.com

Mr. Drane “Buddy” Shelley
Florida Public Utilities Company
P.O. Box 418
Fernandina Beach, FL 32035-0418

Mike Cassel
Florida Public Utilities Company
1750 S. 14th Street, Suite 200
Fernandina Beach, FL 32034

3. Pursuant to the requirements in Rule 25-17.250, Florida Administrative Code, and Rule 25-17.0832, Florida Administrative Code, and consistent with Rules 25-17.200 through 25-17.310, Florida Administrative Code, investor-owned utilities are required to file a tariff and standard offer contract for the purchase of firm capacity and energy from renewable generating facilities and small qualifying facilities with a design capacity of 100 KW or less. Rule 25-17.250, Florida Administrative Code, further provides that the utilities must file updated standard offer contracts for the purchase of firm capacity and energy from renewable generating facilities and small qualifying facilities by April 1 of each year. Rule 25-17.0825, Florida Administrative Code, also provides that utilities shall purchase energy on an “as-available” basis from qualifying facilities pursuant to a published tariff.
4. In 2016, FPUC revised its rate schedules applicable to power purchases from both renewable generating facilities (the former REN tariff) and qualifying facilities such as co-generators and small power producers (the former COG tariff). These revisions were approved by Order No. PSC-16-0531-PAA-EQ, issued November 22, 2016, in Docket No. 160074-EQ. By that Order, the Commission approved the Company’s new Standard Offer Rate Schedule, which consists of three components: (1) the Standard Offer-As Available Schedule (SOA); (2) the Standard Offer-Firm Schedule (SOF); and (3) the

Standard Offer Contract. The SOA and SOF consolidate FPUC's previous REN and COG tariffs.

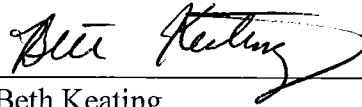
5. As approved in 2016, FPUC's refined tariff provides that "avoided costs" for purposes of purchases under the tariff and standard offer will be equal to the costs avoided by the Company's respective full requirements wholesale power suppliers for its Northwest and Northeast Florida Divisions, as calculated by those power suppliers in accordance with FPSC Rules 25-17.0825 and 17.0832, F.A.C. The tariff expressly directs the qualifying facility to the respective full requirements wholesale providers' COG and Renewable Tariffs for purposes of identifying the applicable avoided cost and then specifies the applicable reductions that may be applied consistent with Commission rules. While this approach eliminates the inclusion of any example or representative rate in the tariff, it ensures that the qualifying facility has greater clarity in terms of the true basis for calculation of the payment.
6. Given the reliance upon the avoided cost of the Company's respective full requirements wholesale power suppliers for its Northwest and Northeast Florida Divisions, minimal changes are necessitated this year in order to update the Company's tariff and Standard Offer consistent with Rule 25-17.250, F.A.C. The changes proposed impact Sheet Nos. 3, 5, 18 and 24, which are included in Exhibit A hereto and provided in clean and legislative versions.
7. Sheet No. 3 is modified to clarify that JEA and Gulf Power are the current wholesale providers to FPUC. Sheet No. 5 is modified to clarify the definition of "Avoided Cost" such that the applicable wholesale provider's avoided cost, upon which FPUC's avoided

cost is based, will be determined at the time the renewable purchase is made. Modifications are also proposed to Sheet Nos. 18 and 24, which are likewise intended to clarify that JEA and Gulf Power are the Company's current full requirements wholesale power suppliers. As revised, the new Standard Offer Rate Schedule Tariff complies with the Commission's Rules and with Sections 366.051 and 366.91, Florida Statutes.

13. FPUC is aware of no disputed issues of fact with regard to this request.

WHEREFORE, FPUC respectfully requests that the Commission approve, as filed, the proposed revisions to the Company's Standard Offer Rate Schedule, Volume I, First Revised Sheet Nos. 3, 5, 18, and 24.

RESPECTFULLY SUBMITTED this 30th day of March, 2017.



