

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Energy conservation cost  
recovery clause.

DOCKET NO. 990002-EG  
ORDER NO. PSC-99-2504-FOF-EG  
ISSUED: December 21, 1999

The following Commissioners participated in the disposition of  
this matter:

SUSAN F. CLARK  
J. TERRY DEASON  
E. LEON JACOBS, JR.

APPEARANCES:

MATTHEW M. CHILDS, Esquire, Steel, Hector & Davis, 215 South  
Monroe Street, Suite 601, Tallahassee, Florida 32301-1804  
On behalf of Florida Power & Light Company (FPL)

JEFFREY A. STONE, Esquire, and RUSSELL A. BADDERS, Esquire,  
Beggs & Lane, 700 Blount Building, 3 West Garden Street, Post  
Office Box 12950, Pensacola, Florida 32576-2950  
On behalf of Gulf Power Company (Gulf). (Gulf)

JOHN McWHIRTER, JR., Esquire, VICKI GORDON KAUFMAN, Esquire,  
and JOSEPH A. MCGLOTHLIN, Esquire, McWhirter Reeves McGlothlin  
Davidson Decker Kaufman Arnold & Steen, P.A., 117 South  
Gadsden Street, Tallahassee, Florida 32301  
On behalf of Florida Industrial Power Users Group (FIPUG).

STEPHEN C. BURGESS, Esquire, 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).

MICHAEL A. PALECKI, Esquire, NUI Corporation, Florida  
Division, PMB 110-M, 3111-20 Mahan Drive, Tallahassee, Florida  
32308  
On behalf of City Gas Company of Florida (City Gas)

JAMES A. MCGEE, Esquire, Post Office Box 14042, 3201 34th  
Street South, St. Petersburg, Florida 33733  
On behalf of Florida Power Corporation (FPC)

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

JAMES D. BEASLEY, Esquire, KENNETH R. HART, Esquire, and LEE L. WILLIS, Esquire, Ausley & McMullen, Post Office Box 391, Tallahassee, Florida 32302  
On behalf of Tampa Electric Company (TECO)

GRACE A. JAYE, Esquire, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850  
On behalf of the Commission Staff (Staff).

FINAL ORDER APPROVING ENERGY CONSERVATION COST RECOVERY

I. Case Background

As part of the continuing fuel cost recovery, energy conservation cost recovery (ECCR), purchased gas cost recovery, and environmental cost recovery proceedings, a hearing was held November 22-23, 1999, in this docket and in Docket Nos. 990001-EI, 990003-GU, and 990007-EI. In addition to the utilities listed above, Peoples Gas System (Peoples), Peoples Gas West Florida Region (PGS West Florida), Florida Public Utilities Company (FPUC), Chesapeake Utilities Company (Chesapeake), and St. Joe Natural Gas Company (St. Joe) submitted testimony and exhibits in support of their proposed end-of-period final true-up amounts and ECCR factors. Prior to hearing, the parties reached agreement concerning all issues identified for resolution at hearing. Therefore, the case was presented to us as a stipulation. We accept and approve the stipulations as reasonable.

**Generic Energy Conservation Cost Recovery Issues**

II. End-of-Period Final True-Up Amounts for Period April 1, 1998, Through December 31, 1998

We approve as reasonable the following stipulation as to the appropriate end-of-period final true-up amounts for the period April 1, 1998 through December 31, 1998:

FPC	\$1,359,603	Under recovery
FPL	\$(3,068,391)	Over recovery
FPUC - Marianna	\$(88,996)	Over recovery

FPUC - Fernandina Beach	\$ (122,660)	Over recovery
Gulf	\$ (370,678)	Over recovery
TECO	\$2,485,639	Under recovery

III. End-of-Period Final True-Up Amounts for Period April 1, 1998,  
Through March 31, 1999

We approve as reasonable the following stipulation as to the appropriate end-of-period final true-up amounts for the period April 1, 1998, through March 31, 1999:

Chesapeake	\$64,701	Under recovery
City Gas	\$ (195,877)	Over recovery
Peoples	\$ (446,455)	Over recovery
PGS West Florida	\$ (204,737)	Over recovery
St. Joe	\$ (10,555)	Over recovery

III. Energy Conservation Cost Recovery Factors for Period January  
1, 2000, Through December 31, 2000

We approve as reasonable the following stipulation as to the appropriate conservation cost recovery factors for the period January 1, 2000 through December 31, 2000:

Electric Utilities:

FPC:

<b>Rate Class</b>	<b>ECCR Factor cents/kWh</b>
Residential	0.239

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<b>Rate Class</b>	<b>ECCR Factor cents/kWh</b>
<u>General Service Non-Demand</u>	0.172
@ Primary Voltage	0.170
@ Transmission Voltage	0.169
General Service 100% Load Factor	0.121
<u>General Service Demand</u>	0.141
@ Primary Voltage	0.140
@ Transmission Voltage	0.138
<u>Curtable</u>	0.122
@ Primary Voltage	0.121
@ Transmission Voltage	0.120
<u>Interruptible</u>	0.116
@ Primary Voltage	0.115
@ Transmission Voltage	0.114
Lighting	0.059

