

FLORIDA PUBLIC SERVICE COMMISSION
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MEMORANDUM

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December 23, 1997

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF APPEALS (HELTON) *NAH DES JTS RT RB*
DIVISION OF ELECTRIC & GAS (DUDLEY) *KD*
DIVISION OF RESEARCH & REGULATORY REVIEW (HEWITT) *CBH AM*

RE: DOCKET NO. 971626-EU - PROPOSED AMENDMENTS TO RULE 25-17.006, F.A.C., ELECTRIC UTILITY SYSTEM CONSERVATION END USE DATA

AGENDA: 1/6/98 - REGULAR AGENDA - RULE PROPOSAL - INTERESTED PERSONS MAY PARTICIPATE

RULE STATUS: PROPOSAL MAY BE DEFERRED

SPECIAL INSTRUCTIONS: S:\PSC\APP\WP\971626PR.RCM

CASE BACKGROUND

Rule 25-17.006, Florida Administrative Code, entitled "Electric Utility System Conservation End Use Data," requires certain electric utilities to survey customers every four years to obtain conservation related data for submission to the Commission. The data gathered is primarily used by the Commission when setting energy conservation goals. The purpose of the recommended changes to Rule 25-17.006 is to reduce the survey sample size, to eliminate requirements that addressed the Florida Model Energy Efficiency Code, to acknowledge the recent legislative change to Section 366.82(1), Florida Statutes, and to clarify the requirements of the rule.

A workshop was held on October 21, 1996. Representatives from Florida Power and Light Company, Florida Power Corporation, Tampa Electric Company, Gulf Power Company, Florida Electric Cooperative Association, the City of Tallahassee, other municipal utilities, and the Florida Energy Office attended the workshop. The notice of rule development was published in the October 31, 1997, edition of the Florida Administrative Weekly. No workshop was requested pursuant to the rule development notice.

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FPSC-RECORDS/REPORTING

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission propose the attached amendments to Rule 25-17.006, F.A.C., Electric Utility System Conservation End Use Data?

RECOMMENDATION: Yes.

STAFF ANALYSIS: The attached recommended version of Rule 25-17.006, Florida Administrative Code, has been substantially rewritten and reorganized to make it easier to understand.

As discussed above, Rule 25-17.006, Florida Administrative Code, requires electric utilities to survey their customers to collect certain conservation information. Among the purposes of the current version of the rule is "to monitor the effectiveness of the Florida Model Energy Efficiency Code, developed under s. 553.900, et seq., F.S. . . ." Rule 25-17.006(1)(c), Florida Administrative Code. Because the Commission does not monitor or enforce any building code standards, staff recommends this purpose be removed from the rule. Staff also recommends striking subsection (3) from the current version of the rule, which was intended to measure the effectiveness of the thermal building code.

During the 1996 legislative session, the number of electric utilities required to comply with the "Florida Energy Efficiency and Conservation Act" (FEECA), Sections 366.80-366.85, Florida Statutes, was reduced. Accordingly, the applicability subsection of the rule must be modified to reflect this statutory change. Staff recommends tying the applicability "to all electric utilities that fall under the definition of 'utility' in Section 366.82(1), Florida Statutes," instead of tying it to the amount of electric energy sales as in the current version of subsection (2) of the rule. The following utilities would then be responsible for performing the survey: Florida Power and Light Company, Florida Power Corporation, Gulf Power Company, Tampa Electric Company, Florida Public Utilities Company, Jacksonville Electric Authority, and Orlando Utilities Commission.

Under the current version of the rule, 1,350 customers in each of the four Florida climatic zones must be surveyed every four years. Staff recommends reducing this number to 1,350 customers for the state as a whole. Due to the advent of personal computers and improved climatological data bases, a much smaller sample is necessary to achieve the same level of accuracy. Since the sample would be substantially reduced by staff's suggested version of the rule, staff is recommending the length of the survey period also be

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reduced by four months. This will get the data to the Commission more quickly.

In addition, staff recommends specifically requiring a random sample be drawn from each utility's customer base. Staff also recommends that evening and weekend attempts be required to contact a selected customer to ensure a representative sample that includes customers who work full time during the week days.

Statutory Authority: Rule 25-17.006 implements Section 366.82 of FEECA. Subsection (2) of this provision requires the Commission to

adopt appropriate goals for increasing the efficiency of energy consumption and increasing the development of cogeneration, specifically including goals designed to increase the conservation of expensive resources, such as petroleum fuels, to reduce and control the growth rates of electric consumption, and to reduce the growth rates of weather-sensitive peak demand.

