



**Florida  
Power**  
CORPORATION

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RECORDS AND  
REPORTING

**JAMES A. MCGEE**  
SENIOR COUNSEL

June 17, 1998

Ms. Blanca S. Bayó, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Petition for Approval of Economic Development  
Rider Rate Schedule and Standard Form Customer  
Service Agreement by Florida Power Corporation

Dear Ms. Bayó:

Enclosed for filing in the subject docket are an original and fifteen copies of a Petition for approval of Economic Development Rider rate schedule and standard form Customer Service Agreement by Florida Power Corporation.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Also enclosed is a 3.5 inch diskette containing the above-referenced document in WordPerfect 6.1 format. Thank you for your assistance in this matter.

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

Very truly yours,

James A. McGee

JAM/kma  
Enclosure

DOCUMENT NUMBER-DATE

06468 JUN 18 98

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Petition for approval of Economic  
Development Rider rate schedule and  
standard form Customer Agreement  
by Florida Power Corporation.

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Docket No. \_\_\_\_\_

Submitted for filing:  
June 18, 1998

**PETITION**

Florida Power Corporation (Florida Power or the Company) hereby petitions the Florida Public Service Commission (the Commission) for approval of its Economic Development Rider, Rate Schedule GSED-1, and related standard form Customer Agreement, attached hereto as Exhibits A and B, respectively. In support of its petition, Florida Power states as follows:

1. Florida Power is a public utility subject to the jurisdiction of the Commission under Chapter 366, Florida Statutes. Florida Power's General Offices are located at 3201 34<sup>th</sup> Street South, St. Petersburg, Florida, 33711.

2. All notices, pleadings and correspondence required to be served on petitioner should be directed to:

James A. McGee, Esquire  
Post Office Box 14042  
St. Petersburg, FL 33733-4042  
Facsimile: (813) 866-4931

For express deliveries by private courier, the address is:

3201 34th Street South  
St. Petersburg, FL 33711

DOCUMENT NUMBER-DATE

06468 JUN 18 98

3. This Petition is filed pursuant to Section 366.06(3), F.S., which authorizes the Commission to consent to the operation of new rate schedules.

4. Many states, including Florida, have recognized the need to compete for new industry and business expansion opportunities. In certain industries the cost of electricity can represent a crucial component of the site selection process for new or expanding business. In an effort to successfully compete for these newly locating or expanding businesses, Florida Power is seeking approval of a General Service Economic Development Rider, Rate Schedule GSED-1 (the ED Rider). The ED Rider is attached as Exhibit A.

5. Florida Power's ED Rider is patterned after the Qualified Target Industry Tax Refund Program (the QTI Program), a statewide economic development initiative offered through Enterprise Florida and administered by the Office of Tourism, Trade and Economic Development. When necessary, Florida Power's proposed ED Rider will supplement tax, education and transportation incentives to improve the State's ability to attract and retain beneficial industry and jobs for Florida. Florida Power views the implementation of the ED Rider as a substantial contribution to the success of state and local economic development initiatives.

6. The eligibility criteria associated with the ED Rider are patterned after the criteria contained within the QTI Program. In the same manner as the QTI Program, the applicability of the ED Rider is limited to new or expanding businesses that represent a "targeted industry" as specified in Section 288.106 (2) (p), F.S., relating to economic development initiatives. A current list of qualified

target industries developed pursuant to the aforementioned statute is attached as Exhibit C. Further eligibility requirements that are patterned after the QTI Program relate to job creation and wage levels. In particular, ED Rider eligibility will require that at least 10 new jobs be created and that they pay at least 115% of state, county or Standard Metropolitan Statistical Area wage. Consistent with the statutory criteria, exceptions may be made for economically distressed rural areas or enterprise zone special projects. The customer must also have a monthly billing demand of at least 500 kW. Finally, Florida Power reserves the right to grant final eligibility based on an assessment of the prospective customer's alternative electric rate offers at competing sites. The ED Rider will only be offered when it is deemed necessary by Florida Power to be competitive with another rate offer at an alternative site.

