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FPSC - COMMISSION CLERK

June 18, 2019

**E-PORTAL FILING**

Mr. Adam Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re:**

DOCKET NO.

In re: Petition by Florida Public Utilities  
Company for Approval of Non-Firm Energy  
Pilot Program Tariff.

**Dear Mr. Teitzman:**

Attached, for electronic filing, please find a **Petition of Florida Public Utilities Company for Authority for Approval of Non-Firm Energy Pilot Program and Tariff.** Should you have any questions whatsoever, please do not hesitate to contact me. Thank you for your assistance in this matter.

Respectfully,

Lila A. Jaber  
Florida Bar No. 881661

Beth Keating  
Florida Bar No. 0022756  
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Florida Public Utilities Company for Approval of Non-Firm Energy Pilot Program Tariff. | DOCKET NO.

FILED: June 18, 2019

PETITION FOR AUTHORITY FOR APPROVAL OF NON-FIRM ENERGY PILOT PROGRAM AND TARIFF

The Florida Public Utilities Company ("FPUC" OR "Company) by and through undersigned counsel, pursuant to Section 366.06, Florida Statutes, and in accordance with Rules 25-9.005, Florida Administrative Code, and 28-106.201, Florida Administrative Code, hereby respectfully petition the Florida Public Service Commission ("FPSC" or "Commission") for approval of a new program and tariff that will involve the purchase of Non-Firm Energy from Florida Power & Light (FPL) by FPUC in accordance with FPL's T1 Tariff, which will then be made available to two large FPUC GSLD1 customers on Amelia Island. This tariffed program is being offered as a pilot project in order to better determine whether this energy supply option is beneficial to all concerned.

In support of this request, the Company hereby states:

- 1) FPUC is an electric utility subject to the Commission's jurisdiction. Its principal business address is:

Florida Public Utilities Company  
1750 S 14th Street, Suite 200  
Fernandina Beach, FL 32034

- 2) The name and mailing address of the persons authorized to receive notices are:

Beth Keating, Esq.  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe Street, Suite 601  
Tallahassee, FL 32301-1839  
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(850) 521-1706

Mike Cassel  
AVP/Florida Public Utilities Company  
1750 S 14<sup>th</sup> Street, Suite 200  
Fernandina Beach, FL 32034  
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## Non-Firm Energy Tariff

3) FPUC is an electric utility subject to the regulatory jurisdiction of this Commission as prescribed in Chapter 366, Florida Statutes.

4) The Commission is vested with jurisdiction in this matter in accordance with Sections 366.04, 366.05, and 366.06, Florida Statutes, pursuant to which the Commission is authorized to establish rates and charges for public utilities, including the relief requested herein.

5) The Company is unaware of any material facts in dispute at this time, but the proceeding may involve disputed issues of material fact. The Company's request set forth herein does not involve reversal or modification of a Commission decision or proposed agency action. This is a Petition representing an initial request to the Commission, which is the affected agency located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399.

### I. NON- FIRM ENERGY PILOT PROGRAM

6) The "Native Load Firm All Requirements Power and Energy Agreement" ("Agreement") between FPUC and FPL, Section 7d, executed April 10, 2017, includes a provision allowing for FPUC to purchase "Non-Firm Energy" to service large loads, which would be purchased in accordance with FPL's T1 Tariff.

7) In an effort to utilize this provision to the advantage of its customers, FPUC has developed a pilot program, whereby it will acquire non-firm energy consistent with its Agreement with FPL, and offer this Non-Firm Energy to two of FPUC's large GSLD1 customers, Rayonier Advanced Materials and WestRock, on Amelia Island as a pilot project.

8) The details of this are included in the tariff.

9) There are several beneficial aspects to this program.

a. FPL and FPU have the transmission facilities in place that can provide for the delivery of the Non-Firm Energy quantities included in the tariff.

Non-Firm Energy Tariff

b. FPU will benefit with the sale of the Non-Firm Energy as the overall load factor of the energy usage on Amelia Island will be improved.

c. The customers involved in the program will have the ability to purchase Non-Firm Energy at a cost less than they can produce it themselves which will provide an overall benefit in production cost.

10) In addition, this pilot program will be revenue neutral to the Company.

II. REQUEST FOR RELIEF

11) FPUC respectfully requests that the Commission approve its request to implement the Non-Firm Energy Pilot Program in order to provide the Company the opportunity to offer non-firm energy supply to its large-use customers in order to determine whether this service provides the energy option and associated benefits that are currently contemplated.

12) The revised tariff page, included as Attachment A, is submitted herewith for the Commission's consideration.

RESPECTFULLY SUBMITTED this 18<sup>th</sup> day of June, 2019.



