

RECEIVED-FPSC

11 FEB 24 AM 11:05

State of Florida



Public Service Commission
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850
COMMISSION CLERK

-M-E-M-O-R-A-N-D-U-M-

DATE: February 24, 2011

TO: Office of Commission Clerk (Cole)

FROM: Division of Economic Regulation (Roberts) *or* *LCR*
Office of the General Counsel (Klancke) *CMK JSC CRB P*

RE: Docket No. 110030-EI – Petition for approval of revisions to Tariff Sheet Nos. 6.280 through 6.284 and approve original Tariff Sheet No. 6.2811 in Rate Schedule LS-1, Lighting Service by Progress Energy Florida, Inc.

AGENDA: 03/08/11 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 03/15/11 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\110030.RCM.DOC

Case Background

On January 14, 2011, Progress Energy Florida, Inc. (PEF) petitioned the Commission for approval to add a new lighting category, Light Emitting Diode (LED), and to list its available lighting billing types on its Retail Tariff Rate Schedule LS-1. PEF is also seeking approval to add two new Sodium Vapor lighting billing types (300 and 302), and six new Metal Halide lighting billing types (307, 308, 309, 311, 312, and 319). In addition, PEF is seeking Commission approval to clarify associated Tariff Sheets 6.281 and 6.284, restrict certain Sodium Vapor types (370, 375), and Metal Halide types (327, 349, 371, 372, and 390), and correct tariff page numbers to accommodate changes. The Commission has jurisdiction over this matter pursuant to Section 366.06(1), Florida Statutes.

DOCUMENT NUMBER-DATE

01221 FEB 24 =

FPSC-COMMISSION CLERK

Discussion of Issues

Issue 1: Should the Commission approve PEF's proposed changes to its Retail Tariff Rate Schedule LS-1 Lighting Service?

Recommendation: Yes. (A. Roberts)

Staff Analysis: PEF is petitioning the Commission for approval to add a new LED lighting category to its Retail Tariff Rate Schedule LS-1, two new Sodium Vapor Lighting billing types (300 and 302), and six new Metal Halide lighting billing types (307, 308, 309, 311, 312, and 319.) In addition to adding the new lighting categories, PEF wants to restrict the following billing types: Sodium Vapor types 370, 375 and Metal Halide types 327, 349, 371, 372, and 390, to existing installations. The LED lighting category will be a standard tariff which offers PEF's customers a selection of lower energy use lighting products. The Sodium Vapor Lighting billing types 300 and 302 are being added in response to customer requests. The Sodium Vapor Lighting billing type 300 is currently available at a lower wattage, but the proposed tariff offers a stronger lumen and was requested by the Department of Transportation for lighting multi-lane highways. Billing type 302 was added because it offers a stronger lumen, color and design option that is not currently available within the Sodium Vapor lighting billing types. The six new Metal Halide lighting billing types are being added in compliance with the Federal Energy Independence Act of 2007, that require certain wattages of metal halide fixtures be manufactured with a "pulse start" technology. According to PEF, the new technology lighting products will provide energy reductions of approximately 22 percent to 34 percent, depending on the fixture style. PEF is requesting the restriction of the Metal Halide lighting billing types 327, 349, 371, 372, and 390 to existing installations because they do not meet the requirements of the "pulse start" technology, and will no longer be manufactured by companies.

The charges for the new LED lighting category, the two new Sodium Vapor lighting billing types and the six new Metal Halide lighting billing types are all comprised of three components: a fixture charge, maintenance charge, and a non-fuel energy charge, consistent with PEF's other lighting options. The fixture charges were developed based on PEF's average installed costs times the currently approved 1.59 percent fixture rental rate. The maintenance charges were developed based on the PEF's estimated maintenance cost by fixture type. The non-fuel base energy charge applies only to the lighting fixture rates, and is determined by multiplying the kilowatt-hour usage, as presented in the proposed tariff by fixture type, by the non-fuel energy customer unit cost determined from the cost of service study as approved in PEF's most recent rate proceeding.¹ PEF's currently approved non-fuel energy rate is currently 1.707 cents per kWh.

Staff has reviewed necessary cost information submitted² by PEF, and believes the charges are reasonable and appropriate. Staff recommends PEF's requests be approved.

¹ See Order No. PSC-10-0398-S-EI, issued June 18, 2010, in Docket No. 090079, In re: Petition for increase in rates by Progress Energy Florida, Inc.

² See Staff's First Data Request No. 1, Filed February 7, 2011.

Issue 2: What is the appropriate effective date for the revised tariffs?

Recommendation: The appropriate effective date for the revised tariffs is March 8, 2011. (A. Roberts)

Staff Analysis: If the Commission approves the proposed tariff revisions at the March 8, 2011 Agenda Conference, the tariffs should become effective on that date.

Issue 3: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved, the docket should be closed if no person whose interests are substantially affected by the Commission's decision files a protest within the 21-day protest period. If no timely protest is filed, this docket should be closed upon issuance of the consummating order. (Klancke)

Staff Analysis: If Issue 1 is approved, the docket should be closed if no person whose interests are substantially affected by the Commission's decision files a protest within the 21-day protest period. If no timely protest is filed, this docket should be closed upon issuance of the consummating order.