

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

COMMISSION REVIEW OF NUMERIC DOCKET NO. 080407-EG  
CONSERVATION GOALS (FLORIDA  
POWER & LIGHT COMPANY).

-----  
COMMISSION REVIEW OF NUMERIC DOCKET NO. 080408-EG  
CONSERVATION GOALS (PROGRESS  
ENERGY FLORIDA, INC.)

-----  
COMMISSION REVIEW OF NUMERIC DOCKET NO. 080409-EG  
CONSERVATION GOALS (TAMPA  
ELECTRIC COMPANY).

-----  
COMMISSION REVIEW OF NUMERIC DOCKET NO. 080410-EG  
CONSERVATION GOALS (GULF  
POWER COMPANY).

-----  
COMMISSION REVIEW OF NUMERIC DOCKET NO. 080411-EG  
CONSERVATION GOALS (FLORIDA  
PUBLIC UTILITIES COMPANY).

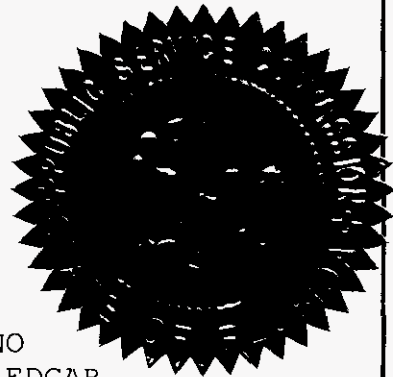
-----  
COMMISSION REVIEW OF NUMERIC DOCKET NO. 080412-EG  
CONSERVATION GOALS (ORLANDO  
UTILITIES COMMISSION).

-----  
COMMISSION REVIEW OF NUMERIC DOCKET NO. 080413-EG  
CONSERVATION GOALS (JEA).

PROCEEDINGS: AGENDA CONFERENCE  
ITEM NO. 21

COMMISSIONERS  
PARTICIPATING: CHAIRMAN NANCY ARGENZIANO  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER NATHAN A. SKOP  
COMMISSIONER DAVID E. KLEMENT  
COMMISSIONER BEN A. "STEVE" STEVENS III

DATE: Tuesday, March 16, 2010



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: LINDA BOLES, RPR, CRR  
Official FPSC Reporter  
(850) 413-6734

## P R O C E E D I N G S

\* \* \* \* \*

1  
2  
3           **CHAIRMAN ARGENZIANO:** And let's move on to  
4 Item 21.

5           **COMMISSIONER STEVENS:** And I don't -- I cannot  
6 vote on Item 21 either.

7           **CHAIRMAN ARGENZIANO:** Right. But you can --

8           **COMMISSIONER EDGAR:** But thanks for coming to  
9 the party.

10          **COMMISSIONER STEVENS:** Yeah. Happy Birthday.

11          **CHAIRMAN ARGENZIANO:** Yeah. But you can hang  
12 out.

13                 Katherine Fleming. And, Katherine, if you  
14 need anything, let us know, because it's looking like  
15 you're getting real close to your time.

16          **MS. FLEMING:** I still have about two weeks to  
17 go. I think we're okay today.

18          **CHAIRMAN ARGENZIANO:** Okay. All right. We  
19 won't stress you.

20          **MS. FLEMING:** Thank you.

21                 Commissioners, Item 21 addresses the  
22 Commission's review of numeric conservation goals.  
23 Specifically this recommendation addresses JEA's motion  
24 to reopen the record and motions for reconsideration of  
25 the Commission's final order filed by JEA, FPL,

1 Progress, Gulf, and NRDC/SACE.

2 None of the parties requested oral argument;  
3 however, oral argument may be heard at the Commission's  
4 discretion. Staff is available to answer any questions  
5 you may have.

6 **CHAIRMAN ARGENZIANO:** Okay. Commissioners,  
7 any questions? No? We have no questions.

8 Commissioner Skop, did you --

9 **COMMISSIONER EDGAR:** Hold on.

10 **CHAIRMAN ARGENZIANO:** Okay.

11 **COMMISSIONER EDGAR:** You're moving a little  
12 fast for me today, Madam Chair. So would it be possible  
13 to -- our staff to maybe split this? Issues 1 and  
14 Issues 2 seem to me to kind of be in one grouping, and  
15 3, 4, 5 and maybe 6 in a second grouping, or 6 in a  
16 third grouping. I could go either way on that. And if,  
17 if that's amenable, then could I ask staff to present  
18 just 1 and 2 again, maybe even a little more detail?

19 **MS. FLEMING:** Sure, Commissioner.

20 **COMMISSIONER EDGAR:** Thank you.

21 **MS. FLEMING:** With respect to Issue 1, the  
22 issue is should JEA's motion for limited reopening of  
23 the record be granted? This issue arises that at the  
24 posthearing recommendation phase goals were approved by  
25 the Commission for JEA. Those goals were based on

1 staff's recommendation, which were based on an incorrect  
2 discovery response that was provided by JEA. That  
3 discovery response provided cumulative values instead of  
4 incremental values. JEA noticed the error and they are  
5 asking to correct the discovery response so that it be  
6 made part of the record.

7 **COMMISSIONER EDGAR:** Okay. So just for, for  
8 my purposes and for simplicity, would you agree that  
9 Issues 1 and 2 are to correct an unintended error?

10 **MS. FLEMING:** That is correct. With respect  
11 to Issue 2, if the Commission votes to approve staff's  
12 recommendation on Issue 1 to correct the incorrect  
13 discovery response, then it would fall out that the  
14 motion for reconsideration for JEA should be granted, as  
15 the Commission's goals that they set for JEA were based  
16 on an incorrect discovery response. And once we correct  
17 that discovery response, it will ultimately change the  
18 goals that the Commission previously approved for JEA.

19 **COMMISSIONER EDGAR:** For just JEA? Okay.  
20 Thank you.

21 With that, Madam Chair, then realizing that  
22 from the explanation in the item before us and as also  
23 has been shared with us by our staff, that the, in my  
24 mind the requirements for reconsideration are met by  
25 virtue of there having been an error in one of the

1 answers or responses that was given to us, I'm  
2 comfortable with Issues 1 and 2 of the staff  
3 recommendation.

4 **CHAIRMAN ARGENZIANO:** Okay. Any other  
5 questions? Okay.

6 **COMMISSIONER EDGAR:** I would make a motion for  
7 Issue 1 and 2 as per the staff recommendation.

8 **CHAIRMAN ARGENZIANO:** There's a motion. Do I  
9 have a second?

10 **COMMISSIONER KLEMENT:** Second.

11 **CHAIRMAN ARGENZIANO:** All those in favor, say  
12 aye.

13 **COMMISSIONER EDGAR:** Aye.

14 **COMMISSIONER SKOP:** Aye.

15 **COMMISSIONER KLEMENT:** Aye.

16 **CHAIRMAN ARGENZIANO:** Aye.

17 All those opposed, same sign. That's  
18 approved.

19 Let's move on to the next issue.

20 **COMMISSIONER EDGAR:** Then if I may, Madam  
21 Chair, my question to staff would be for Issues 3, 4, 5  
22 and 6, could you talk to me, to us for a minute about  
23 the test for reconsideration as has been requested? Or  
24 the test, the requirement, the standard, whatever would  
25 be the most appropriate term.

1           **MS. FLEMING:** Well, the standard for  
2 reconsideration is whether the motion identifies a point  
3 of fact or law that the Commission overlooked or failed  
4 to consider in rendering its order.

5           With respect to FPL, Gulf and even Progress's  
6 first assertion, they're stating that the Commission  
7 failed or overlooked with respect to a technical versus  
8 achievable. However, there was ample discussion,  
9 looking back at the Commission transcript, that the  
10 Commissioners did debate whether the top ten residential  
11 measures should be included.

12           And if you recall at the November 10th Agenda  
13 Conference, staff proposed its recommendation and staff  
14 was charged by the Commission to go back and come up  
15 with additional, more robust goals. In doing that,  
16 staff proposed the top ten residential portion -- or the  
17 residential portion of the top ten measures, and the  
18 Commission didn't want to bind the utilities to those  
19 specific measures. However, the Commission was using  
20 the numeric goals to increase the goals for the  
21 utilities to make the goals more robust.

22           Essentially, with respect to those arguments  
23 raised by FPL, Progress and Gulf, they're essentially  
24 rearguing items that were already considered by the  
25 Commission during those Agenda Conferences, and thus

1 that's why staff is recommending that the motions for  
2 reconsideration be denied.

3 **COMMISSIONER EDGAR:** Thank you.

4 I guess I would just ask to my colleagues who  
5 are here for more than the cake, if, if there is a  
6 desire to hear from the parties or not.

7 **CHAIRMAN ARGENZIANO:** Okay. Commissioner  
8 Skop, and then we will see if someone wants to speak.

9 **COMMISSIONER SKOP:** Thank you, Madam Chair.  
10 Just to Ms. Fleming, with respect to the  
11 motions for reconsideration, that there were no mistake  
12 of fact or law granting that, I think you spoke to the  
13 top ten measures in response to Commissioner Edgar's  
14 question and that the Commission in its prior ruling did  
15 not want to bind itself strictly to those programs to  
16 the extent that the Commission wanted to look at ways  
17 that, you know, low income participants could benefit  
18 from energy efficiency. And am I correct to further  
19 understand that in addition to that top ten, not being  
20 limited to that, that we also did not want to be bound  
21 to the two-year payback so that we could consider, you  
22 know, compact fluorescent lightbulbs or other type of  
23 programs of that nature also?

24 **MS. FLEMING:** Yes, that is correct. During  
25 both Agenda Conferences, and it's even stated in the



1 Commission's order, the Commission was concerned with  
2 the utility's use of the two-year payback screen. And  
3 that was the reason for including the residential  
4 portion of the top ten measures.

5 In the Commission's order it did state that  
6 when submitting the programs for the Commission's  
7 approval, the utilities could consider the residential  
8 portion of the top ten measures, but they're not limited  
9 specifically to those measures.

10 **COMMISSIONER SKOP:** Okay.

11 **MS. FLEMING:** So the utilities can get  
12 creative with respect to coming up with more robust  
13 measures.

14 **COMMISSIONER SKOP:** So having that  
15 flexibility, not being bound to certain programs, allows  
16 utilities to propose things that would be more equitable  
17 across all its body of ratepayers; is that correct?

18 **MS. FLEMING:** Yes. That's our opinion, yes.

19 **COMMISSIONER SKOP:** Thank you.

20 **CHAIRMAN ARGENZIANO:** Any other questions?  
21 And Commissioner Edgar had noted there was no -- she  
22 didn't note that, staff did, but that there was no, no  
23 request for oral arguments; is that correct? Does  
24 anybody -- I'm going to ask now, does anybody wish to  
25 address -- and, Commissioners, if that's okay with

1 everybody here?

2 **COMMISSIONER EDGAR:** If there's a desire for  
3 any of the parties to speak to us, I'm fine with moving  
4 forward with that.

5 **CHAIRMAN ARGENZIANO:** So I am, so. Okay.  
6 Hi. Good morning.

7 **MR. BURNETT:** Thank you, Madam Chair. John  
8 Burnett on behalf of Progress Energy Florida.

9 The conversation we just had was instructive,  
10 but I am a bit confused. Progress Energy Florida takes  
11 no issue with the two-year payback. The Commission's  
12 made that decision. We did not dispute that in the  
13 motion for reconsideration. We take no issue with the  
14 top ten residential measures as well. We know the  
15 Commission has clearly made that decision, and we've not  
16 asked the Commission to reconsider it.

