

# Florida Public Service Commission

## Consumer E-Newsletter

September 2006



**Chairman**  
**Lisa Polak Edgar**

### The Cost of Fuel

On a monthly electric bill, the fuel charge makes up a large portion of the total bill because the cost of fuel for generating electricity is the utility's single greatest expense.

The fuel charge allows the utility to pay for coal, natural gas, and oil necessary to produce electricity, without making a profit from these costs. This charge is usually determined annually, although it can be adjusted more frequently if sudden changes in the fuel market occur. The periodic fuel cost adjustments on an electric bill reflect the actual fuel expenses that the utilities have to pay.

Each November, the Commission analyzes each utility's expenditures as part of its evidentiary fuel proceeding. The utilities file evidence to show their expenses

### PSC Helps to Strengthen State's Electric System

Almost all Floridians have been impacted in some way during the past two storm seasons. In dealing with wind, water, and other storm damage, consumers and utilities alike have spent millions to repair their properties. In order to help reduce our state's vulnerability to future hurricanes and tropical storms, the Florida Public Service Commission (PSC) has passed stronger rules concerning the construction and maintenance of electric utilities.

"We need standards in place that reflect the realities of today's storm cycles and their effect on our economy," Commission Chairman Lisa Edgar said. "We are committed to developing a more resilient electric system and these rules are another step in that process."

Several significant changes approved by the Commission to strengthen the state's electrical system include the following:

- Within six months, the state's utilities must establish guidelines and procedures for adopting stricter construction standards for overhead and underground electric transmission and distribution lines.<sup>1</sup>
- Utilities are required to make cost comparisons for the installation and maintenance of underground and overhead lines so that consumers can make informed choices for the most cost effective approach for their area.<sup>2</sup>
- Investor-owned utilities must develop safety and reliability standards for companies that want to place wires or other attachments on power poles.

By setting high standards for the utility companies to follow, the PSC is helping to improve the state's electric infrastructure so that we can all weather the next storm safely.

<sup>1</sup> [Docket No. 060173-EU](#)

<sup>2</sup> [Docket No. 060172-EU](#)

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### PSC Approves TECO Emission Control Plan

The Public Service Commission (PSC) recently voted to allow Tampa Electric Company (TECO) to take steps to increase the reliability of its emission control facilities, or scrubbers, at its Big Bend power plant in Hillsborough County.<sup>1</sup> The scrubbers are required to remove 95% of the sulfur dioxide in the flue gas that comes from burning coal to make electricity.

The TECO project is designed to improve the reliability of the scrub-

### What Does The Public Service Commission Do?

The Florida Public Service Commission oversees telephone service in Florida and also sets the rates utility companies may charge for natural gas and electricity. The PSC sets the price consumers pay for water in 36 Florida counties.

#### Need Discounted Phone Service?



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are necessary and cost effective, and any over- or under-recovery of fuel costs during the previous year are included in the new fuel charge for the coming year.

Customer representatives, like the Office of Public Counsel, participate in the fuel charge change process and may file testimony on behalf of the utility customers. After studying the evidence provided by both customer representatives and the utilities, the Commission determines the appropriate fuel charge for each company.

This November, the PSC will establish the fuel charge that will be applied to electric bills in 2007. To learn more on this issue, click on this link to [Docket No. 060001-EI](#).

bers, since the power plant can only operate continuously when the scrubbers are functioning. The new TECO plan complies with stricter requirements from the Clean Air Act Consent Decree with the Environmental Protection Agency.

TECO customers will benefit from the scrubber improvements because the Big Bend power plant will be able to maintain a constant energy production from burning coal. Before the Consent Decree, any time the scrubbers were not working, the utility usually had to shut down a power unit and purchase replacement generation at a higher cost. All area residents will benefit from the cleaner air.

TECO is an investor-owned electric utility serving more than 600,000 customers in west central Florida. As part of its annual environmental cost recovery proceedings, TECO is required to submit a detailed summary of its scrubber upgrade costs for the Commission to review.<sup>2</sup>

<sup>1</sup> [Docket No. 050958-EI](#)

<sup>2</sup> [Docket No. 060007-EI](#)

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### **PSC Works with Phone Companies in Back-to-School Effort to Reach Low-Income Floridians**

About two million applications for telephone assistance have been sent home this fall with Florida public school children in order to reach Floridians who need help acquiring telephone service or paying the monthly phone bill.

The applications have been included in each student's back-to-school packet for his or her family. Applications are provided in English, Spanish, and Haitian Creole (Dade County only). The application is for enrollment in the Link-Up Florida and Lifeline Assistance programs. Link-Up Florida provides a 50% reduction in the telephone service hook-up charge, up to a maximum of \$30. The Lifeline Assistance program provides up to a \$13.50 credit on qualified residential local monthly phone bills.

Consumers are eligible for savings on their monthly phone bill if they participate in any of the following programs: Medicaid, Food Stamps, Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), Federal Public Housing Assistance (Section 8), Low-Income Home Energy Assistance (LIHEAP), and National School Lunch Program – Free Lunch (BellSouth, Embarq, and Verizon customers only). If the consumer's household income is within 135% of the federal poverty level, he or she may qualify for assistance by contacting the Office of Public Counsel at 1-800-540-7039.

This effort is co-sponsored by the Florida Public Service Commission (PSC), the Office of Public Counsel and Florida's telephone companies. Parents and consumers can learn more about Link-Up Florida and Lifeline Assistance by calling their local telephone companies, the Office of Public Counsel at 1-800-540-7039, or the PSC at 1-800-342-3552. Application forms may also be accessed via the PSC's Web site at [www.floridapsc.com](http://www.floridapsc.com).