7. For eligible customers within Florida Power's service territory, the ED Rider provides for a temporary reduction in the otherwise applicable firm General Service rate. The ED Rider provides for reductions in demand charges, non-fuel energy charges and the capacity cost recovery charge in amounts necessary to be competitive with opposing rate offers at alternative sites under consideration by the prospective customer. The reductions to an eligible customer are subject to the limitations described in paragraph 8 below. It is intended that the resulting charges will be sufficient to recover the Company's incremental costs to serve. Hence, no reductions shall apply to the customer charge, the fuel charge, or the ECCR charge.

8. It is widely understood by state and local economic development agencies that each business location opportunity is unique in nature. Recognizing this fact, Florida's economic development legislation sets forth general guidelines for tax

reduction limits, as opposed to specific predetermined reduction levels. In a similar fashion, Florida Power's ED Rider allows for individually determined rate reductions, subject to maximum limits on the amount and the duration of the reductions. Specifically, the total rate reduction pursuant to the ED Rider shall not exceed 20% of the otherwise applicable total electric rate nor shall it exceed 5 years in duration. Participants on the ED Rider will be required to complete and execute a standard form Economic Development Rider Customer Agreement (the ED Customer Agreement), a copy of which is attached as Exhibit B. The agreement will outline the individual terms and conditions of each specific application of the ED Rider.

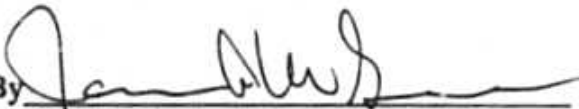
9. Florida Power will be non-discriminatory in the application of the ED Rider and ensure comparable rate reductions are offered to similarly situated customers. Procedures established by the Commission in approving Gulf Power's Commercial/Industrial Service Rider (Docket No. 951161-EI) allow a prudence review of executed customer agreements upon the Commission's own motion. The Commission can use this type of procedure to ensure prudent and non-discriminatory practices are followed in the execution of these agreements. In the event of such a review, Florida Power will request confidential treatment of the individual ED Customer Agreements and related working materials.

10. Florida Power has developed its ED Rider in the image of the QTI Program in order to complement the intent of Florida's economic development legislation to the greatest extent possible.

WHEREFORE, Florida Power Corporation respectfully requests that the Commission grant this petition and approve the Economic Development Rider, Rate Schedule GSED-1, contained in Exhibit A, and the standard form Economic Development Rider Customer Agreement contained in Exhibit B.

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL  
FLORIDA POWER CORPORATION

By 

James A. McGee  
Post Office Box 14042  
St. Petersburg, FL 33733-4042  
Telephone: (813) 866-5184  
Facsimile: (813) 866-4931

**EXHIBIT A**

**ECONOMIC DEVELOPMENT RIDER  
RATE SCHEDULE QSED-1**



Rate Code  
Applicable General Service Schedule

Page 1 of 2

**RATE SCHEDULE GSED-1  
GENERAL SERVICE - ECONOMIC DEVELOPMENT RIDER**

**Availability:**

Available throughout the entire territory served by the Company. Customers desiring to take service under this tariff must make a written request for service.

**Applicable:**

To any customer, other than residential, for firm light and power purposes who meets the Qualifying Criteria set forth below. This rate provides for an Economic Development Rate Reduction applicable to the Non-Fuel Energy Charge, Demand Charge, and Capacity Cost Recovery Factor for billing of new load resulting from the establishment of new business or the expansion of existing business.

**Qualifying Criteria:**

For service under this rate, the new or expanding billing demand must equal at least 500 kw and be served at a single point of service.

The customer must be a target industry as defined by the Florida Office of Tourism, Trade, and Economic Development at the time of application.

The new or expanding qualified target industry business must provide at least 10 new jobs.

Newly created jobs must pay an average annual wage equal to at least 115% of the state, county, or Standard Metropolitan Statistical area wage.

The Company reserves the right to waive these criteria at the request of the Florida Office of Tourism, Trade, and Economic Development in the event the business locates in an enterprise zone or in an economically distressed rural community, city, or county.

The customer must execute a Customer Agreement.

**Character of Service:**

Continuous service, alternating current, 60 cycle, single-phase or three phase at option of the Company, at the Company's standard voltage available.