FPL:

<b>Rate Class</b>	<b>ECCR Factor Cents/kWh</b>
RS 1	0.189
GS 1	0.184

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<b>Rate Class</b>	<b>ECCR Factor Cents/kWh</b>
GSD 1	0.168
OS 2	0.118
GSLD 1/CS 1	0.168
GSLD 2/CS 2	0.159
GSLD 3/CS 3	0.150
ISST 1D	0.176
SST 1T	0.129
SST 1D	0.166
CILC D/CILC G	0.155
CILC T	0.141
MET	0.180
OL 1/SL 1	0.112
SL 2	0.147

FPUC:

Marianna:

<b>Rate Class</b>	<b>ECCR Factor cents/kWh</b>
Residential	0.043

Fernandina Beach:

<b>Rate Class</b>	<b>ECCR Factor cents/kWh</b>
Residential	0.027

Gulf:

<b>Rate Class</b>	<b>ECCR Factor cents/kWh</b>
RS/RST	0.038

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<b>Rate Class</b>	<b>ECCR Factor cents/kWh</b>
GS/GST	0.038
GSD/GSDT	0.036
LP/LPT	0.035
PX/PXT/RTP/SBS	0.033
OS-1/OS-II	0.033
OS-III	0.035
OS-IV	0.042

TECO:

<b>Rate Class</b>	<b>ECCR Factor cents/kWh</b>
Residential	0.125
General Service Non-Demand	0.110
<u>General Service Demand</u>	
@ Primary Voltage	0.095
@ Secondary Voltage	0.096
<u>General Service Large Demand</u>	
@ Primary Voltage	0.088
@ Secondary Voltage	0.089
@ Subtransmission Voltage	0.087
Lighting	0.049

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Natural Gas Utilities:

Chesapeake:

<b>Rate Class</b>	<b>ECCR Factor cents/therm</b>
GS - Residential	0.07132
GS - Commercial	0.02248
GS - Commercial - LV	0.01363
GS - Industrial	0.00753
Firm Transportation	0.00726

City Gas:

<b>Rate Class</b>	<b>ECCR Factor cents/therm</b>
RS - Residential	0.07188
CS - Commercial	0.01793
Commercial Large Volume (LCS)	0.01354

Peoples:

<b>Rate Class</b>	<b>ECCR Factor cents/therm</b>
Residential	0.08099
Commercial Street LT	0.00966
Small Commercial	0.06811
Commercial	0.02835
Commercial Large Volume 1	0.02299
Commercial Large Volume 2	0.01672

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<b>Rate Class</b>	<b>ECCR Factor cents/therm</b>
NGVS	0.00759

PGS West Florida:

<b>Rate Class</b>	<b>ECCR Factor cents/therm</b>
Residential	0.09005
Commercial	0.03118
Commercial Large Volume	0.02315
Industrial	0.02291
Firm Transportation	0.00804
Special Contract	0.00706

St. Joe:

<b>Rate Class</b>	<b>ECCR Factor cents/therm</b>
Residential	0.02326
Commercial	0.02883
Commercial Large Volume	0.00872

V. Effective Date of the New Factors

We approve as reasonable the following stipulation as to the effective date of the new energy conservation cost recovery factors for billing purposes.

The factors shall be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 1, 2000, through December 31, 2000. Billing cycles may start before January 1, 2000 and the last cycle may be read after December 31, 2000, so that each customer is billed for 12 months regardless of when such adjustment factor becomes effective.

FIPUG and OPC took no position on this issue and did not endorse the stipulated resolution set forth herein as to the effective dates of the new conservation cost recovery factors.

**Company Specific Issues**

I. FLORIDA POWER & LIGHT COMPANY

A. Recoverability of Certain Litigation Expenses

We approve as reasonable the following stipulation concerning whether FPL should be allowed to recover \$2,423,945 of litigation expenses that were charged to the Cogeneration and Small Power Production Program through the Energy Conservation Cost Recovery Clause for the period ending December 31, 1998:

The \$2,423,945 of litigation expenses associated with cogeneration contract administration in 1998 shall be recovered through the Energy Conservation Cost Recovery Clause because these expenses are reasonable and prudent expenses for a Commission-approved program that saved Florida Power & Light's customers hundreds of millions of dollars. Florida Power & Light is not otherwise recovering these expenses.

The Florida Industrial Power Users Group (FIPUG) and the Office of Public Counsel (OPC) took no position on this issue and did not endorse the stipulated resolution set forth herein as to the appropriateness of allowing Florida Power & Light to recover litigation expenses associated with the Cogeneration and Small Power Production Program.