17 What we have asked though is did the  
18 Commission intend our goals to be technical goals, those  
19 that are academically possible, or achievable goals,  
20 those that are achievable in real life? The difference  
21 is as follows, with the CFL, it's a great example.  
22 Technical goals may tell you that we are able to give  
23 out CFL lightbulbs to 100 percent of our customers. So  
24 technically we should be able to give 100 percent of our  
25 customers free lightbulbs. Achievable may tell you

1           though that 85 percent of those customers will actually  
2           let us in, that 15 percent will turn us away and say,  
3           not interested, go away from my home.

4                       That's not an issue of whether the two-year  
5           payback is applied or not, not an issue of top ten  
6           residential. It's simply did the Commission intend us  
7           to have academic technical goals or achievable real life  
8           goals? That's all we've raised.

9                       Now in the staff recommendation I don't see  
10          that discussion anywhere. I see that the staff notes  
11          record cites that says the Commission understands the  
12          difference, and we absolutely believe you understand the  
13          difference. We know the Commission knows the  
14          difference. Our question is, did you intend technical  
15          versus achievable?

16                      Another example, reflective rooftops.  
17          Technically we can put reflective rooftops on every  
18          house in our service territory, a white cover that  
19          reflects heat. Achievably can we do that? Will the  
20          homeowners' association let us do that, are there deed  
21          restrictions, will, will people who own those homes let  
22          us do it or just say no way I'm putting that thing on my  
23          house, it's ugly?

24                      Right now we're with the technical. The goals  
25          that you've given us means that theoretically we can do

1 all this stuff. The goals we're asking, did you mean  
2 achievable? That's it. So we're not disputing anything  
3 that staff raised.

4 The reason this is so important is the  
5 magnitude difference for customer bill impacts, if you  
6 mean technical -- and that's fine, if you tell me today  
7 that's what we meant, I'll go back there and be quiet --  
8 it's a seven times bill increase. If you meant  
9 achievable, it's a three times bill increase. So it's  
10 very important for us to make sure that that's what you  
11 meant. And if it is, that's fine.

12 We have another issue with the double count.  
13 I think we're in the same position as JEA was in with  
14 our double counting measures. We had an error where we  
15 double counted three times, I mean three measures twice.  
16 It's about 282 gigawatt hours. We submitted data to  
17 staff and staff says we believe there is a double count.  
18 The problem is we couldn't match the numbers up.

19 Well, the numbers, respectfully I think the  
20 numbers that staff is comparing, they're looking at  
21 individual measures, which we put forward, to bundled  
22 measures, so that's why the numbers aren't squaring up.  
23 They're looking at all the pool pump measures versus  
24 single measures. And all we've said is that three  
25 individuals were counted twice.

1           That's our position in a nutshell. Thank you  
2 for the opportunity to speak.

3           **CHAIRMAN ARGENZIANO:** Thank you. Any  
4 questions? Okay. I'll have some questions --

5           **COMMISSIONER EDGAR:** Maybe.

6           **CHAIRMAN ARGENZIANO:** -- yeah, for staff on  
7 that issue also.

8           Ms. Kaufman?

9           **MS. KAUFMAN:** Thank you, Chairman. Good  
10 morning, Chairman, Commissioners. I'm Vicki Gordon  
11 Kaufman. I'm with the Keefe, Anchors, Gordon & Moyle  
12 law firm here in Tallahassee. I'm appearing on behalf  
13 of the Florida Industrial Power Users Group. You will  
14 recall that we did participate in the conservation goals  
15 hearing before you. And I really want to follow up on  
16 comments that Mr. Burnett made.

17           As you know, FIPUG is a group of large  
18 industrial customers. They employ a lot of people in  
19 the state and they make significant contribution to the  
20 tax base in the counties in which they are located. And  
21 one of our main concerns throughout the case has been  
22 the cost of implementing the conservation goals.

23           I think you heard Mr. Burnett tell you that  
24 for Progress there is quite a magnitude of difference as  
25 to whether you utilize the technical versus the

1       achievable standard, and that causes us a lot of  
2       concern.

3               We hope that you focus on what we think is the  
4       right standard, because as I understand it, and I think  
5       Mr. Burnett gave you some examples, the standard that we  
6       think the staff has included in the order doesn't  
7       consider things like the cost, as he said, whether the  
8       homeowners' association will allow it, whether it's  
9       acceptable to the customers. It just assumes that  
10      100 percent, as I understand it, of all the measures  
11      will be, will be implemented. That has a huge cost  
12      impact that all the ratepayers will be responsible for,  
13      not only FIPUG members but everybody, including the low  
14      income customers that I think some of these measures may  
15      be targeted at.

16              So we would say to you to be sure that you're  
17      clear on which standard it is that, that you are  
18      applying, that it's the achievable standard rather than  
19      the technical potential standard, because we think  
20      that's going to have a huge impact on the costs that  
21      ultimately are going to be borne by the ratepayers, not  
22      by the utility companies, but all the ratepayers, and we  
23      think that's something that needs to be balanced against  
24      your conservation goals.

25              Thank you.

1                   **CHAIRMAN ARGENZIANO:** Thank you.

2                   **MS. CANO:** Good morning, Madam Chairman and  
3 Commissioners. Jessica Cano on behalf of Florida Power  
4 & Light Company. And I would simply like to note that  
5 FPL concurs with and agrees with the arguments raised by  
6 Progress this morning.

7                   Thank you.

8                   **CHAIRMAN ARGENZIANO:** Thank you.

9                   **MR. CAVROS:** Good morning, Madam Chair,  
10 Commissioners. George Cavros on behalf of the Natural  
11 Resources Defense Council and Southern Alliance for  
12 Clean Energy. Thanks for the opportunity to address you  
13 today.

14                   We're in sort of the unique position of  
15 agreeing with staff. Yeah. We agree that both  
16 Progress, Florida Power & Light, and Gulf did not raise  
17 an issue of fact or law that the Commission  
18 misunderstood or failed to consider. It's clear from  
19 the transcripts that what the Commission wanted to do  
20 was take the value of selected measures, add those to  
21 the goals. It was clear that the Commission wanted more  
22 robust goals, so it took the technical potential of  
23 various residential measures, added them back into the  
24 goals for the utilities, but the utilities were not  
25 limited to those specific measures. That was also

1 clear, that the utilities were not limited to those  
2 specific measures in reaching those goals.

3 Additionally, the final goals are well within  
4 the maximum achievable potential, as indicated from the  
5 record evidence of PSC staff expert witness Spellman in  
6 his RFS-20 attachment, and I'll give you just a quick  
7 example.

8 The gigawatt hour savings that are added back  
9 to the Florida Power & Light goals, for instance, are  
10 905 gigawatt hours. The achievable potential that  
11 Witness Spellman indicated was possible was 12,889  
12 gigawatt hours. So it's certainly well within the  
13 achievable potential of the utilities that file motions  
14 for reconsideration to meet these goals regardless of  
15 how they were derived.

16 And just from a public policy perspective, the  
17 two-year payback screen restricts the availability of  
18 efficiency measures for those who need it most, the low  
19 income customer and the fixed income customer.

20 Staff concluded that it eliminated anywhere  
21 from 66 to 87 percent of technical potential of all  
22 measures, and this includes the most basic measures, it  
23 includes CFL lightbulbs, water heater blankets, low-flow  
24 showerheads. And fixed and lower income customers are  
25 at a distinct disadvantage because of barriers to



1 efficiency like information, like financing. And these  
2 measures help in two ways. First, they help customers  
3 reduce their bills immediately, and, secondly, they help  
4 customers as a whole by reducing utility fuel costs and  
5 deferring costly power plant construction.

6 And utilities -- the parties claim that the  
7 customers should be adopting these measures because it  
8 makes financial sense to them. But the evidence shows  
9 that they're not adopting them en masse. In fact, the  
10 majority are not adopting these measures. So make no  
11 doubt, these measures are not for people like me. I  
12 have access to information, I have disposable income, I  
13 have reduced my, my lighting use with CFL bulbs, I've  
14 put on a water heating blanket, low-flow showerheads,  
15 I've reduced my water heater use, I've reduced my AC  
16 load by caulking and providing insulation. These  
17 measures are for folks that don't have access to  
18 information and don't have access possibly and may  
19 require a financial incentive.

20 So, you know, that said, I don't think that  
21 now is the time to roll back the gains that we've made  
22 in efficiency up to this point. I think the Commission  
23 was very wise to abandon the rate impact measure test  
24 for the total resource cost test, which, by the way,  
25 always ensures that efficiency measures are more

1 cost-effective than supply-side options.

2 And while we're moving in the right direction,  
3 we believe that more needs to be done to get more of  
4 these measures out there. And, again, now we don't  
5 believe is the time to roll back the gains that we made  
6 in this docket. Thank you.

7 **CHAIRMAN ARGENZIANO:** Thank you.

8 Okay. Questions? Commissioner Edgar. Excuse  
9 me. Commissioner Edgar.

10 **COMMISSIONER EDGAR:** Thank you.

11 Could I ask a couple of questions probably  
12 down the line? So I'd like to start by asking the  
13 Progress and FPL representatives, and then also  
14 Ms. Kaufman on behalf of her client. I'm not sure  
15 exactly what it is you're asking of this Commission  
16 today, so if you could answer that for me as a starting  
17 point or midpoint.

18 **MR. BURNETT:** Yes, ma'am. Two things for  
19 Progress Energy Florida. The first is a clarification  
20 as to whether the Commission intended for the utilities  
21 to have their goals based on technical potential versus  
22 achievable potential. And, again, nothing to do with  
23 the two-year payback or any of the other top ten  
24 residential measures that Mr. Cavros discussed.

25 The second is for Progress Energy Florida to

1 reduce -- no matter how you come out on the first one --  
2 to reduce the, the gigawatt hour goals for us by 283  
3 gigawatt hours, which eliminates the double count of  
4 three measures that were a product of an error in our  
5 filing.

6 **COMMISSIONER EDGAR:** Okay. And that second  
7 point, the requested reduction in the gigawatt hours  
8 that is part of a goal, that is what you're telling us  
9 is because of an error, a miscalculation?

10 **MR. BURNETT:** Yes, ma'am. It's due to the  
11 programs were counted in two different places, which  
12 makes the number double what it should be for those  
13 programs.

14 **COMMISSIONER EDGAR:** Okay. And can I ask  
15 staff to speak to that? Because it sounds as if that  
16 may be very similar to the request from JEA, but yet we  
17 seem to have a different staff recommendation.

18 **MS. FLEMING:** Yes, that is correct. There is  
19 a different staff recommendation. The reason being,  
20 when Progress filed its motion with respect to the  
21 double counting measures, staff could not verify the  
22 accuracy of those numbers anywhere in the record. At  
23 that point staff sent an e-mail to Progress as well as  
24 all the parties asking for supplemental information to  
25 verify these numbers, because the numbers that were

1 being provided by Progress, we could not verify that  
2 those in fact were measures that were double counted  
3 because some of the measures appear in several different  
4 instances.

5 When Progress provided its supplemental  
6 information and copied all the parties to the record, we  
7 still could not verify those numbers. While there may  
8 be a situation where there may be double counting,  
9 unfortunately the burden is on Progress to provide us  
10 the information.

11 JEA requested to reopen the record to correct  
12 incorrect information in the record. Progress did not  
13 do so in this case. So we are, staff is working off of  
14 the information that has been provided by Progress and  
15 based on the information in the record, and we cannot  
16 verify that in fact those specific gigawatt hours were  
17 double counted within the record.

18 **COMMISSIONER EDGAR:** Progress?

19 **MR. BURNETT:** Yes, ma'am. Thank you. On Page  
20 15 of the staff recommendation, to support why staff  
21 could not true-up whether there's the double count,  
22 again, Ms. Fleming is correct. Staff notes that there  
23 does appear to be a double count. And Page 15 says that  
24 PEF shows a total of approximately 283 gigawatt hours in  
25 one filing, our motion, and then in late-filed

1 deposition Exhibit 2 a savings of 1,103.