**Limitation of Service:**

Standby or Resale service not permitted hereunder. Service under this rate is subject to the Company's currently effective and filed "General Rules and Regulations for Electric Service."

**Rate Per Month:** Charges under the applicable firm General Service rate schedule adjusted by the Economic Development Rate Reduction Calculation.

**Economic Development Rate Reduction Calculation:**

The amount of the reduction will be determined on a case specific basis following the procedures as set forth in the Customer Agreement, and the period of the reduction will not exceed a term of five (5) years.

The reduction will be applied to the following Rate Per Month Charges for the new load: (i) Non-Fuel Energy Charge, (ii) Demand Charge, and (iii) Capacity Cost Recovery Factor. No reduction shall be applied to the following Rate Per Month Charges: (i) Customer Charge (ii) Fuel Cost Recovery Factor, (iii) Energy Conservation Cost Recovery Factor, and (iv) the Sebring Rider (SR-1), if applicable. In the case of an expansion of an existing facility, the reduction will be applied to consumption in excess of the customer's base usage for the two years prior to expansion. If a customer has not been taking service for a full two years, an estimate of base usage will be made.

ISSUED BY: W. C. Slusser, Jr., Director, Pricing Department

EFFECTIVE:





Rate Code  
Applicable General Service Schedule

Page 2 of 2

**RATE SCHEDULE GSED-1  
GENERAL SERVICE - ECONOMIC DEVELOPMENT RIDER**

**Term of Service:**

As stated in Economic Development Rider Customer Agreement.

**Special Provisions:**

1. Customers receiving service under this rate schedule will be required to execute a Customer Agreement for electric service with Florida Power Corporation. Such agreement shall be considered a confidential document and made available for review by the Florida Public Service Commission (FPSC) or its staff. Any such review shall be made under the confidentiality rules of the FPSC.
2. The rate charges to which the Economic Development Reduction Calculation shall be applied will be those on file and as approved from time to time by the FPSC.
3. All the terms and conditions of the otherwise applicable General Service rate schedule will be in effect under this rate schedule to the extent not inconsistent herewith.

ISSUED BY: W. C. Slusser, Jr., Director, Pricing Department

EFFECTIVE:

**EXHIBIT B**

**STANDARD FORM  
ECONOMIC DEVELOPMENT RIDER  
CUSTOMER AGREEMENT**

**ECONOMIC DEVELOPMENT RIDER  
CUSTOMER AGREEMENT**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 199\_\_, by and between Florida Power Corporation, (hereafter "FPC") and \_\_\_\_\_, (hereafter "Targeted Industry Business" or the "TI Business").

**RECITALS**

1. FPC desires to attract targeted industry businesses to Florida which serve to promote the local economy.
2. \_\_\_\_\_ has been identified as a TI Business pursuant to Section 288.106(2)(p), F.S., as approved, updated and published annually by the Florida Legislature.
3. The TI Business has been identified as eligible to receive certain electric rate reductions.

In consideration for the mutual undertakings and agreements hereinafter set forth, FPC and the TI Business agree as follows:

**Article I - Parties**

The parties and their respective addresses for purposes of this Agreement are as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Article II - Term**

This Agreement shall be effective from the date of execution, and shall continue for a period of \_\_\_\_\_ years or until terminated as hereinafter provided.

**Article III - Order of Precedence**

The terms and conditions of FPC's General Rules and Regulations Governing Electric Service, as amended, and applicable FPC tariff shall govern Customer's electric service unless otherwise specifically set forth in or modified by the terms of this Agreement or the attachment hereto.

#### **Article IV - Economic Development Rate Reductions**

The rate reductions to be provided to the TI Business pursuant to this Agreement are described in detail in Attachment A. The TI Business shall notify FPC of the date (hereinafter referred to as the "Commencement Date") it is fully operational and wishes to begin receiving rate reductions. The rate reductions will be calculated using the first complete billing month subsequent to the Commencement Date. Economic development rate reductions issued pursuant to this agreement shall not exceed five years in duration.

