

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of tariff changes to  
implement approved generation base rate  
adjustment, by Tampa Electric Company.

DOCKET NO. 160204-EI  
ORDER NO. PSC-16-0514-FOF-EI  
ISSUED: November 18, 2016

The following Commissioners participated in the disposition of this matter:

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

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

BY THE COMMISSION:

Background

On September 7, 2016, Tampa Electric Company (Tampa Electric or company) filed a petition for approval of tariff changes to implement a previously approved step increase. This step increase was approved in Order No. PSC-13-0443-FOF-EI, in which we approved a stipulation and settlement agreement in Tampa Electric's 2013 rate case (Settlement Order).<sup>1</sup> The Settlement Order provides a phased-in approach to the rate increase: a \$57.5 million increase effective November 2013, a \$7.5 million increase effective November 2014, and a \$5 million increase effective November 2015. The final increase approved in the Settlement Order is the Polk Generation Base Rate Adjustment (Polk GBRA) of an additional \$110 million of annual revenues. Pursuant to the settlement agreement, the Polk GBRA is effective with the first billing cycle of January 2017 or the commercial in-service date of the Polk Conversion Project, whichever is later.

Section 366.05(1)(e), Florida Statutes, (F.S.) states 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. This order addresses Tampa Electric's proposed tariffs to implement the \$110 million Polk GBRA rate increase. We have jurisdiction over this matter pursuant to Chapter 366.04, 366.05, and 366.06, F.S.

Decision

Tampa Electric's petition includes the proposed tariff sheets, the allocation of the revenue increase to the various rate classes, calculations showing the revenue from the sale of electricity

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

by rate schedule under current and proposed rates, and a comparison of monthly bills for the major rate classes. A residential customer who uses 1,000 kilowatt-hours (kWh) per month will see an increase of \$6.68 on the base rate portion of the monthly bill as a result of the Polk GBRA increase. However, the company also proposed in the cost recovery clause dockets a decrease in the fuel, capacity, and environmental charges which, if approved, would result in an overall decrease in residential customer bills of \$1.54 per month in 2017.<sup>2</sup>

Pursuant to the settlement, the Polk GBRA is allocated to all rate classes based on each class's percentage of total base revenues calculated using the base rates in effect on December 1, 2016, and the company's projected 2017 billing determinants consistent with the company's clause filing for 2017. The class revenue increases are then allocated to all base rates and credits at an equal percentage (10.8 percent). Attachment A to this recommendation shows current and proposed base rates for major rate classes.

Tampa Electric states that, at this time, the Polk Conversion project is still under construction with a planned in-service date of January 16, 2017; however, this in-service date is not certain. Tampa Electric will notify our staff of the commercial in-service date of the Polk Conversion project.

Tampa Electric's proposed tariff sheets and supporting documentation have been reviewed and the calculations are correct and reflect the terms of the Settlement Order. Therefore, we approve Tampa Electric's proposed 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 first billing cycle of January 2017 or the in-service date of the Polk Conversion Project, whichever is later. Tampa Electric shall notify its customers of the approved new rates in their December 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 final increase approved in the 2013 rate case Settlement Order, the Polk Generation Base Rate Adjustment (Polk GBRA), is hereby approved. It is further

ORDERED that this docket shall be closed.

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<sup>2</sup> The current 1,000 kwh residential bill is \$106.22 and under Tampa Electric's proposal in this docket and the clause dockets, it will decrease to \$104.68 or by \$1.54 in 2017.

By ORDER of the Florida Public Service Commission this 18th day of November, 2016.



CARLOTTA S. STAUFFER  
Commission Clerk  
Florida Public Service Commission  
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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 Proposed Rates for Major Rate Classes**

<b>Rate Class</b>	<b>Charge</b>	<b>Current Rate</b>	<b>Approved Rate</b>
Residential Service	Basic Service Charge	\$15.00	\$16.62
	Energy Charge (1 <sup>st</sup> 1,000 kwh)	4.694 ¢/kwh	5.200 ¢/kwh
	Energy Charge (above 1,000 kwh)	5.694 ¢/kwh	6.308 ¢/kwh
General Service – Non Demand	Basic Service Charge	\$18.00	\$19.94
	Energy Charge	5.009 ¢/kwh	5.549 ¢/kwh
General Service – Demand	Basic Service Charge	\$30.00	\$33.24
	Energy Charge	1.583 ¢/kwh	1.754 ¢/kwh
	Demand Charge	9.25 \$/kw	10.25 \$/kw
Interruptible Service (closed to new businesses as of 5/7/2009)	Basic Service Charge	\$622.00	\$689.11
	Energy Charge	2.504 ¢/kwh	2.774 ¢/kwh
	Demand Charge	1.45 \$/kw	1.61 \$/kw

Source: TECO revised tariff sheets 6.030, 6.050, 6.080, 6.085, 6.806