2 And that's what I was speaking to earlier is  
3 we have three measures, an 18-watt CFL and two pool  
4 pumps. The 282 is a product of three individual  
5 measures, two types of pool pumps, one type of  
6 lightbulb. The 1,103 is a combination of all pool pumps  
7 and all CFL lightbulbs. So that's an apples to oranges  
8 comparison. The 282 is the one that's double counted.  
9 We're not asking for the 1,103 to be eliminated, just  
10 simply the three programs that are the product of the  
11 282.

12 **COMMISSIONER EDGAR:** Thank you.

13 And I guess I would just say, Commissioners --  
14 excuse me, I have a little bit of a cold -- that I am  
15 not in a position to know what the exact right number is  
16 based on the decisions that we made. But as always I  
17 would hope that we, to the extent that we are able, have  
18 the best and most accurate information as part of what  
19 we are doing and what we are requiring.

20 So with that, I'd like to just move on and ask  
21 FPL the same question that I did of Progress, which is  
22 could you succinctly share with me what the action is  
23 that you are requesting today?

24 **MS. CANO:** Sure. FPL is requesting something  
25 similar to Progress's first request, which is that the

1 Commission clarify whether it intended to create a  
2 technical portion value of goals by adding technical  
3 potential to its achievable potential savings. And if  
4 the Commission did not intend to add these technical  
5 potential values, FPL requests that that portion be  
6 reduced to an achievable potential amount.

7 **COMMISSIONER EDGAR:** Thank you.

8 And for FIPUG, Ms. Kaufman?

9 **MS. KAUFMAN:** FIPUG's position is that the  
10 Commission should make it clear that it intended the  
11 utilities to look at the achievable potential rather  
12 than the technical potential, which is similar to the  
13 comments that Progress and FPL have made.

14 **COMMISSIONER EDGAR:** Similar to. Okay.  
15 That's what I thought I heard, but I really wanted to  
16 make sure that I, I knew. So I appreciate that.

17 And, Mr. Cavros, am I correct that on behalf  
18 of your clients your request of us today is to not take  
19 that action?

20 **MR. CAVROS:** That's correct.

21 **COMMISSIONER EDGAR:** Okay. Thank you.

22 **MR. GRIFFIN:** Commissioners, Steve Griffin on  
23 behalf of Gulf Power, and our concern is the same as  
24 articulated by Progress and FP&L, just clarifying the  
25 record.

1                   **COMMISSIONER EDGAR:** That was very helpful for  
2 me, Madam Chair, Commissioners. I may have another  
3 question or two, but I think there are some others. So  
4 I'd like to hear the other questions and then go  
5 forward.

6                   **CHAIRMAN ARGENZIANO:** Certainly.

7 Commissioner Skop, then Commissioner Klement.

8                   **COMMISSIONER SKOP:** Thank you, Madam Chair.  
9 Just a question to Ms. Fleming.

10                   With respect to double counting, you know,  
11 certainly we would want to take a look at that and  
12 certainly we could grant administrative authority to, to  
13 resolve any issue. It seems that Progress's concern is  
14 strictly related to the three double counted measures,  
15 for a total of 282.73 gigawatt hours.

16                   I guess what I'm trying to reason with is the  
17 understanding of these are numeric goals that we're  
18 setting and, you know, certainly we want to get the  
19 number as accurate as possible. There's a lot of  
20 semantics being used here, technical versus achievable,  
21 but at the end of the day I thought this Commission  
22 approved specific numeric goals that were numbers, and  
23 that's the target number, the robust target number we're  
24 working towards. So in that regard I'm not so sure how  
25 achievable and technical come into that number that was

1 approved. So I'd like to get some clarification on  
2 that.

3 But just in a nutshell, my primary point is  
4 how is, you know, assuming there was an error that I'm  
5 willing to correct, if one can be documented, how is  
6 that harmful to the extent that we're just establishing  
7 goals, numeric goals? I mean, I don't see a real harm  
8 in picking a stretch goal or a target number in a manner  
9 in which encourages additional energy conservation. If  
10 you think small, you'll never get there. If you think  
11 ambitious, you may never get there, but at least you're  
12 making some positive strides to, you know, to bring some  
13 focus and, focus and visibility on energy conservation  
14 measures.

15 So, again, if staff could briefly elaborate on  
16 that, I'd appreciate it.

17 **MS. FLEMING:** With respect to the double  
18 counting, the Commission did choose goals that were  
19 robust that are stretch goals, as you characterized.

20 With respect to Progress's arguments with  
21 double counting, yes, staff agrees we would like to have  
22 the number correct; however, we are bound by the record  
23 before us. We, we provided Progress an opportunity to  
24 provide supplemental information to help us understand  
25 where the double counting had occurred based on the



1 record evidence.

2 We, we gave them that opportunity and we still  
3 were not able to locate those numbers in the record.  
4 Had Progress -- Progress could have filed a motion for  
5 limited reopening of the record if they noticed that  
6 there was an error on their part where they double  
7 counted their measures. They did not do so.

8 In my mind staff did what we could to the  
9 extent that we're bound by the record. Unfortunately  
10 it's something we struggled with because we do want to  
11 have the numbers correct; however, if it's not within  
12 the record, we can't verify the accuracy of those  
13 numbers and we don't know how we would need to adjust  
14 those goals based on what we have before us.

15 **COMMISSIONER SKOP:** Follow-up.

16 **CHAIRMAN ARGENZIANO:** Continue.

17 **COMMISSIONER SKOP:** And to the second part,  
18 can you briefly expand upon whether the semantics  
19 associated with technical potential and achievable  
20 potential has anything to do at all with the numeric  
21 goals that were approved, other than having accurate  
22 goals?

23 **MS. FLEMING:** With that, Commissioner, I'll  
24 let Mr. Ballinger address that question.

25 **MR. BALLINGER:** I think what you said earlier

1 is that utilities have the flexibility to propose  
2 programs to meet the goals. The Commission set a  
3 numeric goal for demand and energy, and the utility can  
4 combine programs, look at other things to reach that  
5 goal.

6 There is a slight problem of setting a goal  
7 too much of a stretch, because now the Commission has  
8 the authority to assign a financial penalty if a utility  
9 does not meet a goal. So I think you don't want to go  
10 too far, because you do have that check in there. Also  
11 you have to consider the rate impact of doing that. And  
12 I think the Commission considered all that when setting  
13 the goals.

14 **CHAIRMAN ARGENZIANO:** Follow-up?

15 **COMMISSIONER SKOP:** Yes. I'm not so sure, you  
16 know, that was helpful. But in terms of, you know,  
17 approving numeric goals that were stretch goals which  
18 were intended to be more robust, certainly not out to --  
19 the Southern Alliance for Clean Energy and others, not  
20 as far as they'd like to go, but certainly above what  
21 the utilities had proposed.

22 You know, how does the argument that I'm  
23 hearing from Progress and FPL and Gulf regarding the  
24 semantics of technical potential and achievable  
25 potential, does that factor prominently, if at all, into

1 the actual numbers that were approved for the targeted  
2 goals, or is that just semantics?

3 **MR. BALLINGER:** It may be semantics, and let  
4 me see if I can explain it this way. You do the  
5 technical potential first, which is the biggest net, no  
6 economic constraints, you can put it on every house and  
7 everything like that. That's the technical potential.  
8 That's the big pool of measures that you have.

9 Then you start screening measures down to what  
10 will be achievable. The first screen that was done was  
11 the two-year payback, which eliminated a bunch of  
12 measures from even being considered for further  
13 achievable studies, such as customer acceptance, such as  
14 availability of products, things of that nature. It was  
15 a cost-effectiveness test that screened out a bunch.

16 So, yes, it is a technical potential value.  
17 But I would point out that the Commission only selected,  
18 of the top ten measures, total measures that were  
19 screened out, they only selected the residential portion  
20 of that. So they selected a very small portion of that  
21 screened out part. So I think it left a lot of room for  
22 other things to take play.

23 **COMMISSIONER SKOP:** And just one follow-up,  
24 Madam Chair.

25 With respect to that screening test that was

1 applied, I think that was mentioned by the  
2 representative, that approximately 86 percent of the  
3 measures were screened out by the two-year payback  
4 period. So all that achievable potential was lost?

5 **MR. BALLINGER:** Correct. From the very first  
6 screen that you did on the technical potential to start  
7 whittling it down was the two-year payback, which  
8 eliminated roughly 60 to 80 percent in some cases of  
9 measures, that you would then further look at further  
10 achievable.

11 **COMMISSIONER SKOP:** All right. So the  
12 ultimate goals set for each utility by this Commission  
13 were below the technical potential; is that correct?

14 **MR. BALLINGER:** Correct. It was below the  
15 full technical potential.

16 **COMMISSIONER SKOP:** All right. Thank you.

17 **CHAIRMAN ARGENZIANO:** Commissioner Klement.

18 **COMMISSIONER KLEMENT:** Thank you, Madam Chair.  
19 Some of what Commissioner Skop asked was answered --  
20 were some of the issues that I had. But I would like to  
21 expand a little bit.

22 I don't recall those terms being used when we  
23 considered this back last fall, achievable versus  
24 potential. And I don't recall the companies making a  
25 case for what, what Mr. Burnett just said, a three times

1 or even a seven times increase in the customer's rate,  
2 bill. Is that a real concern that we should -- we  
3 didn't discuss that as I recall.

4 **MR. BALLINGER:** Let me see if I remember the  
5 first part as far as technical versus achievable. I  
6 think it was before the Commission that it was a, a  
7 technical value that was screened out. It was a value  
8 that was screened out of the technical potential. So  
9 it's kind of a backwards approach to calling it  
10 achievable.

11 **COMMISSIONER KLEMENT:** Okay.

12 **MR. BALLINGER:** No, it's not an identified  
13 achievable number like they did with the other measures,  
14 but it's your first screen from the technical potential  
15 of what was put out there. The Commission chose to put  
16 some of that back in as a goal.

17 The second part as far as the rate impact,  
18 that was discussed at the hearing, that was discussed at  
19 the recommendation, that moving away from a RIM test to  
20 an E-TRC and even further, you may have rate impacts.  
21 But the Commission noted that in its order and pointed  
22 out that DSM is voluntary and encouraged people that  
23 people who do participate in it will probably see lower  
24 bills. Those who do not participate may see higher  
25 bills.

1                   **COMMISSIONER KLEMENT:** That's what I thought.

2                   **CHAIRMAN ARGENZIANO:** But we also -- excuse  
3 me. We also took the least cross-subsidization  
4 approach, didn't we that was before us that day?

5                   **MR. BALLINGER:** I'm not sure I understand the  
6 question.

7                   **CHAIRMAN ARGENZIANO:** In other words, for the  
8 argument that day from what I recall, and I'm not sure  
9 that's where you're going as far as the rates, the  
10 impact upon rates, and the argument that day was -- some  
11 of the argument that day was for the lower income  
12 residents who would be impacted, and I believe that what  
13 we did wind up to be the least, you know,  
14 cross-subsidizing type approach, so that you can move  
15 forward and actually get something done but to harm as  
16 least as possible.

17                   **MR. BALLINGER:** Well, the Commission didn't  
18 identify specific programs to do, so we didn't direct it  
19 specifically to a low income. I think there was desire  
20 of the Commission to make sure that your programs, when  
21 they come in, cover a wide array, to have something for  
22 everyone. I think that was apparent. Yes, what the  
23 Commission selected was below some other recommendations  
24 from other Intervenors, such as the Solar Coalition and  
25 NRDC/SACE. So it was, it was in line with what was

1 before you within the spectrum.

2 **CHAIRMAN ARGENZIANO:** Commissioner Klement.

3 **COMMISSIONER KLEMENT:** Was there, is there a,  
4 is there a requirement or a condition that we penalize  
5 them if they don't meet these goals?

