



Public Service Commission

ORIGINAL
FILE COPY

Memorandum

-via facsimile-

January 27, 1997

To: Charlie Guyton/FPL
Jim Fama/ FPC
Angela Llewellyn/TECO
Warren Tate/Gulf
Frank Cressman/FPUC
Jack Uhl/Peoples
Richard Wall/City Gas
Jeff Householder/West Florida
Stephen Thompson/Chesapeake
Stuart Shoaf/St. Joe
Gail Kamaras/LEAF

From: Mary Anne Helton *maht*

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

- ACK _____ On Tuesday, January 14, 1997, at FPL and Gulf Power's request, staff conducted a
- AFA _____ workshop concerning the published "rule development" amendments to Rule 25-17.015, Florida
- APP _____ Administrative Code. Attached for your review is Rule 25-17.015 with additional changes based
- CAF _____ on discussion at the workshop.
- CMU _____ Any post-workshop comments concerning the attached version of Rule 25-17.015 should
- CTR _____ be filed with the Commission's Division of Records and Reporting by Tuesday, February 11,
- EAG _____ 1997.
- LEG _____ In addition, Gulf Power suggested that the time frame for ECCR filings be changed as set
- LIN _____ forth in its attached "Proposed ECCR Time-Line." Staff is not convinced that any benefits
- OPC _____ realized from the proposed time change would offset the problems that would result from stale
- RCH _____
- SEC 1
- WAS _____
- OTH _____

DOCUMENT NUMBER-DATE
01076 JAN 28 97
FPSC-RECORDS/REPORTING

ECCR Memorandum
Page 2

information being filed. While staff made many of the wording changes suggested by Gulf, we did not change the time periods in the attached revised rule. Feel free to address the current and proposed time lines in your comments and staff will again look at the issue.

Please call me at (904) 413-6096 if you have any questions.

cc: Blanca Bayó ✓
Tom Ballinger
Cheryl Banks
Lee Colson
Joe Dillmore
David Ging
Craig Hewitt
Sam Merta
Denise Vandiver

attachments:

Revised Rule 25-17.015
Energy Conservation Cost Recovery Annual Short Form
Proposed ECCR Time-Line

1 25-17.015 Energy Conservation Cost Recovery.

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

17 (a) An annual final true-up filing showing the actual program
18 costs attributed to each program and actual revenues for the 12-
19 month historical period from October 1 through September 30 that
20 ends prior to the annual ECCR proceedings. As part of this filing,
21 the utility shall include a comparison of the actual total costs
22 and revenues reported to the estimated total costs and revenues
23 previously reported for the same period covered by the filing in
24 paragraph (1)(b). The filing shall also include the final over- or
25 under-recovery of total conservation costs for the final true-up

CODING: Words underlined are additions; words in
~~struck through~~ type are deletions from existing law.

1 period.

2 **(b)** An annual filing showing two months actual and 16 months
3 projected program costs attributed to each program and any revenues
4 collected. Actual costs and revenues should begin October 1
5 immediately following the period described in paragraph (1) (a).
6 The filing shall also include the estimated/actual over- or under-
7 recovery of total conservation costs for the estimated/actual true-
8 up period.

9 **(c)** An annual petition setting forth proposed energy
10 conservation cost recovery factors to be effective for the 12-month
11 period beginning April 1 following the hearing. Such proposed cost
12 recovery factors shall take into account the data filed pursuant to
13 paragraphs (1) (a) and (1) (b).

14 **(d)** Within the 90 days that immediately follows the first six
15 months of the reporting period in paragraph (1) (a), each utility
16 shall report the actual results for that period on Form PSC/EAG/X
17 (X/9X), entitled, Energy Conservation Cost Recovery Annual Short
18 Form, which is incorporated by reference in this rule, and may be
19 obtained from the Director, Division of Electric and Gas, Florida
20 Public Service Commission.