In addition, subsection (4) of the statute authorizes the Commission to require periodic reports from each utility.

Statement of Estimated Regulatory Costs: No significant additional costs or adverse impacts were identified from the recommended changes to the rule. In addition, no other alternative would accomplish the statutory requirement. Therefore, no Statement of Estimated Regulatory Costs (SERC) was prepared.

ISSUE 2: If no requests for hearing or comments are filed, should the proposed rule amendments be filed for adoption with the Secretary of State and the docket be closed?

RECOMMENDATION: Yes.

STAFF ANALYSIS: Unless comments or requests for hearing are filed, the rule as proposed may be filed with the Secretary of State without further Commission action. The docket may then be closed.

Attachments:
Recommended version of Rule 25-17.006
Current version of Rule 25-17.006
Statement of Estimated Regulatory Costs

1 | Text has been substantially reorganized and reworded:

2 |
3 | 25-17.006 Electric Utility System Conservation End Use Data

4 | (1) PURPOSE: The purpose of this rule is to provide for
5 | the periodic submission of certain conservation information and
6 | other related information to the Commission. Applications of
7 | this rule include:

8 | (a) Gathering information to review and revise conservation
9 | goals pursuant to Rule 25-17.0021, F.A.C.:

10 | (b) Gathering information to estimate the potential
11 | kilowatt hour (KWH) and kilowatt demand (KW) savings achievable
12 | through various conservation measures and conservation
13 | technologies; and

14 | (c) Gathering information to enable the Commission to
15 | analyze conservation alternatives to mitigate the need to
16 | construct new power plants in Florida.

17 | (2) APPLICABILITY: This rule shall apply to all electric
18 | utilities that fall under the definition of "utility" in Section
19 | 366.82(1), Florida Statutes.

20 | (3) SURVEY YEAR: In order to accomplish the purpose of
21 | this rule, starting with calendar year 1998 and every four years
22 | thereafter, 1,350 residential customer accounts throughout
23 | Florida shall be surveyed to collect information on appliance
24 | stock, housing characteristics, household demographic
25 | characteristics, and twelve months of kilowatt hour billing

CODING: Words underlined are additions; words in
~~struck through~~ type are deletions from existing law.

1 history.

2 (4) METHODOLOGY: For the purposes of obtaining the data
3 described in subsection (3), each utility shall interview its
4 proportionate share of residential customers to yield a total of
5 1,350 usable, complete observations for the state.

6 (a) By November 1st prior to the survey year each utility
7 shall provide to the Director of the Division of Electric and Gas
8 its total number of residential customers of record as of June
9 30th prior to the survey year.

10 (b) By January 15 of the survey year the Director of the
11 Division of Electric and Gas shall allocate the number of
12 customer accounts for which each utility must conduct a field
13 interview based on the information submitted pursuant to
14 paragraph (4) (a).

15 (5) By January 15th of the survey year, the Commission
16 shall prescribe the survey instrument each utility must use to
17 gather the information on appliance stocks, housing
18 characteristics, household demographic characteristics, and
19 twelve months of KWH billing history. Nothing in this paragraph
20 shall be construed to prohibit an electric utility from adding
21 additional questions to its own survey.

22 (6) Each utility shall draw a random sample of residential
23 customers who meet the following requirements:

24 (a) Customers must be customers of record as of July 1st of
25 the survey year.

CODING: Words underlined are additions; words in
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1 (b) Customers must have been continuously billed during
2 each month of the 12-month period starting July 1st of the year
3 prior to the survey year.

4 (c) Seasonal customers billed in accordance with paragraph
5 (6)(b) may be counted toward the required number of sample
6 customers.

7 (d) Each utility shall make at least four attempts to
8 arrange a survey interview with each customer drawn from its
9 random sample of customer accounts. Each utility must make
10 attempts to arrange survey interviews during evenings and
11 weekends. Evening and weekend field interviews shall be
12 conducted for those customers normally not available during
13 weekdays from 8:00 a.m. to 5:00 p.m. Only after four attempts to
14 arrange an interview have been made shall another customer be
15 drawn at random from the utility's list of customers.

16 (7) RESULTS: Each utility shall report the survey
17 information and billing history on each individual respondent to
18 the Commission on or before December 1st of the calendar year in
19 which the survey is conducted. This information shall be
20 reported such that no individual customer's identity can be
21 determined. The information reporting format shall be prescribed
22 by the Director of the Division of Electric and Gas prior to
23 April 1st of the survey year. The medium for reporting the
24 information shall be a three and one-half inch computer diskette
25 using an ASCII delimited database structure unless another medium

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~~struck through~~ type are deletions from existing law.