6 **MR. BALLINGER:** It's not a requirement. It's  
7 a permissive --

8 **COMMISSIONER KLEMENT:** Permissive.

9 **MR. BALLINGER:** -- permissive in the state  
10 statute, I believe. I'll have Katherine look at it.  
11 But I think it's the Commission may penalize a utility  
12 for failure to meet its goals.

13 **COMMISSIONER KLEMENT:** Would we have to come  
14 up an amount, a percentage?

15 **MR. BALLINGER:** Yes. I think that would be  
16 after. First you'd have to have proof that they didn't  
17 meet the goals, was it something within their control or  
18 not beyond their control. You'd have to have all that  
19 preceding.

20 **COMMISSIONER KLEMENT:** Okay. Thank you.  
21 That's all for now.

22 **MR. BALLINGER:** And I think the statute is  
23 also pretty clear on what it could be, or at least the  
24 reward part I know was up to 50 basis points, and I  
25 would presume the penalty would go --

1           **CHAIRMAN ARGENZIANO:** That's what I was going  
2 to ask. It's up to 50 basis points on the reward and --  
3 go ahead.

4           **MR. BALLINGER:** The statute didn't speak to a  
5 penalty, I don't believe, as far as an amount.

6           **MS. FLEMING:** That is correct. With respect  
7 to the penalty, it states that the Commission may  
8 authorize financial penalties for those utilities that  
9 fail to meet their goals, including but not limited to  
10 the sharing of generation, transmission and distribution  
11 cost savings associated with conservation, energy  
12 efficiency and demand-side renewable energy system  
13 additions. So --

14           **CHAIRMAN ARGENZIANO:** But now, if I just may  
15 ask -- I'm sorry. Finish your sentence. I apologize.

16           **MS. FLEMING:** I was just going to say the  
17 Commission is authorized to do so. There is not a  
18 requirement that they do so, and the Commission does  
19 have flexibility with respect to what type of financial  
20 penalties.

21           **CHAIRMAN ARGENZIANO:** Because if we looked at  
22 what the companies are saying, that some things are not  
23 achievable, there are some people who are going to say,  
24 go away, don't bother me, or I don't want that on my  
25 roof, and I can understand that happening, that would



1 then be, if they couldn't reach that goal, that would  
2 come before this body to make that decision. And then  
3 the company, wouldn't you be able to make that argument  
4 at that time, that, look, we just couldn't get there,  
5 You know, 10 percent of the people wouldn't let us put  
6 this on the roof or didn't want to even open the door?

7 **MR. BURNETT:** Yes, ma'am. We would make that  
8 and we hope that argument would be well-received by the  
9 Commission. Our only concern though is that there will  
10 be money that needs to be spent up front, and we didn't  
11 want to have stranded costs, spending money on programs  
12 that would, that -- perhaps buying capital assets that  
13 we would not be able to deploy. It's a real cost to the  
14 customer.

15 **CHAIRMAN ARGENZIANO:** Right. Okay.

16 Commissioner Skop and then Commissioner Edgar.

17 **COMMISSIONER SKOP:** Thank you, Madam Chair.

18 And to staff, initially when we went through  
19 this, staff had proposed goals and the Commission  
20 rejected those goals and asked staff to develop more  
21 robust goals, which are the numbers that the Commission  
22 ultimately approved that staff developed. That's  
23 correct?

24 **MR. BALLINGER:** Yes. The staff came back and  
25 gave you a recommendation of going to the E-TRC test,

1 and then the Commission -- and laid out other options as  
2 well, and the Commission chose to pick a portion of the  
3 two-year payback to add back into that.

4 **COMMISSIONER SKOP:** And at this point of the  
5 proceeding, as previously approved, these, this was just  
6 the goal setting phase, so a numeric goal for each  
7 respective utility; is that correct?

8 **MR. BALLINGER:** Correct. And utilities are  
9 scheduled to file their programs to meet these goals by  
10 the end of this month.

11 **COMMISSIONER SKOP:** Okay. And the utilities,  
12 based upon the Commission's rejection of the two-year  
13 payback period, as well as not being limited to the top  
14 ten residential measures, gave a lot of discretion to  
15 the utilities to propose what they deemed best and what  
16 works best for them and their customers in their  
17 respective service areas, to propose those for ultimate  
18 program approval; is that correct?

19 **MR. BALLINGER:** Correct. And you might  
20 actually see existing programs change the rebate  
21 structure such to get greater participation, and they  
22 become a bigger portion of the goals. So it's a whole  
23 mix.

24 **COMMISSIONER SKOP:** And likewise, you might  
25 see programs that were previously in place that were not

1 very well subscribed to, those may be displaced and  
2 retired in favor of moving forward to programs like  
3 compact fluorescent lightbulbs and other programs like  
4 that; is that equally correct?

5 **MR. BALLINGER:** Correct. And it's the  
6 utility's choice, if you will, to put together that  
7 portfolio.

8 **COMMISSIONER SKOP:** Okay. So to -- I'm sorry.  
9 Just a few more questions.

10 So basically once the programs come to the  
11 Commission for approval, we'll ultimately look at what  
12 programs that the Commission deems appropriate, noting  
13 the potential rate impact for each of the respective  
14 programs. Then ultimately if those programs are  
15 approved, the subscription rate for those programs will  
16 ultimately factor prominently in how much money is spent  
17 on each specific program. Is that a correct  
18 understanding?

19 **MR. BALLINGER:** Pretty much so, yes.

20 **CHAIRMAN ARGENZIANO:** But at what point does  
21 that occur?

22 **MR. BALLINGER:** We may not have the rate  
23 impact on a program-specific basis. That might -- we've  
24 asked for it. We had an initial meeting with all the  
25 parties the other day about some of the initial filings,

1 kind of what we want to see. I had asked for that on a  
2 program-by-program basis, the rate impact, or at least  
3 the portfolio. You know, you've got things commingled.  
4 So that was my only hesitation on that question. But,  
5 yes, we will look at that. And the Commission has the  
6 authority in the statute also to deny program approval  
7 if it sees the rate impact is too great, so.

8 **COMMISSIONER SKOP:** Just two, two follow-ups,  
9 Madam Chair.

10 **CHAIRMAN ARGENZIANO:** Two follow-ups.

11 **COMMISSIONER SKOP:** To that point, I think  
12 that if we are able to have it on a program basis, that  
13 would be very beneficial for the Commission, having  
14 realtime visibility of, you know, what is this type of  
15 program going to cost depending upon various  
16 subscription or take rates for that program, whether it  
17 be compact fluorescent lightbulbs or additional rebates  
18 or what have you.

19 But getting to I guess the crux, is these are  
20 merely goals, and noting that the Commission has set  
21 robust goals, whether those goals are ultimately  
22 achievable or not depends upon the programs that the  
23 Commission approves and whether the ratepayers subscribe  
24 to those various programs. So at the end of the day,  
25 when you get to the concern about rate impact, you know,

1 obviously the Commission has the ability to manage that.

2 And to the point that's made by Mr. Burnett  
3 about the fear of being penalized, I mean, certainly the  
4 Commission would take that in consideration, noting that  
5 these are stretch goals and certainly you wouldn't want  
6 to penalize. You're trying to incentivize additional  
7 achievements in energy efficiency and conservation.

8 So at least from my perspective, if I knew  
9 they were stretch goals, I don't think I would be too,  
10 too harsh on getting that stick out. I'd just expect  
11 the utility to show a good faith effort in trying to  
12 move forward in advancing energy and conservation within  
13 the state. Thank you.

14 **CHAIRMAN ARGENZIANO:** But you can't -- you  
15 can't -- I guess you have to, if you were the company,  
16 you'd want to know up-front what the impact is going to  
17 be, especially if there's a threat of being penalized.  
18 So I can understand that.

19 **COMMISSIONER SKOP:** And equally too, if some  
20 companies take the initiative and move forward and maybe  
21 don't meet their goals completely, noting they're  
22 stretch goals, I still think the Commission has  
23 discretion to put some rewards in there based upon, you  
24 know, if you get all the way close to it --

25 **CHAIRMAN ARGENZIANO:** Well, there should be a

1 reward. Absolutely.

2 **COMMISSIONER SKOP:** Right. There should be  
3 that reward aspect too for rewarding, you know, taking  
4 the initiative instead of sitting on one's backside.

5 **CHAIRMAN ARGENZIANO:** Commissioner Edgar.

6 **COMMISSIONER EDGAR:** Thank you, Madam Chair.

7 I think I agree with what I'm hearing, so let  
8 me say it this way.

9 I do believe that the Commission has some  
10 discretion down the line as this effort moves forward  
11 and these specific numeral -- numeric goals go more  
12 through the process and are in place. But I also  
13 believe that the actions that we took in this docket and  
14 that we will take today and maybe other actions in the  
15 future will result in costs, and therefore the more  
16 clear we can be about what it is we are directing and  
17 intending, the better off the results of the effort.  
18 And that's where I'm wondering if we have some  
19 obfuscation, not purposely, but maybe some lack of  
20 clarity.

21 So a couple more questions, and these may have  
22 already been asked. But when is it that the specific  
23 programs are to come before the Commission for review  
24 and action?

25 **MR. BALLINGER:** They're, they're due to be

1 filed the end of the month. I would suspect they will  
2 all be separate dockets. They will be brought to you as  
3 PAA items probably May, early June, I'm guessing.

4 **COMMISSIONER EDGAR:** When you say all separate  
5 dockets, any idea how, rough, approximately how many  
6 that might be?

7 **MR. BALLINGER:** Seven dockets.

8 **COMMISSIONER EDGAR:** Seven dockets. Okay.

9 **MR. BALLINGER:** Yes.

10 **MS. FLEMING:** There would be seven dockets for  
11 each separate utility that we address during the numeric  
12 conservation goals proceeding.

13 **COMMISSIONER EDGAR:** Seven for each?

14 **MS. FLEMING:** Seven total dockets. So one for  
15 FPL, Progress, Gulf --

16 **COMMISSIONER EDGAR:** Okay. Good. I'm glad  
17 for that clarification and that answer as well.

18 What is the time frame then for, should we get  
19 to a penalty or a reward type of consideration, when  
20 would that be?

21 **MR. BALLINGER:** That would be, my guess, two  
22 or three years from now at least. You'd have to wait to  
23 see how they met the goals in the early years, are they  
24 making progress. I mean, that's, that's not something  
25 you would do today, or even, even under this filing.

1                   **COMMISSIONER EDGAR:** But is it two years,  
2 three years, five years, discretionary?

3                   **MR. BALLINGER:** I'd say probably three to four  
4 years before you would be at a point where you could  
5 decide, no, you haven't met your goals and you're not  
6 really trying hard enough. We're going to penalize you.  
7 That's the kind of thing you'd have to flesh out through  
8 the time period. It might be they don't meet their goal  
9 the first year but they meet it the second year because  
10 of just getting a program started. There's all sorts of  
11 things that go in. So it's not something you could do,  
12 I don't think, the first year or two of these programs.

13                   **COMMISSIONER EDGAR:** So there again, a time  
14 frame for this Commission to potentially take action as  
15 far as penalty or reward, that action and that time  
16 frame are also discretionary?

17                   **MR. BALLINGER:** Yes, ma'am.

18                   **MS. FLEMING:** Yes. Pursuant to the statute,  
19 the Commission may authorize rewards or penalties. It's  
20 not required to do so.

21                   And I think the point the staff is making is  
22 in order for the Commission to even take that step to  
23 authorize a reward or a penalty, we need to take a wait  
24 and see approach. It's hard to gauge whether after the  
25 first year the utility may meet its goals, but -- or it



1 may not meet its goals, but it's good to wait another  
2 year or two to see if maybe the programs are just  
3 picking up and they're still subscribing customers to  
4 their programs.