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*Attorneys for Florida Public Utilities  
Company*

CERTIFICATE OF SERVICE

I HEREBY ATTEST that a true and correct copy of the foregoing Request has been served upon the following by U.S. Mail and/or Electronic Mail this 18<sup>th</sup> day of June, 2019:

Honorable J.R. Kelly  
Office of Public Counsel  
c/o the Florida Legislature  
111 West Madison Street, Rm 812  
Tallahassee, FL 32399-1400  
[Kelly.jr@leg.state.fl.us](mailto:Kelly.jr@leg.state.fl.us)



Lila A. Jaber, Esq.

Beth Keating, Esq.  
Gunster, Yoakley & Stewart, P.A.  
215 S. Monroe St., Ste 601  
(850) 521-1706

**ATTACHMENT A**

**Revised Tariff Sheets – Clean/Legislative**

FPUC: First Revised Sheet No. 67

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*NON-FIRM ENERGY PROGRAM NFEP-EXP (EXPERIMENTAL)*

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Availability

Available within the territory served by the Company in Jackson, Calhoun, and Liberty Counties and on Amelia Island in Nassau County. This service is limited to a maximum of 3 Customers. The Rate Schedule shall expire on December 31, 2020.

Applicability

Applicable to Customers eligible for Rate Schedule GSLD or GSLD1 which are self-generators with dispatchable generation and who have executed a Special Contract approved by the Commission. Eligible Customers would nominate, in accordance with the procedures outlined below, an amount of electric load they commit to purchase that is above and in addition to the Customer's established baseline. Non-Firm (NF) Energy nominations must be made in 1,000 KW increments and is currently limited to a minimum of 2,000 kW and maximum of 15,000 kW. The Customer is not obligated to nominate NF Energy for any specific period but must nominate a minimum of 15,000 MWh per year.

The default period for NF Energy nominations will be 7 days. Nominations for longer periods, e.g. monthly, will be made available when market conditions warrant. The same procedure for nominations and acceptance will apply to all periods. Customer may nominate NF Energy for on-peak hours, off-peak hours, or all hours. On-peak hours are Hour Ending (H.E.) 08:00 to H.E 23:00 weekdays and off-peak hours are H.E. 24:00 to HE 07:00 and all hours on weekends and established holidays. On-peak and off-peak hours are subject to change.

Once the Company confirms the Customer's nomination, the Customer is obligated to pay for all NF Energy nominated at the offered rate regardless of whether the Customer takes all NF Energy nominated for the month, unless recalled in accordance with NF Recall provisions.

Monthly Rate

The rates and all other terms and conditions of the Customer's otherwise applicable rate schedule shall be applicable under this program.

All NF Energy shall be charged at the hourly price, in \$/MWh, as offered by the Company. Once nominated by the Customer and accepted by the Company, the Customer is responsible to pay the full NF Energy Charge for the nomination period regardless of whether the Customer takes all NF Energy nominated for the month. Any purchases that exceed the combined total of the Customer's baseline and NF Energy nominations will be billed based on the Customer's otherwise applicable rate. The NF Energy charges are in addition to the charges based on the Customers otherwise applicable rate.

Monthly NF Administrative Charge:  
\$500.00 per Customer per month

Monthly NF Demand Charge:  
\$0.00 per kW of NF demand

NF Energy Charge:  
Amount as offered and accepted for each nomination

#### Monthly NF Demand

The Monthly NF Demand shall equal the maximum hour of NF Energy nominated by the Customer for the calendar month.

#### Minimum Monthly Bill

The Minimum Monthly Bill shall consist of the Monthly NF Administrative Charge plus applicable taxes and fees.

#### Term of Service

The Customer agrees to a minimum of 12 months of service under the Program. Service will continue thereafter until the Customer submits to the Company a written notice of termination. Service will discontinue at the end of the calendar month that notice of termination is received.

#### Nomination and Acceptance Procedure

1. By 1 pm each Friday, when NF Energy is available, the Company will provide the Customer with NF Energy price quotations for the following period beginning 0:00 (midnight) the next calendar day.
2. The Customer will submit a NF Energy nomination schedule to the Company by 2 pm of the same day that the offer is submitted.
3. NF Energy nominations are accepted once the Company confirms receipt of the nomination. The Company will then schedule delivery of the NF Energy, if any, beginning 0:00 (midnight) the following day.

#### Nomination Recall Provisions:

Once accepted, nominations by Customer may only be withdrawn if a Force Majeure is declared. A Force Majeure may be declared by the Customer if the Customer's equipment suffers major failure such that the Customer is prevented from taking the NF Energy. In such case, the Customer will notify the Company's designated contact by approved method as soon as condition is known and the Company will attempt to withdraw the scheduled delivery of NF Energy. If possible to do so, the Customer will no longer be responsible for purchasing the balance of NF Energy nominated during the event. Customer may declare Force Majeure a maximum of once per month.

Company may terminate NF Energy delivery at any time due to system emergencies or unusual pricing by notifying Customer of such termination, and Company has no obligation to deliver NF Energy.