

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Energy conservation cost recovery
clause.

DOCKET NO. 160002-EG
ORDER NO. PSC-16-0534-FOF-EG
ISSUED: November 22, 2016

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman
LISA POLAK EDGAR
ART GRAHAM
RONALD A. BRISÉ
JIMMY PATRONIS

APPEARANCES:

R. WADE LITCHFIELD, JOHN T. BUTLER, KENNETH M. RUBIN,
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On behalf of Florida Power & Light Company (FPL).

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On behalf of Florida Public Utilities Company (FPUC).

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On behalf of Gulf Power Company (Gulf)

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On behalf of Duke Energy Florida, LLC (DEF)

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On behalf of Tampa Electric Company (TECO)

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On behalf of the Citizens of the State of Florida (OPC)

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On behalf of the Florida Industrial Power Users Group (FIPUG)

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On behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate –
White Springs (PCS PHOSPHATE or PCS)

LEE ENG TAN, ESQUIRE and STEPHANIE CUELLO, Florida Public Service
Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, Deputy General Counsel, Florida Public Service
Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Advisor to the Florida Public Service Commission.

FINAL ORDER APPROVING ENERGY CONSERVATION COST
RECOVERY AMOUNTS AND ITS RELATED TARIFFS AND ESTABLISHING
ENERGY CONSERVATION COST RECOVERY FACTORS FOR THE PERIOD
JANUARY 2017 THROUGH DECEMBER 2017

BACKGROUND

As part of the Florida Public Service Commission's continuing energy conservation cost recovery proceedings, an administrative hearing was set for November 2-4, 2016. Prior to the hearing, the parties reached an agreement concerning all issues identified for resolution at this hearing, with OPC, FIPUG, and PCS Phosphate taking no position. We have jurisdiction over the subject matter by the provisions of Chapter 366, Florida Statutes (F.S.), including Sections 366.04, 366.05 and 366.06, F.S.

DECISION

Conservation Cost Recovery True-Up

We find the appropriate final conservation cost recovery true-up amounts for the period January 2015 through December 2015 are as follows:

Florida Power & Light (FPL)	\$11,839,478	Overrecovery
Florida Public Utilities (FPUC)	\$85,928	Overrecovery ¹
Gulf Power Company (GULF)	\$2,225,904	Underrecovery

¹ Under-recovered \$117,309, resulting in a final end of period true-up amount over-recovery of \$85,928.

Duke Energy Florida (DEF)	\$2,974,726	Overrecovery ²
Tampa Electric Company (TECO)	\$4,181,597	Overrecovery ³

Total Conservation Cost Recovery

We find the appropriate total conservation cost recovery amounts to be collected during the period January 2017 through December 2017 are as follows:

Florida Power & Light (FPL)	\$126,553,204
Florida Public Utilities (FPUC)	\$639,081
Gulf Power Company (GULF)	\$16,871,225
Duke Energy Florida (DEF)	\$109,080,615
Tampa Electric Company (TECO)	\$37,913,383

On October 6, 2016, FPL, OPC, the South Florida Hospital and Healthcare Association, and the Florida Retail Federation jointly moved for approval of a proposed stipulation and settlement of FPL's rate case in Docket No. 160021-EI and consolidated dockets (the "Proposed Settlement Agreement"). If our decision regarding the Proposed Settlement Agreement determines that CILC/CDR credits will be returned to pre-2012 FPL rate case settlement levels as proposed by FPL in Docket No. 160021-EI, the conservation cost recovery amounts to be collected during the period January 2017 through December 2017 will be \$126,553,204. If we determine that CILC/CDR credits remain at the levels currently in effect, the conservation cost recovery amounts to be collected during the period January 2017 through December 2017 will be \$149,521,967.

Conservation Cost Recovery Factors

We find the appropriate conservation cost recovery factors during the period January 2017 through December 2017 for the following utilities:

FPL:

The Proposed Settlement Agreement provides for FPL to continue using the 12 CP and 1/13th production cost methodology, with CILC/CDR credits remaining at the levels currently in effect. The appropriate conservation cost recovery factors depend on our decision in Docket No. 160021-EI and consolidated dockets. Presented below are the conservation cost recovery factors that would apply under different outcomes of that decision.

² Adjusted net true up amount of over-recovery.

³ Including interest.