5 So it's more of a, I think, a wait and see  
6 approach to see how the programs are going to do and  
7 whether the utilities are doing the best that they can  
8 to get customers to subscribe to those programs.

9 **MR. BALLINGER:** This may help. Every year we  
10 have to do an annual report on FEECA achievement to the  
11 Legislature and the Governor, and that's where we look  
12 specifically at how they met their goals or not met  
13 their goals and reasons why.

14 So that would be your first indication if  
15 somebody's not meeting their goals. Staff would lay out  
16 what we found out. At that time, if the Commission  
17 wanted to direct us to open a docket to then start  
18 looking at possible penalty, that's kind of how the  
19 process would, in my view, how it would start.

20 So it would start I think with a FEECA report  
21 as the identification of not meeting a goal. Then do  
22 you want to take further action, have a docket, start  
23 pursuing a penalty, that kind of thing. So it's kind  
24 of a, it's a, it's a moving target.

25 **COMMISSIONER EDGAR:** Somewhat fluid.

1           **MR. BALLINGER:** Yes.

2           **MS. FLEMING:** And on that point as well,  
3 within the statute, the Commission may change goals for  
4 reasonable cause.

5           So to Mr. Burnett's point, if there is some  
6 sort of great rate impact or there is reasonable cause  
7 that the utility brings forth or that the Commission  
8 notices, the Commission does have the discretion to  
9 change those goals. So the Commission can at a later  
10 date modify those numeric goals.

11           **COMMISSIONER EDGAR:** Okay. So then to -- I'm  
12 going to start with Progress just because you started,  
13 but to the others as well, following up on Ms. Fleming's  
14 just last comment, is that what you are asking? And I  
15 want you to answer this question. Is what you're asking  
16 for today due in large part to what Ms. Fleming said,  
17 that maybe there is, has been a reason or a cost that  
18 you think comes to the level where we should make a  
19 change in what we did before? And if I'm asking that  
20 not quite perfectly, then --

21           **MR. BURNETT:** Yeah --

22           **COMMISSIONER EDGAR:** -- answer the more  
23 perfect question.

24           **MR. BURNETT:** Yes, ma'am. I understand your  
25 question, and the answer is yes.

1           Just to give some examples, if you go with  
2 what we've called technical, it's the 3,488. In 2011,  
3 to deploy our programs, the ECCR charge on a residential  
4 bill for a 1,200 kWh will be \$17.41. It's \$3 today. If  
5 you meant achievable, it will be \$9.67, and it's, again,  
6 \$3 today.

7           **COMMISSIONER EDGAR:** One more time on those  
8 numbers. One more time.

9           **MR. BURNETT:** Yes, ma'am. \$17.41 in 2011 for  
10 the 3,488 gigawatt hours. For what we're asking, the  
11 E-TRC plus the top residential measures, the 17.92, that  
12 would be achievable, it would be \$9.67. Currently for  
13 Progress Energy it's \$3.

14           **COMMISSIONER EDGAR:** Okay. Is the -- okay.  
15 To staff, for the action that the Commission took on  
16 these conservation goal dockets for residential  
17 customers -- excuse me -- for residential customers, is  
18 a subsidy or cross-subsidy within that residential  
19 customer class inherent between those who participate in  
20 the programs and those who do not?

21           **MR. BALLINGER:** Yes, ma'am. As soon as you  
22 move to the E-TRC test, you have the -- within the  
23 residential class you have cross-subsidy.

24           **COMMISSIONER EDGAR:** Would it be -- and I'm  
25 not sure who to ask this to but I'll start over here,

1 maybe, maybe Mr. Devlin, but I'll leave it to y'all.  
2 Would it be accurate to say that that was a policy  
3 decision made by this Commission by our actions in that  
4 docket, or decisions?

5 **MR. BALLINGER:** Yes. And that was clearly  
6 before the Commission at the agenda.

7 **COMMISSIONER EDGAR:** I think -- and, Madam  
8 Chair, I thank you for the time while I try to think  
9 this through, because it was somewhat confusing all the  
10 other times that we talked about it, and it's a tad  
11 confusing today.

12 I still believe strongly, as probably we all  
13 do, that to try to use the statutory tools that are  
14 available to us and to the utilities and to consumers to  
15 move forward conservation and demand-side management and  
16 efficiencies is the right direction and what we should  
17 be doing in addition to the directions that are in the  
18 statute.

19 But I also realize that every, almost every  
20 action we take, there are ramifications from that, some  
21 of which are the spending of dollars up-front. And if  
22 indeed we need to clarify what we have done so that the  
23 companies and the customers and all those who will be  
24 paying at some point understand more clearly what it is  
25 we are asking and expecting, then I'm open to do that.

1 I'm not completely sure if that's where, where we are.  
2 But if we are, I want always to strive that we are clear  
3 in our expectations, especially when money will be  
4 spent, and especially realizing that there is a  
5 potential for rewards and penalties.

6 Thank you.

7 **CHAIRMAN ARGENZIANO:** One moment. I would  
8 just like to -- oh, go ahead, Commissioner Skop, and  
9 then I'll, I'll go ahead and ask my questions.

10 **COMMISSIONER SKOP:** Thank you. Just, I'm a  
11 little bit confused. I just want to ask Commissioner  
12 Edgar to her last point, you spoke of spending dollars  
13 up front. At this point in the proceeding we're just  
14 merely establishing numeric goals. I'm not  
15 understanding how we're committing to spending dollars  
16 to the extent that we've not yet approved any program,  
17 which we'll have, you know, obviously Commission  
18 discretion to approve on a case-by-case basis. So do  
19 you have any --

20 **COMMISSIONER EDGAR:** Well, I'll try,  
21 Commissioner Skop. I was responding partially or  
22 commenting partially in response to answers that I  
23 thought I heard primarily from Mr. Burnett, but others  
24 as to, as they are looking at the -- as the companies  
25 are looking at programs and trying to determine what to

1 bring forward and where the costs will reside during  
2 that process and moving forward, that, that clarity  
3 would be more efficient. But I absolutely would look to  
4 the companies if I misstated that or if it could be  
5 expanded upon.

6 **COMMISSIONER SKOP:** Thank you.

7 And then just two quick points to Ms. Fleming.  
8 You spoke about the Commission's inherent discretion to  
9 amend goals should the Commission deem it appropriate to  
10 do so, whether that be later down the line, seeing that  
11 the goals are not appropriate because the subscription  
12 rates of the consumers are not there or what have you.  
13 And, again, this is I think trying to do the right thing  
14 for the state by setting more robust goals, but in turn  
15 that doesn't necessarily mean that we'll meet the goals.  
16 That's a separate question in and of itself.

17 But I just want to make sure that it's the  
18 understanding of staff that this Commission or future  
19 Commissions will have the ability to amend these goals  
20 in the future, as well as incentivize companies for  
21 superior performance for those companies that take  
22 aggressive steps to try and achieve goals, even though  
23 they may be very ambitious, robust stretch goals. Is  
24 that staff's understanding?

25 **MS. FLEMING:** I think there are several

1 different alternatives pursuant to the statute. The  
2 Commission may change goals for reasonable cause. In  
3 addition, the Commission may authorize financial rewards  
4 or penalties. And, finally, something that  
5 Mr. Ballinger touched on earlier, the Commission may  
6 require modifications or additions to a utility's plans  
7 and programs at any time it is in the public interest  
8 consistent with this act.

9           So in approving the plans and programs, which  
10 is the next step for cost recovery, which is what the  
11 Commission will look at, in approving the plans and  
12 programs for cost recovery, the Commission shall have  
13 the flexibility to modify or deny plans or programs that  
14 would have an undue impact on the costs passed on to the  
15 customers.

16           **COMMISSIONER SKOP:** Okay. So to that point,  
17 giving consideration to Mr. Burnett's position on the  
18 potential double counting, but noting that the record is  
19 closed, at some future point in time Progress could come  
20 in and document with a limited, I think that you  
21 mentioned limited opening of the record or for good  
22 cause as to why their, their specific goals -- and I'm  
23 addressing this to Progress because FPL has not raised  
24 this argument. FPL's raised the global argument of  
25 technical versus achievable, which I'll get to in a

1 second. But Progress specifically on those three  
2 programs, the double counting, nothing would preclude  
3 Progress from filing appropriate documentation at a  
4 later date to try and address that issue and give the  
5 Commission discretion to change its goals based upon a  
6 double counting if it exists; is that correct?

7 **MS. FLEMING:** If I could have a moment just to  
8 confer and double check on that.

9 **COMMISSIONER SKOP:** Okay. And I'll go to --  
10 in the interim I'll go to Mr. Burnett.

11 Mr. Burnett, you mentioned potential rate  
12 impacts for consumers by adopting a technical potential  
13 versus achievable potential. I'm a little confused by  
14 that. Again, certainly the Commission in adopting  
15 robust, ambitious goals obviously has to be concerned  
16 about potential rate impact.

17 The concern I have for you is you've stated  
18 numbers for those two scenarios, but I have not heard  
19 you state a number for the numeric goal that your  
20 company has been assigned in terms of what that would  
21 do. So it seems to be an apples and oranges comparison.  
22 And if you could briefly clarify, I'd appreciate it.

23 **MR. BURNETT:** Yes, sir. Absolutely. Thank  
24 you.

25 The goal that we've been assigned was the



1 3,488 that I mentioned. That's where we sit here today.  
2 And if you, if you approve staff rec, that's what we'll  
3 go forward and present a program portfolio to meet.  
4 That was the first number, which is -- over the ten-year  
5 period, sir, it's an average bill impact of \$19.89.

6 **COMMISSIONER SKOP:** I'm sorry. What year  
7 period, three- or five-year, did you mention?

8 **MR. BURNETT:** That's over the ten-year period.

9 **COMMISSIONER SKOP:** Oh, ten-year period?

10 **MR. BURNETT:** Yes, sir.

11 **COMMISSIONER SKOP:** Okay. All right.

12 **MR. BURNETT:** That's the average over the ten.  
13 The other number that I gave out for the 2011,  
14 that's the E-TRC plus the top ten residential that the  
15 Commission added in, and that is -- over the ten-year  
16 period the average bill impact is \$10.95.

17 **COMMISSIONER SKOP:** Okay. So that's the one  
18 we adopted, the lower valued one?

19 **MR. BURNETT:** No, sir. My read is that you  
20 adopted the higher, the 3,488. And that was my central  
21 question today is is that what you meant, because we  
22 didn't think it was.

23 **COMMISSIONER SKOP:** All right. I need staff  
24 to clarify that. But, again, my understanding of  
25 staff's goal is we took the original goals and then

1 added to it with the top ten to make them more robust.  
2 And so again I apologize if there's some confusion, but  
3 I'll leave it to staff to elaborate.

4 **MR. BURNETT:** Yes, sir. Thank you.

5 **COMMISSIONER SKOP:** Thank you.

6 **MR. BALLINGER:** My understanding is the goal  
7 adopted for Progress was based on the E-TRC plus the top  
8 ten, plus the residential portion of the top ten  
9 measures, which has an energy goal of 3,488. I believe  
10 the number of 2,111 would remove the double counting  
11 that Mr. Burnett is talking about. Am I correct?

12 **MR. BURNETT:** Madam Chair?

13 **CHAIRMAN ARGENZIANO:** Yes.

14 **MR. BURNETT:** The double counting is 282, so  
15 that would only reduce the 3,488 by 282 and put it in  
16 the neighborhood of 3,200. What we, what we thought the  
17 Commission meant with the, what I'm calling achievable  
18 is the E-TRC on an achievable basis and the top ten  
19 residential on an achievable basis. That's where we're  
20 getting the 1,792, which is about, a little over triple  
21 of what we're doing today.

