

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed tariff filing to modify)	DOCKET NO. 900918-EC
Residential, General Service, Large)	
General Service Demand, Residential)	ORDER NO. 24069
Lighting and Street Lighting Rate)	
Schedules and to add a new High Load)	ISSUED: 2/5/91
Transmission Rate by Clay Electric)	
Cooperative, Inc.)	
_____)	

The following Commissioners participated in the disposition of this matter:

- MICHAEL McK. WILSON, Chairman
- THOMAS M. BEARD
- BETTY EASLEY
- GERALD L. GUNTER
- FRANK S. MESSERSMITH

ORDER APPROVING RATE CHANGES PROPOSED BY CLAY ELECTRIC COOPERATIVE, INC.

BY THE COMMISSION:

Clay Electric Cooperative, Inc. ("Clay") asked the Commission to approve proposed revisions to the various tariff schedules discussed below. We find that the proposed revisions should be approved.

Large General Service Demand

The change to the Large General Service Demand class consists of a decrease in the customer charge from \$1,095.00 to \$250.00 monthly, an increase in the demand charge from \$2.75 per kW to \$6.00 per kW, and a decrease in the energy charge from 6.70 to 5.68 cents per kWh. These changes result in a revenue decrease which moves the class rate of return closer to the system rate of return. The increase in the demand charge is intended to more closely reflect the wholesale demand costs of power purchased from Seminole Electric Cooperative (Seminole), which are well in excess of \$6.00 per kW. The decrease in the customer charge brings the standard rate charge in line with the time of use rate for that customer class. Since the cost of metering time-of-use customers should be equal to or greater than the standard rates, the reduction is appropriate. The change in rate structure will result in lower bills for medium and high load factor customers.

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General Service

The change to the General Service class consists of an increase to the customer charge from \$7.00 to \$9.00, and a decrease in the energy charge from 8.84 to 8.73 cents per kWh. These changes have a negligible impact on revenues for the class. The increase in the customer charge more closely tracks customer-specific costs, and reduces the amount of such costs collected through the energy charge. The increased customer charge is the same as that proposed for the residential class.

Residential Street Lighting and Lighting

The changes to the lighting schedules consist of increases in the monthly charges which result in a revenue increase, bringing the classes closer to the system rate of return.

Residential Service

The customer charge for Residential Service will be increased from \$7.00 to \$9.00 per month. The cost of service study indicates that customer-related expenses for residential actually amount to \$12.35 per month. However, the minimum distribution method was used to arrive at this cost, which assumes that some distribution costs are customer-related. Use of this method is contrary to the method prescribed by the Commission in determining customer-related costs for the investor-owned Florida electric utilities. The investor-owned utilities do not classify any distribution as customer-related. Use of the minimum distribution method thus results in a higher customer charge than would be justified otherwise. In this case, however, the \$9.00 per month charge is reasonable, even if the distribution component is excluded in determining customer-related costs.

The rate, which is inverted, consists of an energy charge of 8.20 cents per kWh for the first 1,000 kWh used and 9.23 cents per kWh used in excess of 1,000 kWh. While we do not take issue with the inverted rate, we note that Clay provided no evidence that such a rate will have the intended effect of encouraging conservation. The record developed in the last Florida Power and Light rate case (Docket No. 830465-EU), which addressed the inverted rate, likewise did not show that an inverted rate encourages conservation. However, the inverted rate was retained then because the Commission believed that such a rate was inherently conservation-oriented. We will review Clay's experience with the inverted rate to determine if conservation results.

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High Load Factor Transmission Service

The High Load Factor Transmission Service ("HLFT") rate is applicable to customers whose demand exceeds 5,000 kW, and whose monthly load factor is at least 70% for at least nine of the most recent twelve months, with delivery at standard transmission voltages. The rate as designed appears to properly recover the cost to serve these customers.

The HLFT rate contains demand charges as follows:

Wholesale delivery at 69 kV	\$11.33 per kW
" " " 115 kV	\$11.19 per kW
" " " 230 kV	\$11.06 per kW

These charges are equal to the cost per kW of power purchased from Seminole, adjusted upward by 4%. The 4% represents the total system percent margins to revenue as shown in the cost of service study. Demand is defined as the customer's sixty-minute demand measured coincident with Seminole's monthly system peak. This structure ensures that a customer on this rate pays the incremental cost he causes to the utility.

