

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: March 24, 2022

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Forrest) *JGH*
Office of the General Counsel (Brownless) *JSC*

RE: Docket No. 20220011-EI – Petition to modify tariff to close existing lighting tariff to new business and introduce new LED lighting tariff by Florida Public Utilities Company.

AGENDA: 04/05/22 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 08/03/2022 – 8 Month Effective Date

SPECIAL INSTRUCTIONS: None

Case Background

On January 3, 2022, Florida Public Utilities Company (FPUC or utility) filed a petition requesting Commission approval to modify its Lighting Service tariff (Rate Schedule LS). Currently, Rate Schedule LS offers customers various High Pressure Sodium (HPS) and Metal Halide (MH) outdoor lighting options. In its petition, FPUC proposed to close the existing HPS and MH fixture options to new customers and offer new Light Emitting Diode (LED) fixture options.

Staff issued a data request on January 26, 2022, with responses filed by the utility on February 9, 2022. In its response, FPUC submitted revised tariff sheets Nos. 56, 57, and 58 to reflect corrections made to the cost support for the LED fixtures. The revised tariffs are included as

Docket No. 20220011-EI

Date: March 24, 2022

Attachment A to this recommendation. On January 12, 2022, FPUC filed a letter in this docket waiving the 60-day file and suspend provision of Section 366.06(3), Florida Statutes (F.S.). The Commission has jurisdiction over this matter pursuant to Sections 366.04, 366.05, and 366.06 F.S.

Discussion of Issues

Issue 1: Should the Commission approve FPUC's proposed modifications to the Rate Schedule LS lighting tariff?

Recommendation: Yes. The Commission should approve FPUC's proposed modifications to the Rate Schedule LS lighting tariff as shown in Attachment A to the recommendation. The proposed new LED fixture options are cost based and expand the fixture options available to customers. Closing the current HPS and MH options for new lighting customers allows FPUC to recognize energy efficiencies and technological improvements in the lighting industry. The revised tariffs should be effective upon the issuance of a consummating order. (Forrest)

Staff Analysis:

FPUC, under Rate Schedule LS, currently provides outdoor lighting service offering HPS and MH fixtures. The utility requested approval to modify its Rate Schedule LS to close the existing HPS and MH fixture options to new customers and to offer new customers fifteen LED fixture options. Current customers served under Rate Schedule LS would remain on the HPS and MH fixture rates and would not see a change in their lighting bill. If a customer served under Rate Schedule LS needs to replace a light fixture, it would be replaced with an LED fixture and billed under the new LED fixture rates. All new lighting customers would be served under the proposed new LED lighting rates.

Closure of HPS and MH Fixtures

To support its petition, FPUC explained that as technology advances in the lighting market, the demand for HPS and MH fixtures has decreased, while the demand for LED lighting has increased. LED is a type of solid-state light that uses a semiconductor to convert electric current to visible light. LED lighting is a more energy efficient lighting source compared to its predecessors HPS and MH lights. Along with demand decreasing for HPS and MH lights, manufacturers have begun to phase out traditional product lines for HPS and MH lighting sources and replace them with the more energy efficient LED production.

New LED Fixtures

FPUC proposed to add fifteen new LED fixture rate options: five cobra heads, four decorative, four flood lights, and two shoe box with varying lamp lumens and watt sizes. The charges for the new LED lighting fixtures are comprised of three components: the fixture, maintenance, and energy charges. The fixture charge includes the estimated total cost to install an LED fixture and any carrying costs and taxes. The maintenance charge is the cost associated with maintaining the LED fixture for its expected service life. The energy charge is calculated by multiplying the estimated energy usage of the fixture by the lighting non-fuel energy charge. The new LED fixtures and associated charges can be seen on tariff sheet No. 57.

In conjunction with its petition, the utility submitted supporting cost information for the proposed LED fixture, maintenance, and energy charges. In its response to staff's data request, the utility made two corrections to its originally-submitted calculations. With previous lighting options, there was a need to factor power loss into the calculation. However, with LED technology, there is no longer a need to factor in a power loss adjustment. Thus, the utility

removed the eighteen percent power loss calculation that was originally submitted with the petition.

Along with that change, the utility stated that an adjustment was needed in its original overhead calculation. FPUC determined the correct percentage for the overhead calculation should be decreased from 35 percent to 34 percent. These two cost calculation adjustments resulted in a decrease to the proposed LED fixture rates submitted with the original petition. The revised tariff sheets, which include these corrections, were submitted with the utility's data request responses and are attached as Attachment A to the recommendation. Staff has reviewed these changes and believes them to be appropriate and reasonable.