22 **CHAIRMAN ARGENZIANO:** May I ask a question?  
23 How do you -- and forgive the question, but how do you  
24 determine -- how are you determining what's achievable  
25 beforehand?

1           **MR. BURNETT:** Yes, ma'am. It is part of the  
2 Itron study and the, and the material that was in the  
3 record. And it simply's, the way I understand it, I do  
4 have a more technical person, but at a high level it is  
5 that you simply take on a program-by-program basis and  
6 look at what, what is technically available, as we said,  
7 like with the rooftops, technically you could put them  
8 on all, and then it takes into consideration data on  
9 what can you actually do within this service territory.

10           **CHAIRMAN ARGENZIANO:** That's, that's the part  
11 I'm trying to figure out how you get to. Is it an  
12 arbitrary number or something based on somewhere else  
13 that is --

14           **MR. BURNETT:** Yes, ma'am. It's based on --  
15 it's in the record, based on analytics. We actually  
16 cite the record cite on Page 4 of our motion where we're  
17 getting our technical versus achievable data from. But  
18 it's, it's an analytical process that Itron and the  
19 others developed.

20           **CHAIRMAN ARGENZIANO:** So you can count off a  
21 certain amount and pretty much --

22           **MR. BURNETT:** Yes, ma'am.

23           **CHAIRMAN ARGENZIANO:** Okay. And that is, that  
24 is a concern that, you know, if that, if -- I guess we  
25 move forward as we, as I asked before, if it's not

1        achievable, the company can come in and say. But I'd  
2        like it on the record to understand that of course we  
3        can't force the company to do what people won't allow  
4        them to do, and it shouldn't be looked at that way.

5                The other question I had for staff was on the  
6        rewards -- because I think rewarding a company that  
7        achieves the goals all along the process is very  
8        important. You had mentioned I think a two- to  
9        four-year timeframe when Commissioner Edgar had asked  
10       the question. If the company was achieving goals sooner  
11       than that, couldn't they be entitled to the rewards  
12       sooner than the four years?

13               **MR. BALLINGER:** Yes, ma'am.

14               **CHAIRMAN ARGENZIANO:** And in that process  
15       of -- same thing for penalties. I would like it on the  
16       record that the penalties should be -- we should -- this  
17       Commission should take into consideration the  
18       possibility that they can't achieve, you know, total  
19       technical, I don't even know the word to use, practical,  
20       practical -- I'm sorry. I'm tongue-tied this morning.  
21       That they may not be able to achieve the technical  
22       100 percent we're going to get everybody's home, we're  
23       going to get everybody lightbulbs.

24               That should be something of course any  
25       Commission or Commissioner sitting here would, would

1 have to look at and say you can't blame the company if  
2 they can't get there. And if that makes them feel any  
3 better today putting it on record. Of course I think  
4 this Commission would look at it as you have to look at  
5 that down the road.

6 But the, again, on the rewards, I think the  
7 rewards are extremely important in this process because,  
8 after all, the company is in business to sell electric.  
9 But if they can help through their programs to achieve  
10 greater efficiencies, they need to be rewarded for that.

11 In the interim, in between when the company  
12 comes in and says, well, okay, this program is going to  
13 cost this much, it's going to add that much to the  
14 ratepayer's bill, how does the back and forth go? How  
15 do we know that the company is correct? I'm not saying  
16 they're not, wouldn't be. But what is the checks and  
17 balances on making sure that, you know, those, those,  
18 that the ratepayer is not paying either too much for a  
19 particular program or -- is it an audit type?

20 **MR. BALLINGER:** It wouldn't be an audit.  
21 You'll get your first glimpse when the programs come in.  
22 There will be estimates -- a couple of estimates. It'll  
23 be estimates of customer participation, which will drive  
24 the cost. Obviously the more people you have giving  
25 rebates to, the total cost is going up that other

1 nonparticipants are paying. So that's really what  
2 you're measuring is the rates to everyone, not per se  
3 the cost of that program.

4 You will look at things of common costs, how  
5 are they spread or shared among programs, were they done  
6 appropriately? You will look at the rebate levels, are  
7 they too high, are they too low, are they -- you know,  
8 things of that nature. But, again, it's more of --

9 **CHAIRMAN ARGENZIANO:** Just so that staff would  
10 have a way of looking at and helping the company also to  
11 make sure that the programs they're offering are in  
12 line, that they're not too much, they're not too little,  
13 and there's a way of looking at it as they come forward.

14 **MR. BALLINGER:** And I would, I would point out  
15 that the rate impact is really a two-prong part. The  
16 first prong is the ECCR costs, which are the rebates and  
17 the administrative costs which go through the ECCR  
18 clause.

19 The second prong is your lost revenues. When  
20 you reduce energy sales, you reduce the kilowatt hours.  
21 You say, well, the utility still has fixed costs. That  
22 can be recovered or discussed at a later date at a rate  
23 case.

24 I don't know if Mr. Burnett's numbers include  
25 both of those, if it's just the ECCR, I don't know.

1 It's sounding a lot like new evidence to me. It's not,  
2 it's not ringing any bells in my head of those numbers,  
3 so I'm hesitant to discuss it.

4 But just be in mind, there's two parts to the  
5 rate impact. There's the immediate one on the ECCR, and  
6 then down the road with potential lost revenues.

7 **CHAIRMAN ARGENZIANO:** Mr. Burnett, did you  
8 want to answer that?

9 **MR. BURNETT:** Yes, ma'am. Absolutely. These  
10 do not include lost revenues. And, just for the record,  
11 Mr. Masiello, starting at Page 25 of his rebuttal,  
12 addressed the customer price impact on the record, and  
13 Mr. Dean actually did lost revenues beginning at Page 14  
14 of his testimony as well. Those are aggregate numbers,  
15 however, in the record. They have not been broken down  
16 to the specific numbers that I've done today. We've  
17 simply done the math to break those numbers down to a  
18 more year-by-year basis.

19 **CHAIRMAN ARGENZIANO:** One other question,  
20 Mr. Burnett, and it may sound like a simple question,  
21 but I don't know how else to look at it.

22 When I read staff's comments, and I'll read  
23 them, it says, "While PEF's argument regarding the  
24 double counting of three measures may have some merit,"  
25 and that raises eyebrows, it may have some merit, "from

1 the information provided by PEF, staff is unable to  
2 verify whether the three measures were, in fact, double  
3 counted or that a double counting occurred. Moreover,  
4 staff does not believe there is competent, substantial  
5 evidence in the record," as they had indicated.

6 How come you were unable to -- staff is unable  
7 to verify?

8 **MR. BURNETT:** Madam Chair, I don't know  
9 specifically for staff. I can tell you that I believe  
10 what they did though is, is that the confusion lies in,  
11 number one, the unbundling and bundling of these  
12 programs within the record evidence is painfully  
13 difficult. So it took us probably a week to discover  
14 that we'd even done it and to try to articulate a  
15 response back. So it's incredibly difficult data.

16 You have, for instance, seven or eight  
17 different kind of pool pumps that can be bundled in one  
18 program, and then you have to break them down to the  
19 individual motor speeds and everything else.

20 So I believe in looking at this data, either  
21 we did a poor job in trying to describe it in our  
22 supplemental submissions showing where it is, or staff  
23 simply just looked at the bundled number versus the  
24 unbundled, which is my supposition based on what I see  
25 here in the staff rec, and said I can't reconcile those



1 numbers.

2 **CHAIRMAN ARGENZIANO:** Okay. And to staff, as  
3 Commissioner Skop had indicated before or asked before,  
4 there will be a chance for the company to bring that  
5 back. Because if there is merit, then it needs to be  
6 looked at, and I'm wondering how, how we move forward  
7 and how we can look at that in the future.

8 **MS. FLEMING:** And I think that's something  
9 that needs to be clarified. As far as a motion to  
10 reopen the record to correct something that's incorrect  
11 in the record, that should have been filed today. That  
12 should be something that the Commission can rule on  
13 today. However, if the Commission just leaves the goals  
14 as they are and we take a wait-and-see approach whether  
15 Progress can meet those goals or not, the utility does  
16 have flexibility and the Commission does have  
17 flexibility to revisit those goals in the future.

18 With respect to correcting the record  
19 evidence, Progress did not file a motion to reopen the  
20 record. Progress did not attempt to correct the  
21 information in the record, and that's where we are  
22 today.

23 **CHAIRMAN ARGENZIANO:** Okay. Okay. Two  
24 questions. One is what would be, if we waited for the  
25 future to correct those in the future, what would be the

1 impact? And the second question is going to be to  
2 Progress, why didn't you file?

3 So staff goes first. What's the impact if we  
4 just move forward and then later they can come in?

5 **MR. BALLINGER:** I think the impact again on a  
6 timeline is the goals were set for 2010 through 2019.  
7 So 2010 is the first year that utilities are expected to  
8 meet their new goals. You will get a review of that in  
9 February of 2011 when we bring you the FEECA report, and  
10 we'll try to measure how they did in 2010. 2010 is  
11 going to be an off year because we're halfway through  
12 the year already, we haven't got programs yet. So it's,  
13 it's going to be a mess. That's why I suggested two to  
14 three years at least before we know anything.

15 The result of waiting is it may be an argument  
16 as to why they didn't meet their goals. And the  
17 Commission at that time may say, you're correct, we  
18 excuse you from meeting those goals. You have a valid  
19 reason, there's things beyond your control.

20 So that's a -- that's a, I guess it's a risk  
21 they take because it could be a different Commission.  
22 It could -- there's a lot of things that could play.  
23 They may not believe their, their reasoning for not  
24 making it. Let's say they say it was a problem with a  
25 manufacturer of a piece of equipment. The Commission

1 may decide, no, you didn't push the manufacturer hard  
2 enough. So there's a variety of things that could come  
3 up.

4 **CHAIRMAN ARGENZIANO:** I asked a question of  
5 Mr. Burnett.

6 **MR. BURNETT:** Yes, ma'am. The simple answer  
7 is JEA, just to speak sort of using them as an example,  
8 they filed something that said seven. It should have  
9 been five. The numbers are simply wrong. Our numbers  
10 are right. It's just that in doing the math, when staff  
11 did the math and counted them up, the cost of those  
12 numbers appeared in several places. They were double  
13 counted.

14 So mine wasn't one to where we told you the  
15 wrong number. It's simply that the number appears  
16 correctly in several places. And my understanding of  
17 the procedure then is to say when it's just a matter of  
18 doing math, the data is correct. It -- it's a  
19 reconsideration is appropriate, rather than saying take  
20 new evidence, the five versus seven.

21 If the five versus seven, you could have  
22 pulled a witness back in conceivably and said why is it  
23 and heard testimony on that, as to where we're saying  
24 the number is correct. So it's just a matter of how you  
25 do the math, whether you count it twice or not.

1                   **MR. BALLINGER:** I would disagree,  
2 respectfully. The measures -- when staff came up with  
3 the recommendation, and basically what we're talking  
4 about is the top, the two-year payback measures. We  
5 took that directly from a late-filed deposition exhibit  
6 of Mr. Masiello where we asked specifically for the top  
7 ten measures, the cumulative effects for those values.  
8 Those directly transported into the recommendation. We  
9 did not add up measures. We took them directly from his  
10 exhibit. And recollection of the documents provided,  
11 yes, the names of the measures appear to be in different  
12 places in the E-TRC test as well as the top ten  
13 measures. In the E-TRC one all we have is individual  
14 pool pumps and an individual per pump savings. I don't  
15 have a cumulative total to get to the 282. That's why I  
16 can't make the math work.

17                   **CHAIRMAN ARGENZIANO:** Commissioner Skop.

18                   **MS. KAUFMAN:** Chairman Argenziano?

19                   **CHAIRMAN ARGENZIANO:** Yes.

