

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:** April 23, 2009

**TO:** Office of Commission Clerk (Cole)

**FROM:** Office of Strategic Analysis and Governmental Affairs (Sickel)  
Division of Economic Regulation (Roberts)  
Office of the General Counsel (Hartman)

**RE:** Docket No. 090155-EQ – Petition for approval of revisions to renewable energy tariff by Florida Public Utilities Company.

Docket No. 090162-EQ – Petition for approval of amended standard offer contract and retirement of COG-2 rate schedule, by Progress Energy Florida.

Docket No. 090163-EQ – Petition for approval of new standard offer for purchase of firm capacity and energy from renewable energy facilities or small qualifying facilities and approval of tariff schedule REF-1, by Gulf Power Company.

Docket No. 090165-EQ – Petition for approval of standard offer contract for small qualifying facilities and producers of renewable energy, by Tampa Electric Company.

Docket No. 090166-EQ – Petition for approval of renewable energy tariff and standard offer contract, by Florida Power & Light Company.

**AGENDA:** 05/05/09 – Regular Agenda – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Administrative

**CRITICAL DATES:** 05/29/09 (60-Day Suspension Date)

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\SGA\WP\090155.RCM.DOC

### **Case Background**

On February 22, 2007, the Commission adopted amendments to rule 25-17.0832, Florida Administrative Code, and new Rules 25-17.200-25-17.310, Florida Administrative Code, relating to renewable generating facilities. The new rules require each investor-owned utility (IOU) to file with the Commission by April 1 of each year a 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. The revised standard offer contracts reflect each utility's next avoided unit shown in its most recent Ten Year Site Plan. Florida Power & Light Company (FPL), Gulf Power Company (GPC), Progress Energy Florida, Inc. (PEF), Tampa Electric Company (TECO), and Florida Public Utilities Company (FPUC) have filed the required standard offer contracts. The Commission has jurisdiction over these contracts under Section 366.04 and 366.91, Florida Statutes.

### **Discussion of Issues**

**Issue 1:** Should the Commission suspend the revised standard offer tariffs filed by Florida Power & Light Company's, Progress Energy Florida, Gulf Power Company, Tampa Electric Company, and the revision to its renewable energy tariff by Florida Public Utilities Company.

**Recommendation:** Yes. (Sickel, Roberts)

**Staff Analysis:** On March 31, 2009, FPUC filed for approval of revisions to its Renewable Energy Tariff to reflect changes to their wholesale power purchase costs. On April 1, Florida Power & Light Company, Progress Energy Florida, Gulf Power Company, and Tampa Electric Company filed for revisions to their respective Standard Offer Contracts for detailing the terms and conditions for purchase of firm capacity and energy for small qualifying facilities and renewable energy. These filings were made pursuant to Rule 25.17.250, Florida Administrative Code which requires the investor-owned electric utilities to file new standard offer contracts each year on April 1. Staff is recommending that the proposed tariffs be suspended to allow staff sufficient time to review the petitions and gather all pertinent information in order to present the Commission an informed recommendation on the tariff proposals.

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 the reason stated above is good cause consistent with the requirement of Section 366.06(3), Florida Statutes.

Docket Nos. 090155-EQ, 090162-EQ, 090163-EQ, 090165-EQ, 090166-EQ

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**Issue 2**: Should ~~this~~ these dockets be closed?

**Recommendation**: No. If the Commission approves Issue 1, ~~this~~ these dockets should remain open to allow staff adequate time to review the filings and bring a recommendation back to the Commission on the merits of the filings. (Hartman, Sickel, Roberts)

**Staff Analysis**: If the Commission approves Issue 1, ~~this~~ these dockets should remain open to allow staff adequate time to review the filings and bring a recommendation back to the Commission on the merits of the filings.