

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for tariff  
modification by City of Green  
Cove Springs.

DOCKET NO. 971143-EM  
ORDER NO. PSC-98-0030-FOF-EM  
ISSUED: January 5, 1998

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman  
J. TERRY DEASON  
SUSAN F. CLARK  
DIANE K. KIESLING  
JOE GARCIA

ORDER APPROVING TARIFF REVISION

BY THE COMMISSION:

The City of Green Cove Springs filed to revise its General Service-Non-Demand Rate Schedule (GS) and its General Service Large Demand Rate Schedule (GSLD) on March 12, 1997. The City proposed to increase GS rates and decrease GSLD rates resulting in no net increase in revenue requirements.

Because the City's service territory is located within Florida Power & Light's (FPL) service territory. The proposed rates were compared to FPL's rates. The comparison showed a worsening of rate structure with respect to GS rates and an improvement in rate structure by reducing GSLD rates.

The City also submitted a cost of service study performed by Resource Management International, Inc. (RMI). RMI used generalized assumptions about load and usage patterns in support of its increase in the GS rate. Although it is acceptable for smaller utilities to rely upon data borrowed from other utilities to set rates, we had concerns about several of the assumptions used by RMI which differed from those commonly used for other utilities in Florida. For example: RMI used 12 coincident peak (CP) for the distribution system when 12 Non-coincident peak (NCP) should have been used; a customer weighting factor of 20 is recommended for GSLD by Florida Municipal Power Agency (FMPA) and RMI used 15;

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purchased power was allocated 57% energy and 43% demand when data from actual purchased power indicated a 63% energy and 36% demand split; and, the ultimate results of revenue surplus and revenue deficiency for each rate class are not altogether reflected in the rates filed.

When questioned about these assumptions, RMI indicated that it had relied upon an FMPA study performed for the City in 1995 which used the same assumptions except for the treatment of the revenue transfer to the City government. Analysis of the FMPA study supplied by RMI indicated support for a majority of the assumptions used in the RMI Study. The major change in allocation which resulted in increased costs to the GS class arose from a change in the allocation of the costs associated with the revenue transfer. The FMPA study allocated transfer costs based on a percentage of sales revenues per customer class. RMI modified this allocation methodology using plant in service and customer class responsibility. RMI's departure from FMPA's methodology is not inconsistent with other municipalities practices. Because of the lack of real time data specific to the City's system, many assumptions had to be made. Even though we disagree with some assumptions used by RMI, the overall cost of service study appears to be reasonable. Therefore, we approve the rates as filed.

Based on the foregoing, it is

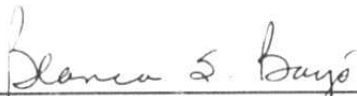
ORDERED by the Florida Public Service Commission that the revisions of the General Service-Non-Demand Rate Schedule (GS) and its General Service Large Demand Rate Schedule (GSLD) by the City of Green Cove Springs are approved. It is further

ORDERED that if a protest is filed in accordance with the requirement set forth below, the tariff shall remain in effect pending resolution of the protest. It is further

ORDERED that if no protest is filed in accordance with the requirements set forth below, this docket shall be closed.

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By ORDER of the Florida Public Service Commission this 5th day of January, 1998.

  
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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

GAJ

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

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 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

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Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 26, 1998.

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 wastewater 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.