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 S. Monroe Street, Suite 601
Tallahassee, FL 32301-1804
(850) 521-1706
bkeating@gunster.com

Attorneys for Florida Public Utilities Company

EXHIBIT "A"

Standard Offer Rate Schedule, Volume I, Tariff Sheet Nos.
First Revised Sheet Nos. 3, 5, 18 and 24 (Clean and Legislative)

TERRITORY SERVED

FPUC serves the following divisions:

The Northwest Florida (Marianna) Division serves various cities and towns and rural communities in Jackson, Calhoun and Liberty Counties. Currently, Gulf Power is Florida Public Utilities Company's Full Requirements Wholesale Power Supplier for the Northwest Florida Division.

The Northeast Florida (Fernandina Beach) Division serves Amelia Island, located in Nassau County. Jacksonville Electric Authority is currently Florida Public Utilities Company's Full Requirements Wholesale Power Supplier for the Northeast Florida Division.

TECHNICAL TERMS AND ABBREVIATIONS

When used in the Rules and Regulations or the rate schedules in this volume, the following terms shall have the meanings defined below:

- A. Applicant – any person, firm, or corporation applying for electric service from the Company at one location.
- B. Avoided Cost – shall be equal to the costs avoided by the Company’s respective Full Requirements Wholesale Power Suppliers for its Northwest and Northeast Florida Divisions at the time the purchase is made, as calculated by the Full Requirements Wholesale Power Suppliers in accordance with FPSC Rules 25-17.0825 and 17.0832, F.A.C., when making equivalent purchases of energy and/or capacity from a QF or from a QS, as that term is defined at Sheet No. 22.
- C. Capacity Factor – the total kilowatt hours of energy delivered to the Company during a specified period, divided by the product of: (1) the maximum kilowatt capacity contractually committed for delivery to the Company by the QF during that same specified period and (2) the sum of the total hours during that same period less those hours during which the Company was unable to accept energy and capacity deliveries from the QF.
- D. Capacity Rating – the QF’s maximum generating capability, expressed in kilowatts, connected to the Company’s electric system.
- E. Company – Florida Public Utilities Company acting through its duly authorized officers or employees within the scope of their respective duties.
- F. Customer – any person, firm, or corporation purchasing electric service at one location from the Company under Rules and Regulations of the Company.
- G. Energy – current delivered, expressed in kilowatt-hours.
- H. Full Requirements Wholesale Power Supplier - the wholesale power supplier providing energy and capacity to FPUC under a service contract that includes a load following obligation, whereby the supplier is required to meet the demand on FPUC’s distribution system as that demand fluctuates on an hour by hour basis.
- I. KW or Kilowatt – one thousand (1,000) watts.
- J. KWh or Kilowatt-hour – one thousand (1,000) watt-hours.
- K. Month – the period between any two (2) regular readings of the QF’s meters at approximately thirty (30) day intervals.

SOA Rate Schedule (Continued)

Continued from Sheet No. 17

2. Energy Rates

- A. As-Available energy is purchased at a unit cost based on the Avoided Cost, as defined in this Tariff, as applicable to the relevant Company Division. Payments for As-Available Energy to the QF shall only be made for energy that the Company can utilize to meet total system load for the division to which the deliveries are made.
- B. Details on Gulf Power's avoided costs, the current Full Requirements Wholesale Power Supplier for the Northwest Division, can be reviewed in their Rate Schedule COG-1. Details on Jacksonville Electric Authority's avoided costs, as the current Full Requirements Wholesale Power Supplier for the Northeast Division, can be reviewed in their Renewable Energy Standard Offer Contract within their Tariff.
- C. A fixed percentage factor for avoided line losses (if any) will be determined by the Company for each QF based upon the locations of the QF on the Company's distribution system and the applicable voltage level.
- D. Energy payments to a QF will be reduced by: (1) the amount of any charges assessed by the Company's Full Requirements Wholesale Power Supplier to the Company pursuant to contract as a result of the delivery of energy to the Company by the QF; and (2) any additional administrative, technical, or legal costs incurred by the Company as a direct result of the delivery of energy to the Company by the QF.

