

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of Conservation Goals,)
Rule 25-17.002, Florida Administrative))
Code.))
_____)

DOCKET NO. 820517-EU
ORDER NO. 22180-A
ISSUED: 12-6-89

AMENDED NOTICE OF RULEMAKING

NOTICE is hereby given that the Commission, pursuant to Section 120.54, Florida Statutes, has initiated rulemaking to repeal Rule 25-17.002, relating to conservation goals for electric utilities.

The attached Notice of Rulemaking will appear in the December 15, 1989 edition of the Florida Administrative Weekly. If requested, a hearing will be held at the following time and place:

9:30 a.m., Wednesday, March 7, 1990*
Room 106, Fletcher Building
101 East Gaines Street
Tallahassee, Florida

*Thursday, March 8 and Friday, March 9, 1990 have also been reserved if needed.

Written requests for hearing and written comments or suggestions on the rules must be received by the Director, Division of Records and Reporting, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida, 32399-0863, no later than January 5, 1990.

By Direction of the Florida Public Service Commission,
this 6th day of DECEMBER, 1989.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

SBr

by: Kay Flynn
Chief, Bureau of Records

DOCUMENT NUMBER-DATE

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FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 820517-EU
RULE TITLE:
Goals for Electric Utilities

RULE NO.:
25-17.002

PURPOSE AND EFFECT: The methodology prescribed in the current rule sets numerical targets for the 1980's only. Future conservation goals for electric utilities cannot be determined under the rule as it now exists. This rule should be repealed and conservation goals consistent with the goals expressed in existing Rule 25-17.001, Florida Administrative Code, should be adopted.

SUMMARY: Rule 25-17.002, Florida Administrative Code, was originally enacted in 1980 to implement the Florida Energy Efficiency and Conservation Act (FEECA), Chapters 366.81-.85 and 403.519, Florida Statutes. The rule sets forth a methodology to determine statewide conservation goals in addition to providing a procedure for apportionment of these statewide goals among individual electric utilities. These goals are rebuttably applicable to each individual utility for the period 1981 to 1985. Goals for each utility are set by Commission order, as are any specific conservation program approvals or modifications. In addition, Rule 25-17.002 encourages oil use reduction and sets reduction goals of 25 percent by 1989, so that total electric utility consumption in Florida does not exceed 58,734,000 barrels in 1990.

The methodology prescribed in the rule sets numerical targets for the 1980's only. As a result, future conservation goals for electric utilities cannot be determined under the rule as it now exists. In addition, FEECA was expanded in the last legislative session to encourage the further development of cogeneration facilities and to encourage the control of, as well as a reduction in, electric utility growth rates.

The repeal of the rule will allow the Commission to implement conservation goals consistent with the both existing and new statutory requirements.

RULEMAKING AUTHORITY: 366.05(1), 366.82(1)-(4), Florida Statutes.

LAW IMPLEMENTED: 366.82(1)-(4), Florida Statutes.

SUMMARY OF THE ESTIMATE OF ECONOMIC IMPACT OF THESE RULES:

Benefits would accrue to the extent that repeal of the conservation goals rules results in more timely implementation of cost-effective conservation efforts by Florida utilities. Costs would likely arise only to the extent that repeal of the rules would engender additional monitoring, program filing, or hearing costs not incurred under the current rule; through foregone opportunities for deferral of additional electric generating capacity; or through loss of opportunities to reduce dependence on oil and oil-derived energy. With the adoption of the goals expressed in existing Rule 25-17.001, Florida Administrative Code, and the implementation of those goals by the electric utilities reviewable at subsequent Commission hearings, it appears likely that Florida electric utilities and their ratepayers would incur no long-run "net" cost increases by the repeal of this rule.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING. IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE A HEARING WILL BE HELD AT THE DATE AND PLACE SHOWN BELOW:

TIME AND DATE: 9:30 A.M., Wednesday, March 7, 1990

PLACE: Room 106, 101 East Gaines Street, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THESE RULES AND THE ECONOMIC IMPACT STATEMENT IS: Bureau Chief, Electric and Gas Section, Division of Legal Services, 101 East Gaines Street, Tallahassee, Florida 32399-0863

THE FULL TEXT OF THE RULES IS:

25-17.002 Goals for Electric Utilities.

