

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: January 24, 2019

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Doherty) *EJD RD RSH*
Office of the General Counsel (Simmons) *KS*

RE: Docket No. 20180222-EI – Petition for approval of customer specified lighting tariff by Tampa Electric Company.

AGENDA: 02/05/19 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 60-day suspension date waived by the utility until 02/05/2019

SPECIAL INSTRUCTIONS: None

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COMMISSION CLERK

Case Background

On December 3, 2018, Tampa Electric Company (TECO or utility) filed a petition for approval of a new optional customer specified lighting tariff (LS-2 tariff). TECO proposed the new LS-2 tariff in response to customers requesting special lighting fixtures or poles.

TECO provided a letter waiving the 60-day file and suspend provision of Section 366.06(3), Florida Statutes (F.S.), until the February 5, 2019 Agenda Conference. On January 15, 2019, TECO filed two corrections to the tariffs filed with the petition. First, the correction to tariff sheet No. 6.835 reflects the addition of the LS-2 energy charge, which was inadvertently omitted. Second, TECO revised the cost recovery clause tariff sheet No. 6.020 to include the LS-2 tariff as LS-2 customers will be billed all cost recovery clauses. The proposed tariff sheets in legislative format are shown in Attachment A to this recommendation. The Commission has jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, F.S.

Discussion of Issues

Issue 1: Should the Commission approve TECO's proposed customer specified lighting tariff as shown in Attachment A?

Recommendation: Yes. The Commission should approve TECO's proposed customer specified lighting tariff, as shown in Attachment A, effective February 5, 2019. The LS-2 tariff allows TECO to respond to customer requests for special fixtures or poles in a timely and efficient manner. The general body of ratepayers will be protected as LS-2 customers will be responsible for all costs associated with their request. (Doherty)

Staff Analysis: Currently, TECO offers lighting service under its Lighting Service-1 (LS-1) tariff. The LS-1 tariff includes specific fixtures and poles a customer can choose from. The LS-1 charges for each fixture are comprised of three components: a fixture charge, a maintenance charge, and an energy charge. Charges for poles include a pole and maintenance charge. Customers taking service under the LS-1 tariff are required to sign the Bright Choices Outdoor Lighting Agreement (agreement) for a minimum of 10 years. After the initial 10-year term, the agreement can be terminated by either party upon providing the other party with 90 days written notice of termination.

TECO explained that, on occasion, customers request a specific fixture or pole that is not offered under the LS-1 tariff. After receiving such a customer request, TECO has the option of seeking Commission approval to add the requested fixture or pole to the LS-1 tariff. In the alternative, customers have the option of choosing lighting facilities that are offered under the LS-1 tariff or installing customer-owned facilities and utilizing TECO's energy-only rate offering under the LS-1 tariff.

To address customer requests in a timely and efficient manner for special fixtures or poles not offered under the LS-1 tariff, TECO proposed the LS-2 tariff. If the requested lighting facilities meet TECO's reliability standards, TECO would purchase and install the lighting facilities. TECO stated that customers are seeking lighting poles or fixtures that would be a signature of or attraction for their location. TECO believes that as economic development continues in the Tampa Bay area, the LS-2 tariff will be predominantly used by subdivisions, shopping centers, and other new developments.

TECO explained that the utility will not actively market the LS-2 tariff, but will only apply the LS-2 tariff in response to a special lighting request. The utility stated that it has one current request for lighting service from a subdivision that would be best accommodated under the LS-2 tariff, as the subdivision requested a unique style of pole.

The lighting requests under the LS-2 tariff will be unique to each customer; therefore, TECO proposes that a different rate setting approach be applied. To bill customers for the fixture and maintenance costs, TECO proposes to apply a monthly factor of 1.19 percent to the in-place value of the facilities. The in-place value is determined by TECO's cost to purchase and install the requested facilities. The Commission-approved monthly factor of 1.19 percent is currently contained in the Facilities Rental Agreement (tariff sheet Nos. 7.760 – 7.775) and was approved

in TECO's last rate case.¹ The monthly factor of 1.19 percent assures recovery of TECO's lighting facilities investment (depreciation, taxes, maintenance cost, and return). All other Commission-approved street lighting energy charge and cost recovery factors, such as fuel, will apply.

As with the currently available LS-1 tariff, customers will be required to sign the agreement. However, the initial term for LS-2 customers will be 20 years to allow for full cost recovery over the expected life of the facilities. TECO explained that the longer term is justified because the lighting equipment installed is specific to a customer's request and may not be of value to a subsequent customer at the location or another customer at a different location. To accommodate the 20-year term associated with the proposed LS-2 tariff, TECO modified one page of the agreement (refer to Attachment A, page 6 of 7, of this recommendation).

