

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed Tariff filing)	DOCKET NO. 910354-EM
by City of Newberry to offer a)	ORDER NO. 24956
new electric rate schedule -)	ISSUED: 8/21/91
Industrial Power Rate)	
)	
)	
)	

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 J. TERRY DEASON
 BETTY EASLEY
 MICHAEL McK. WILSON

ORDER APPROVING TARIFF

BY THE COMMISSION:

This matter is before the Commission because the proposal establishes a new rate schedule. The City of Newberry evaluated their rate structure after their largest customer increased its load in 1989. Based on a 1984 study, this customer exhibited load characteristics similar to other demand customers served under the Large Power (LP) class and thus was served under that schedule. The 1990 study showed that the customer now comprises approximately 40 percent of the total system demand and 46 percent of the system energy, with a load factor of 65 percent. The presence of the customer increases the system load factor from 62 percent to 63.4 percent.

The City purchases all of its power from Florida Power Corporation (FPC). The wholesale power rate charged by FPC is determined by load factor. All energy in excess 420 times the demand is charged at a lower rate. A customer whose usage increases the system load factor allows the overall cost of purchased power to be less than it would otherwise have been.

The Industrial Power (IP) schedule retains the LP schedule customer charge of \$15.00, and lowers the KW demand charge to \$9.00 and the energy charge to 3.9 cents per KW. A load factor of 57 percent and minimum of 1000 KW demand is required to qualify for the schedule. The 57 percent load factor reflects the breakpoint in wholesale power costs from FPC. In addition, once the customer elects to take service under this schedule, he must remain on it for 18 months before transferring to any other schedule.

Bills for a customer this size under the existing LP rate are 33 percent higher than comparable FPC rates. Under the Industrial Power rates, this difference declines by half, to 17 percent over

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FPC rates. Service at the minimum load on the IP schedule results in a 14 percent decrease in the total bill compared to the bill under the existing LP rate.

High load factor customers use their maximum KW demand more efficiently by using more KWH per KW. With FPC's wholesale power pricing, the higher the system load factor, the cheaper is the average cost of Newberry's purchased power. Rates to customers who improve system load factor should reflect this savings they create.

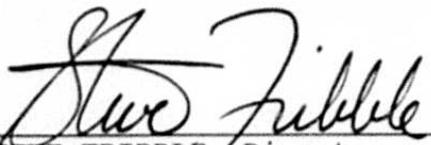
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the proposed tariff filing by the City of Newberry to offer an Industrial Power rate schedule is hereby approved. It is further

ORDERED that this Order shall become final unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review. It is further

ORDERED that if this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 21st day of AUGUST, 1991.



STEVE TRIBBLE, Director
Division of Records and Reporting

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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 Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), 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 9/11/91

In the absence of such a petition, this Order shall become final on the day subsequent to the above date.

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 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 date this Order becomes final, 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.