

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for Approval of)	DOCKET NO. 900805-EG
Conservation Value Program by)	ORDER NO. 24276
Tampa Electric Company.)	ISSUED: 3-25-91
_____)	

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 J. TERRY DEASON
 BETTY EASLEY
 GERALD L. GUNTER
 MICHAEL MCK. WILSON

NOTICE OF PROPOSED AGENCY ACTIONORDER APPROVING CONSERVATION VALUE PROGRAM

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

During the 1989 regular session, the Legislature of the State of Florida amended Section 366.82, Florida Statutes, requiring this Commission to adopt goals for increasing the efficiency of energy consumption and increasing the development of cogeneration. Section 366.82, Florida Statutes, also directed us to require affected electric and natural gas utilities to submit updated energy conservation programs. On November 14, 1989, we issued Order No. 22186, adopting the goals stated in Rule 25-17.001, Florida Administrative Code, and requiring affected utilities to submit new and revised plans and programs to meet these goals within 90 days of the issuance of the Order.

Tampa Electric Company (TECO) filed its initial plan on February 12, 1990, followed by revisions in March, May, July and August of 1990. Tampa Electric Company's plan was approved, with the exception of the Conservation Value program and the Cogeneration program, in Order No. 23555, issued October 2, 1990, in Docket No. 900104-EG. That Order directed TECO and Commission Staff to meet and discuss their differences regarding the

DOCUMENT NUMBER-DATE

02905 MAR 25 1991

FPSC-RECORDS/REPORTING

ORDER NO. 24276
DOCKET NO. 900885-EG
PAGE 2

Conservation Value program, and it directed the Company to resubmit the program to us for further consideration. TECO filed its revised version of the Conservation Value program on November 1, 1990.

TECO's Conservation Value program is an incentive program available to commercial and industrial customers to encourage investments in substantial demand shifting or demand reduction measures. Customers will submit proposals for funding which offer a minimum summer demand savings of 100 KW or a minimum winter demand savings of 50 KW. An incentive amount of \$200 per KW will be paid for measures which reduce summer peak only. For measures which reduce winter peak only, an incentive amount of \$150 per KW will be paid. If a measure reduces both summer and winter peak KW, an incentive amount of \$250 per KW will be paid.

We approve TECO's program, which encourages additional investments in substantial demand shifting or demand reduction measures. Also, we find that measures funded under the program shall have limited applications within the commercial and industrial sector, and that the measures shall not be covered under other TECO commercial and industrial programs.

TECO shall be permitted to implement individual measures which are cost effective using a benefit/cost analysis, based on this Commission's cost effectiveness test. The benefit-to-cost shall be calculated using the ratepayer impact data or "lost revenue test." No rebates shall be given to measures with a benefit-to-cost ratio of less than 1.2 to 1. We shall monitor energy conservation cost recovery of customer incentives and other program costs for prudence during our on-going periodic conservation cost recovery hearings. TECO shall file this Commission's cost-effectiveness test and supporting data for each project, along with the normal filings for recovery of costs for conservation programs.

In addition, TECO shall file program participation standards within 30 days of this Order's issuance. These standards shall clearly state the requirements to participate in the program, the eligibility requirements for the customer, the details of the processing of rebates or incentives, and the reporting requirements, including any and all forms to be filled out by the Company and customer. In addition, the Company shall submit a reporting format designed to display the program expenditures for each project over time. The format shall be designed so that incentive payments are displayed separately from other expenditures. We find that these standards are necessary to establish audit trails, and to let customers know the details of

ORDER NO. 24276
DOCKET NO. 900885-EG
PAGE 3

the program. These participation standards and reporting requirements shall be submitted for staff approval and shall conform to the description of the program approved by this Commission.

Because the Conservation Value program is a new program, TECO shall file a detailed progress report after it has been in effect for a period of one year. This progress report shall be in addition to the normal report filings required under the Florida Energy Efficiency and Conservation Act, Section 366.80, Florida Statutes. This detailed progress report shall contain the following information:

- (1) A market analysis showing the expected number and types of potential measures;
- (2) Estimates of winter and summer KW savings by year over the next 10 years, with detailed explanations of how these were calculated; and
- (3) Revised estimates of start-up and annual program costs with detailed explanations of how these were calculated.

It is, therefore,

ORDERED by the Florida Public Service Commission that the Conservation Value program of Tampa Electric Company is hereby approved. It is further

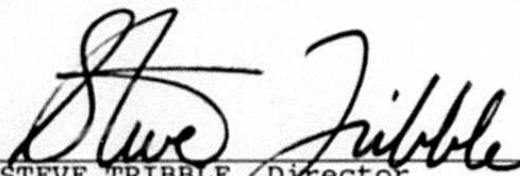
ORDERED that the Tampa Electric Company shall file program participation standards, as discussed within the body of this Order, within 30 days of this issuance of this order. It is further

ORDERED that the Tampa Electric Company shall file a detailed progress report, as discussed in the body of this Order, after the Conservation Value program has been in effect for a period of one year. It is further

ORDERED that this Order shall become final unless an appropriate petition for a formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0970, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

ORDER NO. 24276
DOCKET NO. 900885-EG
PAGE 4

By ORDER of the Florida Public Service Commission, this 25th
day of MARCH, 1991.


STEVE TRIBBLE, Director
Division of Records and Reporting

MAP/MAB:bmi
900885F.BMI

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on April 15, 1991.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

ORDER NO. 24276
DOCKET NO. 900885-EG
PAGE 5

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting 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 of the effective date 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.