Conclusion

The Commission approved a similar lighting tariff (Form 4, tariff sheet No. 7.13) for Gulf Power Company (Gulf) in Gulf's 2001 rate case² in response to customers requesting more fixture or pole options. More recently, the Commission approved an optional LT-1 streetlight tariff for Florida Power & Light Company (FPL).³ The LT-1 tariff allows FPL to offer a wide range of fixtures through a catalogue on the FPL website as opposed to in the tariff itself.

Staff has reviewed TECO's petition and believes the proposed LS-2 tariff is reasonable and appropriate. The LS-2 tariff allows TECO to respond to customer requests for special fixtures or poles in a timely and efficient manner. The general body of ratepayers will be protected as LS-2 customers will be responsible for all costs associated with their request. Staff recommends that TECO's proposed customer specified lighting tariff, as shown in Attachment A, be approved effective February 5, 2019.

¹ Order No. PSC-13-0443-FOF-EI, issued September 30, 2013, Docket No. 130040-EI, *In re: Petition for rate increase by Tampa Electric Company.*

² Order No. PSC-02-0787-FOF-EI, issued June 10, 2002, Docket No. 010949-EI, *In re: Request for rate increase by Gulf Power Company.*

³ Order No. PSC-17-0115-TRF-EI, issued March 28, 2017, Docket No. 160245-EI, *In re: Petition for approval of a new optional pilot LED streetlight tariff, by Florida Power & Light Company.*

Issue 2: Should this docket be closed?

Recommendation: If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariff 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. (Simmons)

Staff Analysis: If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariff 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.



~~FIRST SECOND~~ REVISED SHEET NO. 4.060
CANCELS ORIGINAL ~~FIRST REVISED~~ SHEET NO.
4.060

<p>Ground Earth potential.</p> <p>Group Metering Customer owned and company approved meter centers.</p> <p>Guarantor One who initiates or gives a guarantee.</p> <p>Hand Hole A small junction box placed in the ground.</p> <p>High Density Subdivision A subdivision having a density of 6 or more dwelling units per acre.</p> <p>High Leg The conductor in a three-phase delta secondary connection that has a higher voltage-to-ground potential than the other conductors.</p> <p>High Pressure Sodium A lamp using sodium as a medium for street and area lighting use.</p> <p>Horse Power The nameplate rating of motors and/or other apparatuses. For conversion purposes, one horsepower shall be considered as equivalent to one kilowatt.</p> <p><u>In Place Value</u> <u>Plant in service value (undepreciated) of the facility.</u></p> <p>Incandescent The ordinary light bulb.</p> <p>Industrial Service Service to customers engaged in a process which creates or changes raw or unfinished materials into another form or product. (Factories, mills, machine shops, mines, oil wells, refineries, pumping plants, creameries, canning and packing plants, shipyards, etc.; i.e., in extractive fabricating or processing activities.)</p> <p>Inspector or Inspection Authority A person or agency authorized to inspect and approve electrical installations.</p> <p>Integrated Demand Is the summation of the continuously varying instantaneous demands during a specified time interval performed by metering equipment.</p>

ISSUED BY: G. F. Anderson, N. G.
Tower, President

DATE EFFECTIVE: May 10, 1993



~~TWENTY-FOURTH-FIFTH
REVISED SHEET NO. 6.010
CANCELS TWENTY-THIRD
FOURTH REVISED SHEET NO.
6.010~~

INDEX OF RATE SCHEDULES

<u>Schedule</u>	<u>Classification</u>	<u>Sheet No.</u>
	Additional Billing Charges	6.020
	Payment of Bills	6.022
RS	Residential Service	6.030
GS	General Service - Non Demand	6.050
GSD	General Service - Demand	6.080
IS	Interruptible Service	6.085
CS	Construction Service	6.290
GST	Time-of-Day General Service - Non-Demand (Optional)	6.320
GSDT	Time-of-Day General Service - Demand (Optional)	6.330
IST	Time of Day Interruptible Service (Optional)	6.340
RSVP-1	Residential Service Variable Pricing	6.560
SBF	Firm Standby And Supplemental Service	6.600
SBFT	Time-of-Day Firm Standby And Supplemental Service (Optional)	6.605
SBI	Interruptible Standby And Supplemental Service	6.700
EDR	Economic Development Rider	6.720
CISR-2	Commercial/Industrial Service Rider	6.740
LS-1	Street and Outdoor Lighting Service	6.800
<u>LS-2</u>	<u>Customer Specified Lighting Service</u>	<u>6.830</u>