Based on the 12CP and 25 percent production cost allocation methodology with CILC/CDR credits returned to pre-2012 FPL rate case settlement levels as proposed by FPL in Docket No. 160021-EI, FPL's Conservation cost recovery factors are as follows:

RATE CLASS	Conservation Recovery Factor (\$/kw) ⁽ⁱ⁾	Conservation Recovery Factor (\$/kwh) ⁽ⁱ⁾	RDC (\$/KW) ^(k)	SDD (\$/KW) ^(l)
RS1/RTR1	-	0.00125	-	-
GS1/GST1	-	0.00118	-	-
GSD1/GSDT1/HLFT1	0.41	-	-	-
OS2	-	0.00098	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2	0.46	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.49	-	-	-
GSLD3/GSLDT3/CS3/CST3	0.50	-	-	-
SST1T	-	-	\$0.05	\$0.03
SST1D1/SST1D2/SST1D3	-	-	\$0.05	\$0.03
CILC D/CILC G	0.55	-	-	-
CILC T	0.54	-	-	-
MET	0.52	-	-	-
OL1/SL1/SL1M/PL1	-	0.00062	-	-
SL2/SL2M/GSCU1	-	0.00098	-	-

Based on the 12CP and 25 percent production cost allocation methodology proposed by FPL in Docket No. 160021-EI, with CILC/CDR credits remaining at the levels currently in effect, FPL's Conservation cost recovery factors are as follows:

RATE CLASS	Conservation Recovery Factor (\$/kw) ⁽ⁱ⁾	Conservation Recovery Factor (\$/kwh) ⁽ⁱ⁾	RDC (\$/KW) ^(k)	SDD (\$/KW) ^(l)
RS1/RTR1	-	0.00148	-	-
GS1/GST1	-	0.00140	-	-
GSD1/GSDT1/HLFT1	0.48	-	-	-
OS2	-	0.00115	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2	0.54	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.57	-	-	-
GSLD3/GSLDT3/CS3/CST3	0.58	-	-	-
SST1T	-	-	\$0.06	\$0.03
SST1D1/SST1D2/SST1D3	-	-	\$0.06	\$0.03
CILC D/CILC G	0.64	-	-	-
CILC T	0.63	-	-	-
MET	0.61	-	-	-
OL1/SL1/SL1M/PL1	-	0.00070	-	-
SL2/SL2M/GSCU1	-	0.00115	-	-

Based on the 12CP and 1/13th production cost allocation methodology, with CILC/CDR credits returned to pre-2012 rate case settlement levels as proposed by FPL in Docket No. 160021-EI, FPL's Conservation cost recovery factors are as follows:

RATE CLASS	Conservation Recovery Factor (\$/kw) ⁽ⁱ⁾	Conservation Recovery Factor (\$/kwh) ⁽ⁱ⁾	RDC (\$/KW) ^(k)	SDD (\$/KW) ^(l)
RS1/RTR1	-	0.00126	-	-
GS1/GST1	-	0.00119	-	-
GSD1/GSDT1/HLFT1	0.40	-	-	-
OS2	-	0.00094	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2	0.45	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.47	-	-	-
GSLD3/GSLDT3/CS3/CST3	0.48	-	-	-
SST1T	-	-	\$0.05	\$0.03
SST1D1/SST1D2/SST1D3	-	-	\$0.05	\$0.03
CILC D/CILC G	0.53	-	-	-
CILC T	0.52	-	-	-
MET	0.51	-	-	-
OL1/SL1/SL1M/PL1	-	0.00050	-	-
SL2/SL2M/GSCU1	-	0.00094	-	-

Based on the 12CP and 1/13th production cost allocation methodology, with CILC/CDR credits remaining at the levels currently in effect, FPL's Conservation cost recovery factors are as follows:

RATE CLASS	Conservation Recovery Factor (\$/kw) ⁽ⁱ⁾	Conservation Recovery Factor (\$/kwh) ⁽ⁱ⁾	RDC (\$/KW) ^(k)	SDD (\$/KW) ^(l)
RS1/RTR1	-	0.00150	-	-
GS1/GST1	-	0.00140	-	-
GSD1/GSDT1/HLFT1	0.48	-	-	-
OS2	-	0.00110	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2	0.53	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.55	-	-	-
GSLD3/GSLDT3/CS3/CST3	0.56	-	-	-
SST1T	-	-	\$0.06	\$0.03
SST1D1/SST1D2/SST1D3	-	-	\$0.06	\$0.03
CILC D/CILC G	0.62	-	-	-
CILC T	0.60	-	-	-
MET	0.60	-	-	-
OL1/SL1/SL1M/PL1	-	0.00054	-	-
SL2/SL2M/GSCU1	-	0.00109	-	-

Upon our approval of this conservation cost recovery stipulation, FPL will file and serve tariff sheets that reflect the 2017 ECCR factors under the four alternative methodologies so that we may direct our staff to approve administratively whichever set corresponds to our decision on the allocation methodology and the level of CILC/CDR credits in Docket No. 160021-EI and consolidated dockets.