3. Negotiated Rates

Upon agreement by both the Company and the Qualifying Facility, an alternate contract rate for the purchase of As-Available Energy may be separately negotiated.

SOF Rate Schedule (Continued)

Continued from Sheet No. 23

Rate for Purchases by the Company

1. Capacity and Energy Rates

- A. Firm Capacity and Energy are purchased at a unit cost, based on the Avoided Cost, as defined in this Tariff, for the relevant Company Division. Payments to the QS shall only be made for capacity and energy that the Company can utilize to meet its total system load for the division to which the deliveries are made.
- B. Details on Gulf Power's avoided capacity and energy costs, the current Full Requirements Wholesale Power Supplier for the Northwest Division, can be reviewed in their Rate Schedule COG-2. Details on Jacksonville Electric Authority's avoided capacity and energy costs, as the current Full Requirements Wholesale Power Supplier for the Northeast Division, can be reviewed in their Renewable Energy Standard Offer Contract within their Tariff.
- C. Payments will be made to the Qualifying Seller at the Avoided Cost for the applicable delivery division for each KW of billing capacity and kwh of energy provided - less: (1) the amount of any charges assessed by the Company's Full Requirements Wholesale Power Supplier to the Company pursuant to contract as a result of the delivery of energy to the Company by the QS; and (2) any additional administrative, technical, or legal costs incurred by the Company as a direct result of the delivery of energy to the Company by the QS.
- D. In the event that a delivery of energy and capacity by a QS does not allow the Company to avoid a capacity payment to its Full Requirements Wholesale Power Supplier, the QS will only be eligible for an Energy payment and will not receive payments for delivery of Billing Capacity.
- E. A fixed percentage factor for avoided line losses (if any) will be determined by the Company for each QF based upon the locations of the QF on the Company's distribution system and the applicable voltage level.

2. Determination of Billing Capacity:

- A. The billing capacity in any month shall be based upon the KW capacity supplied by the QS during that month or a previous month valued at a rate equal to the Company's respective Full Requirements Wholesale Power Supplier's avoided cost of the same amount of capacity during the relevant period as calculated in accordance with FPSC Rule 25-17.0832, F.A.C. and reflected in the Full Requirements Wholesale Power Supplier's tariff on file with the FPSC.

TERRITORY SERVED

FPUC serves the following divisions:

The Northwest Florida (Marianna) Division serves various cities and towns and rural communities in Jackson, Calhoun and Liberty Counties. Currently, Gulf Power is Florida Public Utilities Company's Full Requirements Wholesale Power Supplier for the Northwest Florida Division.

The Northeast Florida (Fernandina Beach) Division serves Amelia Island, located in Nassau County. Jacksonville Electric Authority is currently Florida Public Utilities Company's Full Requirements Wholesale Power Supplier for the Northeast Florida Division.

TECHNICAL TERMS AND ABBREVIATIONS

When used in the Rules and Regulations or the rate schedules in this volume, the following terms shall have the meanings defined below:

- A. Applicant – any person, firm, or corporation applying for electric service from the Company at one location.
- B. Avoided Cost – shall be equal to the costs avoided by the Company's respective Full Requirements Wholesale Power Suppliers for its Northwest and Northeast Florida Divisions at the time the purchase is made, as calculated by the Full Requirements Wholesale Power Suppliers in accordance with FPSC Rules 25-17.0825 and 17.0832, F.A.C., when making equivalent purchases of energy and/or capacity from a QF or from a QS, as that term is defined at Sheet No. 22.
- C. Capacity Factor – the total kilowatt hours of energy delivered to the Company during a specified period, divided by the product of: (1) the maximum kilowatt capacity contractually committed for delivery to the Company by the QF during that same specified period and (2) the sum of the total hours during that same period less those hours during which the Company was unable to accept energy and capacity deliveries from the QF.
- D. Capacity Rating – the QF's maximum generating capability, expressed in kilowatts, connected to the Company's electric system.
- E. Company – Florida Public Utilities Company acting through its duly authorized officers or employees within the scope of their respective duties.
- F. Customer – any person, firm, or corporation purchasing electric service at one location from the Company under Rules and Regulations of the Company.
- G. Energy – current delivered, expressed in kilowatt-hours.
- H. Full Requirements Wholesale Power Supplier - the wholesale power supplier providing energy and capacity to FPUC under a service contract that includes a load following obligation, whereby the supplier is required to meet the demand on FPUC's distribution system as that demand fluctuates on an hour by hour basis.
- I. KW or Kilowatt – one thousand (1,000) watts.
- J. KWh or Kilowatt-hour – one thousand (1,000) watt-hours.
- K. Month – the period between any two (2) regular readings of the QF's meters at approximately thirty (30) day intervals.