1 | is approved in writing by the Director of the Division of
2 | Electric and Gas.

3 | Specific Authority: 366.05(1), 350.127(2), F.S.

4 | Law Implemented: 366.05(1), 366.82~~(2)~~, F.S.

5 | History: New 6/14/82, formerly 25-17.06, Amended 2/21/85,
6 | 9/7/87, 5/10/93, 3/7/94, _____.

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25-17.006 Electric Utility System Conservation End Use Data.

(1) **PURPOSE:** The purpose of this rule is to provide for the periodic submission of certain conservation information and other related information to the Commission. Applications of this Rule include:

(a) gathering information to review and revise conservation goals pursuant to Rule 25-17.0021, F.A.C.;

(b) gathering information to estimate the potential kilowatt hour (KWH) and kilowatt demand (KW) savings achievable through various conservation measures and conservation technologies;

(c) to monitor the effectiveness of the Florida Model Energy Efficiency Code, developed under s. 553.900, et seq., F.S., and modifications made thereto; and

(d) gathering information to enable the Commission to analyze conservation alternatives to mitigate the need to construct new power plants in Florida.

(2) **APPLICABILITY:** This rule shall apply to all electric utilities that had total sales of electric energy for purposes other than resale in excess of 500 gigawatt hours for the calendar year 1980.

(3) **Residential KWH Consumption Data:** Starting with the 1981 calendar year, and each year thereafter, each electric utility shall:

(a) Categorize all customers (structures) who were or had been connected to the utility system for permanent service during the calendar year by the year of first connection and by the following customer groups:

- 1 Residential, single family, unattached.
- 2 Residential, single family, attached.
- 3 Residential, mobile home or trailers.

Customers (structures) first connected to the system on or before December 31, 1980 shall be categorized as having a 1980 year of first connection.

(b) Using standard statistical sampling procedures, develop sample groups by customer group as specified in subsection (3)(a) above and calendar year of structure connection beginning with 1980.

(c) For each sample group developed pursuant to subsection (3)(a), compute the average annual energy consumption in units of kilowatt hours per customer. The computed value shall be statistically reliable at a 90% confidence level and a $\pm 5\%$ relative accuracy. The average annual energy consumption shall be determined by adding the active customers for each month, dividing that sum by 12 and dividing that result into the total annual consumption for those customers. Active customers are those members of the sample group to whom bills were issued during that month.

(d) For each sample group developed pursuant to subsection (3)(a), compute the average monthly energy consumption in units of kilowatt hours per customer. The computation shall be made for each month of the calendar year. The computed values shall be statistically reliable at a 90% confidence level and a $\pm 5\%$ relative accuracy.

(e) Report the results of subsections (3)(c) and (3)(d), by March 1st of the following calendar year. Also, report the total number of customers at year end by each customer group specified in subsection (3)(a) connected to the utility system for permanent service during the calendar year. The utilities shall also calculate and report statewide aggregates for these data within 90 days of the due date of the individual utility reports.

(f) The requirement that customers (structures) be categorized by year of first connection to the utility system is for the purpose of approximating the year of construction.

(4) **Residential Goal Setting Information:**

(a) **Residential Customer Survey:** Starting with calendar year 1986 and every four years thereafter, each electric utility shall "collect" certain information on the appliance stock, housing characteristics, household demographic characteristics and twelve months of kilowatt hour billing history for its proportionate share of a representative sample of residential customers (structures).

(b) For the purposes of obtaining the data described in subsection (4)(a), a representative sample of residential customers sufficient to yield 1,350 usable, complete observations shall be field interviewed by representatives of the utility in each of the following climatological zones:

1 Northern Baker, Bay, Bradford, Calhoun, Clay, Columbia, Dixie, Duval, Escambia, Franklin, Gadsden, Gulf, Hamilton, Holmes, Jackson, Jefferson, Lafayette, Leon, Liberty.

Madison, Nassau, Okaloosa, Santa Rosa, St. Johns, Suwannee, Taylor, Union, Wakulla, Walton, Washington.

2 Central: Alachua, Citrus, DeSoto, Flagler, Gilchrist, Hardee, Hernando, Highlands, Hillsborough, Lake, Levy, Marion, Okeechobee, Orange, Osceola, Pasco, Polk, Putnam, Seminole, Sumter, Volusia.