We are concerned with the applicability provision, which allows customers to qualify for this rate if their load factor is 70% or greater for only 9 of the previous 12 months. This could allow seasonal customers to take service on this rate, which the utility may not have intended. We suggest that the utility review the language contained in Gulf Power Company's PX/PXT rate schedule, which requires that the required load factor be maintained for the entire year. However, since Clay's rates are set at the incremental cost to the system, we do not take issue with the current language.

The customer charge of \$250.00 is equal to the proposed customer charge for the Large General Service Demand class.

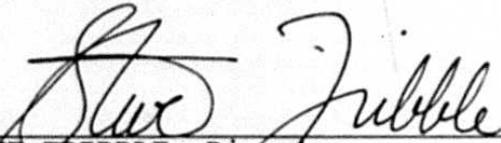
It is therefore

ORDERED by the Florida Public Service Commission that the attached tariff sheets filed by Clay Electric Cooperative, Inc., as well as the rate structure embodied therein, are hereby approved. It is further

ORDERED that this docket be closed if no protest is timely filed.

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BY ORDER of the Florida Public Service Commission, this
5th day of FEBRUARY, 1991.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

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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 February 26, 1991.

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.

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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.

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CLAY ELECTRIC COOPERATIVE, INC.

Eighth Revised Sheet No. 8.0
Cancel Seventh Revised Sheet No. 8.0

GENERAL SERVICE-NON DEMAND

RATE SCHEDULE - GS

Availability: Throughout the entire territory served by Clay Electric Cooperative, Inc.

Applicability: To lighting, power, and any other purpose with a demand of 50 kW or less, served through one meter.

Character of Service: Alternating current, single or three phase, 60 Hertz, at available secondary voltages.

Limitations of Service:

1. This rate schedule does not provide for standby service.
2. This rate schedule does not permit resale of service.
3. The capacity of individual single phase motors served under this schedule may not exceed ten (10) horsepower, 120/240 volts.
4. Three phase service is limited to a minimum of five (5) horsepower motor or larger.
5. Subject to the established rules and regulations of the Cooperative.
6. When the consumer's monthly energy usage as measured by the Cooperative's meter exceeds 15,000 kWh, the Cooperative shall install a demand meter for the purpose of indicating or recording the consumer's monthly maximum kilowatt load for any period of 15 consecutive minutes. Should the consumer's maximum demand so recorded exceed 50 kW during any three of the preceding twelve months, the consumer shall be reclassified and shall begin receiving service under Schedule GSD for the next twelve months. The consumer shall continue to receive service under Schedule GSD until such time as the consumer's monthly kilowatt demand so recorded for a period of twelve consecutive months does not exceed 50 kW.

Rate: (Monthly)

Consumer Charge: \$9.00

Energy Charge: \$0.0873 per kWh

Minimum Charge: 1. As specified in the agreement for service, or
2. \$0.75 per kVA of installed transformer capacity.

"Continued to Sheet No. 8.1"

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CLAY ELECTRIC COOPERATIVE, INC.

Sixth Revised Sheed No. 10.0
Cancel Fifth Revised Sheet No. 10.0

LARGE GENERAL SERVICE-DEMAND

RATE SCHEDULE - LGSD

Availability: Throughout the entire territory served by Clay Electric Cooperative, Inc.

Applicability: Lighting, power demand greater than 1,000 kW, and any other purpose with a measurer served through one meter.

Character of Service: Alternating current, single or three phase, 60 Hertz, and at any available voltage.

- Limitations of Service:
1. Does not provide for standby service.
 2. Does not permit resale of service.
 3. If service is furnished at secondary voltage, the delivery point shall be the point of attachment unless otherwise specified in the contract for service.
 4. If service is furnished at seller's primary line voltage, the delivery point shall be the point of attachment of seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.
 5. Subject to the established rules and regulations of the Cooperative.

Rate: (Monthly)

Consumer Charge:	\$ 250.00
Demand Charge:	\$ 6.00 per kW
Energy Charge:	\$ 0.0568

"Continued to Sheet No. 10.1"

Approved by: _____ Effective: _____

CLAY ELECTRIC COOPERATIVE, INC.