20                   **MS. KAUFMAN:** I was just wondering if I could  
21 comment whenever the time was appropriate. It does not  
22 relate to this double counting issue though.

23                   **CHAIRMAN ARGENZIANO:** Okay. Go right ahead.

24                   **MS. KAUFMAN:** I just wanted to come back for a  
25 minute as a representative of some consumers in this

1 case in regard to some of Commissioner Skop's questions  
2 about setting the goals and how does that translate into  
3 programs.

4 And as I understand it, whatever goals you  
5 set, utilities will or are in the process of right now  
6 trying to come up with programs that will meet those  
7 goals. And once you look at the programs and you  
8 approve them, the costs of those programs are going to  
9 be passed on to the ratepayers, and I think that's  
10 Mr. Burnett's numbers, which I believe he said include  
11 only the line item ECRC charge that all customers are  
12 going to, are going to see. And as you can tell from  
13 his numbers, it's a very, very large increase.

14 Now during the time period that we're waiting  
15 to see who subscribes and whatnot, customers are going  
16 to be paying for the implementation of these programs,  
17 the employees to run them, so customers are going to be  
18 picking up the tab all the way along. If at the end of  
19 the day for a legitimate reason there's a program that  
20 didn't work or whatever, customers still will have paid  
21 for that program.

22 And so that's why I think it's important that  
23 we get the numbers, we're accurate with the numbers as  
24 we start out on this process. And while it's true that  
25 we could, anyone I guess could come in and for

1 reasonable cause say, hey, these goals are too high, we  
2 see that now, we think you should adjust them, again I  
3 think customers still will have paid for those programs  
4 all the way throughout the process because, you know,  
5 I'm sure my utility brethren will do their best to come  
6 up with programs to meet whatever goals it is that you  
7 decide are appropriate.

8 So I think it does make a difference at this  
9 point in time, because whatever you approve, the fallout  
10 of that is going to be what programs are customers going  
11 to pay for, you know, whether or not these, everybody's  
12 rooftop can be, you know, have solar panels on it or  
13 whatever the program might be.

14 So I think the rate impact is important at  
15 this point in time as well as further down the line.  
16 And I just, I just wanted to make that point clear from  
17 our perspective.

18 **CHAIRMAN ARGENZIANO:** Thank you.

19 Commissioner, Commissioner Skop, and then  
20 we'll come back to you.

21 **COMMISSIONER SKOP:** Thank you, Madam Chair.

22 Just a brief response to Ms. Kaufman's concern, and then  
23 two questions for Mr. Burnett.

24 Ms. Kaufman, you mentioned the program costs  
25 or the costs that consumers will incur as referenced to

1 the numbers projected by Mr. Burnett of Progress. I  
2 guess at this point I would respectfully disagree.  
3 Certainly the utilities are proposing programs to which  
4 the Commission has discretionary approval on a  
5 case-by-case basis.

6 But with any approval of a program, you know,  
7 certainly the utility has to propose things, but until a  
8 program is implemented, you have fixed costs for that  
9 program which is the overhead, which is the sunk cost,  
10 and then the variable cost of the subscription.

11 So if you don't have a high take rate on the  
12 program, the only cost that has been expended which the  
13 consumers will incur is the administrative cost of that  
14 one particular program.

15 So I think it's important to distinguish the  
16 point you made is that we're not throwing the kitchen  
17 sink. There may be admin costs resulting, but there  
18 currently, for any of our utilities, I mean, Progress  
19 does a great job, FPL does a great job, Gulf does a  
20 great job, but there are some programs that have been  
21 previously established, excuse me, previously  
22 established that exist today that the subscription rates  
23 are so low that those programs should be discontinued  
24 and put in with something else.

25 So there's a continual culling, and I guess

1 that's just the opportunity cost of engaging in energy  
2 efficiency and conservation. You don't know what  
3 consumers are going to migrate to. You don't know ahead  
4 of time what'll be popular and what may not be popular.  
5 I think one of the examples given was roof coating, and  
6 that wasn't very popular or something else. So, again,  
7 I think it's important to distinguish on that basis.

8 Just briefly to Mr. Burnett, you had mentioned  
9 two things. First the Itron study, and that study that  
10 was performed by the collective or the collaborative  
11 group, am I correct to understand, and it's been a long  
12 time, that study applied the two-year payback screen,  
13 which resulted in approximately 86 percent of the  
14 programs being screened out, so you lost all that  
15 achievable potential?

16 **MR. BURNETT:** It did, sir. But in our  
17 motion -- you're exactly right. In our motion for  
18 reconsideration though we have added in -- we've  
19 acknowledged the Commission's ruling on the two-year  
20 screen though and have included your top ten residential  
21 measures that you put which do not meet the two-year  
22 payback. So I just wanted to make that clear that we're  
23 not taking a collateral shot at that in the motion, and  
24 that's the product of the 1,792. That acknowledges your  
25 ruling on that.



1                   **COMMISSIONER SKOP:** Okay. And I am concerned  
2 about the concern you raised about the double counting.

3                   So to staff, noting that Progress procedurally  
4 has not moved to reopen the record for the limited  
5 purpose of clarifying that number, staff doesn't have  
6 the data it feels is necessary to support Progress's  
7 position, certainly if we left the goals the way they  
8 are for Progress, couldn't that be footnoted to indicate  
9 in our order that there is still some uncertainty in  
10 relation to this? And although it was not sufficient  
11 for a motion for reconsideration, that the Commission  
12 would consider, you know, at a later date, if Progress  
13 could file documentation that would substantiate its  
14 point, giving the Commission flexibility later to change  
15 that number to address a concern we have.

16                   Because, again, Progress is not happy, but  
17 staff is not happy that it doesn't have the data to  
18 reconcile this. So we've moved beyond the close of the  
19 record and now we're in a decisional posture.

20                   And let me clarify. What I'm merely  
21 suggesting is basically some of the language that staff  
22 states in its recommendation, maybe that be put in a  
23 footnote to preserve it on a forward-going basis such  
24 that Progress at some future point in time may be able  
25 to reraise that issue, if it's a legitimate one.

1                   **CHAIRMAN ARGENZIANO:** And while we're waiting,  
2 would you like to -- I saw your hand up there for a  
3 minute.

4                   **MR. CAVROS:** Thank you, Madam Chair and  
5 Commissioners.

6                   I just wanted to respond briefly to some of  
7 the comments that have been made relative to the  
8 achievability of these goals. It's important to note  
9 that, you know, I guess you don't want to get too caught  
10 up in sort of the individual programs that were selected  
11 and whether those programs can be -- can, you know, that  
12 type of potential can be met or not.

13                   I think what you've done of course is  
14 establish a numeric value that you want the utilities  
15 to, to meet. And, you know, the record evidence states  
16 that what you -- that this is imminently achievable, and  
17 I guess that's the point I'd like to make to all the  
18 Commissioners.

19                   According to Witness Spellman's testimony, the  
20 achievable potential for Progress Energy is over  
21 4,680 gigawatt hours. What staff has added back in is  
22 1,903.

23                   So that was the only point I wanted to make to  
24 you. Thank you.

25                   **CHAIRMAN ARGENZIANO:** Commissioner Edgar?

1                   **COMMISSIONER EDGAR:** Thank you. One, maybe  
2 two general questions.

3                   We've had a good amount of discussion today  
4 about the potential for rewards down the road to  
5 companies for meeting or exceeding the goals when we get  
6 to that stage, at whatever time it is deemed that we are  
7 at that stage. So are we contemplating at this time  
8 that those rewards would be financial?

9                   **MR. BALLINGER:** I think the statute authorizes  
10 that -- for rewards the statute was pretty clear that we  
11 could go up to 50 basis points.

12                  **MS. FLEMING:** Yes. The statute states that  
13 the Commission is authorized to allow an investor-owned  
14 electric utility an additional return on equity of up to  
15 50 basis points for exceeding 20 percent of their annual  
16 load growth through energy conservation, efficiency and  
17 conservation measures.

18                  **COMMISSIONER EDGAR:** And who would be paying  
19 that money that we would be determining to give to the  
20 utilities as a reward?

21                  **MR. BALLINGER:** That would be ratepayers.  
22 It's a return on equity. It would go into base rates as  
23 an additional return on equity.

24                  **COMMISSIONER EDGAR:** And can you remind me,  
25 because occasionally one hearing blurs with another

1 months later, but who were, separate from the companies,  
2 who were the customer representative intervenors in this  
3 docket? I know that FIPUG was.

4 **MS. FLEMING:** There was the Florida Industrial  
5 Power Users Group, the Florida Solar Coalition, and the  
6 Natural Resources Defense Council and the Southern  
7 Alliance for Clean Energy, NRDC/SACE.

8 **COMMISSIONER EDGAR:** Okay. So this was not a  
9 hearing that OPC represented customers on their behalf  
10 as part of the proceeding?

11 **MS. FLEMING:** That's correct.

12 **COMMISSIONER EDGAR:** Okay. Thank you.

13 **CHAIRMAN ARGENZIANO:** I have a question, and I  
14 guess it's kind of -- I'm not sure that I can't answer  
15 it myself, but in order to achieve any conservation  
16 goal, somebody has to pay; right? It's not going to be  
17 free.

18 **MR. BALLINGER:** Yes, ma'am. All ratepayers  
19 are paying the incentives and the administrative costs.

20 **CHAIRMAN ARGENZIANO:** And trying -- I guess  
21 the companies as well as all the other parties and this  
22 Commission, it would be our goal, if, if our policy in  
23 the state is to achieve more efficiency in the use of  
24 power, then it would be incumbent upon us to try to do  
25 it the least impactive, but yet actually get some,

1            somewhere. And I believe it's a policy by the  
2            Legislature that, that we move forward and -- but I  
3            guess my ultimate question, I guess the ultimate  
4            question is if we are going to reduce our use of  
5            electric power, it's going to cost everybody.

6            And aren't we also, when we do rebates, we  
7            are -- there is subsidizing going on, but it seems to me  
8            that we subsidize everything. Everything we do is  
9            subsidized. And we're between a rock and a hard place,  
10           because if you really want to get to where we need to go  
11           in reducing the consumption, somebody has to pay.

12           But isn't true that some point down the line  
13           if you reduce that, that consumption and everybody kind  
14           of, you know, it takes a village kind of thing to get  
15           there and you try to put the least impact on those who,  
16           who can afford it I guess, that at some point you'll  
17           have an expected savings realized?

18           **MR. BALLINGER:** Yes, ma'am. And that was  
19           presented at the hearing. That was a very critical  
20           issue is the cross-subsidization. It was discussed that  
21           under the RIM test, that's also known as the no losers  
22           test, because that eliminates cross-subsidization and  
23           makes sure that the people who aren't participating in a  
24           program but are still paying for the incentives are also  
25           achieving greater benefits because of the program being

1 done over here. As you move away from that, you get  
2 greater and greater cross-subsidization. It's still  
3 cost-effective on an overall basis.

4 **CHAIRMAN ARGENZIANO:** Right. But the problem,  
5 and I seem to remember the problem is that you can't do  
6 this without some type of subsidization because of the  
7 fact that you have families struggling who couldn't  
8 maybe replace a \$6,000 air conditioning unit or couldn't  
9 put the new windows in.

10 So in order to achieve that, if the state is  
11 going to say this is our policy, there has to be some  
12 type of help for those consumers. And I think that's  
13 why the Commission went the route it did, trying to do  
14 the least impactive cross-subsidizing as possible.

15 But you couldn't do it -- if you turn -- if we  
16 said today that those who are not going to participate  
17 in the program rebates, in other words, let's say I'm a  
18 family, I've got three children and I can barely pay my  
19 mortgage. I'll be darned if I can go out and get a new  
20 refrigerator or air conditioning unit that is more  
21 energy efficient.

