

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Progress Energy Florida, Inc.
for approval of modification to make the
current experimental Premier Power Service
Rider, Rate Schedule PPS-1 permanent.

DOCKET NO. 110269-EI
ORDER NO. PSC-11-0481-TRF-EI
ISSUED: October 25, 2011

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

ORDER MAKING PREMIER POWER SERVICE RIDER,
RATE SCHEDULE PPS-1 PERMANENT

BY THE COMMISSION:

Background

On September 16, 2011, Progress Energy Florida, Inc. (PEF), filed a petition for approval to make permanent the current experimental Premier Power Service Rider (rider), Rate Schedule PPS-1.¹ The rider is available on a voluntary basis to commercial customers who require on-site generators to serve as back-up electric supply. Pursuant to the rider, the customer contracts with PEF to own, install, operate, and maintain generation on the customer's premises for the primary purpose of providing back-up supply of electric service in the event normal electric supply is interrupted. The rider is designed for customers that require improved service reliability but wish to avoid the ownership and maintenance responsibilities of back-up generation. Eligible customers requesting service under the rider are required to execute a Premier Power Service Contract with PEF. The contract specifies the monthly charge, reflecting the cost incurred by PEF to provide the generator over the term of the contract.

We first approved the rider for a 5-year experimental period in Order No. PSC-01-1648-TRF-EI.² In Order No. PSC-06-1037-TRF-EI, we approved modifications and an additional 5-

¹ Third Revised Sheet No. 6.370.

² Order No. PSC-01-1648-TRF-EI, issued August 13, 2001, in Docket No. 010373-EI, In re: Petition for approval to provide optional Premier Power Service Rider, Rate Schedule PPS-1, for general service customers by Florida Power Corporation.

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year extension of the rider.³ For new customers requesting service, the current rider tariff expired on July 24, 2011.

We have jurisdiction pursuant to Sections 366.04, 366.05, and 366.06, Florida Statutes.

Premier Power Service Rider, Rate Schedule PPS-1

The current PPS-1 tariff is experimental and includes a provision that service must be requested before July 24, 2011. PEF is now requesting that the tariff be made permanent. PEF is not proposing any other changes to the tariff.

PEF states in its petition that PEF currently has six generator installations at sites of four different customers. PEF explains that while this participation level appears low, the customers opting for this service are highly supportive of the program and some customers have either extended their contracts, or engaged in discussions to do so. PEF is also currently in discussions with other customers that could lead to more generator installations if the tariff is made permanent. A customer can also purchase, install, and operate backup generation on its own.

In Order Nos. PSC-01-1648-TRF-EI and PSC-06-1037-TRF-EI, we required PEF to submit annual reports regarding the level of customer participation and the amount of generation installed under the rider. PEF's rider has been in effect on an experimental basis since August 13, 2001, and we are not aware of any complaints or issues regarding the rider. The rider provides an optional service to commercial customers who request a higher degree of reliability. Because customers who request service under the rider are responsible for the cost of the back-up generation, the general body of ratepayers is protected. Accordingly, we approve PEF's petition to make permanent the current experimental PPS-1 tariff, and PEF shall no longer be required to submit annual reports.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Progress Energy Florida, Inc.'s Petition for approval to make permanent the current experimental Premier Power Service Rider, Rate Schedule PPS-1, is granted. It is further

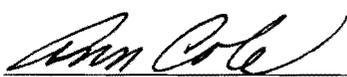
ORDERED that the tariff shall become effective on October 18, 2011. It is further

ORDERED that if a protest is filed within 21 days of the issuance of this Order, the tariff shall remain in effect, with any revenues held subject to refund, pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

³ Order No. PSC-06-1037-TRF-EI, issued December 18, 2006, in Docket No. 060480-EI, In re: Petition by Progress Energy Florida, Inc. for approval of modification and extension of experimental Premier Power Service Rider, Rate Schedule PPS-1, and for approval of revised Premier Power Service Contract.

By ORDER of the Florida Public Service Commission this 25th day of October, 2011.



ANN COLE
Commission Clerk
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RRJ

NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), 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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 15, 2011.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating 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.