

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: January 6, 2005

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

FROM: Division of Economic Regulation (Draper)
Office of the General Counsel (Fleming)

RE: Docket No. 041337-EM – Petition for new Master Metered Recreational Vehicle Park Rate Schedule by Ft. Pierce Utilities Authority.

AGENDA: 01/18/05 – Regular Agenda – Tariff Filing – Interested Persons May Participate

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\041337.RCM.DOC

Case Background

On October 18, 2004, Ft. Pierce Utilities Authority (Ft. Pierce), a municipal electric utility, filed a proposed new Master Metered Recreational Vehicle Park Rate Schedule. The Commission has rate structure jurisdiction over municipal utilities pursuant to Section 366.04(2)(b), Florida Statutes. Municipal utilities are required to file tariffs with the Commission in accordance with Rule 25-9.053(1), Florida Administrative Code. The Commission has delegated the authority to staff to administratively approve tariff filings by municipal utilities 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 utilities; or (3) the proposal does not contain new pricing concepts. Because Ft. Pierce's filing involves a new rate class that is defined in a non-traditional way, Commission approval is required.

Discussion of Issues

Issue 1: Should the Commission approve Ft. Pierce's proposed Master Metered Recreational Vehicle Park Rate Schedule?

Recommendation: Yes. (Draper)

Staff Analysis: The proposed new Master Metered Recreational Vehicle Park rate schedule is designed for recreational vehicle (RV) parks where permanent residency is not established. In a master metered RV park a single master meter measures the electric usage for all the RV's in the park, i.e., the RV's are not individually metered by the utility. The occupants of the RV park do not pay directly for the electricity used during their stay at the park. Instead, the cost of electricity is typically included in the rental charge paid to the park owner.

Currently, master metered RV parks are billed under a commercial rate. However, Ft. Pierce states that the usage characteristics of RV's are more residential than commercial in nature. Ft. Pierce used the cost allocation to the residential class from its recent cost of service study to develop the monthly non-fuel energy charge of \$0.08442 per kilowatt-hour. The monthly customer charge of \$30 is designed to recover the cost of meter reading, billing and maintenance of meters. The proposed customer charge is higher than the residential customer charge because RV parks require a larger meter than the standard residential meter.

Staff has reviewed the derivation of the proposed charges and believes that they are reasonable and accurately reflect Ft. Pierce's cost to serve master metered RV parks. Staff recommends that the Commission approve Ft. Pierce's master metered rate.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected by the Commission's order in this docket files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order. If a protest is timely filed, the tariff should remain in effect, pending resolution of the protest. (Fleming)

Staff Analysis: If no person whose substantial interests are affected by the Commission's order in this docket files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order. If a protest is timely filed, the tariff should remain in effect, pending resolution of the protest.