

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-**

2018 APR 26 PM 9:20  
COMMISSION  
CLERK  
REC'D - FPSC

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**DATE:** April 26, 2018

**TO:** Office of Commission Clerk (Stauffer)

**FROM:** Division of Economics (Guffey) *slkg @ EJD PD*  
Office of the General Counsel (Crawford) *cm for JC*

**RE:** Docket No. 20180089-EI – Petition for approval of modifications to rate schedule LS-1, lighting service and for approval of revisions to lighting service contract, by Duke Energy Florida, LLC.

**AGENDA:** 05/08/18 – Regular Agenda – Tariff Filing – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Administrative

**CRITICAL DATES:** 06/04/18 (60-Day Suspension Date)

**SPECIAL INSTRUCTIONS:** None

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## Case Background

On April 4, 2018, Duke Energy Florida, LLC (DEF or utility) filed a petition for approval of modifications to its Lighting Service (LS-1) rate schedule and lighting service contract. The LS-1 tariff is applicable to any customer for the sole purpose of lighting roadways or other outdoor areas. The proposed tariffs in legislative format are shown in Attachment A to this recommendation.

The proposed revisions are designed to update and clarify certain provisions of the LS-1 tariff; none of the rates and charges LS-1 customers currently pay are being modified. 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 and lighting service contract as shown in Attachment A?

**Recommendation:** Yes. The Commission should approve the proposed changes to DEF's LS-1 rate schedule and lighting service contract as shown in Attachment A. The revised tariffs should become effective on May 8, 2018. (Guffey)

**Staff Analysis:** DEF's proposed revisions to its LS-1 rate schedule (Tariff Sheet Nos. 6.283 and 6.284) and lighting service contract (Tariff Sheet Nos. 7.110, 7.111, 7.112, and 7.113) are attached. The revisions are discussed below.

Each fixture shown in the LS-1 tariff indicates the lamp wattage (i.e., the amount of energy a lamp uses). DEF proposes to add language to indicate that actual wattages may vary up to five watts from the wattage shown in the tariff. DEF explained that the newer LED fixtures are more energy efficient in that they have equivalent lumen output with lower wattages compared to previous generation LED fixtures. Adding this language allows DEF to purchase more efficient products without having to update the LS-1 tariff to revise the wattages.

A lighting customer is required to pay a contribution in aid of construction (CIAC) when DEF extends its distribution facilities to provide lighting service. Currently, the CIAC is collected as a one-time payment. As an alternative to the one-time CIAC payment, DEF is proposing to allow customers to pay the CIAC amount as a monthly fee added to the bill. The monthly fee would apply as long as the customer takes service under the LS-1 tariff and is calculated as a percentage of the CIAC amount. The new language does not prohibit a customer from paying the total CIAC amount in a single payment.

In addition, DEF proposes tariff modifications to state that customers must notify the utility before installing customer-owned receptacles such as holiday lights. The added language helps the utility track the receptacles to manage electric load and to appropriately bill for energy consumption.

The proposed tariff is also revised to remove the language which states that the utility may consider installing and maintaining customer-owned systems. DEF states that, as a business practice, it will no longer consider such requests for customer-owned systems. Additionally, new language is included to clarify the pole replacement process making it consistent with the process currently used for replacing obsolete lighting fixtures.

The proposed revisions to the lighting service contract align it with proposed revisions to the LS-1 tariffs discussed above, remove language that is no longer necessary, and revise the utility's name to reflect Duke Energy Florida, LLC.

Staff has reviewed DEF's petition and believes the proposed changes to the LS-1 rate schedule and lighting service contract are reasonable and appropriate. Staff recommends that DEF's proposed changes to the LS-1 rate schedule and lighting service contract, as shown in Attachment A, be approved. The revised tariffs should become effective on May 8, 2018.

**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. (Crawford)

**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  
~~TENTH-ELEVENTH~~ REVISED SHEET NO. 6.283  
 CANCELS ~~NINTH-TENTH~~ REVISED SHEET NO. 6.283

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RATE SCHEDULE LS-1  
 LIGHTING SERVICE  
 (Continued from Page No. 4)

III. Additional Facilities

BILLING TYPE

Electrical Pole Receptacle <sup>4</sup>

401	Single	\$3.00 per unit
402	Double	\$3.90 per unit

Notes to Per Unit Charges:

- (1) Restricted to existing installations.
- (2) Lumens output may vary with lamp configuration and age. Wattage ratings do not include ballast losses. [Actual wattage may vary up to +/- 5 watts.](#)
- (3) Shown for information only. Energy charges are billed by applying the foregoing energy and demand charges to the total monthly kWh.
- (4) Electric use permitted only during the period of October through January, only on poles designated by the Company. Energy charged separately. Customers must notify Company of installation of customer-owned receptacles prior to such installation.
- (5) Special applications only.