FPUC: \$.00100 per KWH (consolidated levelized)

GULF:

RATE CLASS	CONSERVATION COST RECOVERY FACTORS ¢/kWh
RS	0.160
RSVP, Tier 1	(3.000)
RSVP, Tier 2	(0.774)
RSVP, Tier 3	7.247
RSVP, Tier 4	62.627
RSTOU On-peak	17.000
RSTOU Off-peak	(3.106)
GS	0.156
GSD, GSDT, GSTOU	0.151
LP, LPT	0.144
PX, PXT, RTP, SBS	0.141
OSI, OSII	0.126
OSIII	0.143

<u>DEF:</u>	<u>Customer Class</u>	<u>ECCR Factor</u>
	Residential	0.317 cents/kWh
	General Service Non-Demand	0.261 cents/kWh
	@ Primary Voltage	0.258 cents/kWh
	@ Transmission Voltage	0.256 cents/kWh
	General Service 100% Load Factor	0.204 cents/kWh
	General Service Demand	0.98 \$/kW
	@ Primary Voltage	0.97 \$/kW
	@ Transmission Voltage	0.96 \$/kW
	Curtaillable	0.80 \$/kW
	@ Primary Voltage	0.79 \$/kW
	@ Transmission Voltage	0.78 \$/kW
	Interruptible	0.82 \$/kW
	@ Primary Voltage	0.81 \$/kW
	@ Transmission Voltage	0.80 \$/kW
	Standby Monthly	0.096 \$/kW
	@ Primary Voltage	0.095 \$/kW
	@ Transmission Voltage	0.094 \$/kW
	Standby Daily	0.046 \$/kW
	@ Primary Voltage	0.046 \$/kW
	@ Transmission Voltage	0.045 \$/kW
	Lighting	0.105 cents/kWh

TECO: For the period January 2017 through December 2017 the cost recovery factors are as follows:

<u>Rate Schedule</u>	<u>Cost Recovery Factors</u> <u>(cents per kWh)</u>
RS	0.225
GS and TS	0.203
GSD Optional – Secondary	0.180
GSD Optional – Primary	0.178
GSD Optional – Subtransmission	0.176
LS-1	0.099

<u>Rate Schedule</u>	<u>Cost Recovery Factors</u> <u>(dollars per kW)</u>
GSD – Secondary	0.77
GSD – Primary	0.76
GSD – Subtransmission	0.75
SBF – Secondary	0.77
SBF – Primary	0.76
SBF – Subtransmission	0.75
IS - Secondary	0.48
IS - Primary	0.48
IS - Subtransmission	0.47

Conservation Cost Recovery Effective Date For 2017 Billing Cycle

We find that the factors shall be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2017 through December 2017. Billing cycles may start before January 1, 2017 and the last cycle may be read after December 31, 2017, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. These charges shall continue in effect until modified by subsequent order of this Commission.

Company Specific Conservation Cost Recovery Issues

TECO

We find that in accordance with Order No. PSC-99-1778-FOF-EI, issued September 10, 1999 in Docket No. 990037-EI, Tampa Electric has calculated that, for the forthcoming cost recovery period, January 2017 through December 2017, the Contracted Credit Value for the GSLM-2 and GSLM-3 rate riders will be \$9.98 per kW at secondary voltage.

We further find that for the period January 2017 through December 2017 the Residential Price Responsive Load Management (RSVP-1) rates are as follows:

<u>Rate Tier</u>	<u>Cents per kWh</u>
P4	28.645
P3	7.054
P2	(0.719)
P1	(2.501)

Revised Tariffs Reflecting The Energy Conservation Cost Recovery Amounts and Establishing Energy Conservation Cost Recovery Factors

We find that the revised tariffs reflecting the energy conservation cost recovery amounts and establishing energy conservation cost recovery factors determined to be appropriate in this proceeding shall be approved. We direct staff to verify that the revised tariffs are consistent with our decision.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the stipulations, findings and rulings are hereby approved. It is further

ORDERED that each utility that was a party to this docket shall abide by the stipulations, findings, and rulings herein which are applicable to it. It is further

ORDERED that the utilities named herein are authorized to collect the energy conservation cost recovery amounts and utilize the factors approved herein for the period beginning with the specified conservation cost recovery cycle. The first billing cycle may start before January 1, 2017, and thereafter the conservation cost recovery factors shall remain in effect until modified by the Commission. It is further

ORDERED that the Energy Conservation Cost Recovery Clause docket is ongoing and the docket shall remain open.

By ORDER of the Florida Public Service Commission this 22nd day of November, 2016.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
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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.

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 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.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, 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 after the issuance of this order, 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.