#### **Article V - Notices**

All notices pertaining to this Agreement shall be in writing and shall be transmitted either by personal hand delivery; United States Post Office, return receipt requested; or, overnight express mail delivery. Telephone fax may be used if the notice is also transmitted by one of the preceding forms of delivery. The addresses set forth above for the respective parties shall be the places where notices shall be sent, unless written notice of change of address is given.

#### **Article VI- Agreements of the TI Business**

The TI Business represents and agrees that:

- (a) it considered an alternative site for location or expansion with a lower proposed cost of electricity, supported by official documentation;
- (b) it has decided to locate or expand in FPC's service territory
- (c) the average annual wage of project jobs will be at least one hundred and fifteen (115%) percent of county or standard metropolitan statistical area wages, as measured in comparison to the most recent figures from the Florida Department of Labor and Employment Security ES-202, attached as Attachment B and updated periodically, for the entire term of this Agreement;
- (d) the monthly billing demand for the new or incremental load, as calculated in the monthly utility bill, will be no less than 500 kW for the entire term of this Agreement;
- (e) it has committed to take its entire electric service under FPC's most applicable firm tariff during the term of this Agreement;
- (f) so long as this Agreement is in effect, it shall not be involved in the sale or resale of electricity;
- (g) it shall notify FPC in writing of any important developments that may impact the implementation or operation of this Agreement and/or the project for which this Agreement covers. Such important developments will include, but not be limited to, commencement of and full implementation of project; significant project delays; and cancellation of the project.

- (h) it shall maintain personnel and financial records and reports related to the jobs and wages which are the subject of this Agreement and submit reports to FPC on an annual basis.
- (i) it shall maintain strict confidentiality of all negotiations and details of this Agreement as provided in Article VIII herein.
- (j) it shall pay and be responsible for payment of all rates, fees and charges as required by FPC's Tariff.

#### **Article VII - Rate Modification**

The TI Business will receive the benefits described in Attachment 1 to this Agreement, contingent upon full compliance with the terms and conditions of this Agreement.

#### **Article VIII - Termination**

(a) This Agreement may be terminated by FPC upon any of the following events after written notice:

- (1) Upon failure of the TI Business to comply with any term or condition of this Agreement and upon failure to cure such non-compliance within a period of thirty (30) days after receipt of written notice from FPC specifying such non-compliance and stating its intention to terminate this Agreement if such non-compliance is not cured; or
- (2) In the event that the TI Business makes a general assignment for the benefit of creditors or ceases to operate as a going concern; or
- (3) In the event that the TI Business becomes insolvent, or voluntary or involuntary proceedings are instituted by or against it under any federal, state or other bankruptcy or insolvency laws and such proceedings are not terminated within ninety (90) days, or a receiver is appointed for it; or
- (4) In the event that the TI Business loses its eligibility as a TI Business as a result of acts or omissions on its part.

(b) A termination pursuant to this article will result in:

- (1) the loss of eligibility to receive rate reductions as described in Attachment 1;
- (2) the loss of the future rate reductions to the TI Business under this Agreement; and
- (3) a refund by the TI Business to FPC equal to the amount of the rate reductions disbursed pursuant to this Agreement accrued at a \_\_\_\_% annual interest rate.

(c) The following event may result in the termination of this Agreement but will not require a refund of payments pursuant to (b)(3) above:

- (1) As a result of legislative changes in which the TI Business loses its status as a targeted industry business through no fault of its own.

#### **Article IX - Confidential and Proprietary Information**

Each party acknowledges and agrees that all information concerning the other's business and that of the TI Business is "Confidential and Proprietary Information," and each party further agrees to maintain the confidentiality of such Confidential and Proprietary Information to the maximum extent permitted by law and agree to provide notice to the disclosing party prior to any duplication or disclosure required by law. The parties further agree that they will not permit the duplication or disclosure of any such Confidential and Proprietary Information to any person, other than an employee, consultant or subcontractor who must have such information for the performance of its obligations hereunder and who has agreed in writing to be bound by the terms of this Agreement.

#### **Article X - Dispute Resolution**

With respect to its interpretation, construction, effect, performance, enforcement, and all other matters, this Agreement shall be governed by, and be consistent with Chapter 366 of Florida Statutes, Chapter 25-6 of the Florida Administrative Code and FPC's approved General Rules and Regulations Governing Electric Service. Customer agrees that any and all disputes arising under this Agreement shall be within the exclusive jurisdiction of the Florida Public Service Commission.

