

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Energy conservation cost recovery
clause.

DOCKET NO. 20190002-EG
ORDER NO. PSC-2019-0504-FOF-EG
ISSUED: November 25, 2019

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
JULIE I. BROWN
DONALD J. POLMANN
GARY F. CLARK
ANDREW GILES FAY

FINAL ORDER APPROVING ENERGY CONSERVATION COST RECOVERY
AMOUNTS AND RELATED TARIFFS AND ESTABLISHING ENERGY
CONSERVATION COST RECOVERY FACTORS FOR THE PERIOD
JANUARY 2020 THROUGH DECEMBER 2020

APPEARANCES:

R. WADE LITCHFIELD, MARIA JOSE MONCADA, and JOEL BAKER,
ESQUIRES, 700 Universe Boulevard, Juno Beach, Florida 33408, and
KENNETH A. HOFFMAN, ESQUIRE, 134 West Jefferson Street, Tallahassee,
Florida 32301-1713

On behalf of Florida Power & Light Company (FPL).

RUSSELL A. BADDERS, ESQUIRE, One Energy Place, Pensacola, Florida
32520, and STEVEN R. GRIFFIN, ESQUIRE, Beggs & Lane R.L.L.P., P.O. Box
12950, Pensacola, Florida 32591

On behalf of Gulf Power Company (GULF).

BETH KEATING, ESQUIRE, Gunster, Yoakley & Stewart, P.A., 215 South
Monroe Street, Suite 601, Tallahassee, Florida 32301

On behalf of Florida Public Utilities Company (FPUC).

DIANNE M. TRIPLETT, ESQUIRE, 299 First Avenue North, St. Petersburg,
Florida 33701, and MATTHEW R. BERNIER, ESQUIRE, 106 East College
Avenue, Suite 800, Tallahassee, Florida 32301

On behalf of Duke Energy Florida, LLC (DEF).

JAMES D. BEASLEY, J. JEFFRY WAHLEN, and MALCOLM N. MEANS,
ESQUIRES, Ausley McMullen, P.O. Box 391, Tallahassee, Florida 32302

On behalf of Tampa Electric Company (TECO).

J.R. KELLY, ESQUIRE, Public Counsel, PATRICIA A. CHRISTENSEN, CHARLES J. REHWINKEL, STEPHANIE MORSE, and THOMAS A. (TAD) DAVID, ESQUIRES, Office of Public Counsel, c/o The Florida Legislature, 111 W. Madison Street, Room 812, Tallahassee, Florida 32399
On behalf of the Citizens of the State of Florida (OPC).

JAMES W. BREW and LAURA A. WYNN, ESQUIRES, Stone Mattheis Xenopoulos & Brew, PC, 1025 Thomas Jefferson Street, NW, Eighth Floor, West Tower, Washington, D.C. 20007
On behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (PCS).

JON C. MOYLE, JR. and KAREN PUTNAL, ESQUIRES, Moyle Law Firm, P.A., 118 North Gadsden Street, Tallahassee, Florida 32301
On behalf of Florida Industrial Power Users Group (FIPUG).

MARGO A. DuVAL and GABRIELLA PASSIDOMO, ESQUIRES, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Advisor to the Florida Public Service Commission.

KEITH C. HETRICK, ESQUIRE, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Florida Public Service Commission General Counsel.

BY THE COMMISSION:

BACKGROUND

The Energy Conservation Cost Recovery Clause allows public utilities to seek recovery of costs for energy conservation programs on an annual basis, pursuant to Sections 366.80-366.83, Florida Statutes (F.S.), and Chapter 25-17, Florida Administrative Code. As part of the Florida Public Service Commission's continuing energy conservation cost recovery proceedings, an administrative hearing was held in this docket on November 5, 2019. Florida Power & Light Company (FPL), Gulf Power Company (GULF), Florida Public Utilities Company (FPUC), Duke Energy Florida, LLC (DEF), and Tampa Electric Company (TECO) submitted testimony and exhibits in support of their proposed final and estimated true-up amounts, total conservation cost recovery amounts, and conservation cost recovery factors. Prior to the hearing, the parties reached an agreement concerning all issues identified for resolution at the hearing, with the

intervenors, the Office of Public Counsel (OPC), Florida Industrial Power Users Group (FIPUG), and White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (PCS Phosphate), taking no position. We have jurisdiction over the subject matter by the provisions of Chapter 366, F.S., including Sections 366.04, 366.05, and 366.06, F.S.

The parties stipulated to the final and estimated true-up amounts, total conservation cost recovery amounts, and conservation cost recovery factors for each utility. The parties also stipulated to the company specific conservation cost recovery issues. We accept and approve the stipulations as reasonable and find they are supported by competent, substantial evidence of record, as set forth below.

