

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Amendment of)	DOCKET NO. 900148-EG
Rule 25-17.015, F.A.C.,)	
Conservation Cost Recovery)	ORDER NO. 22753
_____)	ISSUED: 3-29-90

NOTICE OF RULEMAKING

NOTICE is hereby given that the Commission, pursuant to section 120.54, Florida Statutes, has initiated rulemaking to amend Rule 25-17.015 relating to Conservation Advertising Cost Recovery

The attached Notice of Rulemaking will appear in the April 6, 1990, edition of the Florida Administrative Weekly. If requested, a hearing will be held at the following time and place:

9:30 a.m., Thursday, May 17, 1990
Room 122, Fletcher Building
101 East Gaines Street
Tallahassee, Florida

Written requests for hearing and written comments or suggestions on the rule must be received by the Director, Division of Records and Reporting, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, FL, 32399, no later than April 27, 1990.

By Direction of the Florida Public Service Commission,
this 29th day of MARCH, 1990

STEVE TRIBBLE, Director
Division of Records & Reporting

(S E A L)

MCB
3968G

by: Kay Flynn
Chief, Bureau of Records

DOCUMENT NUMBER-DATE
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FPSC-RECORDS/REPORTING

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FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 900148-EG

RULE TITLE:

RULE NO.:

Conservation Cost Recovery

25-17.015

PURPOSE AND EFFECT: The Commission proposes an amendment to its conservation cost recovery rule which codifies and strengthens the Commission's prior policy that a utility's conservation program advertising expenditures are only recoverable if those expenditures are directly related to energy conservation and not to enhancement of a company's image. The amendment adheres to Section 366.82(5), Florida Statutes which provides that "the Commission shall not allow the recovery of the cost of any company image-enhancing advertising or of any advertising not directly related to an approved conservation program", and it provides guidelines for the Commission's determination of what type of advertisement or advertising program is directly related to an approved conservation program.

SUMMARY: The proposed rule amendment addresses a utility's conservation program advertising expenditures and requires that those expenditures be directly related to energy conservation and not to the enhancement of the utility's image.

RULEMAKING AUTHORITY: 350.127(2), 366.05(1), Florida Statutes

LAW IMPLEMENTED: 366.095, 366.82(5), Florida Statutes

SUMMARY OF THE ESTIMATE OF ECONOMIC IMPACT OF THIS RULE: This rule amendment does not require any change in current Commission

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activity regarding energy conservation advertising, and the Commission is not expected to incur any additional cost. As the amendment codifies current Commission policy, it is not expected to create additional expense for the utilities or their customers. The amendment will not have an impact upon small businesses, competition, or employment.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING. IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE AND PLACE SHOWN BELOW:

TIME AND DATE: 9:30 A.M., Thursday, May 17, 1990

PLACE: Room 122, 101 East Gaines Street, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THIS RULE AND THE ECONOMIC IMPACT STATEMENT IS: Director of Appeals, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399

THE FULL TEXT OF THE RULE IS:

25-17.015 Conservation Cost Recovery.

(1) Each utility over which the Commission has ratemaking authority may seek to recover its costs for energy conservation programs as provided in s. 366.82(5), F.S.. To do so, a utility shall file a petition setting forth estimates of those reasonable and prudent unreimbursed costs projected to be incurred, by specific program, less any estimated revenues, in the same manner

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and for the same periods as provided for the fuel cost recovery clause in Order No. 9273 issued by the Commission on March 7, 1980. The time limitations applicable to the fuel cost recovery clause shall also apply and the Commission shall dispose of the petition in the same manner and within the times applicable to the fuel cost recovery clause.

(2) Each utility shall establish a clearing account or such other account as appropriate for each conservation program for purposes of recording the costs incurred for that program, together with subaccounts under the appropriate accounts contained in the Uniform System of Accounts prescribed by the Commission which will ultimately be charged. Each utility shall also establish separate subaccounts appropriate under the account for Other Electric Revenues or Other Gas Revenues, for revenues derived from specific customer charges in any program and any costs recovered.

(3) The petition shall indicate the amounts recorded in the Clearing Account or such other account as appropriate for each conservation program together with the subaccounts ultimately charged. Similarly, the petition shall indicate the amount of revenues derived from specific customer charges in any programs and any costs recovered, which revenues and costs have been recorded in the appropriate revenues subaccounts.

(4) Each utility shall report the actual costs and specific revenues and recovered costs attributed to each program to the Commission in the same manner and within the time limits applicable

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to the fuel cost recovery clause. The Commission shall dispose of the matter in the same manner as fuel cost recovery clause proceedings to reflect the actual conservation costs and conservation revenues of the preceding period.

(5) A utility's advertising expenditures sought to be recovered through Energy Conservation Cost Recovery must be directly related to an approved conservation program and shall not be company image enhancing. In determining whether an advertisement is "directly related to an approved conservation program", the Commission shall consider, but is not limited to, whether the advertisement or advertising campaign:

(a) Identifies a specific problem.

(b) States how to correct the problem.

(c) Provides direction concerning where help can be found to alleviate the problem.

(6) (5) If a cost for any utility has been expressly disallowed for cost recovery by a Commission order, each utility is prohibited from thereafter seeking recovery of a cost of a substantially similar nature unless the utility specifically identifies the cost it is seeking to recover as being similar to previously disallowed costs. Each willful violation of the provisions of this subsection by a utility shall subject the utility to a penalty as described by s. 366.095, Florida Statutes. In order to implement this subsection, the Commission will issue an order describing the types of costs that it has previously

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disallowed.

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

Law Implemented: 366.095, 366.82(5), F.S.

History: New 1/27/81, Amended 12/30/82, 3/27/86, formerly 25-17.15.

NAME OF PERSON ORIGINATING PROPOSED RULE: Troy Rendell, Division
of Electric and Gas.

NAME OF SUPERVISOR OR PERSON(S) WHO APPROVED THE PROPOSED RULE:
Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: March 20, 1990

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.