

April 5, 2018

**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.**

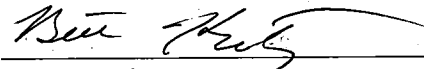
Dear Ms. Stauffer:

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:

Second Revised Sheet No. 3  
Second Revised Sheet No. 18  
Second 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: April 5, 2018  
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. The Company respectfully requests that the Commission accept this late-filed Petition. The updated tariff was erroneously, albeit timely, submitted to the Division of Economics under a cover letter on March 29, 2018. With this Petition, the Company resubmits the updated tariff and requests approval thereof. 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](mailto: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.

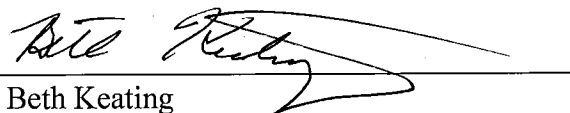
5. As approved in 2016, FPUC's refined tariff provides that "avoided costs" for purposes of purchases under the tariff and standard offer will be equal to the costs avoided by the Company's respective full requirements wholesale power suppliers for its Northwest and Northeast Florida Divisions, as calculated 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. In 2017, the Commission approved minimal adjustments to the Company's tariff by Order No. PSC-2017-0279-PAA-EQ.
7. Given the reliance upon the avoided cost of the Company's respective full requirements wholesale power suppliers for its Northwest and Northeast Florida Divisions, only minimal changes are necessitated again this year in order to update the Company's tariff and Standard Offer consistent with Rule 25-17.250, F.A.C. The only adjustment is to reflect that Florida Power & Light (FPL) is now the Company's full requirements

provider for the Northeast Division. The changes proposed impact Sheet Nos. 3, 18 and 24, which are included in Exhibit A hereto and provided in clean and legislative versions.

8. To be clear, Sheet No. 3 is modified to clarify that FPL and Gulf Power are the current wholesale providers to FPUC. Modifications are also proposed to Sheet Nos. 18 and 24, which are likewise intended to clarify that FPL 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. No other adjustments are proposed at this time.
9. 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, Second Revised Sheet Nos. 3, 18, and 24.

RESPECTFULLY SUBMITTED this 5th day of April, 2018.



Beth Keating  
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215 S. Monroe Street, Suite 601  
Tallahassee, FL 32301-1804  
(850) 521-1706  
[bkeating@gunster.com](mailto:bkeating@gunster.com)

*Attorneys for Florida Public Utilities Company*

EXHIBIT "A"

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

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*TERRITORY SERVED*

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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. Florida Power and Light is Florida Public Utilities Company's Full Requirements Wholesale Power Supplier for the Northeast Florida Division.

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



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*SOA Rate Schedule (Continued)*

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Continued from Sheet No. 17

1. 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 Northwest Division, can be reviewed in their Rate Schedule COG-1. Details on Florida Power and Light'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.

2. 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.

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*SOA Rate Schedule (Continued)*

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Continued from Sheet No. 17

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2. 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.

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*SOF Rate Schedule (Continued)*

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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 Florida Power and Light'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 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.

*SOF Rate Schedule (Continued)*

Continued from Sheet No. 23

Rate for Purchases by the Company

1. Capacity and Energy Rates

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reflected in the Full Requirements Wholesale Power Supplier's tariff on file  
with the FPSC.