21 **(2)** Each utility shall establish a separate clearing account
22 or subaccount ~~or such other account as appropriate~~ for each
23 conservation program for purposes of recording the costs incurred
24 for that program, ~~together with subaccounts under the appropriate~~
25 ~~accounts contained in the Uniform System of Accounts prescribed by~~

CODING: Words underlined are additions; words in
~~struck through~~ type are deletions from existing law.

1 ~~the Commission which will ultimately be charged.~~ Each utility
2 shall also establish separate subaccounts ~~appropriate under the~~
3 ~~account for Other Electric Revenues or Other Gas Revenues,~~ for
4 revenues derived from ~~specific customer charges in any program and~~
5 ~~any costs recovered.~~

6 (3) A complete list of all account and subaccount numbers
7 used for conservation cost recovery shall accompany each filing in
8 paragraph (1) (a). ~~The petition shall indicate the amounts recorded~~
9 ~~in the Clearing Account or such other account as appropriate for~~
10 ~~each conservation program together with the subaccounts ultimately~~
11 ~~charged. Similarly, the petition shall indicate the amount of~~
12 ~~revenues derived from specific customer charges in any programs and~~
13 ~~any costs recovered, which revenues and costs have been recorded in~~
14 ~~the appropriate revenues subaccounts.~~

15 (4) New programs or program modifications must be approved
16 prior to cost recovery. New incentives or rebates may not be
17 recovered if paid before their approval as part of a new program or
18 program modification. Other program implementation costs
19 associated with new programs or program modifications may be
20 recovered if the program modification or new program is approved
21 before cost recovery and the Commission determines that the
22 expenditure of such costs was prudent. ~~Each utility shall report~~
23 ~~the actual costs and specific revenues and recovered costs~~
24 ~~attributed to each program to the Commission in the same manner and~~
25 ~~within the time limits applicable to the fuel cost recovery clause.~~

CODING: Words underlined are additions; words in
~~struck-through~~ type are deletions from existing law.

1 ~~The Commission shall dispose of the matter in the same manner as~~
2 ~~fuel cost recovery clause proceedings to reflect the actual~~
3 ~~conservation costs and conservation revenues of the preceding~~
4 ~~period.~~

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

- 20 (a) Identifies a specific problem; ~~and~~
21 (b) States how to correct the problem; and ~~and~~
22 (c) Provides direction concerning how to obtain help to
23 alleviate the problem.

24 ~~(6) If a cost for any utility has been expressly disallowed~~
25 ~~for cost recovery by a Commission order, each utility is prohibited~~

CODING: Words underlined are additions; words in
~~struck through~~ type are deletions from existing law.

1 ~~from thereafter seeking recovery of a cost of a substantially~~
2 ~~similar nature unless the utility specifically identifies the cost~~
3 ~~it is seeking to recover as being similar to previously disallowed~~
4 ~~costs. Each willful violation of the provisions of this subsection~~
5 ~~by a utility shall subject the utility to a penalty as described by~~
6 ~~s. 366.095, Florida Statutes. In order to implement this~~
7 ~~subsection, the Commission will issue an order describing the types~~
8 ~~of costs that it has previously disallowed.~~

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

10 Law Implemented: 366.06(1) ~~366.095~~, 366.82(3) & (5), F.S.

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

13

14 eccr#3.mah

15

16

17

18

19

20

21

22

23

24

25

CODING: Words underlined are additions; words in
~~struck through~~ type are deletions from existing law.

