

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Amendment of Rule 25-6.0438,)	DOCKET NO. 900739-EI
F.A.C., pertaining to Non-Firm)	
Electric Service - Terms and)	ORDER NO. 24279
Conditions.)	
_____)	ISSUED: 3/25/91

NOTICE OF RULEMAKING

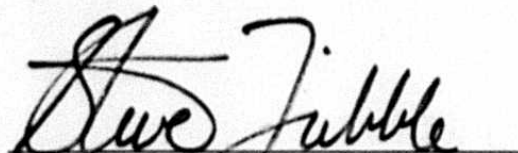
NOTICE is hereby given that the Commission, pursuant to section 120.54, Florida Statutes, has initiated rulemaking to amend Rule 25-6.0438, F.A.C., relating to non-firm electric service - terms and conditions.

The attached Notice of Rulemaking will appear in the March 29, 1991, edition of the Florida Administrative Weekly. If requested, a hearing will be held at the following time and place:

9:30 a.m., Friday, May 17, 1991
 Room 106, Fletcher Building
 101 East Gaines Street
 Tallahassee, Florida

Written requests for hearing and written comments or suggestions on the rule must be received by the Director, Division of Records and Reporting, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, FL 32399, no later than April 19, 1991.

By Direction of the Florida Public Service Commission, this
25th day of MARCH, 1991.


 STEVE TRIBBLE, Director
 Division of Records & Reporting

(S E A L)

CBM

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DOCUMENT NUMBER-DATE

02909 MAR 25 1991

PSC-RECORDS/REPORTING

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FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 900739-EI

RULE TITLE:

RULE NO.:

Non-Firm Electric Service -- Terms and
Conditions

25-6.0438

PURPOSE AND EFFECT: The purpose of the rule revision is to delete the requirement for utilities to file targets as tariffs and to place the burden of maintaining cost effective levels on the utility.

SUMMARY: The rule revisions place the definition of "cost effective" in the definition section. Modifications retain the requirements for utilities to file a methodology for determining cost effectiveness, but delete the requirement to file targets as tariffs. Instead, targets must be filed for informational purposes only. The burden of maintaining cost effective levels is placed on the utility. The Commission would retain oversight responsibility. A new reporting requirements section would require reports detailing the type and amount of non-firm service. Also, the report must state the annual targets determined by the utility's approved cost methodology.

RULEMAKING AUTHORITY: 350.127(2), 366.05(1), F.S.

LAW IMPLEMENTED: 366.03, 366.04, 366.041, 366.05, F.S.

SUMMARY OF THE ESTIMATE OF ECONOMIC IMPACT OF THIS RULE: Workload of the agency may be slightly reduced. Investor-owned electric utilities defined their additional costs associated with revisions

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as small, minor, or none. There would be no impact on small businesses as none of the utilities are small businesses pursuant to the statute. No impact on competition is expected. There should be no impact on employment.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING. IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE AND PLACE SHOWN BELOW:
TIME AND DATE: 9:30 A.M., May 17, 1991

PLACE: Room 106, 101 East Gaines Street, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THIS RULE AND THE ECONOMIC IMPACT STATEMENT IS: Director of Appeals, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399

THE FULL TEXT OF THE RULE IS:

25-6.0438 Non-Firm Electric Service - Terms and Conditions.

(1) Applicability. This rule shall apply to all investor-owned electric utilities.

(2) Purpose. The purposes of this rule are: to define the character of non-firm electric service and various types thereof; to require a procedure for determining a utility's maximum level of non-firm load; and to establish other minimum terms and conditions for the provision of non-firm electric service.

(3) Definitions.

(a) "Non-firm electric service" means electric service that,

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in accordance with terms and conditions specified in the applicable tariff, can be limited or interrupted. Non-firm service includes interruptible, curtailable, load management, and other types of non-firm electric service offered by the utilities pursuant to tariffs approved by the Florida Public Service Commission.

(b) "Interruptible electric service" means electric service that can be limited or interrupted, either automatically or manually, solely at the option of the utility.

(c) "Cost effective" in the context of non-firm service shall be based on avoided costs. It shall be defined as the net economic deferral or avoidance of additional production plant construction by the utility or in other measurable economic benefits in excess of all relevant costs accruing to the utility's general body of ratepayers.

(d)-(e) "Curtailable electric service" means electric service that can be reduced or interrupted upon request of a utility but solely at the discretion of the customer.

(e)-(d) "Load management service" means electric service provided under an applicable firm rate schedule whereby electric service to specified components of the customer's electric load may be interrupted at the discretion of the utility in accordance with conditions specified in the utility's tariffs.

(4) Availability of Service.

