

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Energy conservation cost recovery
clause.

DOCKET NO. 20170002-EG
ORDER NO. PSC-2017-0434-FOF-EG
ISSUED: November 14, 2017

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman
ART GRAHAM
RONALD A. BRISÉ
DONALD J. POLMANN
GARY F. CLARK

APPEARANCES:

MATTHEW R. BERNIER, ESQUIRE, 106 East College, Avenue, Suite 800,
Tallahassee, Florida 32301, and DIANNE M. TRIPLETT, ESQUIRE, 299 First
Avenue North, St. Petersburg, FL 33701
On behalf of Duke Energy Florida, LLC (DEF).

R. WADE LITCHFIELD, JOHN T. BUTLER, KENNETH M. RUBIN,
ESQUIRES, 700 Universe Boulevard, Juno Beach, FL, 33408
On behalf of Florida Power & Light Company (FPL).

BETH KEATING, ESQUIRE, Gunster, Yoakley & Stewart, P.A., 215 South
Monroe Street, Suite 601, Tallahassee, Florida 32301
On behalf of Florida Public Utilities Company (FPUC).

JEFFREY A. STONE, ESQUIRE, One Energy Place, Pensacola, Florida 32520-
0100, and RUSSELL A. BADDERS and STEVEN R. GRIFFIN, ESQUIRES,
Beggs & Lane, Post Office Box 12950, Pensacola, Florida 32591-2950
On behalf of Gulf Power Company (Gulf).

JAMES D. BEASLEY and J. JEFFRY WAHLEN, ESQUIRES, Ausley &
McMullen, Post Office Box 391, Tallahassee, Florida 32302
On behalf of Tampa Electric Company (TECO).

J.R. KELLY, ESQUIRE, Public Counsel, PATRICIA A. CHRISTENSEN,
ESQUIRE, Associate Public Counsel, and ERIK SAYLER, ESQUIRE, Associate
Public Counsel, Office of Public Counsel, c/o The Florida Legislature, 111 West
Madison Street, Room 812, Tallahassee, Florida 32399-1400
On behalf of the Citizens of the State of Florida (OPC).

JON C. MOYLE, JR. and KAREN PUTNAL, ESQUIRES, The Moyle Law Firm,
P.A., 118 North Gadsden Street, Tallahassee, Florida 32312
On behalf of the Florida Industrial Power Users Group (FIPUG).

MARGO A. DUVAL, ESQUIRE, Florida Public Service Commission, 2540
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On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public
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Advisor to the Florida Public Service Commission.

KEITH HETRICK, ESQUIRE, General Counsel, Florida Public Service
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Florida Public Service Commission General Counsel.

FINAL ORDER APPROVING ENERGY CONSERVATION COST RECOVERY
AMOUNTS AND ITS RELATED TARIFFS AND ESTABLISHING ENERGY
CONSERVATION COST RECOVERY FACTORS FOR THE PERIOD
JANUARY 2018 THROUGH DECEMBER 2018

BY THE COMMISSION:

BACKGROUND

As part of the Florida Public Service Commission's continuing energy conservation cost recovery proceedings, an administrative hearing was held on October 25, 2017. Prior to the hearing, the investor-owned utilities (IOUs), Duke Energy Florida, LLC (Duke), Florida Power & Light Company (FPL), Florida Public Utilities Company (FPUC), Gulf Power Company (Gulf), and Tampa Electric Company (TECO), reached an agreement concerning all issues identified for resolution at this hearing, with the intervenors, the Office of Public Counsel (OPC), Florida Industrial Power Users Group (FIPUG), and White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (PCS Phosphate), taking no position. PCS Phosphate was excused from the hearing. 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.

The parties stipulated to the final and estimated true-up amounts, total conservation cost recovery amounts, and conservation cost recovery factors appropriate for each utility. The parties also stipulated to the company specific conservation cost recovery issues. We accept and approve the stipulations as reasonable and find they are supported by competent, substantial evidence of record, as set forth below.

