BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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| --- | --- |
| In re: Energy conservation cost recovery clause. | DOCKET NO. 160002-EG  ORDER NO. PSC-16-0534-FOF-EG  ISSUED: November 22, 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

APPEARANCES:

R. WADE LITCHFIELD, JOHN T. BUTLER, KENNETH M. RUBIN, ESQUIRES, 700 Universe Boulevard, Juno Beach, FL, 33408

On behalf of Florida Power & Light Company (FPL).

BETH KEATING, ESQUIRE, Gunster, Yoakley & Stewart, P.A., 215 South Monroe Street, Suite 601, Tallahassee, Florida 32301

On behalf of Florida Public Utilities Company (FPUC).

JEFFREY A. STONE, RUSSELL A. BADDERS, and STEVEN R. GRIFFIN, ESQUIRES, Beggs & Lane, Post Office Box 12950, Pensacola, Florida 32591-2950

On behalf of Gulf Power Company (Gulf)

MATTHEW R. BERNIER, and DIANNE M. TRIPLETT, ESQUIRES, 106 East College, Avenue, Suite 800, Tallahassee, Florida 32301-7740

On behalf of Duke Energy Florida, LLC (DEF)

JAMES D. BEASLEY, J. JEFFRY WAHLEN, and ASHLEY M. DANIELS, ESQUIRES, Ausley & McMullen, Post Office Box 391, Tallahassee, Florida 32302

On behalf of Tampa Electric Company (TECO)

PATRICIA A. CHRISTENSEN, Associate Public Counsel, and CHARLES REHWINKEL, Deputy Public Counsel, ESQUIRES, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400

On behalf of the Citizens of the State of Florida (OPC)

JON C. MOYLE, JR. and KAREN PUTNAL, ESQUIRES, The Moyle Law Firm, P.A., 118 North Gadsden Street, Tallahassee, Florida 32312

On behalf of the Florida Industrial Power Users Group (FIPUG)

JAMES W. BREW and LAURA A. WYNN, ESQUIRES, Stone Mattheis Xenopoulos & Brew, P.C., 1025 Thomas Jefferson St., N.W., Eighth Floor, West Tower, Washington, D.C. 20007

On behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (PCS PHOSPHATE or PCS)

LEE ENG TAN, ESQUIRE and STEPHANIE CUELLO, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

Advisor to the Florida Public Service Commission.

FINAL ORDER APPROVING ENERGY CONSERVATION COST RECOVERY AMOUNTS AND ITS RELATED TARIFFS AND ESTABLISHING ENERGY CONSERVATION COST RECOVERY FACTORS FOR THE PERIOD JANUARY 2017 THROUGH DECEMBER 2017

BACKGROUND

As part of the Florida Public Service Commission’s continuing energy conservation cost recovery proceedings, an administrative hearing was set for November 2-4, 2016. Prior to the hearing, the parties reached an agreement concerning all issues identified for resolution at this hearing, with OPC, FIPUG, and PCS Phosphate taking no position. We have jurisdiction over the subject matter by the provisions of Chapter 366, Florida Statutes (F.S.), including Sections 366.04, 366.05 and 366.06, F.S.

DECISION

Conservation Cost Recovery True-Up

We find the appropriate final conservation cost recovery true-up amounts for the period January 2015 through December 2015 are as follows:

Florida Power & Light (FPL) $11,839,478 Overrecovery

Florida Public Utilities (FPUC) $85,928 Overrecovery[[1]](#footnote-1)

Gulf Power Company (GULF) $2,225,904 Underrecovery

Duke Energy Florida (DEF) $2,974,726 Overrecovery[[2]](#footnote-2)

Tampa Electric Company (TECO) $4,181,597 Overrecovery[[3]](#footnote-3)

Total Conservation Cost Recovery

We find the appropriate total conservation cost recovery amounts to be collected during the period January 2017 through December 2017 are as follows:

Florida Power & Light (FPL) $126,553,204

Florida Public Utilities (FPUC) $639,081

Gulf Power Company (GULF) $16,871,225

Duke Energy Florida (DEF) $109,080,615

Tampa Electric Company (TECO) $37,913,383

On October 6, 2016, FPL, OPC, the South Florida Hospital and Healthcare Association, and the Florida Retail Federation jointly moved for approval of a proposed stipulation and settlement of FPL’s rate case in Docket No. 160021-EI and consolidated dockets (the “Proposed Settlement Agreement”). If our decision regarding the Proposed Settlement Agreement determines that CILC/CDR credits will be returned to pre-2012 FPL rate case settlement levels as proposed by FPL in Docket No. 160021-EI, the conservation cost recovery amounts to be collected during the period January 2017 through December 2017 will be $126,553,204. If we determine that CILC/CDR credits remain at the levels currently in effect, the conservation cost recovery amounts to be collected during the period January 2017 through December 2017 will be $149,521,967.