Additional Charges:

Fuel Cost Recovery Factor:	See Sheet No. 6.105
Asset Securitization Charge Factor:	See Sheet No. 6.105
Gross Receipts Tax Factor:	See Sheet No. 6.106
Right-of-Way Utilization Fee:	See Sheet No. 6.106
Municipal Tax:	See Sheet No. 6.106
Sales Tax:	See Sheet No. 6.106

Minimum Monthly Bill:

The minimum monthly bill shall be the sum of the Customer Charge and applicable Fixture, Maintenance and Pole Charges.

Terms of Payment:

Bills rendered hereunder are payable within the time limit specified on bill at Company-designated locations.

Terms of Service:

Service under this rate schedule shall be for a minimum initial term of ten (10) years from the commencement of service and shall continue thereafter until terminated by either party by written notice sixty (60) days prior to termination. Upon early termination of service under this schedule, the customer shall pay an amount equal to the remaining monthly lease amount for the term of contract including Contribution in Aid of Construction ("CIAC") under Special Provision No.16, applicable Customer Charges and removal cost of the facilities.

Special Provisions:

1. The customer shall execute a contract on the Company's standard filed contract form for service under this rate schedule.
2. Where the Company provides a fixture or pole type other than those listed above, the monthly charges, as applicable shall be computed as follows:
  - I. Fixture
    - (a) Fixture Charge: 1.59% of the Company's average installed cost.
    - (b) Maintenance Charge: The Company's estimated cost of maintaining fixture.
  - II. Pole
    - Pole Charge: 1.82% of installed cost.
3. The customer shall be responsible for the cost incurred to repair or replace any fixture or pole which has been willfully damaged. The Company shall not be required to make such repair or replacement prior to payment by the customer for damage.
4. Maintenance Service for customer-owned fixtures at charges stated hereunder shall be restricted to fixtures being maintained as of November 1, 1992. ~~For additional requests of the Company to perform maintenance of customer-owned fixtures, the Company may consider providing such service and bill the customer in accordance with the Company's policy related to "Work Performed for the Public."~~

(Continued on Page No. 6)

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

EFFECTIVE: April 19, 2016



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

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

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 and/or pole type restricted to existing installations and requiring major renovation or replacement, the fixture and/or pole shall be replaced by an available similar non-restricted fixture and/or pole 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 and/or pole type for appearance reasons, the Company will attempt to provide such fixture and/or pole 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 and/or pole.
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-CIAC~~ 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.
16. As an alternative to making an initial one-time CIAC payment to extend distribution facilities to render lighting service, as referenced in Special Provision No. 13, the customer may elect to pay a monthly fee of 1.59% of the calculated CIAC amount.

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

EFFECTIVE: January 5, 2016





SECTION NO. VII  
~~SEVENTH~~ REVISED SHEET NO. 7.110  
CANCELS ~~SIXTH~~ REVISED SHEET NO. 7.110

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LIGHTING SERVICE CONTRACT

CUSTOMER NAME: \_\_\_\_\_  
SERVICE LOCATION(S): \_\_\_\_\_  
(Street address, city/county, Company account number if established)

ACCOUNT NUMBER
WORK ORDER NUMBER
DEF CONTACT

This Lighting Service Contract ("Contract") is hereby entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ between Duke Energy Florida, ~~LLC~~ (hereinafter called the Company) and \_\_\_\_\_ (hereinafter referred to as the "Customer") for lighting service at the above location(s). The Customer agrees to receive and pay for lighting service from the Company in accordance with the rates, terms and provisions of the Company's Rate Schedule LS-1, or its successor, as the same is on file with the Florida Public Service Commission (FPSC) and as may be amended and subsequently filed with the FPSC. To the extent there is any conflict between this Contract and the Lighting Service Rate Schedule, the Lighting Rate Schedule shall control.

The Customer further understands that service under this rate shall be for an initial term of **ten (10) years** and shall continue hereafter until terminated by either party upon written notice sixty (60) days prior to termination.

