

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of modifications to tariff sheet Nos. 9.100 through 9.330 and tariff sheet Nos. 9.700 through 9.709 as-available purchase tariff and interconnection agreement, by Duke Energy Florida, Inc.

DOCKET NO. 140137-EI
ORDER NO. PSC-14-0589-PAA-EI
ISSUED: October 21, 2014

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING AS-AVAILABLE PURCHASE TARIFF
AND INTERCONNECTION AGREEMENT

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

BACKGROUND

On June 25, 2014, Duke Energy Florida, Inc. (DEF) filed a petition for Commission approval of modifications to its as-available purchase tariff and interconnection agreement. The Commission has jurisdiction in this matter pursuant to Sections 366.04 and 366.051, Florida Statutes.

Rule 25-17.0825, F.A.C., defines as-available energy and utilities' responsibilities with regard to purchasing as-available energy from qualifying facilities (QF). Rule 25-17.080, F.A.C., defines the criteria a small power producer or cogenerator must meet to achieve the status of a QF. As-available energy is energy produced by a QF on an hour-by-hour basis and utilities are required to purchase as-available energy from any QF. Rule 25-17.0825, F.A.C., also prescribes that as-available energy sales are pursuant to the terms and conditions of a tariff or a separately negotiated contract.

DECISION

DEF's current as-available purchase tariff (tariff sheets Nos. 9.100 through 9.330) consists of the agreement for the purchase of as-available energy and/or parallel operation with a QF and three appendices to the agreement: interconnection scheduling and cost responsibility of

the QF for the payment of interconnection costs (Appendix A), parallel operating procedures (Appendix B), and a rates section that describes the methodology for calculating as-available energy payments (Appendix C).

DEF's proposed modifications to its as-available purchase tariff fall into two categories. First, DEF has proposed that the agreement on interconnection and parallel operating procedures (Appendices A and B as described above) be separated from the current as-available purchase agreement. DEF's new stand-alone Interconnection Agreement (new tariff sheets Nos. 9.700 through 9.709) also includes the parallel operating procedures. While the language in the new Interconnection Agreement is essentially the same as in the current tariff, DEF made technical and formatting changes to allow the Interconnection Agreement to operate as a stand-alone agreement as opposed to a portion of the as-available purchase tariff. The Interconnection Agreement is not a necessary component of the as-available purchase agreement, as QFs can either execute the Interconnection Agreement or use DEF's Open Access Tariff as approved by the Federal Energy Regulatory Commission. For example, a QF would use the Open Access Tariff if it wants to sell power to more than one utility.

Second, DEF proposed revisions to the as-available purchase tariff to add clarity to the tariff and to ensure the tariff complies with certain Commission rules contained in Chapter 25-17, F.A.C., regarding purchases from QFs. Those additional provisions in the tariff are listed below:

- The QF will need to enter into a separate Interconnection Agreement.
- In the event the QF does not maintain its status as a QF as required by Rule 25-17.080(1), F.A.C., the agreement shall be deemed null and void.
- Unless the QF is already interconnected, the QF must apply for transmission service within 60 days of the execution date of the agreement.
- A QF must provide an intended delivery date.
- A QF must comply with Minimum Load Emergency Curtailment Procedures as approved by the Commission.
- A QF retains the rights to any renewable energy credits as required by Rules 25-17.086 and 25-17.280, F.A.C.
- DEF can terminate the agreement if the QF has not begun deliveries on the intended delivery date or if the QF has not made any deliveries in two years or more.
- Payments under the agreement are subject to adjustment for no longer than two years due to errors or omissions by either party.
- Language that allows DEF and the QF to negotiate in a separate agreement an alternate rate for the purchase of as-available energy as reflected in Rule 25-17.0825(1)(b), F.A.C.

DEF states that these changes are consistent with Commission rules and will allow DEF to manage its contractual relationships with QFs more efficiently. Having reviewed DEF's proposed modifications to its as-available purchase tariff and interconnection agreement and DEF's response to Commission staff's data request, we find that the proposed modifications to DEF's as-available purchase tariff and interconnection agreement are reasonable and hereby approve them.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Duke Energy Florida, Inc.'s proposed revisions to its as-available purchase tariff and interconnection agreement are hereby approved. It is further

ORDERED that this Order and the associated modified as-available tariff and interconnection agreement, issued as proposed agency action, shall become final and effective and this docket closed upon the issuance of a consummating order. If a timely protest is filed within 21 days of the issuance of the order, this docket shall remain open pending resolution of the protest.

By ORDER of the Florida Public Service Commission this 21st day of October, 2014.



CARLOTTA S. STAUFFER
Commission Clerk
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SBr

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 that is available under Section 120.57, 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 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 action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file 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 Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 11, 2014.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.