



Public Service Commission

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DATE: MAY 20, 1999

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BA00)

FROM: DIVISION OF ELECTRIC AND GAS (FUTRELL)
DIVISION OF LEGAL SERVICES (COLLINS)

RE: DOCKET NO. 990345-EG - PETITION BY TAMPA ELECTRIC COMPANY FOR APPROVAL OF EXTENSION OF DEMAND-SIDE MANAGEMENT COMMERCIAL RESEARCH AND DEVELOPMENT PROGRAM.

AGENDA: 06/01/99 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\LEG\WP\990345.RCM

CASE BACKGROUND

In Order No. PSC-95-0691-FOF-EG, issued June 9, 1995 in Docket No. 951173-EG, the Commission approved Tampa Electric Company's (TECO) Commercial Research and Development (R&D) program as part of TECO's Demand Side Management (DSM) Plan. This Proposed Agency Action was protested, but was reinstated by Order No. PSC-95-1346-S-EG issued November 1, 1995. This order approved the stipulation between TECO and the Legal Environmental Assistance Foundation, as well as dismissed petitions for formal proceeding.

The Commercial R&D program was designed to fund the planned evaluation of the measures designated as R&D by the Commission in Docket No. 930551-EG (TECO's conservation goals docket). The program was limited to a three year period, with expenditures capped at \$450,000. Program costs are recovered through the Energy Conservation Cost Recovery Clause. On March 17, 1999, TECO petitioned for an extension of the program until mid 2000.

DOCUMENT NUMBER-DATE

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DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve Tampa Electric Company's petition for extension of the Commercial Research and Development Program?

RECOMMENDATION: Yes. The program should be extended to June 30, 2000. The expenditure cap will remain at \$450,000 as approved by the Commission in Order No. PSC-95-0691-FOF-EG.

STAFF ANALYSIS: TECO wishes to extend its Commercial R&D program to allow for the completion of the field monitoring and evaluation of equipment funded in part through the program, and until its new DSM plan is estimated to become effective. TECO does not seek to increase the expenditure cap of \$450,000 established by the Commission in Order No. PSC-95-0691-FOF-EG. As of March 31, 1999, TECO had spent \$309,341. TECO, in partnership with the Department of Energy and the Hillsborough County School System, has partially funded through the Commercial R&D program the installation of an integrated Direct Expansion/solid-desiccant air conditioning system at a local high school. The extension requested will allow TECO to monitor the installation for a full year allowing for the collection of cooling season data. The extension will also allow TECO to research any new technology and determine its cost-effectiveness.

It is estimated that TECO's new DSM plan will become effective in mid 2000 following the establishment of TECO's numeric DSM goals in Docket No. 971007-EG. The order establishing goals is due November 8, 1999. TECO would then have 90 days to file its new DSM plan for approval. TECO has requested in its petition in the instant docket an extension to mid 2000. TECO has agreed that an extension to June 30, 2000 should allow sufficient time for the establishment of numeric DSM goals, and the approval of TECO's new DSM plan.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes.

STAFF ANALYSIS: If no person whose substantial interests are affected by the Commission's proposed agency action files a protest within twenty-one days of the issuance of the order, Docket No. 990345-EG should be closed.