3 Central Coastal: Brevard, Charlotte, Collier, Glades, Hendry, Indian River, Lee, Manatee, Martin, Monroe (excluding the Florida Keys), Pinellas, Sarasota, St. Lucie.

4 Southeast: Broward, Dade, Palm Beach, and the Florida Keys.

(c) For each climatological zone, each utility shall sample a proportion of the 1350 customers based on its percentage of residential customers in each of the regions.

1 By November 1st prior to the survey year each utility will provide to the Commission staff the number of its residential customers residing in each of the four climate zones as of June 30th prior to the survey year.

2 By January 15th of the survey year Commission staff will allocate the prescribed sample points to each utility based on the information submitted pursuant to subsection (4)(c)1

(d) For each climatological zone, each utility shall stratify its residential customers by customer group as defined in subsection (3)(a) and draw a representative sample from each customer group proportional to that group's percentage of the total residential customers in the climatological zone

(e) The information on appliance stocks, housing characteristics, household demographic and the twelve months of KWH billing history shall be gathered using a survey instrument prescribed by the Commission by January 15th of the survey year. Nothing in this paragraph shall be construed to prohibit an electric utility from adding additional questions to its own survey it believes useful

(f) Each utility shall report the survey information and billing history on each individual respondent to the Commission on or before September 1st of the calendar year immediately following the survey year. This information shall be reported such that no individual customer's identity can be determined. The information reporting format shall be prescribed by the Commission prior to April 1st of the survey year. The medium for reporting the information shall be 3 and one-half inch microcomputer diskette using a FoxPro database structure unless another medium is approved in writing by the Commission staff. The utilities shall also submit aggregated data on a statewide basis within 90 days of the due date of the individual utility reports

(g) The following guidelines shall apply to customers described in subsection (4)(b) above

1 Customers must be customers of record as of July 1st of the survey year

2 Customers must be continuously billed for a twelve consecutive calendar month period between July 1st of the year prior to the survey year and July 31st of the survey year. The twelve calendar consecutive month period shall be the same for all survey customers.

3 Seasonal customers billed in accordance with subsection (4)(g)3. may be counted toward the required number of sample customers.

(h) The survey year shall be an even numbered calendar year beginning with the 1986 calendar year and every four years thereafter. The term survey year shall not be construed to limit completion of the survey to that even numbered calendar year

(i) The reporting year shall be an odd numbered calendar year beginning with the 1987 calendar year and every four years thereafter.

Specific Authority 366.05(1), 350.127(2) FS

Law Implemented 366.05(1), 366.82 FS

History--New 6-14-82, Amended 1-20-85, Formerly 25-17.06, Amended 9-7-87, 5-10-93, 3-7-94

MEMORANDUM

97 DEC 11 10 13

December 4, 1997

TO: DIVISION OF APPEALS (MARY ANNE HELTON)

FROM: DIVISION OF RESEARCH AND REGULATORY REVIEW (HEWITT) *215 7/14*

SUBJECT: STATEMENT OF ESTIMATED REGULATORY COSTS FOR PROPOSED REVISIONS TO RULE 25-17.006, F.A.C., ELECTRIC UTILITY SYSTEM CONSERVATION END USE DATA

Currently, Rule 25-17.006, F.A.C., Electric Utility System Conservation End Use Data, requires electric utilities that had total sales of electric energy in excess of 500 gigawatt hours for calendar year 1980 to provide certain conservation information to the Commission. Included in the information required is a sampling of residential energy usage every four years. The proposed rule revision would substantially reword the rule language but not change the intention of obtaining statistically valid data on residential customer energy use. The definition of required reporting utilities would change to comply with "utility" in Section 366.82(1), Florida Statutes. The proposed rule changes would require a proportionate number of sampled customers, by utility, to achieve a significant level of confidence in the data instead of by climatological zone. The requirement to obtain significantly reliable computed values from the collected data would change to a more carefully prescribed methodology of collection of samples. Because no significant additional regulatory burdens would be placed on electric utilities, and the collection and reporting of data is currently required, there should be no increase in regulatory costs from the proposed rule revision.

Florida Statutes encourage an agency to prepare a Statement of Estimated Regulatory Costs (SERC) but does not require one for rule changes with no lower cost alternative. Since no significant additional costs or adverse impacts have been identified and no other alternative would accomplish the statutory requirement, there is no need for preparation of a SERC for the proposed rule changes.

Please keep my name on the CASR.

CBH:tf/e-enduse

cc: Mary Andrews Bane
Hurd Reeves