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FPSC - COMMISSION CLERK

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: December 22, 2015

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Economics (Guffey, Draper) *EDJ SKG pd*
Office of the General Counsel (Villafrate) *JFC*

RE: Docket No. 150242-EI – Petition to approve revisions to Tariff Sheets Nos. 6.2811, 6.282, and 6.284 Rate Schedule LS-1 - Lighting Service, by Duke Energy Florida, LLC.

COMMISSION
CLERK

2015 DEC 22 AM 9:25

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AGENDA: 01/05/2016 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 01/09/2016 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On November 9, 2015, Duke Energy Florida, LLC (DEF), filed a petition for approval of revisions to Tariff Sheets Nos. 6.2811, 6.282, and 6.284 in the Lighting Service (LS-1) rate schedule. On December 17, 2015, DEF filed an amended tariff sheet No. 6.284. The proposed tariffs are shown in legislative format in Attachment 1 to the recommendation.

On November 30, 2015, DEF responded to Staff's First Data Request. The Commission has jurisdiction over this matter pursuant to Section 366.06, Florida Statutes.

Discussion of Issues

Issue 1: Should the Commission approve DEF's proposed changes to its LS-1 rate schedule as shown in Attachment 1?

Recommendation: Yes. The Commission should approve the proposed changes to DEF's LS-1 rate schedule as shown in Attachment 1. The revised tariffs should become effective on January 5, 2016.

Staff Analysis: DEF proposed four revisions to its LS-1 rate schedule which are discussed below.

First, DEF proposed to add several new Light Emitting Diode (LED) fixtures to its current fixture offerings. DEF explained that the proposed new LED fixtures have lower installed costs, increased energy efficiency, and improved maintenance requirements compared to traditional fixtures and previous generations of LEDs and metal halide fixtures.

The charges for the new LED fixtures are comprised of three components: a fixture charge, a maintenance charge, and a non-fuel energy charge, consistent with DEF's other lighting options. The fixture charges were developed based on material, labor, storage, and vehicle costs associated with the installation times the currently approved 1.59 percent fixture rental rate to determine the monthly fixture charge. The minimal initial term for service under the LS-1 tariff is ten years. The maintenance charges were developed based on DEF's estimated maintenance cost for the components (e.g., driver, photocell, luminaire) of the fixtures. The non-fuel energy charge is determined by multiplying the estimated kilowatt-hour usage by fixture type by the currently approved non-fuel energy charge for lighting service (2.132 cents per kilowatt-hour). All other Commission-approved LS-1 recovery clause factors will be applied to the estimated usage.

Second, DEF proposed to limit the five types of existing LED offerings and five metal halide offerings to existing installations only. DEF stated that this type of lighting is being limited because the previous generation LEDs and metal halides have higher installed costs, are less efficient, and have higher maintenance costs. Third, DEF will add two new pole types (15 foot black aluminum and 35 foot black concrete) to provide customers additional pole alternatives.

Finally, in order to expand payment options available to customers, DEF proposed to add a new provision in its LS-1 tariff to allow customers to make an initial, one-time Contribution in Aid of Construction payment of 50 percent of the installed cost of LED fixtures rated greater than 200 watts and/or poles other than standard wood poles. If a customer elects this option, the monthly fixture and/or pole charge will be computed by multiplying the reduced installed cost times the 1.59 percent fixture rental rate and/or 1.82 percent pole rental rate.

Staff has reviewed the necessary cost information submitted by DEF, and believes the charges are reasonable and appropriate. Staff recommends that DEF's proposed changes to its LS-1 rate schedule as shown in Attachment 1 be approved. The revised tariffs should become effective on January 5, 2016.

Issue 2: Should this docket be closed?

Recommendation: If a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order. (Villafrate)

Staff Analysis: If a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protests. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.



SECTION NO. VI
~~THIRD-FOURTH~~ REVISED SHEET NO. 6.2811
CANCELS ~~SECOND-THIRD~~ REVISED SHEET NO. 6.2811

RATE SCHEDULE LS-1
LIGHTING SERVICE
(Continued from Page No. 2)