ISSUED BY: ~~G. L. Gillette~~ N. G. Tower,
President

DATE EFFECTIVE: June 20, 2014



SEVENTY-FIFTH-SIXTH REVISED SHEET NO. 6.020
 CANCELS SEVENTY-FOURTH-FIFTH REVISED SHEET NO. 6.020

ADDITIONAL BILLING CHARGES

TOTAL FUEL AND PURCHASED POWER COST RECOVERY CLAUSE: The total fuel and purchased power cost recovery factor shall be applied to each kilowatt-hour delivered, and shall be computed in accordance with the formula prescribed by the Florida Public Service Commission. The following fuel recovery factors by rate schedule have been approved by the Commission:

RECOVERY PERIOD
 (January 2019 through December 2019)

Rate Schedules	¢/kWh			¢/kWh	¢/kWh	¢/kWh
	Fuel			Energy Conservation	Capacity	Environmental
	Standard	Peak	Off-Peak			
RS (up to 1,000 kWh)	2.405			0.321	0.103	0.222
RS (over 1,000 kWh)	3.405			0.321	0.103	0.222
RSVP-1 (P ₁)	2.719			(2.319)	0.103	0.222
(P ₂)	2.719			(0.877)	0.103	0.222
(P ₃)	2.719			5.936	0.103	0.222
(P ₄)	2.719			34.911	0.103	0.222
GS, GST	2.719	2.874	2.653	0.292	0.086	0.221
CS	2.719			0.292	0.086	0.221
LS-1, LS-2	2.691			0.180	0.024	0.217
GSD Optional						
Secondary	2.719			0.272	0.075	0.220
Primary	2.692			0.269	0.074	0.218
Subtransmission	2.665			0.267	0.074	0.216
Rate Schedules	¢/kWh			\$/kW	\$/kW	¢/kWh
	Fuel			Energy Conservation	Capacity	Environmental
	Standard	Peak	Off-Peak			
GSD, GSDT, SBF, SBFT						
Secondary	2.719	2.874	2.653	1.17	0.32	0.220
Primary	2.692	2.845	2.626	1.15	0.32	0.218
Subtransmission	2.665	2.817	2.600	1.14	0.31	0.216
IS, IST, SBI						
Primary	2.692	2.845	2.626	0.93	0.24	0.214
Subtransmission	2.665	2.817	2.600	0.92	0.24	0.212

Continued to Sheet No. 6.021

ISSUED BY: N. G. Tower, President

DATE EFFECTIVE: January 3, 2019



ORIGINAL SHEET NO. 6.830

CUSTOMER SPECIFIED LIGHTING SERVICE

SCHEDULE: LS-2

AVAILABLE: Entire service area

APPLICABLE:

Customer Specified Lighting Service is applicable to any customer for the sole purpose of lighting roadways or other outdoor areas. Service hereunder is provided for the sole and exclusive benefit of the customer, and nothing herein or in the contract executed hereunder is intended to benefit any third party or to impose any obligation on the Company to any such third party. At the Company's option, a deposit amount of up to a two (2) month's average bill may be required at anytime.

CHARACTER OF SERVICE:

Service is provided during the hours of darkness normally on a dusk-to-dawn basis.

At the Company's option and at the customer's request, the company may permit a timer to control a lighting system provided under this rate schedule that is not used for dedicated street or highway lighting. The Company shall install and maintain the timer at the customer's expense. The Company shall program the timer to the customer's specifications as long as such service does not exceed 2,100 hours each year. Access to the timer is restricted to company personnel.

LIMITATION OF SERVICE:

Installation shall be made only when, in the judgment of the Company, location of the proposed lights are, and will continue to be, feasible and accessible to Company personnel and equipment for both construction and maintenance and such installation is not appropriate as a public offering under LS-1.

TERM OF SERVICE:

Service under this rate schedule shall, at the option of the customer, be for an initial term of twenty (20) years beginning on the date one or more of the lighting equipment is installed, energized, and ready for use and shall continue after the initial term for successive one-year terms until terminated by either party upon providing ninety (90) days prior written notice.

Continued to Sheet No. 6.835

ISSUED BY: N. G. Tower, President

DATE EFFECTIVE:



ORIGINAL SHEET NO. 6.835

Continued from Sheet No. 6.830

MONTHLY RATE: The monthly charge shall be calculated by applying the monthly rate of 1.19% to the In-Place Value of the customer specific lighting facilities identified in the Outdoor Lighting Agreement entered into between the customer and the Company for service under this schedule.

The In-Place Value may change over time as new lights are added to the service provided under this Rate Schedule to a customer taking service, the monthly rate shall be applied to the In-Place Value in effect that billing month.