The Company shall install the following facilities (hereinafter called the Facilities):

Fixture Type and Number Installed:

Pole Type and Number Installed:

Additional facilities:

(Continued in Next Page)

ISSUED BY: Javier J. Portuondo, ~~Managing Manager~~, Director, Rates & Regulatory Strategy – FL Form LS-1  
EFFECTIVE: ~~April 29, 2013~~



SECTION NO. VII  
~~SIXTH~~FIFTH REVISED SHEET NO. 7.111  
CANCELS ~~FIFTH~~FOURTH REVISED SHEET NO. 7.111

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**Rate per Month:**

The monthly charges consist of the items below. These charges may be adjusted subject to review and approval by the Florida Public Service Commission.

- Customer Charge
- Pole Charge
- Light Fixture Charge
- Light Fixture Maintenance Charge
- Energy and Demand ~~Charge~~-Charge:
  - Non-fuel Energy Charge
  - Plus the Cost Recovery Factors listed in Rate Schedule BA-1, Billing Adjustments\*\*, except the Fuel Cost Recovery Factor and Asset Securitization Charge Factor: See Sheet No. 6.105 and 6.106
  - Fuel Cost Recovery Factor \*\*: See Sheet No. 6.105
  - Asset Securitization Charge Factor: See Sheet No. 6.105

\*\*Charges are normally revised on an annual basis.

**Additional Charges:**

Certain additional charges may also apply to the installation.

- Gross Receipts Tax Factor: See Sheet No. 6.106
- Right-of-Way Utilization Fees: See Sheet No. 6.106
- Municipal Tax: See Sheet No. 6.106
- Sales Tax: See Sheet No. 6.106

**THE CUSTOMER AGREES:**

1. To purchase from the Company all of the electric energy used for the operation of the Lighting System.
2. To be responsible for paying, when due, all bills rendered by the Company pursuant to the Company's currently effective Lighting Rate Schedule LS-1, or its successor, for facilities and service provided in accordance with this Contract.
3. To be responsible for trimming trees that may either obstruct the light output from fixture(s) or that obstruct maintenance access to the facilities.

**IT IS MUTUALLY AGREED THAT:**

4. Requests for exchanging facilities, upgrades, relocations, etc. are subject to Section III, paragraph 3.05, of the Company's General Rules and Regulations Governing Electric Service.
5. The Company does not guarantee continuous lighting service and will not be liable for damages for any interruption, deficiency or failure of service, and reserves the right to interrupt service at any time for necessary repairs to lines or equipment. Nothing in this Contract is intended to benefit any third party or to impose any obligation on the Company to any such third party.
6. Installation shall be made only when, in the judgment of the Company, the location and the type of the facilities are, and will continue to be, easily and economically accessible to the Company's equipment and personnel for both construction and maintenance. In the event the Customer or its contractor, subcontractor or other agent changes the grading, which requires the Company to move its facilities or otherwise incur costs to ensure compliance with applicable code requirements, Customer shall compensate the Company for all such costs incurred by the Company to comply with any applicable code requirements. In the event Customer fails to pay the Company within 30 days of the completion of such work, Customer shall pay the Company any amounts owing the Company, including interest and any attorneys and other fees and costs the Company incurs to collect any amounts owed to the Company.
7. Modification of the facilities provided by the Company under this Contract may only be made through the execution of a written amendment to this Contract.

(Continued in Next Page)