DECISION

Conservation Cost Recovery True-Up

We find that the appropriate final conservation cost recovery adjustment true-up amounts for the period January 2018 through December 2018 are as follows:

Florida Power & Light Company	\$5,635,677	Over-recovery
Florida Public Utilities Company	\$23,726	Under-recovery
Duke Energy Florida, LLC	\$2,335,393	Under-recovery
Gulf Power Company	\$390,862	Over-recovery
Tampa Electric Company	\$2,864,459	Over-recovery

We find that the appropriate conservation adjustment actual/estimated true-up amounts for the period January 2019 through December 2019 are as follows:

Florida Power & Light Company	\$7,934,200	Over-recovery
Florida Public Utilities Company	\$61,122	Under-recovery
Duke Energy Florida, LLC	\$649,259	Under-recovery
Gulf Power Company	\$4,154,533	Over-recovery
Tampa Electric Company	\$4,857,532	Over-recovery

We find that the appropriate total conservation adjustment true-up amounts to be collected/refunded from January 2020 through December 2020 are as follows:

Florida Power & Light Company	\$13,569,877	Over-recovery
Florida Public Utilities Company	\$84,848	Under-recovery
Duke Energy Florida, LLC	\$2,984,652	Under-recovery
Gulf Power Company	\$4,545,395	Over-recovery
Tampa Electric Company	\$7,721,991	Over-recovery

Total Conservation Cost Recovery

We find that the total conservation cost recovery amounts to be collected during the period January 2020 through December 2020 are as follows:

Florida Power & Light Company	\$145,840,085
Florida Public Utilities Company	\$834,848
Duke Energy Florida, LLC	\$120,710,133
Gulf Power Company	\$6,249,300
Tampa Electric Company	\$41,518,534

Conservation Cost Recovery Factors

We find that the appropriate conservation cost recovery factors for the period January 2020 through December 2020 are as follows:

FPL:

	Conservation Recovery Factor (\$/kw)	Conservation Recovery Factor (\$/kWh)	RDC (\$/KW)	SDD (\$/KW)
RS1/RTR	-	0.00139	-	-
GS1/GST	-	0.00137	-	-
GSD1/GSDT1/HLFT	0.47	-	-	-
OS2	-	0.00074	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT	0.53	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT	0.53	-	-	-
GSLD3/GSLDT3/CS3/CST	0.54	-	-	-
SST1T	-	-	\$0.06	\$0.03
SST1D1/SST1D2/SST1D	-	-	\$0.06	\$0.03
CILC D/CILC	0.57	-	-	-
CILC	0.56	-	-	-
MET	0.48	-	-	-
OL1/SL1/SL1M/PL	-	0.00037	-	-
SL2/SL2M/GSCU	-	0.00102	-	-

GULF:

RATE CLASS	CONSERVATION COST RECOVERY FACTORS
RS	0.06 cents/kWh
RSVP Tier 1	(2.800) cents/kWh
RSVP Tier 2	(0.840) cents/kWh
RSVP Tier 3	6.735 cents/kWh
RSVP Tier 4	50.918 cents/kWh
RSTOU On-peak	14.000 cents/kWh
RSTOU Off-peak	(2.686) cents/kWh
RSTOU Critical Peak Credit	\$5.00 per event
GS	0.06 cents/kWh
GSD, GSdT, GSTOU	0.056 cents/kWh
LP, LPT	0.053 cents/kWh
LPT-CPO On-Peak	(\$4.89) per kW
LPT-CPO Critical	\$58.68 per kW
PX, PXT, RTP, SBS	0.052 cents/kWh
OSI, OSII	0.041 cents/kWh
OSIII	0.052 cents/kWh
CL Credit	\$5.57 per kW

FPUC: \$.00132 per KWH (consolidated levelized conservation cost recovery factor).

DEF:	<u>Customer Class</u>	<u>ECCR Factor</u>
	Residential	0.339 cents/kWh
	General-Service-Non-Demand	0.327 cents/kWh
	@Primary Voltage	0.324 cents/kWh
	@Transmission Voltage	0.320 cents/kWh
	General Service 100% Load Factor	0.226 cents/kWh
	General Service Demand	1.09 \$/kW
	@Primary Voltage	1.08 \$/kW
	@Transmission Voltage	1.07 \$/kW
	Curtaillable	0.46 \$/kW
	@Primary Voltage	0.46 \$/kW
	@Transmission Voltage	0.45 \$/kW
	Interruptible	0.95 \$/kW
	@Primary Voltage	0.94 \$/kW
	@Transmission Voltage	0.93 \$/kW
	Standby Monthly	0.106 \$/kW
	@Primary Voltage	0.105 \$/kW
	@Transmission Voltage	0.104 \$/kW
	Standby Daily	.050 \$/kW
	@Primary Voltage	.050 \$/kW
	@Transmission Voltage	.049 \$/kW
	Lighting	0.103 cents/kWh

