

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to modify Prime) DOCKET NO. 940953-EG
Time Residential Load Management) ORDER NO. PSC-95-0265-FOF-EG
Program by TAMPA ELECTRIC) ISSUED: February 28, 1995
COMPANY.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION
ORDER DENYING MODIFICATION OF PRIME TIME LOAD MANAGEMENT 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 substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On September 8, 1994, Tampa Electric Company (TECO) filed its petition to modify the company's Prime Time Residential Load Management Program. TECO's current Prime Time Program is a load management program for cycling selected residential electric appliances. These include central heating and air-conditioning, water heating and pool pumps. TECO's targeted market for its existing program has been the total residential customer base with no specific efforts made toward either new or existing housing stock.

TECO's existing Prime Time Residential Load Management Program was established in 1983. There are approximately 70,775 participants (cumulative) in this program. According to TECO's response to staff's second set of interrogatories, there are currently 386,447 new potential participants that have at least one controllable appliance.

TECO's expenditures for promoting customer participation (advertising expenses) in its existing Prime Time Program have been averaging a little over \$11 per Prime Time account. The purpose of

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the proposed modification is to secure more new home participants in a more expeditious manner. The proposed pilot project would involve payment of a one-time incentive to the home builder sales representative or realtor for each new home buyer that they are responsible for securing as a participant in the Prime Time Program. The incentive would be \$10.00 per new residence once verification of active customer participation has been made with TECO's load management data base. The pilot project is proposed to last for one (1) year. The appliances that would qualify for an incentive under the pilot project are derived from the list compiled for TECO's existing Prime Time Program. TECO proposes to recover the \$10 payment through the Energy Conservation Cost Recovery (ECCR) mechanism.

In its petition, TECO states that approximately 17 months pass before most new customers become aware of and sign up for the company's Prime Time Load Management program. In an attempt to shorten this time frame, TECO has proposed a \$10 incentive to be paid to home builder sales representatives or realtors for each new home buyer that participates in the Prime Time Program.

Under the proposed pilot program two of the four appliances perform a function that can also be efficiently performed with natural gas. Natural gas can be more costly to retrofit into completed homes than to install during initial construction. By providing incentives to home builders and realtors, the pilot program may result in more all electric homes, by influencing the consumer in choosing between electric and gas.

While we recognize that electric resistance water heating with load management may save KW and KWH over standard electric resistance water heating, the load management option could increase KW and KWH requirements over what they would have been with natural gas. Thus, electric water heating with load control may not conserve as much electric energy and demand, or avoid as much need for electric generating plant, as the natural gas option. Under these circumstances, incentives or rebates, that would give electricity a competitive advantage over gas may not be appropriate. The choice between electricity and natural gas should be available to the consumer where natural gas is available. We are reluctant to approve this conservation program since it may have the effect of influencing the consumer in this choice.

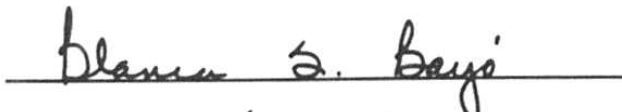
It is therefore,

ORDERED that the petition filed by Tampa Electric Company on September 8, 1994, to modify its prime time residential load management program is hereby denied. It is further

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ORDERED that this Order shall become final and effective and this docket shall be closed unless an appropriate petition for formal proceedings is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission, this 28th day of February, 1995.


BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

MAP

DISSENT

Chairman Clark and Commissioner Deason dissent from the Commission's decision denying modification of Tampa Electric Company's Prime Time Load Management Program.

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.

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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, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on March 21, 1995.

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.

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 substantially 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 wastewater 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.