## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed tariff revisions by Jacksonville Electric Authority to its Residential, General Service Non-Demand, General Service Demand, General Service Large Demand and Municipal Service Rate Classes.

DOCKET NO. 890294-EM

ORDER NO. 21021

ISSUED: 4-10-89

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman THOMAS M. BEARD BETTY EASLEY GERALD L. GUNTER JOHN T. HERNDON

## ORDER APPROVING RATE CLASS REVISIONS

## BY THE COMMISSION:

On June 6, 1988, Jacksonville Electric Authority (JEA) filed a request for approval of tariff revisions for the following rate classes: Residential Service (RS), Residential Time of Day (RST), General Service Non-Demand (GS), General Service Non-Demand Time of Day (GST), General Service Demand (GSD), General Service Demand Time of Day (GSDT), General Service Large Demand (GSLD), General Service Large Demand Time of Day (GSLDT), Municipal Service (MS), Municipal Service Time of Day (MS1) and Fuel and Purchased Power Policy.

In support of its request, JEA filed a cost of service study. This study used the twelve (12) coincident peak (CP) and 1/13th weighted average demand methodology to allocate production and transmission costs to the various classes. The optional time of day rates were based on the average cost recovery levels from the non-time differentiated rate schedules. Demand charges for the demand classes were developed using the Average and Excess methods.

JEA has proposed a one-time reduction in the energy charges of these various customer classes for a period of nine (9) months, effective July 1, 1988. This reduction was proposed as the result of lower projected fuel and purchased power costs, higher KWH sales, and improved operating results during the 1986-87 fiscal year. Following this one-time reduction, JEA has proposed to implement rates and charges on April 1, 1989, which move the in-between class rate relationships closer to the levels in existance prior to July 1, 1988. Revenues and cost allocations to the classes were based on projected revenues and costs using both the April and July rate schedules.

Effective April 1, 1989, the net changes in electric rates are: an increase in the customer charges for GSD and GSDT; a reduction in the on and off peak energy charges for the MS and MS1 classes; and an increase in the fuel and purchased power costs for the MS and MS1 classes.

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After reviewing JEA's projections and supporting calculations, we find that the revenue/cost relationships between the classes either improve slightly or do not differ from the present rate relationships significantly. In addition, JEA's reduction in energy charges in the various rate classes does not appear to have a discriminatory impact.

Based upon the above, it is

ORDERED by the Florida Public Service Commission that the Jacksonville Electric Authority's proposed revisions to its rate schedules RS, RST, GS, GST, GSD, GSDT, GSLD, GSLDT, MS, MSl and Fuel and Purchased Power Policy as described in the body of this order are hereby approved.

By ORDER of the Florida Public Service Commission, this <u>11th</u> day of <u>April</u>, <u>1989</u>.

STEVE TRIBBLE, Director

Division of Records and Reporting

(SEAL)

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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.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or 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 after the issuance of this order, 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.