Conservation Cost Recovery Factors

We find the appropriate conservation cost recovery factors during the period January 2017 through December 2017 for the following utilities:

**FPL:**

The Proposed Settlement Agreement provides for FPL to continue using the 12 CP and 1/13th production cost methodology, with CILC/CDR credits remaining at the levels currently in effect.  The appropriate conservation cost recovery factors depend on our decision in Docket No. 160021-EI and consolidated dockets.  Presented below are the conservation cost recovery factors that would apply under different outcomes of that decision.

Based on the 12CP and 25 percent production cost allocation methodology with CILC/CDR credits returned to pre-2012 FPL rate case settlement levels as proposed by FPL in Docket No. 160021-EI,  FPL’s Conservation cost recovery factors are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| RATE CLASS | Conservation Recovery Factor ($/kw) (i) | Conservation Recovery Factor ($/kwh) (j) | RDC ($/KW) (k) | SDD ($/KW) (l) |
| RS1/RTR1 | - | 0.00125 | - | - |
| GS1/GST1 | - | 0.00118 | - | - |
| GSD1/GSDT1/HLFT1 | 0.41 | - | - | - |
| OS2 | - | 0.00098 | - | - |
| GSLD1/GSLDT1/CS1/CST1/HLFT2 | 0.46 | - | - | - |
| GSLD2/GSLDT2/CS2/CST2/HLFT3 | 0.49 | - | - | - |
| GSLD3/GSLDT3/CS3/CST3 | 0.50 | - | - | - |
| SST1T | - | - | $0.05 | $0.03 |
| SST1D1/SST1D2/SST1D3 | - | - | $0.05 | $0.03 |
| CILC D/CILC G | 0.55 | - | - | - |
| CILC T | 0.54 | - | - | - |
| MET | 0.52 | - | - | - |
| OL1/SL1/SL1M/PL1 | - | 0.00062 | - | - |
| SL2/SL2M/GSCU1 | - | 0.00098 | - | - |

Based on the 12CP and 25 percent production cost allocation methodology proposed by FPL in Docket No. 160021-EI, with CILC/CDR credits remaining at the levels currently in effect, FPL’s Conservation cost recovery factors are as follows:

| RATE CLASS | Conservation Recovery Factor ($/kw) (i) | Conservation Recovery Factor ($/kwh) (j) | RDC ($/KW) (k) | SDD ($/KW) (l) |
| --- | --- | --- | --- | --- |
| RS1/RTR1 | - | 0.00148 | - | - |
| GS1/GST1 | - | 0.00140 | - | - |
| GSD1/GSDT1/HLFT1 | 0.48 | - | - | - |
| OS2 | - | 0.00115 | - | - |
| GSLD1/GSLDT1/CS1/CST1/HLFT2 | 0.54 | - | - | - |
| GSLD2/GSLDT2/CS2/CST2/HLFT3 | 0.57 | - | - | - |
| GSLD3/GSLDT3/CS3/CST3 | 0.58 | - | - | - |
| SST1T | - | - | $0.06 | $0.03 |
| SST1D1/SST1D2/SST1D3 | - | - | $0.06 | $0.03 |
| CILC D/CILC G | 0.64 | - | - | - |
| CILC T | 0.63 | - | - | - |
| MET | 0.61 | - | - | - |
| OL1/SL1/SL1M/PL1 | - | 0.00070 | - | - |
| SL2/SL2M/GSCU1 | - | 0.00115 | - | - |

Based on the 12CP and 1/13th production cost allocation methodology, with CILC/CDR credits returned to pre-2012 rate case settlement levels as proposed by FPL in Docket No. 160021-EI, FPL’s Conservation cost recovery factors are as follows:



Based on the 12CP and 1/13th production cost allocation methodology, with CILC/CDR credits remaining at the levels currently in effect, FPL’s Conservation cost recovery factors are as follows:

| RATE CLASS | Conservation Recovery Factor ($/kw) (i) | Conservation Recovery Factor ($/kwh) (j) | RDC ($/KW) (k) | SDD ($/KW) (l) |
| --- | --- | --- | --- | --- |
| RS1/RTR1 | - | 0.00150 | - | - |
| GS1/GST1 | - | 0.00140 | - | - |
| GSD1/GSDT1/HLFT1 | 0.48 | - | - | - |
| OS2 | - | 0.00110 | - | - |
| GSLD1/GSLDT1/CS1/CST1/HLFT2 | 0.53 | - | - | - |
| GSLD2/GSLDT2/CS2/CST2/HLFT3 | 0.55 | - | - | - |
| GSLD3/GSLDT3/CS3/CST3 | 0.56 | - | - | - |
| SST1T | - | - | $0.06 | $0.03 |
| SST1D1/SST1D2/SST1D3 | - | - | $0.06 | $0.03 |
| CILC D/CILC G | 0.62 | - | - | - |
| CILC T | 0.60 | - | - | - |
| MET | 0.60 | - | - | - |
| OL1/SL1/SL1M/PL1 | - | 0.00054 | - | - |
| SL2/SL2M/GSCU1 | - | 0.00109 | - | - |

Upon our approval of this conservation cost recovery stipulation, FPL will file and serve tariff sheets that reflect the 2017 ECCR factors under the four alternative methodologies so that we may direct our staff to approve administratively whichever set corresponds to our decision on the allocation methodology and the level of CILC/CDR credits in Docket No. 160021-EI and consolidated dockets.