ENERGY CONSERVATION COST RECOVERY
ANNUAL SHORT FORM

October 199_ through March 199_

Actual Conservation Revenue Applicable to the period: \$ _____

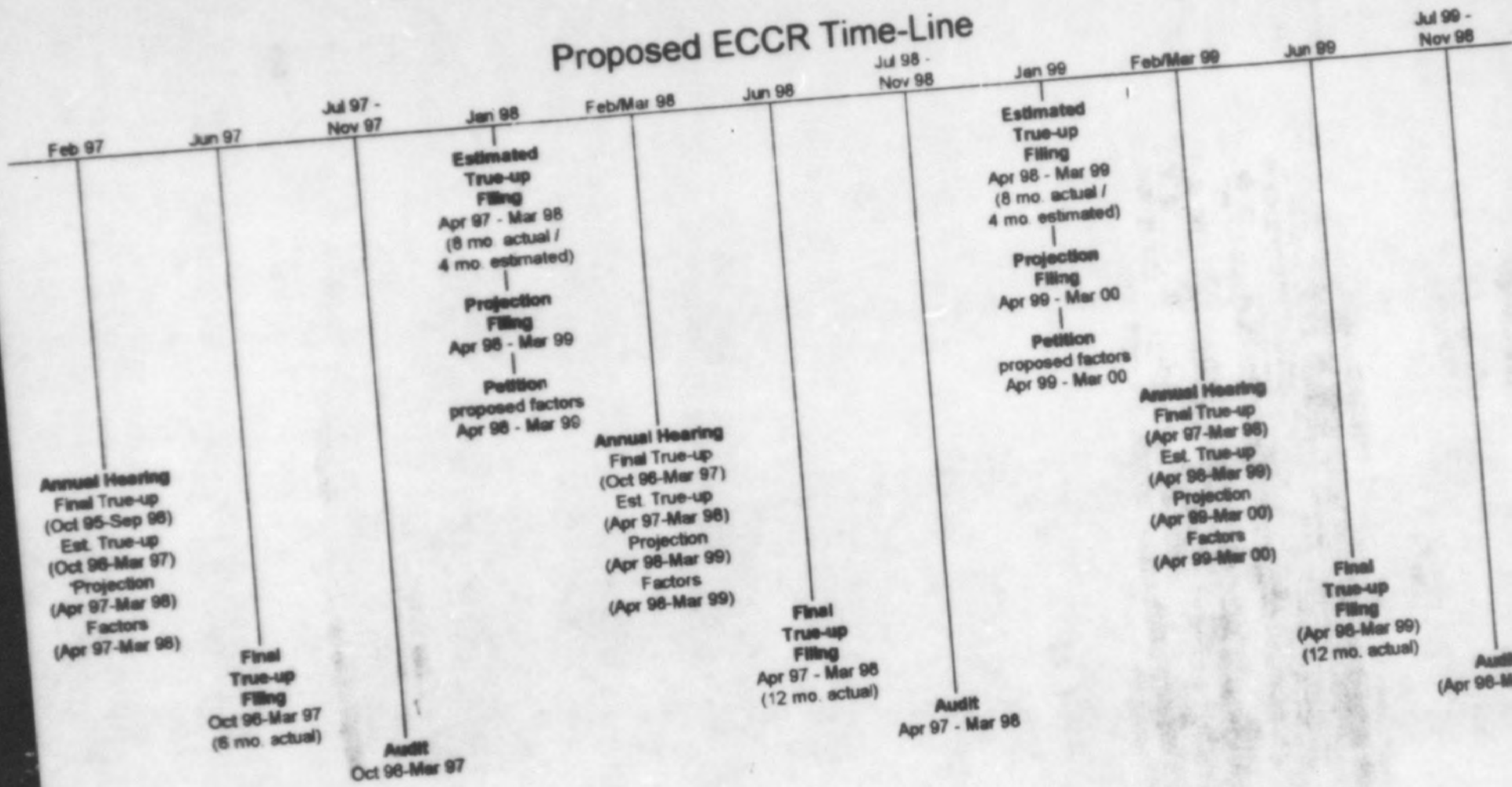
Actual Conservation Expense: \$ _____

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 (excluding interest): \$ _____

Proposed ECCR Time-Line



16:02 JAN 20, 1997 ID: 1-904-459-3328

TEL NO: 1-904-459-3328