(a) A utility may offer non-firm electric service to any customer or class of customers pursuant to tariffs or contracts

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approved by the Commission. Each utility that currently offers or proposes to offer non-firm electric service shall demonstrate, no later than its next rate case, that providing such service is ~~likely to result in the cost effective deferral or avoidance of additional production plant construction by the utility or in other measurable economic benefits accruing to the utility's general body of ratepayers.~~

(b) Each utility shall state in its tariff the terms and conditions under which non-firm electric service will be offered. If a utility believes that providing interruptible service or another type of non-firm service to a specific customer who otherwise qualifies for such service under the utility's tariff will not result in benefits accruing to its general body of ratepayers, that utility shall apply to the Commission for authorization to refuse non-firm service to that customer. The provision of non-firm service for standby purposes shall be consistent with the Federal Energy Regulatory Commission rule, 18 C.F.R. Sec. 292.305.

(c) When a utility proposes to make a change in any of its non-firm electric service offerings, it must provide written notice to each customer who may be affected by the proposal.

(5) Methods of for Determining Maximum Levels of Non-Firm Load. Each utility offering non-firm electric service shall have on file with the Commission a methodology approved by the Commission for determining the cost effectiveness of non-firm load

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over its generation planning horizon, pursuant to the definition of "cost effective" in Paragraph (3)(c). Specific consideration must be given to each type of non-firm electric service offered. A utility may petition the Commission to revise their methodology at any time.

~~(a) Within six (6) months of the effective date of this Rule, each utility that currently offers non-firm electric service shall submit for the Commission's review and approval a proposed method for determining the utility's maximum level of cost-effective non-firm load over its generation planning horizon and the utility's annual targets for achieving the total level of non-firm load in a cost-effective manner. Specific consideration must be given to each type of non-firm electric service offered.~~

~~Subsequent to the effective date of this Rule, any utility electing to offer non-firm electric service under new tariffs shall, at the time of filing such tariffs, also submit to the Commission a proposed method for determining the utility's maximum level of cost-effective non-firm load over its generation planning horizon and the utility's annual target for achieving the total level of non-firm load in a cost-effective manner. Specific consideration must be given to each type of non-firm electric service offered. The method must provide for the established total and annual maximum levels to be reviewed and updated by the utility and filed for Commission approval no less often than every two years. In its tariff, each utility shall publish the maximum allowable level of~~

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~~cost-effective non-firm load for its system for each of the succeeding ten years. The utilities' tariffs may provide that new non-firm customers may receive priority in obtaining non-firm service over existing firm customers who wish to transfer to non-firm service.~~

(6) Maximum Levels of Allowable Non-Firm Load. Each utility shall attempt to maintain its subscribed non-firm loads at or below their maximum cost-effective levels, as determined by the utility's approved methodology utilizing its most current system expansion plans and approved rates. If, during a revenue or rate review, the Commission finds that a utility's efforts to maintain its subscribed non-firm loads at or below the maximum cost-effective level have not been prudent, the Commission may impute revenues at otherwise applicable rates for the amount of non-firm load in excess of cost effective levels.

~~During any calendar year, no utility shall subscribe additional non-firm electric customers when doing so causes the approved maximum level of non-firm load for that year, stated in the approved tariff, to be exceeded. Under circumstances where it may be desirable and advantageous to all parties concerned to allow the subscription of additional non-firm load above that indicated by the currently approved maximum level determination, the utility may apply to the Commission for a waiver of this provision of the rule.~~

(7) Reporting Requirements. Each utility offering non-firm

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electric service shall submit to the Commission on January 1 and July 1 of each year a report detailing the type of non-firm service and show the amount of non-firm load as of the month ending immediately prior to the reporting date. In addition, the report shall state the annual targets determined by the utility's approved cost methodology.

~~(8)~~(7) Minimum Notice to Transfer from Non-Firm to Firm Service. Each utility that offers non-firm service shall include a specific provision in its tariff that requires a customer to provide the utility with at least five years advance written notice in order for the customer to be eligible to transfer from interruptible to firm service. A utility may apply to the Commission for approval of a different minimum notice requirement if it can demonstrate that a different notice requirement is necessary or appropriate, either for all or any individual non-firm service offerings.

~~(9)~~(8) The Commission may waive any provision of this rule if it determines that such waiver is consistent with the purpose and intent of this rule after notice to all affected customers.

Specific Authority: 350.127(2), 366.05(1), F.S.

Law Implemented: 366.03, 366.04, 366.041, 366.05, F.S.

History: New 8/21/86, Amended _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Pat Mahoney, Division of Research

NAME OF SUPERVISOR OR PERSON(S) WHO APPROVED THE PROPOSED RULE:

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Florida Public Service Commission

DATE PROPOSED RULE APPROVED: March 5, 1991

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.