I. Fixtures: (Continued)

BILLING TYPE	DESCRIPTION	LAMP SIZE ²			CHARGES PER UNIT		
		INITIAL LUMENS OUTPUT	LAMP WATTAGE	kWh	FIXTURE	MAINTENANCE	NON-FUEL ENERGY ³
Metal Halide:							
307	Deco Post Top-MH Sanibel P	11,600	150	65	\$16.85	\$2.68	\$1.39
308	Clermont Tear Drop P	11,600	150	65	19.91	2.68	1.39
309	MH Deco Rectangular P	36,000	320	126	13.07	2.74	2.69
311	MH Deco Cube P	36,000	320	126	15.98	2.74	2.69
312	MH Flood P	36,000	320	126	10.55	2.74	2.69
319	MH Post Top Biscayne P	11,600	150	65	15.24	2.68	1.39
327	Deco Post Top-MH Sanibel ¹	12,000	175	74	18.39	2.72	1.58
349	Clermont Tear Drop ¹	12,000	175	74	21.73	2.72	1.58
371	MH Deco Rectangular ¹	38,000	400	159	14.26	2.84	3.39
372	MH Deco Circular ¹	38,000	400	159	16.70	2.84	3.39
373	MH Deco Rectangular ^{1.5}	110,000	1,000	378	15.30	2.96	8.06
386	MH Flood ^{1.5}	110,000	1,000	378	13.17	2.96	8.06
389	MH Flood-Sportslighter ^{1.5}	110,000	1,000	378	13.01	2.96	8.06
390	MH Deco Cube ¹	38,000	400	159	17.44	2.84	3.39
396	Deco PT MH Sanibel Dual ⁵	24,000	350	148	33.73	5.43	3.16
397	MH Post Top-Biscayne ¹	12,000	175	74	14.98	2.72	1.58
398	MH Deco Cube ^{1.5}	110,000	1,000	378	20.34	2.96	8.06
399	MH Flood	38,000	400	159	11.51	2.84	3.39
Light Emitting Diode (LED):							
<u>106</u>	<u>Underground Sanibel</u>	<u>5,500</u>	<u>70</u>	<u>25</u>	<u>\$20.80</u>	<u>\$1.39</u>	<u>\$0.53</u>
<u>107</u>	<u>Underground Traditional Open</u>	<u>3,908</u>	<u>49</u>	<u>17</u>	<u>13.57</u>	<u>1.39</u>	<u>0.36</u>
<u>108</u>	<u>Underground Traditional w/Lens</u>	<u>3,230</u>	<u>49</u>	<u>17</u>	<u>13.57</u>	<u>1.39</u>	<u>0.36</u>
<u>109</u>	<u>Underground Acorn</u>	<u>4,332</u>	<u>70</u>	<u>25</u>	<u>20.16</u>	<u>1.39</u>	<u>0.53</u>
<u>111</u>	<u>Underground Mini Bell</u>	<u>2,889</u>	<u>50</u>	<u>18</u>	<u>17.88</u>	<u>1.39</u>	<u>0.38</u>
<u>133</u>	<u>ATBO Roadway</u>	<u>4,521</u>	<u>48</u>	<u>17</u>	<u>6.22</u>	<u>1.39</u>	<u>0.36</u>
<u>134</u>	<u>Underground ATBO Roadway</u>	<u>4,521</u>	<u>48</u>	<u>17</u>	<u>7.71</u>	<u>1.39</u>	<u>0.36</u>
<u>136</u>	<u>Roadway</u>	<u>9,233</u>	<u>108</u>	<u>38</u>	<u>7.05</u>	<u>1.39</u>	<u>0.81</u>
<u>137</u>	<u>Underground Roadway</u>	<u>9,233</u>	<u>108</u>	<u>38</u>	<u>8.55</u>	<u>1.39</u>	<u>0.81</u>
<u>138, 176</u>	<u>Roadway</u>	<u>18,642</u>	<u>216</u>	<u>76</u>	<u>11.61</u>	<u>1.39</u>	<u>1.62</u>
<u>139</u>	<u>Underground Roadway</u>	<u>18,642</u>	<u>216</u>	<u>76</u>	<u>13.11</u>	<u>1.39</u>	<u>1.62</u>
<u>141, 177</u>	<u>Roadway</u>	<u>24,191</u>	<u>284</u>	<u>99</u>	<u>14.08</u>	<u>1.39</u>	<u>2.11</u>
<u>142, 162</u>	<u>Underground Roadway</u>	<u>24,191</u>	<u>284</u>	<u>99</u>	<u>15.58</u>	<u>1.39</u>	<u>2.11</u>
<u>147, 174</u>	<u>Roadway</u>	<u>12,642</u>	<u>150</u>	<u>53</u>	<u>9.74</u>	<u>1.39</u>	<u>1.13</u>
<u>148</u>	<u>Underground Roadway</u>	<u>12,642</u>	<u>150</u>	<u>53</u>	<u>11.24</u>	<u>1.39</u>	<u>1.13</u>
<u>151</u>	<u>ATBS Roadway</u>	<u>4,500</u>	<u>49</u>	<u>17</u>	<u>5.07</u>	<u>1.39</u>	<u>0.36</u>
<u>167</u>	<u>Underground Mitchell</u>	<u>5,186</u>	<u>50</u>	<u>18</u>	<u>21.44</u>	<u>1.39</u>	<u>0.38</u>
<u>168</u>	<u>Underground Mitchell w/Top Hat</u>	<u>4,336</u>	<u>50</u>	<u>18</u>	<u>21.44</u>	<u>1.39</u>	<u>0.38</u>
361	LED Roadway ¹	6,000	95	33	\$16.93	\$2.43	\$0.70
362	LED Roadway ¹	9,600	157	55	20.07	2.43	1.17
363	LED-Shoebox Type 3 ¹	20,664	309	108	41.08	2.84	2.30
364	LED-Shoebox Type 4 ¹	14,421	206	72	32.59	2.84	1.54
367	LED-Shoebox Type 5 ¹	14,421	206	72	31.65	2.84	1.54
<u>369</u>	<u>Underground Biscayne</u>	<u>6,500</u>	<u>80</u>	<u>28</u>	<u>18.60</u>	<u>1.39</u>	<u>0.60</u>