TECO:

<u>Rate Schedule</u>	<u>Cost Recovery Factors</u> <u>(cents per kWh)</u>
RS	0.232
GS and CS	0.216
GSD Optional – Secondary	0.194
GSD Optional – Primary	0.192
GSD Optional – Subtransmission	0.190
LS-1	0.118

<u>Rate Schedule</u>	<u>Cost Recovery Factors</u> <u>(dollars per kW)</u>
GSD – Secondary	0.84
GSD – Primary	0.83
GSD – Subtransmission	0.82
SBF – Secondary	0.84
SBF – Primary	0.83
SBF – Subtransmission	0.82
IS - Secondary	0.73
IS - Primary	0.72
IS - Subtransmission	0.72

Conservation Cost Recovery Effective Date for 2020 Billing Cycle

We find that the factors shall be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2020 through December 2020. Billing cycles may start before January 1, 2020 and the last cycle may be read after December 31, 2020, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. These charges shall continue in effect until modified by subsequent order of this Commission.

Revised Tariffs Reflecting the Energy Conservation Cost Recovery Amounts and Establishing Energy Conservation Cost Recovery Factors

We find that the revised tariffs reflecting the energy conservation cost recovery amounts and establishing energy conservation cost recovery factors determined to be appropriate in this proceeding shall be approved. We direct our staff to verify that the revised tariffs are consistent with our decision.

Company Specific Conservation Cost Recovery Issues

TECO

We find that, in accordance with Order No. PSC-2017-0456-FOF-EI, issued November 27, 2017 in Docket No. 20170210, the Contracted Credit Value by Voltage Level for the forthcoming cost recovery period, January 2020 through December 2020, for the GSLM-2 and GSLM-3 rate riders will be:

<u>Voltage Level</u>	<u>Contracted Credit Value (dollars per kW)</u>
Secondary	10.23
Primary	10.13
Subtransmission	10.03

We further find that for the period January 2020 through December 2020 the Residential Price Responsive Load Management (RSVP-1) rates are as follows:

<u>Rate Tier</u>	<u>Cents per kWh</u>
P4	38.986
P3	6.481
P2	(0.725)
P1	(2.452)

We further find that for the January 2020 billing cycles, the credit factors to refund the “Final Tax Savings Credit” amount are as follows:

<u>Rate Schedule</u>	<u>Credit Factors (cents per kWh)</u>
RS	0.906
GS and CS	0.770
GSD Optional – Secondary	0.645
GSD Optional – Primary	0.639
GSD Optional – Subtransmission	0.632
LS-1	0.172

<u>Rate Schedule</u>	<u>Credit Factors (dollars per kW)</u>
GSD – Secondary	2.71
GSD – Primary	2.68
GSD – Subtransmission	2.66
SBF – Secondary	2.71
SBF – Primary	2.68
SBF – Subtransmission	2.66
IS - Secondary	2.18
IS - Primary	2.16
IS - Subtransmission	2.14

Joint Motion

We find that the Joint Motion to Modify Order No. PSC-2012-0425-PAA-EU Regarding Weighted Average Cost of Capital Methodology shall not be approved. The normalization provisions of the Internal Revenue Code (IRC) Treasury Regulation Section 1.167(1)-1(h)(6) shall be applied to the Weighted Average Cost of Capital (WACC) in this docket subject to true-up. The determination of the WACC to be applied in future clause dockets shall be the subject of a workshop to be held by our staff.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the stipulations, findings, and rulings herein are hereby approved. It is further

ORDERED that each investor-owned electric utility that was a party to this docket shall abide by the stipulations, findings, and rulings herein which are applicable to it. 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 beginning with the specified conservation cost recovery cycle and thereafter for the period January 2020 through December 2020. Billing cycles may start before January 1, 2020 and the last cycle may be read after December 31, 2020, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. These charges shall continue in effect until modified by subsequent order of this Commission. It is further

ORDERED that the revised tariffs reflecting the energy conservation cost recovery amounts and establishing energy conservation cost recovery factors determined to be appropriate in this proceeding are approved. Commission staff shall verify that the revised tariffs are consistent with our decision herein. It is further

ORDERED that while a separate docket number is assigned each year for administrative convenience, the Energy Conservation Cost Recovery Clause is a continuing docket and shall remain open.

By ORDER of the Florida Public Service Commission this 25th day of November, 2019.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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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 Office of Commission Clerk, 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 Office of Commission Clerk, 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.