DECISION

Conservation Cost Recovery True-Up

We find that the appropriate final conservation cost recovery adjustment true-up amounts for the period January 2016 through December 2016 are as follows:

Duke Energy Florida	\$3,391,426	Over-recovery ¹
Florida Power & Light Company	\$7,866,571	Over-recovery
Florida Public Utilities Company	\$2,555	Under-recovery
Gulf Power Company	\$270,410	Under-recovery
Tampa Electric Company	\$814,064	Over-recovery ²

We find that the appropriate conservation adjustment actual/estimated true-up amounts for the period January 2017 through December 2017 are as follows:

Duke Energy Florida	\$312,543	Under-recovery ³
Florida Power & Light Company	\$5,799,425	Over-recovery
Florida Public Utilities Company	\$67,738	Over-recovery
Gulf Power Company	\$127,008	Over-recovery
Tampa Electric Company	\$3,811,175	Under-recovery ⁴

We find that the appropriate total conservation adjustment true-up amounts to be collected/refunded from January 2018 through December 2018 are as follows:

Duke Energy Florida	\$3,078,883	Over-recovery ⁵
Florida Power & Light Company	\$13,665,997	Over-recovery
Florida Public Utilities Company	\$65,183	Over-recovery
Gulf Power Company	\$143,402	Under-recovery
Tampa Electric Company	\$2,997,111	Under-recovery ⁶

¹ Adjusted net true-up amount of over-recovery.

² Adjusted net true-up amount of over-recovery, including interest.

³ Net true-up amount of under-recovery.

⁴ Including interest.

⁵ Adjusted net true-up amount of over-recovery.

⁶ Including interest.

Total Conservation Cost Recovery

We find that the total conservation cost recovery amounts to be collected during the period January 2018 through December 2018 are as follows:

Duke Energy Florida	\$111,408,966
Florida Power & Light Company	\$155,599,309 ⁷
Florida Public Utilities Company	\$657,667
Gulf Power Company	\$14,666,016 ⁸
Tampa Electric Company	\$43,309,886 ⁹

Conservation Cost Recovery Factors

We find that the appropriate conservation cost recovery factors for the period January 2018 through December 2018 are as follows:

DEF:	<u>Customer Class</u>	<u>ECCR Factor</u>
	Residential	0.328 cents/kWh
	General Service Non-Demand	0.270 cents/kWh
	@ Primary Voltage	0.267 cents/kWh
	@ Transmission Voltage	0.265 cents/kWh
	General Service 100% Load Factor	0.211 cents/kWh
	General Service Demand	1.01 \$/kW
	@ Primary Voltage	1.00 \$/kW
	@ Transmission Voltage	0.99 \$/kW
	Curtable	0.68 \$/kW
	@ Primary Voltage	0.67 \$/kW
	@ Transmission Voltage	0.67 \$/kW
	Interruptible	0.83 \$/kW
	@ Primary Voltage	0.82 \$/kW
	@ Transmission Voltage	0.81 \$/kW
	Standby Monthly	0.099 \$/kW
	@ Primary Voltage	0.098 \$/kW
	@ Transmission Voltage	0.097 \$/kW
	Standby Daily	0.047 \$/kW
	@ Primary Voltage	0.047 \$/kW
	@ Transmission Voltage	0.046 \$/kW
	Lighting	0.108 cents/kWh

⁷ Including prior true-up amounts and revenues taxes.

⁸ Including prior true-up amounts and revenue taxes.

⁹ Including current period estimated true-up.

FPL:

RATE CLASS	Conservation Recovery Factor (\$/kw) ⁽ⁱ⁾	Conservation Recovery Factor (\$/kwh) ⁽ⁱ⁾	RDC (\$/KW) ^(k)	SDD (\$/KW) ^(l)
RS1/RTR1	-	0.00153	-	-
GS1/GST1	-	0.00145	-	-
GSD1/GSDT1/HLFT1	0.48	-	-	-
OS2	-	0.00082	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2	0.57	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.56	-	-	-
GSLD3/GSLDT3/CS3/CST3	0.57	-	-	-
SST1T	-	-	\$0.07	\$0.03
SST1D1/SST1D2/SST1D3	-	-	\$0.07	\$0.03
CILC D/CILC G	0.63	-	-	-
CILC T	0.61	-	-	-
MET	0.60	-	-	-
OL1/SL1/SL1M/PL1	-	0.00042	-	-
SL2/SL2M/GSCU1	-	0.00111	-	-

FPUC: \$.00102 per KWH (consolidated levelized).