#### **Article XI - Waiver**

The failure of either party to this Agreement to object to or to take affirmative action with respect to any conduct of the other which is in violation of the terms of this Agreement shall not be construed as a waiver of the violation or breach, or of any future violation, breach or wrongful conduct.

#### **Article XII - Modification**

No agent, employee, or other representative of either party is empowered to alter any of the terms of this Agreement, unless done in writing and signed by an authorized officer of the TI Business and the authorized agent of FPC.

#### **Article XIII - Recitals**

The above Recitals are true and correct, and form a material part of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day first written above.

\_\_\_\_\_  
\_\_\_\_\_  
AUTHORIZED SIGNATURE

\_\_\_\_\_  
TITLE

WITNESSES:

\_\_\_\_\_  
By: \_\_\_\_\_  
[Type Name]

\_\_\_\_\_  
By: \_\_\_\_\_  
[Type Name]

[CORPORATE SEAL]

\_\_\_\_\_  
\_\_\_\_\_  
AUTHORIZED SIGNATURE

\_\_\_\_\_  
TITLE

WITNESSES:

\_\_\_\_\_  
By: \_\_\_\_\_  
[Type Name]

\_\_\_\_\_  
By: \_\_\_\_\_  
[Type Name]

[CORPORATE SEAL]

**ATTACHMENT A**

**ECONOMIC DEVELOPMENT RATE REDUCTIONS**

Subject to the terms and conditions in the Economic Development Rider Customer Agreement, (Name of TI Business) shall purchase electric service on the applicable firm rate and receive the following reductions:

Applicable Reductions:

Rate Components	Contract Term					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6+
Demand Charge						0.0
Non-Fuel Energy Charge						0.0
Capacity Cost Recovery Charge (CCR)						0.0

**Notes:**

1. A reduction shall be established for each rate component described herein; no reduction is applicable to any other rate component.
2. Total reduction in the Demand Charges and Non-Fuel Energy Charges shall equal or exceed the reduction in the Capacity Cost Recovery Charge.



**TABLE**

**FLORIDA DEPARTMENT OF LABOR  
LOCAL AREA WAGES**

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[Attached updated labor statistics at time of contract execution.]

**EXHIBIT C**

**QUALIFIED TARGET INDUSTRIES**

# QUALIFIED TARGET INDUSTRY (QTI) TAX REFUND PROGRAM

## TARGET INDUSTRIES LIST

Effective September 1, 1996

CORPORATE HEADQUARTERS	BUSINESS SERVICES
RESEARCH AND DEVELOPMENT	SECURITY AND COMMODITY BROKERS
CHEMICALS AND ALLIED PRODUCTS	INSURANCE CARRIERS
RUBBER AND MISC. PLASTICS	HOLDING AND OTHER INVESTMENT OFFICES
PRIMARY METAL INDUSTRIES	NON-DEPOSITORY CREDIT INST.
INDUSTRIAL MACHINERY AND EQUIPMENT	COMMUNICATIONS
ELECTRONIC AND OTHER ELECTRIC EQUIPMENT	APPAREL AND OTHER TEXTILES
TRANSPORTATION EQUIPMENT	LUMBER AND WOOD PRODUCTS
INSTRUMENTS AND RELATED PRODUCTS	FURNITURE AND FIXTURES
MISCELLANEOUS MANUFACTURING	FOOD AND KINDRED PRODUCTS
PRINTING AND PUBLISHING	STONE, CLAY AND GLASS
WHOLESALE DISTRIBUTION	

*Only businesses serving multi-state and international markets are targeted. Business must be able to locate to other states. Retail activities, utilities, mining and other extraction or processing businesses, and activities regulated by the Division of Hotels, and Restaurants of the Department of Business and Professional Regulation are statutorily excluded from consideration.*

Enterprise Florida  
Qualified Target Industry Tax Refund Program  
The Atrium Building, 325 John Knox Road, Suite 201  
Tallahassee, Florida 32303  
Tel.: 850/488-6300 Fax: 850/922-9595