II. GULF POWER COMPANY

A. The Appropriate End of Period True-up for October 1997 to March 1998

We approve as reasonable the following stipulation as to the appropriate end of period true-up for October 1997 through March 1998:

The appropriate net true-up amount of \$167,208 as shown in Docket No. 980002-EG, CT-1, page 1 or 1, was approved by Order No. PSC-98-1688-FOF-EG.

FIPUG and OPC took no position on this issue and did not endorse the stipulated resolution set forth herein as to the appropriate end of period recovery for October 1997 through March 1998 for Gulf Power Company.

B. Adjustments to the April 1998 to December 1998 recovery and the 1999 actual/estimated true-up in the 2000 projections for Gulf's errors in the 1999 Projections

We approve as reasonable the following stipulation as to the appropriate adjustment to the 2000 projections:

No adjustment is necessary. The error Gulf made in the 1999 Projection filing overstated the over recovery of April 1998 through December 1998 by \$256,104. For the 1999 actual/estimated true-up period in the 2000 projection filing, Gulf is \$912,032 under recovered which incorporates the error correction of \$256,104.

FIPUG and OPC took no position on this issue and did not endorse the stipulated resolution set forth herein as to whether an adjustment to the 2000 projections is necessary.

C. Removal of Fees Paid for Conversion of Water Heaters from Gas to Electric

We approve as reasonable the following stipulation as to the removal of fees paid for conversion of gas water heaters to electric water heaters:

Gulf is not requesting and has not requested the recovery of fees paid for the conversion of gas to electric water heaters. As a result, this issue is not appropriate for discussion at this time. Some fees were inadvertently charged to ECCR accounts because of an accounting error. An adjusting entry to remove these costs has already been made by the Company and no such costs have been passed through to customers through the ECCR.

FIPUG and OPC took no position on this issue and did not endorse the stipulated resolution set forth herein as to whether an adjustment is necessary.

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D. Legal Fees

We approve as reasonable the following stipulation as to the inclusion of legal fees by Gulf in the ECCR:

The only legal fees included in Gulf's filing are related to the Residential Advanced Energy Management (AEM) program and the Commercial/Industrial Energy Audit/Technical Assistance program. Specifically, contract negotiators and subsequent contract administration of Gulf's contracts with product vendors accounted for the legal expenses in the AEM program. Similarly, the legal expenses incurred in the Commercial/Industrial Energy Audit/Technical Assistance program resulted from the negotiation and administration of cogeneration contracts. These fees were incurred in Gulf's implementation of the two programs and therefore qualify for cost recovery through the ECCR. Commission Order No. PSC-96-0352-FOF-EG supports the inclusion of these legal fees for cost recovery.

FIPUG and OPC took no position on this issue and did not endorse the stipulated resolution set forth herein as to whether Gulf appropriately included legal fees in the ECCR

IV. FLORIDA POWER CORPORATION

A. Residential Revenue Decoupling

We approve as reasonable the following stipulation concerning FPC's calculation of its final Residential Revenue Decoupling true-up amount for calendar year 1997:

FPC's final Residential Revenue Decoupling true-up amount for calendar year 1997 has been calculated based on the final revision of 1997 Florida total personal income in accordance with the methodology approved by the Commission in Order No. PSC-95-0097-FOF-EI.

FIPUG and OPC took no position on this issue and did not endorse the stipulated resolution set forth herein as to whether FPC properly calculated its final Residential Revenue Decoupling true-up amount for calendar year 1997.

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Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the stipulations and findings set forth in the body of this Order are hereby approved. 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 taken from January 1, 2000, through December 31, 2000. Billing cycles may start before January 1, 2000 and the last cycle may be read after December 31, 2000, so that each customer is billed for 12 months regardless of when such adjustment factor becomes effective. It is further

ORDERED that Florida Power & Light Company shall be authorized to recover the \$2,423,945 of litigation expenses associated with the Cogeneration and Small Power Production Program. It is further

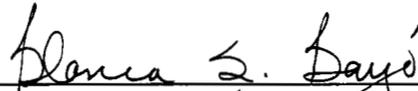
ORDERED that Gulf Power Company need make no adjustment for fees charged in the conversion of gas to electric water heaters because an adjusting entry to remove these costs has already been made by the Company. It is further

ORDERED that Gulf Power Company's legal fees related to the Residential Advanced Energy Management (AEM) program and the Commercial/Industrial Energy Audit/Technical Assistance program qualify for cost recovery through the ECCR. It is further

ORDERED that Florida Power Corporation's final Residential Revenue Decoupling true-up amount for calendar year 1997 has been calculated in accordance with the methodology approved in Order No. PSC-95-0097-FOF-EI.

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By ORDER of the Florida Public Service Commission this 21st  
day of December, 1999.



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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

GAJ

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 Director, Division of Records and Reporting, 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 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 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.