FPUC has provided staff with documentation that supports closing the HPS and MH lighting rates to new customers and to offer LED lighting rates in its place. As noted by FPUC, this should not only decrease energy used by FPUC subscribers, but should also lower operating and maintenance costs for the utility. The Commission has approved similar petitions to close existing HPS and MH fixture options to new customers and offer LED fixture options.¹ Staff has reviewed all pertinent information in the docket and analyzed the cost support submitted to the Commission.

Conclusion

The Commission should approve FPUC's proposed modifications to the Rate Schedule LS lighting tariff as shown in Attachment A to the recommendation. The proposed new LED fixture options are cost based and expand the fixture options available to customers. Closing the current HPS and MH options for new installations allows FPUC to recognize energy efficiencies and technological improvements in the lighting industry. The revised tariffs should be effective upon the issuance of a consummating order.

¹Order No. PSC-2019-0100-TRF-EI, issued March 13, 2019, in Docket No. 20190023-EI, in re: *Petition for approval of modifications to rate schedule LS-1, lighting service, by Duke Energy Florida, LLC.*, and Order No. PSC-15-0094-TRF-EI, issued February 5, 2015, in Docket No. 20140232-EI, *In re: Petition for approval of revised lighting tariff by Tampa Electric Company.*

Issue 2: Should this docket be closed?

Recommendation: If a protest is filed within 21 days of the issuance of the order approving the proposed tariffs, the current tariffs should remain in effect pending resolution of the protest. If no timely protest is filed, the approved tariffs should go into effect, and the docket be closed, upon the issuance of a consummating order. (Brownless)

Staff Analysis: If a protest is filed within 21 days of the issuance of the order approving the proposed tariffs, the current tariffs should remain in effect pending resolution of the protest. If no timely protest is filed, the approved tariffs should go into effect, and the docket be closed, upon the issuance of a consummating order.

Florida Public Utilities Company
 F.P.S.C. Electric Tariff
 Third Revised Volume No. I

~~Sixth~~^{Fifth} Revised Sheet No. 56
 Cancels ~~Fifth~~^{Fourth} Revised Sheet No. 56

*RATE SCHEDULE LS
 LIGHTING SERVICE*

Availability

Available within the territory served by the Company in Calhoun, Jackson and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to any customer for non-metered outdoor lighting service.

Character of Service

Lighting service from dusk to dawn as described herein.

Limitations of Service

Service is limited to lighting by high-pressure sodium vapor, ~~or~~ metal halide, or light emitting diode lamps mounted on company poles as described herein. Company-owned facilities will be installed only on Company-owned poles.

Monthly Rate

When lighting fixtures are mounted on existing poles and served directly from existing overhead secondary distribution lines:

Type Facility	Lamp Lumens	Size Watts	KWH/Mo. Estimate	Facilities Charge	Maintenance* Charge	Energy Charge	Total Charge
<u>High Pressure Sodium Lights (closed to new service)</u>							
Acorn	16,000	150	61	\$19.69	\$2.49	\$3.19	\$25.37
ALN 440	16,000	150	61	\$28.07	\$3.32	\$3.19	\$34.58
Amer. Rev.	9,500	100	41	\$9.66	\$3.29	\$2.15	\$15.10
Amer. Rev.	16,000	150	61	\$9.05	\$3.33	\$3.19	\$15.57
Cobra Head	9,500	100	41	\$7.25	\$2.11	\$2.15	\$11.51
Cobra Head	22,000	200	81	\$9.78	\$2.53	\$4.26	\$16.57
Cobra Head	28,500	250	101	\$11.63	\$3.33	\$5.30	\$20.26
Cobra Head	50,000	400	162	\$10.86	\$2.77	\$8.54	\$22.17
Flood	28,500	250	101	\$11.37	\$2.42	\$5.30	\$19.09
Flood	50,000	400	162	\$17.85	\$2.27	\$8.54	\$28.66
Flood	130,000	1,000	405	\$22.36	\$3.00	\$21.30	\$46.66
SP2 Spectra	9,500	100	41	\$24.81	\$3.10	\$2.15	\$30.06
<u>Metal Halide Lights (closed to new service)</u>							
ALN 440	16,000	175	71	\$26.86	\$2.61	\$3.77	\$33.24
Flood	50,000	400	162	\$12.12	\$2.21	\$8.54	\$22.87
Flood	130,000	1,000	405	\$20.61	\$2.92	\$21.30	\$44.83
Shoebox	16,000	175	71	\$22.68	\$2.93	\$3.77	\$29.38
Shoebox	28,500	250	101	\$24.14	\$3.28	\$5.30	\$32.72
SP2 Spectra	9,500	100	41	\$24.62	\$3.00	\$2.15	\$29.77
Vertical Shoebox	130,000	1,000	405	\$25.45	\$3.32	\$21.30	\$50.07