Formatted: Underline

SOA Rate Schedule (Continued)

Continued from Sheet No. 17

2. Energy Rates

- A. As-Available energy is purchased at a unit cost based on the Avoided Cost, as defined in this Tariff, as applicable to the relevant Company Division. Payments for As-Available Energy to the QF shall only be made for energy that the Company can utilize to meet total system load for the division to which the deliveries are made.
- B. Details on Gulf Power's avoided costs, the current Full Requirements Wholesale Power Supplier for the Northwest Division, can be reviewed in their Rate Schedule COG-1. Details on Jacksonville Electric Authority's avoided costs, as the current Full Requirements Wholesale Power Supplier for the Northeast Division, can be reviewed in their Renewable Energy Standard Offer Contract within their Tariff.
- C. A fixed percentage factor for avoided line losses (if any) will be determined by the Company for each QF based upon the locations of the QF on the Company's distribution system and the applicable voltage level.
- D. Energy payments to a QF will be reduced by: (1) the amount of any charges assessed by the Company's Full Requirements Wholesale Power Supplier to the Company pursuant to contract as a result of the delivery of energy to the Company by the QF; and (2) any additional administrative, technical, or legal costs incurred by the Company as a direct result of the delivery of energy to the Company by the QF.

3. Negotiated Rates

Upon agreement by both the Company and the Qualifying Facility, an alternate contract rate for the purchase of As-Available Energy may be separately negotiated.

SOF Rate Schedule (Continued)

Continued from Sheet No. 23

Rate for Purchases by the Company

1. Capacity and Energy Rates

- A. Firm Capacity and Energy are purchased at a unit cost, based on the Avoided Cost, as defined in this Tariff, for the relevant Company Division. Payments to the QS shall only be made for capacity and energy that the Company can utilize to meet its total system load for the division to which the deliveries are made.
- B. Details on Gulf Power's avoided capacity and energy costs, the current Full Requirements Wholesale Power Supplier for the Northwest Division, can be reviewed in their Rate Schedule COG-2. Details on Jacksonville Electric Authority's avoided capacity and energy costs, as the current Full Requirements Wholesale Power Supplier for the Northeast Division, can be reviewed in their Renewable Energy Standard Offer Contract within their Tariff.
- C. Payments will be made to the Qualifying Seller at the Avoided Cost for the applicable delivery division for each KW of billing capacity and kwh of energy provided - less: (1) the amount of any charges assessed by the Company's Full Requirements Wholesale Power Supplier to the Company pursuant to contract as a result of the delivery of energy to the Company by the QS; and (2) any additional administrative, technical, or legal costs incurred by the Company as a direct result of the delivery of energy to the Company by the QS.
- D. In the event that a delivery of energy and capacity by a QS does not allow the Company to avoid a capacity payment to its Full Requirements Wholesale Power Supplier, the QS will only be eligible for an Energy payment and will not receive payments for delivery of Billing Capacity.
- E. A fixed percentage factor for avoided line losses (if any) will be determined by the Company for each QF based upon the locations of the QF on the Company's distribution system and the applicable voltage level.

2. Determination of Billing Capacity:

- A. The billing capacity in any month shall be based upon the KW capacity supplied by the QS during that month or a previous month valued at a rate equal to the Company's respective Full Requirements Wholesale Power Supplier's avoided cost of the same amount of capacity during the relevant period as calculated in accordance with FPSC Rule 25-17.0832, F.A.C. and reflected in the Full Requirements Wholesale Power Supplier's tariff on file