**FPUC:** $.00100 per KWH (consolidated levelized)

**GULF:**

| **RATE**  **CLASS** | **CONSERVATION COST RECOVERY FACTORS**  **¢/kWh** |
| --- | --- |
| RS | 0.160 |
| RSVP, Tier 1 | (3.000) |
| RSVP, Tier 2 | (0.774) |
| RSVP, Tier 3 | 7.247 |
| RSVP, Tier 4 | 62.627 |
| RSTOU On-peak | 17.000 |
| RSTOU Off-peak | (3.106) |
| GS | 0.156 |
| GSD, GSDT, GSTOU | 0.151 |
| LP, LPT | 0.144 |
| PX, PXT, RTP, SBS | 0.141 |
| OSI, OSII | 0.126 |
| OSIII | 0.143 |

**DEF:** Customer Class ECCR Factor

Residential 0.317 cents/kWh

General Service Non-Demand 0.261 cents/kWh

@ Primary Voltage 0.258 cents/kWh

@ Transmission Voltage 0.256 cents/kWh

General Service 100% Load Factor 0.204 cents/kWh

General Service Demand 0.98 $/kW

@ Primary Voltage 0.97 $/kW

@ Transmission Voltage 0.96 $/kW

Curtailable 0.80 $/kW

@ Primary Voltage 0.79 $/kW

@ Transmission Voltage 0.78 $/kW

Interruptible 0.82 $/kW

@ Primary Voltage 0.81 $/kW

@ Transmission Voltage 0.80 $/kW

Standby Monthly 0.096 $/kW

@ Primary Voltage 0.095 $/kW

@ Transmission Voltage 0.094 $/kW

Standby Daily 0.046 $/kW

@ Primary Voltage 0.046 $/kW

@ Transmission Voltage 0.045 $/kW

Lighting 0.105 cents/kWh

**TECO:** For the period January 2017 through December 2017 the cost recovery factors are as follows:

**Cost Recovery Factors**

**Rate Schedule (cents per kWh)**

RS 0.225

GS and TS 0.203

GSD Optional – Secondary 0.180

GSD Optional – Primary 0.178

GSD Optional – Subtransmission 0.176

LS-1 0.099

**Cost Recovery Factors**

**Rate Schedule (dollars per kW)**

GSD – Secondary 0.77

GSD – Primary 0.76

GSD – Subtransmission 0.75

SBF – Secondary 0.77

SBF – Primary 0.76

SBF – Subtransmission 0.75

IS - Secondary 0.48

IS - Primary 0.48

IS - Subtransmission 0.47

Conservation Cost Recovery Effective Date For 2017 Billing Cycle

We find that the factors shall be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2017 through December 2017. Billing cycles may start before January 1, 2017 and the last cycle may be read after December 31, 2017, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. These charges shall continue in effect until modified by subsequent order of this Commission.

Company Specific Conservation Cost Recovery Issues

**TECO**

We find that in accordance with Order No. PSC-99-1778-FOF-EI, issued September 10, 1999 in Docket No. 990037-EI, Tampa Electric has calculated that, for the forthcoming cost recovery period, January 2017 through December 2017, the Contracted Credit Value for the GSLM-2 and GSLM-3 rate riders will be $9.98 per kW at secondary voltage.

We further find that for the period January 2017 through December 2017 the Residential Price Responsive Load Management (RSVP-1) rates are as follows:

**Rate Tier Cents per kWh**

P4 28.645

P3 7.054

P2 (0.719)

P1 (2.501)

Revised Tariffs Reflecting The Energy Conservation Cost Recovery Amounts and Establishing Energy Conservation Cost Recovery Factors

We find that the revised tariffs reflecting the energy conservation cost recovery amounts and establishing energy conservation cost recovery factors determined to be appropriate in this proceeding shall be approved. We direct staff to verify that the revised tariffs are consistent with our decision.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the stipulations, findings and rulings are hereby approved. It is further

ORDERED that each utility that was a party to this docket shall abide by the stipulations, findings, and rulings herein which are applicable to it. It is further

ORDERED that the utilities named herein are authorized to collect the energy conservation cost recovery amounts and utilize the factors approved herein for the period beginning with the specified conservation cost recovery cycle. The first billing cycle may start before January 1, 2017, and thereafter the conservation cost recovery factors shall remain in effect until modified by the Commission. It is further

ORDERED that the Energy Conservation Cost Recovery Clause docket is ongoing and the docket shall remain open.

By ORDER of the Florida Public Service Commission this 22nd day of November, 2016.

|  |  |
| --- | --- |
|  | /s/ Carlotta S. 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.

TLT

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.

1. Under-recovered $117,309, resulting in a final end of period true-up amount over-recovery of $85,928. [↑](#footnote-ref-1)
2. Adjusted net true up amount of over-recovery. [↑](#footnote-ref-2)
3. Including interest. [↑](#footnote-ref-3)