(Continued on Sheet No. 57)

Issued by: Jeffrey M. Householder, President

Effective: JAN 01 2021

Florida Public Utilities Company
 F.P.S.C. Electric Tariff
 Third Revised Volume No. I

~~Sixth~~^{Fifth} Revised Sheet No. 57
 Cancels ~~Fifth~~^{Fourth} Revised Sheet No. 57

*RATE SCHEDULE LS
 LIGHTING SERVICE*

(Continued from Sheet No. 56)

Type Facility	Lamp Lumens	Size Watts	KWH/Mo. Estimate	Facilities Charge	Maintenance* Charge	Energy Charge	Total Charge
<u>Light Emitting Diode Lights</u>							
Cobra Head	5,682	50	17	\$6.58	\$2.08	\$0.89	\$9.55
Cobra Head	5,944	50	17	\$8.31	\$2.59	\$0.89	\$11.79
Cobra Head	9,600	82	28	\$7.78	\$2.43	\$1.47	\$11.68
Cobra Head	14,571	130	45	\$7.75	\$2.42	\$2.36	\$12.53
Cobra Head	28,653	210	72	\$13.55	\$3.95	\$3.78	\$21.28
Decorative	2,650	26	9	\$7.78	\$2.72	\$0.47	\$10.97
Decorative	4,460	44	15	\$7.71	\$2.69	\$0.79	\$11.19
Decorative	10,157	90	31	\$11.14	\$3.71	\$1.63	\$16.48
Decorative	7,026	60	21	\$19.74	\$6.25	\$1.10	\$27.09
Flood	12,500	80	27	\$10.80	\$3.40	\$1.42	\$15.61
Flood	24,000	170	58	\$10.80	\$3.40	\$3.05	\$17.24
Flood	20,686	150	52	\$10.80	\$3.40	\$2.73	\$16.93
Flood	38,500	290	100	\$10.80	\$3.40	\$5.25	\$19.45
Shoe Box	20,050	150	52	\$9.52	\$3.23	\$2.73	\$15.48
Shoe Box	17,144	131	45	\$10.72	\$3.59	\$2.36	\$16.67

Charges for other Company-owned facilities:

- 1) 30' Wood Pole \$4.82
- 2) 40' Wood Pole Std \$10.72
- 3) 18' Fiberglass Round \$9.98
- 4) 13' Decorative Concrete \$14.14
- 5) 20' Decorative Concrete \$16.41
- 6) 35' Concrete Square \$15.83
- 7) 10' Deco Base Aluminum \$18.56
- 8) 30' Wood Pole Std \$5.36

For the poles shown above that are served from an underground system, the Company will provide up to one hundred (100) feet of conductor to service each fixture. The customer will provide and install the necessary conduit system to Company specifications.

Purchased Power Charges

Purchased power charges are adjusted annually by the Florida Public Service Commission. For current purchased power costs included in the tariff, see Sheet No. 65 & 66.

Minimum Bill

The above rates times the number of lamps connected.

(Continued on Sheet No. 58)

Issued by: Jeffrey M. Householder, President

Effective: JAN 01 2021

Florida Public Utilities Company
F.P.S.C. Electric Tariff
Third Revised Volume No. I

First Revised Original Sheet No. 58
Cancels Original Sheet No. 58

*RATE SCHEDULE LS
LIGHTING SERVICE*

(Continued from Sheet No. 57)

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs

See Sheet No. 65 & 66.

Conservation Costs

See Sheet No. 65 & 66.

Franchise Fee Adjustment

Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer's pro rata share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

Term of Service

Service under this rate schedule shall be by written contract for a period of five or more years.

Terms and Conditions

1. Service under this rate schedule is subject to the Company's Rules and Regulations applicable to electric service.
2. The charges set forth above cover the initial installation of overhead lines, poles and fixture assembly including bracket, and the maintenance duty as limited to lamp renewals due to burn outs only, or the repair or replacement of equipment causing lamps not to be illuminated.

* The Company will repair or replace malfunctioning lighting fixtures maintained by the company in accordance with Section 768.1382, Florida Statutes (2005). Maintenance duty to be undertaken by Florida Public Utilities Company is limited to lamp renewal due to burn outs only, or the repair or replacement of equipment causing lamps not to be illuminated. Such burnt out lamp replacements or repairs causing non-illumination of lamps will be performed only during regular daytime working hours as soon as practical after notification of the burn out or non-illumination conditions of the lamp by the customer. The maintenance duties undertaken herein are expressly limited to our paying customer, and are not to be deemed to create a duty to the general public at large.

Issued by: Jeffrey M. Householder, President

Effective: NOV 01 2014