GULF:

RATE CLASS	CONSERVATION COST RECOVERY FACTORS
RS	0.140 cents/kWh
RSVP, Tier 1	(3.000) cents/kWh
RSVP, Tier 2	(0.952) cents/kWh
RSVP, Tier 3	7.772 cents/kWh
RSVP, Tier 4	68.008 cents/kWh
RSTOU On-peak	17.250 cents/kWh
RSTOU Off-peak	(3.205) cents/kWh
RSTOU Critical Peak Credit	\$5.00 per event
GS	0.137 cents/kWh
GSD, GSDT, GSTOU	0.132 cents/kWh
LP, LPT	0.127 cents/kWh
LPT-CPO On-Peak	(\$2.14) per kW
LPT-CPO Critical	\$25.68 per kW
PX, PXT, RTP, SBS	0.124 cents/kWh
OSI, OSII	0.108 cents/kWh
OSIII	0.124 cents/kWh

TECO:

<u>Rate Schedule</u>	<u>Cost Recovery Factors</u> <u>(cents per kWh)</u>
RS	0.246
GS and CS	0.232
GSD Optional – Secondary	0.201
GSD Optional – Primary	0.199
GSD Optional – Subtransmission	0.197
LS-1	0.125

<u>Rate Schedule</u>	<u>Cost Recovery Factors</u> <u>(dollars per kW)</u>
GSD – Secondary	0.87
GSD – Primary	0.86
GSD – Subtransmission	0.85
SBF – Secondary	0.87
SBF – Primary	0.86
SBF – Subtransmission	0.85
IS - Secondary	0.67
IS - Primary	0.67
IS - Subtransmission	0.66

Conservation Cost Recovery Effective Date for 2018 Billing Cycle

We find that the factors established above for each IOU shall be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2018 through December 2018. Billing cycles may start before January 1, 2018 and the last cycle may be read after December 31, 2018, 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.

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.

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 2018 through December 2018, the Contracted Credit Value by Voltage Level for the GSLM-2 and GSLM-3 rate riders will be:

<u>Voltage Level</u>	<u>Contracted Credit Value (dollars per kW)</u>
Secondary	9.56
Primary	9.46
Subtransmission	9.37

We further find that for the period January 2018 through December 2018 the Residential Price Responsive Load Management (RSVP-1) rates are as follows:

<u>Rate Tier</u>	<u>Cents per kWh</u>
P4	40.852
P3	6.906
P2	(1.058)
P1	(3.002)

GULF

We find that Gulf's proposed On Peak Demand credits and Critical Peak Demand charges for its Critical Peak Option under Gulf's Large Power Time of Use program shall be approved. We find that, in Order No. PSC-17-0178-S-EI, we approved a stipulation and settlement agreement resolving Gulf Power's 2016 base rate proceeding in Docket No. 20160186-EI. Among other things, the stipulation provided for recovery of the On Peak Demand Credits and Critical Peak Demand Charges associated with Gulf's Large Power Time of Use rate through the Energy Conservation Cost Recovery Clause rather than through base rates, as was previously the case. This change in approach enables Gulf and this Commission to periodically assess the level of On Peak Demand Credits to ensure that they remain cost effective under the Commission-approved Ratepayer Impact Measure ("RIM") test. Gulf's proposed On Peak Demand Credit of \$2.14 per kW is the maximum value that can be provided to keep the program RIM passing. Gulf's proposed Critical Peak Demand Charge of \$25.68 per kW is

calculated to ensure that participating customers are receiving the full value of the capacity credits only for the demand that is actually reduced during a critical event period.

We find that Gulf's proposed modifications to its Residential Time of Use ("RSTOU") Pilot Program shall be approved. Gulf proposed an extension of its RSTOU Pilot through December 31, 2020. This Commission approved this pilot as part of Gulf Power's 2015 DSM Plan as a means to evaluate a new rate schedule that could be utilized with a demand response program where customers provide their own equipment. Gulf's current tariff provides that the rate schedule will expire on December 31, 2017, absent extension by this Commission. Gulf intends to take the pilot results, combined with other data and experience with demand response, and propose a permanent program for customers in the next cycle of DSM plan reviews in 2019. The proposed extension will provide continuity for Gulf's current pilot customers who desire to remain on this pilot rate pending 2020 DSM Plan approvals.

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 investor-owned electric 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, 2018, and thereafter the conservation cost recovery factors shall remain in effect until modified by the Commission. It is further

ORDERED that Commission staff shall verify that the revised tariffs are consistent with our decision herein. 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 14th day of November, 2017.



HONG WANG

Chief Deputy Commission Clerk
Florida Public Service Commission
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Tallahassee, Florida 32399
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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.

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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.