NON-STANDARD FACILITIES AND SERVICES:

The customer shall pay all costs associated with additional company facilities and services that are not considered standard for providing lighting service, including but not limited to, the following:

1. relays;
2. distribution transformers installed solely for lighting service;
3. protective shields;
4. bird deterrent devices;
5. light trespass shields;
6. light rotations;
7. light pole relocations;
8. devices required by local regulations to control the levels or duration of illumination including associated planning and engineering costs;
9. removal and replacement of pavement required to install underground lighting cable;
10. directional boring;
11. specialized permitting that is incremental to a standard construction permit; and
12. specialized engineering scope required by either the customer or by local code or ordinance that is unique to the requested work.

Payment may be made in a lump sum at the time the agreement is entered into, or at the customer's option these non-standard costs may be included in the In-Place Value to which the monthly rate will be applied.

MINIMUM CHARGE: The monthly charge.

ENERGY CHARGE: For monthly energy served under this rate schedule, 2.509¢ per kWh.

FUEL CHARGE: See Sheet Nos. 6.020 and 6.021.

ENERGY CONSERVATION CHARGE: See Sheet Nos. 6.020 and 6.021.

CAPACITY CHARGE: See Sheet Nos. 6.020 and 6.021

ENVIRONMENTAL COST RECOVERY CHARGE: See Sheet Nos. 6.020 and 6.021

FLORIDA GROSS RECEIPTS TAX: See Sheet No. 6.022

FRANCHISE FEE: See Sheet No. 6.022

PAYMENT OF BILLS: See Sheet No. 6.022

ISSUED BY: N. G. Tower, President

DATE EFFECTIVE:



SIXTH-SEVENTH REVISED SHEET
NO. 7.202
CANCELS FIFTH-SIXTH REVISED
SHEET NO. 7.202

Continued from Sheet No. 7.201

8. Customer Contribution in Aid of Construction

The Company shall pay for all normal Equipment installation costs, with the exception of the following: \$_____ for _____. If applicable, a final invoice or partial refund shall be issued to the Customer based upon deviations of actual costs in relation to the estimated customer contribution. CIAC payment to satisfy actual costs are non-refundable.

9. Monthly Payment

During the term of this Agreement, the Customer shall pay the Company monthly for the lighting services provided pursuant to Rate Schedule ~~4~~_____ as the rate schedule, which is on file with the Florida Public Service Commission, may be amended from time to time. All bills shall be due when rendered.

The current monthly base charges for facilities installed under this agreement are _____. Fuel and other adjustment clause charges and (where applicable) franchise fees and taxes per month under current tax rates pursuant to the Rate Schedule shall be _____. The total monthly charge shall be _____ per month.

If Applicable, Customer agrees to deposit with the Company, the additional cash sum of _____, which is equivalent to approximately two (2) months service under this Agreement, or upon acceptance if the Company so agrees, provide a surety bond or an irrevocable letter of credit from a bank, in favor of the Company in the same amount. The Company will annually credit the Customer's bill with an interest amount, at the rate currently approved by the Florida Public Service Commission, for cash deposits received. The currently authorized interest rate is ___%.

The monthly charges specified in this agreement are tied to the tariff charges currently on file with the Florida Public Service Commission and may change during the term of this Agreement in accordance with filed changes to the relevant tariffs.

10. Term

This Agreement shall be effective on the later of the dates indicated on the signature block ("Effective Date") and shall remain in force for a primary term of ~~ten (10)~~_____ year(s) (the "Primary Term" as provided in the applicable Rate Schedule) beginning on the date one or more of the Equipment is installed and, if applicable, at least one light is energized and ready for use and shall continue thereafter for successive one year terms (each, a "Renewal Term") until terminated by either party upon providing the other party with ninety (90) days prior written notice of termination.

11. Limitation on Damages

The Company will furnish electricity to operate the Equipment for dusk to dawn service or less, depending on the controlling device, each calendar year. The Company will use reasonable diligence at all times to provide continuous operation during the term. The Company shall not be liable to the Customer for any damages arising from causes beyond its control or from the negligence of the Company including, but not limited to, complete or partial failure or interruption of service, shut down for repairs or adjustments, delay in providing or restoring service, or for failure

ISSUED BY: ~~G. L. Gillette~~ N. G. Tower,
President

DATE EFFECTIVE: February 6, 2018



~~SIXTH-SEVENTH~~ REVISED SHEET
NO. 7.202
CANCELS ~~FIFTH-SIXTH~~ REVISED
SHEET NO. 7.202

to warn of any interruption of service or lighting.
Continued to Sheet No. 7.203

ISSUED BY: ~~G. L. Gillette~~ N. G. Tower,
President

DATE EFFECTIVE: February 6, 2018