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ISSUED BY: Javier J. Portuondo, Director Rates & Regulatory Strategy – FL

EFFECTIVE: **January 1, 2014**



SECTION NO. VI
~~SEVENTEENTH~~ ~~EIGHTEENTH~~ REVISED SHEET NO. 6.282
CANCELS ~~SIXTEENTH~~ ~~SEVENTEENTH~~ REVISED SHEET NO.6.282

RATE SCHEDULE LS-1
LIGHTING SERVICE
(Continued from Page No. 3)

II. POLES

BILLING TYPE	DESCRIPTION	CHARGE PER UNIT
404	35' Deco Concrete – Mariner	\$22.35
405	Concrete, 30/35'	5.05
406	16' Deco Conc – Single Sanibel	11.70
407	16' Decon Conc – Double Sanibel	12.61
408	26' Aluminum DOT Style Pole	45.92
409	36' Aluminum DOT Style Pole	54.80
410	Concrete, 15' ¹	2.31
411	16' Octagonal Conc ¹	2.18
412	32' Octagonal Deco Concrete	16.29
413	25' Tenon Top Concrete	11.84
415	Concrete, Curved ¹	4.77
418	35' Tenon Top Black Concrete	20.14
420	Wood, 30/35'	2.17
425	Wood, 14' Laminated ¹	2.38
428	Deco Fiberglass, 35', Bronze, Reinforced ¹	19.11
429	Deco Fiberglass, 41', Bronze, Reinforced ¹	31.54
430	Fiberglass, 14', Black ¹	2.51
431	Deco Fiberglass, 41', Bronze ¹	17.18
432	Deco Fiberglass, 35', Bronze, Anchor Base ¹	27.49
433	Deco Fiberglass, 35', Bronze ¹	13.60
434	Deco Fiberglass, 20', Black, Deco Base ¹	12.47
435	Aluminum, Type A ¹	6.59
436	Deco Fiberglass, 16', Black, Fluted ¹	19.50
437	Fiberglass, 16', Black, Fluted, Dual Mount ¹	21.94
438	Deco Fiberglass, 20', Black ¹	5.85
439	Black Fiberglass 16'	19.78
440	Aluminum, Type B ¹	7.33
441	15' Black Aluminum	6.54
445	Aluminum, Type C ¹	14.33
446	Deco Fiberglass, 30', Bronze ¹	11.57
447	Deco Fiberglass, 35', Silver, Anchor Base ¹	21.40
448	Deco Fiberglass, 41', Silver ¹	18.00
449	Deco Fiberglass, 16', Black, Fluted, Anchor Base ¹	17.35
450	Concrete, 1/2 Special	1.75
455	Steel, Type A ¹	4.11
460	Steel, Type B ¹	4.41
465	Steel, Type C ¹	6.17
466	16' Deco Con Vic II – Dual Mount	18.06
467	16' Deco Conc Washington – Dual	25.87
468	16' Deco Conc Colonial – Dual Mount	13.35
469	35' Tenon Top Quad Flood Mount	13.63
470	45' Tenon Top Quad Flood Mount	18.90
471	22' Deco Concrete	14.99
472	22' Deco Conc Single Sanibel	16.03
473	22' Deco Conc Double Sanibel	17.26
474	22' Deco Conc Double Mount	18.74
476	25' Tenon Top Bronze Concrete	17.54
477	30' Tenon Top Bronze Concrete	18.70
478	35' Tenon Top Bronze Concrete	20.14
479	41' Tenon Top Bronze Concrete	24.33
480	Wood, 40/45'	5.25
481	30' Tenon Top Concrete, Single Flood Mount	10.06
482	30' Tenon Top Conc, Double Flood Mount/Includes Bracket	12.29
483	46' Tenon Top Conc, Triple Flood Mount/Includes Bracket	18.80
484	46' Tenon Top Conc, Double Flood Mount/Includes Bracket	18.50
485	Concrete, 40/45'	10.19
486	Tenon Style Concrete 46' Single Flood Mount	15.31
487	35' Tenon Top Conc, Triple Flood Mount/Includes Bracket	13.53
488	35' Tenon Top Conc, Double Flood Mount/Includes Bracket	13.23
489	35' Tenon Top Concrete, Single Flood Mount	11.00
490	Special Concrete 13' ¹	17.39
491	30' Tenon Top Conc, Triple Flood Mount/Includes Bracket	12.60
492	16' Smooth Decorative Concrete/The Colonial	8.99
493	19' White Aluminum ¹	25.87
494	46' Tenon Top Concrete/Non-Flood Mount/1-4 Fixtures	16.27
495	Dual Mount 20' Fiberglass ¹	10.84
496	30' Tenon Top Concrete/Non-Flood Mount/1-4 Fixtures	12.44
497	16' Decorative Concrete w/decorative base/The Washington	21.77

