|  |  |
| --- | --- |
| State of FloridapscSEAL | Public Service CommissionCapital Circle Office Center ● 2540 Shumard Oak BoulevardTallahassee, 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)Office of the General Counsel (Villafrate) |
| 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. |
| 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**

**I. Fixtures: (Continued)**

**RATE SCHEDULE LS-1**

**LIGHTING SERVICE**

(Continued from Page No. 2)

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**INITIAL**

**LAMP SIZE 2 CHARGES PER UNIT**

**BILLING**

**TYPE DESCRIPTION**

**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):**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 106 | Underground Sanibel | 5,500 | 70 | 25 | $20.80 | $1.39 | $0.53 |
| 107 | Underground Traditional Open | 3,908 | 49 | 17 | 13.57 | 1.39 | 0.36 |
| 108 | Underground Traditional w/Lens | 3,230 | 49 | 17 | 13.57 | 1.39 | 0.36 |
| 109 | Underground Acorn | 4,332 | 70 | 25 | 20.16 | 1.39 | 0.53 |
| 111 | Underground Mini Bell | 2,889 | 50 | 18 | 17.88 | 1.39 | 0.38 |
| 133 | ATBO Roadway | 4,521 | 48 | 17 | 6.22 | 1.39 | 0.36 |
| 134 | Underground ATBO Roadway | 4,521 | 48 | 17 | 7.71 | 1.39 | 0.36 |
| 136 | Roadway | 9,233 | 108 | 38 | 7.05 | 1.39 | 0.81 |
| 137 | Underground Roadway | 9,233 | 108 | 38 | 8.55 | 1.39 | 0.81 |
| 138, 176 | Roadway | 18,642 | 216 | 76 | 11.61 | 1.39 | 1.62 |
| 139 | Underground Roadway | 18,642 | 216 | 76 | 13.11 | 1.39 | 1.62 |
| 141, 177 | Roadway | 24,191 | 284 | 99 | 14.08 | 1.39 | 2.11 |
| 142, 162 | Underground Roadway | 24,191 | 284 | 99 | 15.58 | 1.39 | 2.11 |
| 147, 174 | Roadway | 12,642 | 150 | 53 | 9.74 | 1.39 | 1.13 |
| 148 | Underground Roadway | 12,642 | 150 | 53 | 11.24 | 1.39 | 1.13 |
| 151 | ATBS Roadway | 4,500 | 49 | 17 | 5.07 | 1.39 | 0.36 |
| 167 | Underground Mitchell | 5,186 | 50 | 18 | 21.44 | 1.39 | 0.38 |
| 168 | Underground Mitchell w/Top Hat | 4,336 | 50 | 18 | 21.44 | 1.39 | 0.38 |
| 361 | ~~LED~~ Roadway **1** | 6,000 | 95 | 33 | ~~$~~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 |
| 369 | Underground Biscayne | 6,500 | 80 | 28 | 18.60 | 1.39 | 0.60 |

**6.282**

**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)

**Page 4 of 6**

 **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’ Fiberglass1 | 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)**

**SECTION NO. VI**

**~~FOURTH~~ FIFTH REVISED SHEET NO. 6.284**

**CANCELS ~~THIRD~~ FOURTH REVISED SHEET NO. 6.284**

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**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:

kWh = Unit Wattage (including ballast losses) x 350 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.