

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Annual increase in costs per)	DOCKET NO. 900070-EG
KWH for use in RCS audit payback)	ORDER NO. 22882
calculations.)	ISSUED: 5-2-90
_____)	

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
 THOMAS M. BEARD
 BETTY EASLEY
 GERALD L. GUNTER
 JOHN T. HERNDON

NOTICE OF PROPOSED AGENCY ACTIONORDER REGARDING ANNUAL INCREASE

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Rule 25-17.057, Florida Administrative Code, requires that utility energy auditors performing energy conservation audits provide to the customer an estimation of the expected time for payback of the customer's cost of purchasing and installing any conservation measure. The rule further states that all payback computations be based on a percentage change in energy billed as formulated by the Commission and that the Commission provide the utilities with the applicable rate for each succeeding year.

By Order No. 21002, dated April 7, 1989, 3.23 percent is the current annual percentage rate to be used in Residential Conservation Service (RCS) audits by Florida's electric utilities in computing payback time for conservation measures.

Based on projected revenue requirements for the period 1989 through 1998, we find that an annual increase of 2.34% be used. These projections are the result of aggregating

DOCUMENT NUMBER-DATE

03763 MAY-2 1990

FPSC-RECORDS/REPORTING

ORDER NO. 22882
DOCKET NO. 900070-EG
PAGE 2

projections for the four major investor-owned electric utilities as has been done in prior years. The rate of 2.34 percent is simply the projected average rate of increase in the electric rates for the period 1989 through 1998.

The impact of acid rain legislation on the price of electricity has not been considered in this forecast. If legislation relating to acid rain is passed, this projection will be revised to accommodate it.

With the exception of fuel costs and rates of return, the 1989 data are based on the December, 1989 Rate of Return reports. These data are jurisdictional PSC-adjusted 13 month averages for the period ending December 31, 1989. Fuel costs are based on company projections of quantities and prices from the latest Annual Planning Hearing. Rates of return are based on the December Rate of Return reports, except the cost rates for common equity which are taken from Staff's Quarterly Report on Equity Cost Rates, dated February 23, 1990. The after-tax rates of return are weighted averages of the four major investor-owned utilities.

In consideration of the foregoing, it is

ORDERED by the Florida Public Service Commission that an annual increase of 2.34 percent be used for computing payback periods of conservation measures.

ORDERED that if a protest is filed within 14 days of the date of this order it will be resolved by the appropriate Commission panel pursuant to Rule 25-22.006(3)(d), Florida Administrative Code.

By ORDER of the Florida Public Service Commission,
this 2nd day of MAY, 1990.



STEVE TRIBBLE
Director of Records and Reporting

(S E A L)

BAB

ORDER NO. 22882
DOCKET NO. 900070-EG
PAGE 3

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on May 23, 1990.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.