(1) The first five-year goal for the electric utility sector of the State of Florida is to develop and begin to implement programs on a utility system by utility system basis by January 1, 1981, which will reduce the growth rates of end use weather sensitive peak kilowatt (KW) demand and of kilowatt hour (KWH) consumption to an average of 72.25% and 75%, respectively, of the 3-year moving average growth rate in the average number of residential customers for the 1981 through 1989 period modified by the phase-in procedure mentioned in (1)(d) and (1)(e). The goals for the state as a whole shall be calculated as described in this subsection and implementation targets calculated as described in subsection (2), corrected as described in subsections (3) and (4). Each utility shall then determine the goals rebuttably presumed applicable to its

system by applying the same calculation methods to the data for its system.

The growth rate goals for end use KW demand and KWH consumption shall be calculated from three-year rolling averages as follows:

(a) List the annual average number of residential customers for 1977 through 1989.

(b) Calculate the percentage increase over the prior year for residential customers for 1978 through 1989.

(c) Calculate a three-year moving average of growth rates in residential customers for 1981 through 1989. For example, the 1981 value is the numerical average of the percentage increases over the prior years calculated in paragraph (b) for 1978, 1979, and 1980.

(d) Calculate the end-use KW demand target growth rates for 1981 through 1989 by substituting in the equation:

$P(1-0.555y/9)$ = target growth rate, where P= the three-year rolling average for the year of interest and y= the last digit of that year.

(e) Calculate the end use KWH consumption target growth rates for 1981 through 1989 by substituting in the equation:

$P(1-0.5y/9)$ = target growth rate, where P= the three year rolling average for the year of interest and y= the last digit of that year.

(2) Calculate the target levels of 1981 through 1989 summer and 1980-81 to 1988-89 winter end use KW demand and 1981 through 1989 end use KWH consumption by applying the target growth rates calculated in paragraphs (1)(a) through (1)(e) to the actual 1979-80 winter peak and 1980 actual summer peak and KWH consumption. The targets shall be recalculated annually using the latest residential customer growth rates and projections.

(3) Each utility may adjust the results obtained in subsections (1) and (2) by removing portions of the KWH and system coincident KW demands provided:

(a) The utility can demonstrate that enhanced economic activity or increases in the energy consumed for environmental protection will result in the utility not being able to achieve its goals;

(b) The utility individually reports each customer's 5-year historical KW demand and KWH consumption and an annual update of the KW demand and KWH consumption so removed; and

(c) The utility certifies that each customer, whose KW and KWH are so removed, has been individually advised by a professional engineer on how to reduce its system coincident KW demand.

(4) If the population supplied by a generating utility changes significantly because of changes in purchasing patterns by purchasing utilities, appropriate adjustments may be made by the Commission.

(5) The figures obtained as provided in subsections (1) through (4) for each utility are rebuttably presumed to be the goals and implementation targets for each utility for the period 1981 through 1985. The burden is on each utility to rebut the presumptive goals calculated for that system. The burden is also on each utility to demonstrate unusual customer mixes or other unusual or unique circumstances.

(6) The use of oil as generating fuel shall be reduced to the greatest practicable and cost effective extent. The overall goal for the 1980 through 1985 period is to develop or implement programs to reduce the use of oil by 25% by 1989, so that consumption in 1990 does not exceed 58,734,000 barrels. In order to meet this goal, generation capacity in excess of that indicated by the KW demand and KW consumption goals may be constructed to the extent cost effective.

(7) The Commission shall set goals and approve programs and program modifications for each utility by order on the general basis of Rules 25-17.001 through 25-17.005, taking the particular facts and circumstances applicable to each utility into account.

General Authority: 366.05(1), 366.82(1)-(4), F.S.

Law Implemented: 366.82(1)-(4), F.S.

History: New 12/2/80, Amended 1/19/82, 12/30/82, formerly 25-17.02, Repealed _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Jim Dean

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULES:
Florida Public Service Commission

DATE PROPOSED RULES APPROVED: October 17, 1989

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.