BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of tariff rate changes to implement approved step increase by Tampa Electric Company.

DOCKET NO. 150178-EI ORDER NO. PSC-15-0421-FOF-EI ISSUED: October 6, 2015

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman LISA POLAK EDGAR RONALD A. BRISÉ JULIE I. BROWN JIMMY PATRONIS

ORDER APPROVING TAMPA ELECTRIC'S TARIFF RATE CHANGES TO IMPLEMENT AN APPROVED STEP INCREASE

BY THE COMMISSION:

Background

On August 3, 2015, Tampa Electric Company (Tampa Electric) filed a petition for approval of tariff rate changes to implement an approved step increase. The step increase was approved in Order No. PSC-13-0443-FOF-EI, in which this Commission approved a stipulation and settlement in Tampa Electric's 2013 rate case (settlement order). The settlement order provides a phased-in approach to the rate increase: an initial \$57.5 million increase effective November 2013, an additional \$7.5 million increase effective November 2014, and an additional \$5 million increase effective November 2015.

During the 2015 session, the Legislature enacted CS/HB 7109, which provides that:

New tariffs and changes to an existing tariff, other than an administrative change that does not substantially change the meaning or operation of the tariff, must be approved by the majority vote of the commission, except as otherwise specifically provided by law.

We have jurisdiction pursuant to Chapter 366, Florida Statutes, (F.S.).

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

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Decision

Tampa Electric's petition includes the proposed tariff sheets, the allocation of revenue increase to the various rate classes, calculations showing the revenue from sale of electricity by rate schedule under current and proposed rates, and bill comparisons for the various rate classes under current and proposed rates. A residential customer who uses 1,000 kilowatt-hours (kwh) per month will see an increase of \$0.45 on the monthly bill.²

The cost of service methodology and allocation of the increase to the rate classes has been addressed in the settlement. The only adjustment the settlement provides for is to reflect actual residential tier proportion billing determinant data (i.e., usage below 1,000 kwh and usage above 1,000 kwh) on a 12-month basis ending July 31, 2015. The residential tier proportion billing determinants are used to calculate the inverted non-fuel energy charges.

Attachment A to this order shows current and proposed base rates for the major rate classes. The settlement order provides that the interruptible rate schedules receive no change to the base rate charges in effect at the time of Tampa Electric's filing of the 2013 rate case, and the General Service Demand base energy charge remains at 1.583 cents per kwh, with the increase being allocated to the demand charge.

We have reviewed Tampa Electric's proposed tariff sheets and supporting documentation. The calculations are correct and reflect the settlement order. We, therefore, approve Tampa Electric's tariff rate changes to implement the step increase approved in the settlement order. Pursuant to the settlement order, the rate changes shall become effective with the date of the meter reading for the first billing cycle of November 2015, which falls on November 1, 2015. Tampa Electric shall notify customers of the approved new rates in the October bills.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Tampa Electric Company's tariff rate changes to implement the step increase approved in the settlement order is hereby approved. It is further

ORDERED that this docket shall be closed.

² The current 1,000 kwh residential bill is \$108.47 and will increase to \$108.92, or by \$0.45.

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By ORDER of the Florida Public Service Commission this 6th day of October, 2015.

Carlotta & Stauffer CARLOTTA S. STAUFFER

Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399 (850) 413-6770 www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request:

1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

Present and Approved Rates for Major Rate Schedules

		Current	Approved
Residential Service	Basic Service Charge Energy Charge (1 st 1,000 kwh) Energy Charge (above 1,000 kwh)	\$15 4.650 ¢/kwh 5.650 ¢/kwh	\$15 4.694 ¢/kwh 5.694 ¢/kwh
General Service – Non Demand	Basic Service Charge Energy Charge	\$18 4.965 ¢/kwh	\$18 5.009 ¢/kwh
General Service Demand	Basic Service Charge (Sec. Metering) Energy Charge Demand Charge	\$30 1.583 ¢/kwh 9.22 \$/kw	\$30 1.583 ¢/kwh 9.25 \$/kw