

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request by Orlando  
Utilities Commission for  
approval of special contract  
with Universal City Property  
Management II.

DOCKET NO. 990051-EM  
ORDER NO. PSC-99-0428-FOF-EM  
ISSUED: March 2, 1999

The following Commissioners participated in the disposition of  
this matter:

JOE GARCIA, Chairman  
J. TERRY DEASON  
SUSAN F. CLARK  
JULIA L. JOHNSON  
E. LEON JACOBS, JR.

ORDER APPROVING SPECIAL CONTRACT  
BETWEEN ORLANDO UTILITIES COMMISSION  
AND UNIVERSAL CITY PROPERTY MANAGEMENT II

BY THE COMMISSION:

The Orlando Utilities Commission (OUC) has negotiated a special contract with Universal City Property Management II (Universal) which will retain Universal as an OUC customer for a minimum of 10 years or until retail competition is adopted in Florida, if that occurs in less than 10 years. Universal is a major commercial customer of OUC and is in the process of expanding its operations in the area. In return for the 10 year agreement, OUC will install approximately \$2.05 million of upgraded and expanded facilities such as feeders at no cost to Universal. However, OUC states that at least one-half of that amount is offset by the additional load to be served by the facilities and would be waivable under a CIAC calculation. In addition, OUC will provide a 5% discount off existing base rates for the term of the contract prior to the adoption of retail wheeling in Florida. Fuel and taxes are not subject to the discount. Adjustments to Universal's rates may occur in conjunction with OUC's annual rate review. However, OUC does not propose to raise rates to any other classes of customers to make up any revenue shortfall which may result from this special contract.

DOCUMENT NUMBER-DATE

02642 MAR-28

FPSC-RECORDS/REPORTING

Universal agrees to take all of its electric service from OUC during the contract term for the locations shown in the contract. In the event deregulation occurs in the electric industry during the term of the contract, Universal has the right to renegotiate the rates based on competitive rates available in the market. In order to open negotiations, Universal must demonstrate that any alternative supplier is a bona fide retail electric supplier which has the financial and physical capacity to serve the customer's needs under the same terms and conditions as it receives service from OUC. If challenged, OUC has the right to continue to serve Universal's load at the lower rate or allow the customer to terminate the contract with 60 days notice. If the customer chooses to terminate in less than 10 years, an exit fee based on the depreciated cost of the additional facilities installed under the contract and a percentage of the discounts received will be payable to OUC.

The contract has been signed by Universal and OUC and appears to be an advantageous agreement for both parties. The rate discount is minimal compared to the potential loss of a customer the size of Universal and in the long term, we believe the general body of OUC's ratepayers will be better off with the 10 year agreement. Therefore, we approve the contract as presented.

The contract terms state that it shall be come effective upon the date specified in the approval in writing by the Florida Public Service Commission. Therefore, the contract shall become effective on the date following the effective date of our order in this docket.

Based on the foregoing, it is

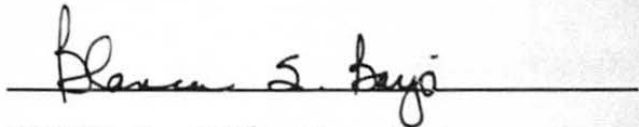
ORDERED by the Florida Public Service Commission that the contract dated December 7, 1998, between Orlando Utilities Commission and Universal City Property Management II is approved. It is further,

ORDERED that the contract shall become effective on the date following the effective date of our order in this docket.

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 2nd day of March, 1999.



BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

LJP

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 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 Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on March 23, 1999.

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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.