(Continued on Page No. 5)

ISSUED BY: Javier J. Portuondo, Director Rates & Regulatory Strategy – FL

EFFECTIVE: April 29, 2013



SECTION NO. VI
~~FOURTH-FIFTH~~ REVISED SHEET NO. 6.284
CANCELS ~~THIRD-FOURTH~~ REVISED SHEET NO. 6.284

RATE SCHEDULE LS-1
LIGHTING SERVICE
(Continued from Page No. 5)

Special Provisions: (Continued)

5. kWh consumption for Company-owned fixtures shall be estimated in lieu of installing meters. kWh estimates will be made using the following formula:

$$\text{kWh} = \frac{\text{Unit Wattage (including ballast losses)} \times 350 \text{ hours per month}}{1,000}$$

6. kWh consumption for customer-owned fixtures shall be metered. Installation of customer-owned lighting facilities shall be provided for by the customer. The Company may consider installing customer owned lighting facilities and will bill the customer in accordance with the Company's policy related to "Work Performed for the Public." Any costs incurred by the Company to provide for consolidation of existing lighting facilities for the purpose of metering shall be at the customer's expense.
7. No Pole Charge shall be applicable for a fixture installed on a company-owned pole which is utilized for other general electrical distribution purposes.
8. The Company will repair or replace malfunctioning lighting fixtures maintained by the Company in accordance with Section 768.1382, Florida Statutes (2005).
9. For a fixture type restricted to existing installations and requiring major renovation or replacement, the fixture shall be replaced by an available similar non-restricted fixture of the customer's choosing and the customer shall commence being billed at its appropriate rate. Where the customer requests the continued use of the same fixture type for appearance reasons, the Company will attempt to provide such fixture and the customer shall commence being billed at a rate determined in accordance with Special Provision No. 2 for the cost of the renovated or replaced fixture.
10. The customer will be responsible for trimming trees and other vegetation that obstruct the light output from fixture(s) or maintenance access to the facilities.
11. After December 31, 1998, all new leased lighting shall be installed on poles owned by the Company.
12. Alterations to leased lighting facilities requested by the customer after date of installation (i.e. redirect, install shields, etc.), will be billed to the customer in accordance with the Company's policy related to "Work Performed for the Public".
13. Service for street or area lighting is normally provided from existing distribution facilities. Where suitable distribution facilities do not exist, it will be the customer's responsibility to pay for necessary additional facilities. Refer to Section III, paragraph 3.01 of the Company's General Rules and Regulations Governing Electric Service to determine the Contribution in Aid of Construction owed by the customer.
14. Requests for exchanging facilities, upgrades, relocations, removals etc. are subject to Section III, paragraph 3.05, of the Company's General Rules and Regulations Governing Electric Service.
15. For available LEDs, the customer may opt to make an initial, one-time Contribution in Aid of Construction payment of 50% of the installed cost of fixtures rated greater than 200 Watts and/or poles other than standard wood poles, to reduce the Company's installed cost. If a customer chooses this option, the monthly fixture and/or pole charge shall be computed as the reduced installed cost times the corresponding monthly percentage in 2.I.(a) and/or 2.II above.