

MEMORANDUM

-via facsimile-
January 10, 1997

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JAN 10 1997

FPSC-RECORDS/REPORTING

TO: Bill Feaster/FPL
Jim Fama/FPC
Frank Cressman/FPUC
Warren Tate/Gulf
Angela Llewellyn/TECO
Richard Wall/City Gas
Stephen Thompson/Chesapeake
Jack Uhl/Peoples
Stuart Shoaf/St. Joe
Jeff Householder/West Florida
Debra Swim, LEAF

FROM: Mary Anne Helton, PSC *MAH*

RE: Docket No. 961378-EG - Proposed amendment of Rule 25-17.015, F.A.C., Conservation Cost Recovery

On December 13, 1996, the Commission published in the Florida Administrative Weekly, a notice of proposed rule development concerning Rule 25-17.015. Both FPL and Gulf have requested a workshop to be held to discuss the rule. As set forth in the notice, the workshop will be on Tuesday, January 14, 1997, at 9:30 a.m. in Room 152 of the Easley Building.

In response to FPL's comments in its workshop request and to telephone conversations with FPUC and Peoples, staff has further revised its amendments to Rule 25-17.015. The revised rule and the form incorporated by reference in paragraph (1)(c) are attached.

ACK _____ At the workshop next Tuesday, staff plans to discuss each subsection of the attached rule, starting with subsection (1).
AFA _____
AFP _____

CAF _____ Please note that this facsimile is being sent only to the utility liaisons listed in the Commission's case management system.
CMU _____
CTR _____ If you have any questions, please do not hesitate to call me at (904) 413-6096.

EAG _____ ec: Blanca Bayo
LEG _____ Tom Ballinger
LIN _____ Cheryl Banks
OPC _____ Lee Colson
RCH _____ David Ging
SEC 1 _____ Craig Hewitt
WAS _____ Sam Merta
OTH _____ Denise Vandiver

DOCUMENT NUMBER-DATE
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FPSC-RECORDS/REPORTING

1 25-17.015 Energy Conservation Cost Recovery.

2 (1) The Commission shall conduct annual energy conservation
3 cost recovery proceedings during the first quarter of each calendar
4 year. Each utility over which the Commission has ratemaking
5 authority may seek to recover its costs for energy conservation
6 programs ~~as provided in s. 366.82(5), F.S.~~ Each To do so, a
7 utility seeking cost recovery shall file the following at the times
8 directed by the Commission: a petition setting forth estimates of
9 ~~those reasonable and prudent unreimbursed costs projected to be~~
10 ~~incurred, by specific program, less any estimated revenues, in the~~
11 ~~same manner and for the same periods as provided for the fuel cost~~
12 ~~recovery clause in Order No. 9273 issued by the Commission on March~~
13 ~~7, 1980. The time limitations applicable to the fuel cost recovery~~
14 ~~clause shall also apply and the Commission shall dispose of the~~
15 ~~petition in the same manner and within the times applicable to the~~
16 ~~fuel cost recovery clause.~~

17 (a) An annual filing showing both the actual and estimated
18 costs and revenues attributed to each program for the prior 12-
19 month historical period from October 1 through September 30.

20 (b) An annual petition showing two months actual and 16
21 months projected costs and revenues to be incurred by specific
22 program. Actual costs should begin October 1 immediately following
23 the period described in paragraph (1)(a).

24 (c) Within the 60 days that immediately follows the first six
25 months of the reporting period in paragraph (1)(a), each utility

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~~struck through~~ type are deletions from existing law.

1 shall report the actual results for that period on Form PSC/EAG/X
2 (X/9X), entitled, Energy Conservation Cost Recovery Annual Short
3 Form, which is incorporated by reference in this rule, and may be
4 obtained from the Director, Division of Electric and Gas, Florida
5 Public Service Commission.

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

16 (3) A complete list of all account and subaccount numbers
17 used for conservation cost recovery shall accompany each petition
18 for cost recovery. ~~The petition shall indicate the amounts~~
19 ~~recorded in the Clearing Account or such other account as~~
20 ~~appropriate for each conservation program together with the~~
21 ~~subaccounts ultimately charged.~~ Similarly, the petition shall
22 ~~indicate the amount of revenues derived from specific customer~~
23 ~~charges in any programs and any costs recovered, which revenues and~~
24 ~~costs have been recorded in the appropriate revenues subaccounts.~~

25 (4) New programs or program modifications must be approved

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1 prior to program implementation and cost recovery. Each utility
2 ~~shall report the actual costs and specific revenues and recovered~~
3 ~~costs attributed to each program to the Commission in the same~~
4 ~~manner and within the time limits applicable to the fuel cost~~
5 ~~recovery clause. The Commission shall dispose of the matter in the~~
6 ~~same manner as fuel cost recovery clause proceedings to reflect the~~
7 ~~actual conservation costs and conservation revenues of the~~
8 ~~preceding period.~~

9 (5) Advertising expense recovered through energy conservation
10 cost recovery shall be ~~When a utility seeks to recover advertising~~
11 ~~expenses through Energy Conservation Cost Recovery, then the~~
12 ~~expense must be~~ directly related to an approved conservation
13 program, must not mention a competing energy source, and shall not
14 be company image enhancing. Each utility shall submit a copy of
15 each different advertisement and the specific costs associated with
16 producing, publishing, or airing the advertisement, with the filing
17 required by paragraph (1)(a). When the advertisement makes a
18 specific claim of potential energy savings, compares Commission-
19 approved rates and charges, or states appliance efficiency ratings
20 or savings, all data sources and calculations used to substantiate
21 these claims must be included in the filing required by paragraph
22 1(a). In determining whether an advertisement is "directly related
23 to an approved conservation program", the Commission shall
24 consider, but is not limited to, whether the advertisement or
25 advertising campaign:

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- 1 (a) Identifies a specific problem;
2 (b) States how to correct the problem; and
3 (c) Provides direction concerning how to obtain help to
4 alleviate the problem.

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

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

16 Law Implemented: 366.01(1) ~~366.095~~, 366.82(5), F.S.

17 History: New 1/27/81, Amended 12/30/82, 3/27/86, formerly
18 25-17.15, Amended 8/21/90, _____.

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Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: May 15, 1995
 TO: ALL GAS UTILITIES PARTICIPATING IN ENERGY CONSERVATION COST RECOVERY.
 FROM: David Ging
 RE: Conservation True-up Filing Due 6/1/95

To comply with statute requirements, all gas utilities must file the actual results immediately following a six month period. In addition, any difference between the original projection and the actual results must be reported.

To assist in reporting the information, we have developed the following format:

October 1994 through March 1995

Actual Conservation Revenue Applicable to the period: \$ _____
 Actual Conservation Expense: \$ _____
 Actual True-up this period: \$ _____

Original Projected True-up:
 (from C-3, page 6, line 8 (columns 1-6)) \$ _____

Difference between Actual True-up this period,
 and Original Projected True-up: \$ _____

Each utility is required to submit the five totals indicated above. CT reports will not be required for this filing.

- c: Joseph D. Jenkins, Director, Division of Electric and Gas
- Robert L. Trapp, Assistant Director, Division of Electric and Gas
- Cheryl R. Bulecza-Banks, Acting Chief, Bureau of Gas Regulation
- Sheila Erstling, Senior Attorney, Division of Legal Services