Seventh Revised Sheet No. 11.0
 Cancel Sixth Revised Sheet No. 11.0

RESIDENTIAL SERVICE

RATE SCHEDULE - R

Availability: Throughout the entire territory served by Clay Electric Cooperative, Inc.

Applicability: For service for all domestic purposes in private residences through one meter and individually metered apartment units.

Character of Service: Shall be alternating current, single phase, 60 Hertz, 120/240 volts, 3 wire. Three phase service may be provided where available at 60 Hertz, 120/240 volts, 4 wire.

Limitations of Service:

1. This rate schedule does not provide for standby service.
2. This rate schedule does not permit resale of service.
3. The capacity of individual single phase motors served under this schedule may not exceed ten (10) horsepower, 120/240 volts.
4. Three phase service is limited to a minimum of five horsepower motor or larger.
5. Subject to the established rules and regulations of the Cooperative.

Rate: (Monthly)

Consumer Charge:	\$9.00
Energy Charge:	First 1000 kWh \$0.0820 per kWh
	Over 1000 kWh \$0.0923 per kWh
Minimum Charge:	\$9.00 per month or as specified in agreement for service.

Load Management Credit per Month: Credit will be applied to the bill of all consumers with load management switches who use 500 kWh or more per month as follows:

Electric Water Heater Controlled January-December	\$2.00
Electric Central Heating Controlled October-March	\$1.50
Electric Central Air Conditioning Controlled April-September	\$1.50

Terms of Payment: Cash, within the time limit specified on the bill and at Cooperative designated locations.

Billing Adjustments: The Cooperative's power fuel cost adjustment and tax adjustment clauses which are contained on sheet numbers 14.0 and 15.0.

"Continued to Sheet No. 11.1"

Issued by: William C. Phillips, Manager

Effective: May 1, 1990

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CLAY ELECTRIC COOPERATIVE, INC.

Second Revised Sheet No. 12.0
Cancel First Revised Sheet No. 12.0

RESIDENTIAL STREET LIGHTING

RATE SCHEDULE - RSL

Availability: This rate schedule is available throughout the entire territory served by Clay Electric Cooperative, Inc.

Applicability: This rate schedule is applicable to residential consumers in subdivision areas that the Cooperative is serving with subdivision street lighting systems.

Character of Service: The character of service shall be alternating current, single phase, 60 Hertz at 120 volts.

Limitations of Service: The limitations of service for this rate schedule are

- 1. 7,000 Lumens per fixture

Rate: (Monthly)

Six (6) or more consumers per light	\$1.10 per consumer
Not less than three (3) nor more than five (5) consumers per light	\$2.15 per consumer

Terms of Payment: The terms of payment are cash, within the time limit specified on the bill, and at Cooperative-designated locations. The monthly rate for this rate schedule shall be added to the consumer's regular power bill.

Billing Adjustment: Tax adjustment clause which is contained on sheet number 15.0.

Demand Charge: Not applicable

Term of Service: The term of service shall be from billing period to billing period, until receipt of notice by the Cooperative from the customer to disconnect, or upon disconnect by the Cooperative under Cooperative rules.

Additional Clauses: None

Miscellaneous: None

Issued by: William C. Phillip, Manager Effective: May 1, 1990

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CLAY ELECTRIC COOPERATIVE, INC.

Third Revised Sheet No. 13.0
 Cancel Second Revised Sheet No. 13.0

LIGHTING

RATE SCHEDULE - L

Availability: This rate schedule is available throughout the entire territory served by Clay Electric Cooperative, Inc.

Character of Service: The character of service shall be either 7,000 or 20,000 lumens fixture as required by the consumer.

Rate: (Monthly)

Small Light 7,000 Lumens	\$6.50 each
Large Light 20,000 Lumens	\$9.25 each

Terms of Payment: The terms of payment are cash, within the time limit specified on the bill, and at Cooperative-designated locations. The monthly rate for this rate schedule shall be added to the consumer's regular power bill.

Billing Adjustments: Tax adjustment clause which is contained on sheet number 15.0.

Term of Service: The term of service for this rate schedule shall be as specified in the contract for service; however a minimum five (5) year agreement will be required.

