|  |  |  |  |
| --- | --- | --- | --- |
| State of Florida  pscSEAL | | Public Service Commission  Capital Circle Office Center ● 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850  -M-E-M-O-R-A-N-D-U-M- | |
| DATE: | April 26, 2018 | | |
| TO: | Office of Commission Clerk (Stauffer) | | |
| FROM: | Division of Economics (Guffey)  Office of the General Counsel (Crawford) | | |
| RE: | Docket No. 20180089-EI – Petition for approval of modifications to rate schedule LS-1, lighting service and for approval of revisions to lighting service contract, by Duke Energy Florida, LLC. | | |
| AGENDA: | 05/08/18 – Regular Agenda – Tariff Filing – Interested Persons May Participate | | |
| COMMISSIONERS ASSIGNED: | | | All Commissioners |
| PREHEARING OFFICER: | | | Administrative |
| CRITICAL DATES: | | | 06/04/18 (60-Day Suspension Date) |
| SPECIAL INSTRUCTIONS: | | | None |

Case Background

On April 4, 2018, Duke Energy Florida, LLC (DEF or utility) filed a petition for approval of modifications to its Lighting Service (LS-1) rate schedule and lighting service contract. The LS-1 tariff is applicable to any customer for the sole purpose of lighting roadways or other outdoor areas. The proposed tariffs in legislative format are shown in Attachment A to this recommendation.

The proposed revisions are designed to update and clarify certain provisions of the LS-1 tariff; none of the rates and charges LS-1 customers currently pay are being modified. The Commission has jurisdiction over this matter pursuant to Section 366.06, Florida Statutes.

Discussion of Issues

Issue 1:

 Should the Commission approve DEF's proposed changes to its LS-1 rate schedule and lighting service contract as shown in Attachment A?

Recommendation:

 Yes. The Commission should approve the proposed changes to DEF’s LS-1 rate schedule and lighting service contract as shown in Attachment A. The revised tariffs should become effective on May 8, 2018. (Guffey)

Staff Analysis:

 DEF’s proposed revisions to its LS-1 rate schedule (Tariff Sheet Nos. 6.283 and 6.284) and lighting service contract (Tariff Sheet Nos. 7.110, 7.111, 7.112, and 7.113) are attached. The revisions are discussed below.

Each fixture shown in the LS-1 tariff indicates the lamp wattage (i.e., the amount of energy a lamp uses). DEF proposes to add language to indicate that actual wattages may vary up to five watts from the wattage shown in the tariff. DEF explained that the newer LED fixtures are more energy efficient in that they have equivalent lumen output with lower wattages compared to previous generation LED fixtures. Adding this language allows DEF to purchase more efficient products without having to update the LS-1 tariff to revise the wattages.

A lighting customer is required to pay a contribution in aid of construction (CIAC) when DEF extends its distribution facilities to provide lighting service. Currently, the CIAC is collected as a one-time payment. As an alternative to the one-time CIAC payment, DEF is proposing to allow customers to pay the CIAC amount as a monthly fee added to the bill. The monthly fee would apply as long as the customer takes service under the LS-1 tariff and is calculated as a percentage of the CIAC amount. The new language does not prohibit a customer from paying the total CIAC amount in a single payment.

In addition, DEF proposes tariff modifications to state that customers must notify the utility before installing customer-owned receptacles such as holiday lights. The added language helps the utility track the receptacles to manage electric load and to appropriately bill for energy consumption.

The proposed tariff is also revised to remove the language which states that the utility may consider installing and maintaining customer-owned systems. DEF states that, as a business practice, it will no longer consider such requests for customer-owned systems. Additionally, new language is included to clarify the pole replacement process making it consistent with the process currently used for replacing obsolete lighting fixtures.

The proposed revisions to the lighting service contract align it with proposed revisions to the LS-1 tariffs discussed above, remove language that is no longer necessary, and revise the utility’s name to reflect Duke Energy Florida, LLC.

Staff has reviewed DEF’s petition and believes the proposed changes to the LS-1 rate schedule and lighting service contract are reasonable and appropriate. Staff recommends that DEF’s proposed changes to the LS-1 rate schedule and lighting service contract, as shown in Attachment A, be approved. The revised tariffs should become effective on May 8, 2018.

Issue 2:

 Should this docket be closed?

Recommendation:

 If a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order. (Crawford)

Staff Analysis:

 If a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protests. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