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

Form LS-1

EFFECTIVE: April 19, 2016



SECTION NO. VII  
FIFTH-SIXTH REVISED SHEET NO. 7.112  
CANCELS ~~FOURTH-FIFTH~~ REVISED SHEET NO. 7.112

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8. The Company will, at the request of the Customer, relocate the lighting facilities covered by this Agreement, if provided sufficient rights-of-way or easements to do so. The Customer shall be responsible for the payment of all costs associated with any such Customer-requested relocation of the Company's lighting facilities.
9. The Company may, at any time, substitute for any luminaire/lamp installed hereunder another luminaire/lamp which shall be of at least equal illuminating capacity and efficiency.
10. The Customer agrees to take responsibility for the cost incurred to repair or replace any fixture or pole which has been willfully damaged. The Company shall not be required to make such repair or replacement prior to payment by the Customer for damage.
11. The Company will repair or replace malfunctioning lighting fixtures maintained by the Company in accordance with Section 768.1382, Florida Statutes (2005).
12. This Contract shall be for a term of ten (10) years from the date of initiation of service. The date of initiation of service shall be defined as the date the first lights are energized. ~~At the end of the term of service, a new Contract will be required.~~
13. Should the Customer fail to pay any bills due and rendered pursuant to this Contract or otherwise fail to perform the obligations contained in this Contract, said obligations being material and going to the essence of this Contract, the Company may cease to supply electric energy or service until the Customer has paid the bills due and rendered or has fully cured such other breach of this Contract. Service charges associated with the reconnection of service after disconnection for nonpayment or violation of Company or Commission Rules may be assessed for each lighting installation on an account. Any failure of the Company to exercise its rights hereunder shall not be a waiver of its rights. It is understood, however, that such discontinuance of the supplying of electric energy or service shall not constitute a breach of this Contract by the Company, nor shall it relieve the Customer of the obligation to perform any of the terms and conditions of this Contract.
14. If the Customer no longer wishes to receive service under this schedule, the Customer may terminate the Contract by giving the Company at least sixty (60) days advance written notice to the Company. Upon early termination of service, the Customer shall pay an amount equal to the remaining monthly customer charges, remaining Contribution in Aid of Construction ("CIAC"), if applicable, and remaining pole and fixture lease amounts for the term of the contract. The Customer will be responsible for the cost of removing the facilities.
15. In the event of the sale of the real property upon which the facilities are installed, or if the Customer's obligations under this Contract are to be assigned to a third party, upon the written consent of the Company, this Contract may be assigned by the Customer to the Purchaser or to the third party. No assignment shall relieve the Customer from its obligations hereunder until such obligations have been assumed by the Purchaser or third party and agreed to by the Company.
16. This Contract supersedes all previous contracts or representations, either written, oral or otherwise between the Customer and the Company with respect to the facilities referenced herein and constitutes the entire Contract between the parties. This Contract does not create any rights or provide any remedies to third parties or create any additional duty, obligation or undertakings by the Company to third parties.
17. This Contract shall inure to the benefit of, and be binding upon the successors and assigns of the Customer and the Company.
18. This Contract is subject to the Company's Tariff for Retail Service, or as they may be hereafter revised, amended or supplemented. In the event of any conflict between the terms of this Contract and the provisions of the Company's Tariff for Retail Services, the provisions of the Company's Tariff for Retail Service and FPSC Rules shall control, or as they may be hereafter revised, amended or supplemented.

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ISSUED BY: Javier J. Portuondo, Managing Director, Rates & Regulatory Strategy – FL  
EFFECTIVE: April 29, 2013

Form LS-1





SECTION NO. VII  
~~FOURTH-FIFTH~~ REVISED SHEET NO. 7.113  
CANCELS ~~THIRD-FOURTH~~ REVISED SHEET NO. 7.113

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- 19. The obligation to furnish or purchase service shall be excused at any time that either party is prevented from complying with this Contract by strikes, lockouts, fires, riots, acts of God, the public enemy, governmental or court actions, lightning, hurricanes, storms, floods, inclement weather that necessitates extraordinary measures and expense to construct facilities and/or maintain operations, or by any other cause or causes not under the control of the party thus prevented from compliance, and the Company shall not have the obligation to furnish service if it is prevented from complying with this Contract by reason of any partial, temporary or entire shut-down of service which, in the sole opinion of the Company, is reasonably necessary for the purpose of repairing or making more efficient all or any part of its generating, transmission, distribution or other electrical equipment.
- 20. In no event shall the Company, its parent corporation, affiliate corporations, officers, directors, employees, agents, and contractors or subcontractors be liable to the Customer, its employees, agents or representatives, for any incidental, indirect, special, consequential, exemplary, punitive or multiple damages resulting from any claim or cause of action, whether brought in contract, tort (including, but not limited to, negligence or strict liability), or any other legal theory.

IN WITNESS WHEREOF, the parties hereby caused this Contract to be executed ~~in triplicate~~ by their duly authorized representatives to be effective as of the day and year first written above.

Charges and Terms Accepted:

\_\_\_\_\_  
Customer (Print or type name of Organization)

DUKE ENERGY FLORIDA, ~~LLC INC.~~

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print or type name)

\_\_\_\_\_  
(Print or type name)

Title: \_\_\_\_\_

Title: \_\_\_\_\_

ISSUED BY: Javier J. Portuondo, Managing Director, Rates & Regulatory Strategy – FL  
EFFECTIVE: ~~April 29, 2013~~

Form LS-1