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CLAY ELECTRIC COOPERATIVE, INC.

Original Sheet No. 10.8

HIGH LOAD FACTOR - TRANSMISSION SERVICE

RATE SCHEDULE - HLFT

AVAILABILITY:

Throughout the entire territory served by Clay Electric Cooperative, Inc.

APPLICABILITY:

To electric service supplied to any high load factor large power consumer contracting for not less than 5,000 kilowatts and having a monthly load factor of at least seventy percent (70%) in no fewer than nine of the most recent twelve months, where such service is furnished by the Cooperative through facilities which are solely dedicated to that consumer's use. The monthly load factor shall be determined by dividing the consumer's average demand (energy usage divided by the number of hours in the billing period) by the consumer's kilowatt demand.

CHARACTER OF SERVICE:

Alternating current, three phase, 60 Hertz, and at available standard transmission voltages of 69 kV, 115 kV and 230 kV, or other voltages as mutually agreed upon.

LIMITATIONS OF SERVICE:

1. Does not provide for standby service.
2. Does not permit resale of service.
3. The delivery point shall be the point of attachment of seller's facilities to consumer's facilities unless otherwise specified in the contract for service. All electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.
4. Subject to the established rules and regulations of the Cooperative, and subject to the execution of a written agreement for electric service between the Cooperative and the consumer.

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CLAY ELECTRIC COOPERATIVE, INC.

Original Sheet No. 10.9

(Continued from Sheet No. 10.8)

HIGH LOAD FACTOR - TRANSMISSION SERVICE

RATE SCHEDULE - HLFT

RATE: (Monthly)

Consumer Charge: \$250.00
 Facilities Charge: 1.51 times the
 Facilities Investment

Demand Charge:

Wholesale Delivery at 69 kV \$ 11.33 per kW
 Wholesale Delivery at 115 kV \$ 11.19 per kW
 Wholesale Delivery at 230 kV \$ 11.06 per kW

Energy Charge: \$.0304 per kWh

MINIMUM CHARGE:

1. As specified in the agreement for service, or
2. The sum of the Consumer Charge and Facilities Charge.

TERMS OF PAYMENT:

Cash, within the time limit specified on the bill, and at Cooperative designated locations; or as otherwise specified in the agreement for service.

WHOLESALE FUEL ADJUSTMENT:

The amount calculated at the above monthly rate is subject to increase or decrease by an amount per kilowatt-hour equal to the Fuel Adjustment charge billed to the Cooperative by Seminole Electric Cooperative, Inc. under its wholesale member rate.

BILLING ADJUSTMENTS:

Cooperative's tax adjustment and power factor adjustment clauses which are contained on sheet number 15.0 and 16.0, respectively.

Issued by: William C. Phillips, Manager

Effective: 11/1/1999

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CLAY ELECTRIC COOPERATIVE, INC.

Original Sheet No. 10.10

(Continued from Sheet No. 10.9)

HIGH LOAD FACTOR - TRANSMISSION SERVICE

RATE SCHEDULE - HLFT

FACILITIES INVESTMENT:

Shall be the total dollar investment in electric plant facilities installed by the Cooperative (including any net replacements made from time to time) specifically for providing service herein.

DEMAND:

Shall be the consumer's sixty-minute demand measured coincident with Seminole Electric Cooperative's monthly system peak load.

WHOLESALE DELIVERY:

The term Wholesale Delivery contained in the above RATE provision refers to the voltage at which the Cooperative purchases power for service rendered hereunder from Seminole Electric Cooperative, Inc.

ADJUSTMENT FOR LOSSES:

The demand (kW) and energy (kWh) metered by the Cooperative shall be adjusted to compensate for the estimated line and transformation losses back to the wholesale point of delivery at which the Cooperative purchases power for service rendered hereunder from Seminole Electric Cooperative, Inc.

WHOLESALE RATE ADJUSTMENT:

The charges and provisions contained herein are predicated upon the Cooperative purchasing power and energy from Seminole Electric Cooperative, Inc under its wholesale member rate in effect at the date set forth below. Should there be any change in that wholesale rate, the Cooperative reserves the right to modify the charges and provisions contained herein accordingly.

MISCELLANEOUS:

None

Effective: April 1, 1990