22 So in order to make that person switch to  
23 those more energy efficient units, there has to be some  
24 kind of help, and that's where the subsidization comes  
25 in. Is that correct?

1           **MR. BALLINGER:** Yes. I think the key on that  
2 to -- one way to minimize the cross-subsidization is to  
3 make sure there's programs available for every sector  
4 out there, that people can participate in it. At least  
5 give them the opportunity to participate.

6           **CHAIRMAN ARGENZIANO:** Right. That's my point.  
7 If they're not -- if there isn't a program for every  
8 sector out there, then you're really not going to  
9 achieve getting to that point to where you want to where  
10 everybody is using less, you know, consuming less. And  
11 I guess so in saying that, there is going to be  
12 subsidizing, but eventually down the road, if you can  
13 achieve less consumption, there is savings to be looked  
14 at or savings to be realized.

15           I don't know how far down the road, but it  
16 is -- everybody has got to chip in to help one another.  
17 I guess that's what we're really doing. And that's the  
18 hardest part, I guess.

19           Commissioner Skop. Sorry.

20           **COMMISSIONER SKOP:** Thank you, Madam Chair.

21           And I think to Commissioner Argenziano's  
22 point, certainly I think that, you know, through FEECA  
23 there was legislative direction to promote energy  
24 efficiency and conservation within the state. And, you  
25 know, the Legislature saw fit as the policymakers to

1 enact those statutory provisions which the Commission I  
2 think going through the process has followed.

3 So I'm comfortable, you know, in adopting  
4 robust goals. Certainly Florida has been criticized for  
5 lagging behind other states in terms of energy  
6 efficiency and conservation. But I think one of the  
7 arguments that's been advanced, notwithstanding the  
8 incremental costs that ratepayers may or may not incur  
9 that remain yet -- sorry -- that remains to be  
10 determined, and those in large part will be driven by  
11 the program choices that this Commission ultimately  
12 makes, as well as the subscription rates to those  
13 programs.

14 But one of the arguments primarily against  
15 moving forward with more aggressive goals has been that,  
16 you know, it would negatively or adversely affect the  
17 lower income ratepayers. And I think that the way the  
18 Commission has chosen to structure the program by  
19 basically rescinding the two-year payback and also not  
20 being bound to the top ten residential measures, I think  
21 that makes it more equitable. And the way the program  
22 is structured or should be structured based on the  
23 Commission guidance to the respective investor-owned  
24 utilities is to include and allow lower income  
25 ratepayers to benefit from the energy conservation goals



1 that this Commission has chosen to move forward with.

2 So I just wanted to --

3 **MR. BURNETT:** Madam Chair? Madam Chair, may I  
4 be heard briefly?

5 And one thing that's critically important I  
6 wanted to be on the record for Progress Energy is we are  
7 in no way, shape or form disputing the policy decisions  
8 that you made. You tell us what the policy is. We  
9 implement it. I just wanted to be clear that we're just  
10 making sure we have a clear vision of what your policy  
11 is.

12 If, if you granted our motion for  
13 reconsideration today, denied staff and granted it, that  
14 would increase our, our gigawatt hour achievability by  
15 almost four times. So you would have increased what  
16 historically we've been able to do to four times. You  
17 would do that also by having -- that's the three times  
18 price increase that we saw earlier. Not a seven, it's a  
19 three. So you get four times what we've done  
20 historically. That's a pretty big move, and you do get  
21 a price increase, but it's not a seven times price  
22 increase.

23 That's the question we were asking. That's  
24 what we thought the Commission intended. Again, with no  
25 question about the two-year payback. You know,

1 Commissioner Skop is right. Those are the rulings and  
2 we're not challenging those. We just wanted to make  
3 sure that what we heard was seven times and technical,  
4 and we didn't want to set up programs that were going to  
5 fail immediately.

6 I didn't want to come to you in my program  
7 phase and say these are technical programs, but going in  
8 filing these we're going to be asked to be excused from  
9 them because we can't get there. We wanted to submit  
10 plans that we think we can actually do. And if you tell  
11 us today, go forward and get the 1,792, we think we can  
12 file plans to do it. We think that while it will  
13 increase costs, it'll be a three times cost increase,  
14 not a seven, and that will result in four times of our  
15 historical goals.

16 So that's what we thought. If it's not, then,  
17 again, I'm not here to debate you on policy. You've  
18 made that decision. We just wanted to make sure we were  
19 clear with the answer. Thank you.

20 **CHAIRMAN ARGENZIANO:** Thank you. And I  
21 understand that very well.

22 Staff, could you answer a question? Will  
23 there be -- because I don't want to see a headline  
24 tomorrow that says seven time increase for ratepayers.  
25 So do you want to address that?

1           **MR. BALLINGER:** I don't know. I'm puzzled  
2 with the rate impacts that Mr. Burnett is coming up  
3 with. We don't know that until we see the programs, how  
4 they're mixed together for certain.

5           **CHAIRMAN ARGENZIANO:** And then they would be  
6 either accepted or denied by this Commission?

7           **MR. BALLINGER:** Correct. I think you have  
8 that discretion at that time to say, wait a minute, this  
9 is way too much of a rate impact. We're going to scale  
10 things down.

11          **CHAIRMAN ARGENZIANO:** Okay. Mr. Burnett, you  
12 understand that?

13          **MR. BURNETT:** Yes, ma'am. Absolutely. And  
14 that was my key point, is I didn't want to do a program  
15 filing in March that automatically came out with  
16 programs that we think we're not going to be able to  
17 achieve and they're going to be too expensive. And  
18 where I'm getting the numbers from is simply just doing  
19 program cost divided by number of customers, and it's  
20 just the simple math on that.

21                 But, yes, ma'am. And you're exactly right. I  
22 mean, a lot of this conversation today focused around  
23 and immediately went to what can we do to excuse the  
24 utility. We'd rather not be in that position. We'd  
25 rather come in with a success story saying we've got

1 programs that we can meet this achievability, rather  
2 than asking you for excuses.

3 **CHAIRMAN ARGENZIANO:** And it wouldn't be fair  
4 not to understand that that's extremely important. They  
5 have to be able to meet, meet the goals that we set, but  
6 we also have to have the flexibility when you come in to  
7 say, if that's the case, that we can't do it. And I  
8 think that's what staff is saying, we'd have that  
9 flexibility to adjust.

10 **MS. FLEMING:** And, Madam Chair, if I may, to  
11 the question that Commissioner Skop asked earlier as far  
12 as the issue of double counting and the limited  
13 reopening of the record.

14 After conferring with Ms. Helton and  
15 Ms. Brubaker and Ms. Cibula, there is the option that if  
16 the Commission wishes to defer just the issue with  
17 respect to Progress and allow Progress an opportunity to  
18 file a motion for a limited reopening of the record to  
19 correct whatever inaccuracies are in the record, that is  
20 one of the options the Commission has.

21 Mr. Burnett did point out that staff was using  
22 the bundled measure, but the bundled number was based on  
23 information that the utility provided. And if it turns  
24 out that the utility needs to either correct that  
25 bundled number to show it as an individual program so

1 that staff can verify those numbers, it may be  
2 appropriate for Progress to file a motion to reopen the  
3 record.

4 But that is an option that the Commission does  
5 have if they choose to do so.

6 **CHAIRMAN ARGENZIANO:** Commissioner Klement?

7 **COMMISSIONER KLEMENT:** Thank you.

8 Thank you, Ms. Fleming, for that  
9 clarification. I think that kind of sums up where I am.  
10 We've had this discussion about these goals. I don't  
11 think we need to re, re-go over them again and again and  
12 again and reconsider them, given the caveats that we've  
13 heard that, that they can come back for reconsideration  
14 if they are too impossible to meet, and that we can  
15 reward or punish if they're, if they're not acting in  
16 good faith or if they have exceeded.

17 And with the caveat about the double counting,  
18 that's what I had a concern about. So if we could,  
19 could tailor a motion to accept the recommendations with  
20 that exception of the double counting, I could go along  
21 with that.

22 **CHAIRMAN ARGENZIANO:** Commissioner Skop.

23 **COMMISSIONER SKOP:** Thank you, Madam Chair.

24 I think the question I had to staff is, is,  
25 you know, certainly on Issue 4 we could grant the motion

1 for reconsideration. That would be certainly one  
2 procedural mechanism for the limited purpose of  
3 reopening the record on that double counting issue.

4 I guess my perspective for trying to move  
5 forward, taking the position in the light most favorable  
6 to the staff recommendation, would be to, you know,  
7 basically include within our order, if we did not grant  
8 reconsideration on Issue 4, at least preserve the issue  
9 that there appears to be some sort of discrepancy that  
10 could not be fully understood within the confines of the  
11 existing record, and that we, it shall remain, I don't  
12 want to say in play, but we're cognizant of that and  
13 we're expressly recognizing the fact that there is a  
14 disputed issue of fact over the accuracy of that one  
15 number, not necessarily reopening the record. We could  
16 do that if we want to.

17 But my concern was more geared towards  
18 incorporating some of the staff language from the  
19 recommendation into the order in a footnote to kind of  
20 acknowledge that there's still a dispute regarding that  
21 one double counting issue.

22 **MS. FLEMING:** And, Commissioner, to that  
23 point, I guess my question would be for clarification,  
24 because if the Commission does choose to do that in the  
25 order, at some point in the future the utility may file

1 something stating that the goals were incorrect. Is the  
2 Commission at that point going to refund the dollars  
3 that have been incurred from the ratepayers to date with  
4 respect to that, or are they looking to reset the goals?

5 **COMMISSIONER SKOP:** That's a good point which  
6 I had not fully considered. So I think, you know, I'll  
7 defer to my colleagues, but maybe on Issue 4 we may want  
8 to look at whether it's appropriate to grant  
9 reconsideration.

10 **CHAIRMAN ARGENZIANO:** Well, what is the  
11 timeframe that can be done in granting the  
12 reconsideration on Issue 4, and what are the  
13 ramifications of doing so one way or the other?

14 **MS. FLEMING:** There isn't any statutory  
15 timeframe with respect to addressing the motion for  
16 reconsideration. But I will caution, program goals are  
17 scheduled to be filed at the end of the month.

18 **CHAIRMAN ARGENZIANO:** Well, that's what I  
19 mean. Can it be done quickly? And can Progress, can  
20 Progress meet with -- obviously when staff says they  
21 couldn't verify, do you feel that you can do that now?

22 **MR. BURNETT:** Yes, ma'am. We're happy to meet  
23 with staff. We're happy to file any motion that we need  
24 to to reopen the record or proceed however the  
25 Commission sees fit.

1                   **CHAIRMAN ARGENZIANO:** Give staff a minute.

2                   **MS. FLEMING:** Ms. Helton and Mr. Kiser just  
3 stated that if, since we're going to be coming back to  
4 agenda after lunch, maybe we can confer with the utility  
5 during lunch and maybe possibly have that corrected  
6 information during the break.

7                   **CHAIRMAN ARGENZIANO:** If that could work, then  
8 I'm all for it.

9                   How about everybody else? Does that sound  
10 reasonable? Okay.

11                   **COMMISSIONER EDGAR:** Madam Chair, that sounds  
12 like a good approach to me. Is there a desire by the  
13 Commission to dispose of the remaining issues on this  
14 item, realizing that there are other, other parties that  
15 may not want to stay with us all day?

16                   **CHAIRMAN ARGENZIANO:** True. And that may be a  
17 good idea. I think we should.

18                   Commissioner Skop.

19                   **COMMISSIONER SKOP:** To that point I'd make a  
20 motion to adopt the staff recommendation on Issues 1, 2,  
21 3 to -- excuse me.

22                   **COMMISSIONER EDGAR:** We've already disposed of  
23 1 and 2.

24                   **CHAIRMAN ARGENZIANO:** One and 2 is gone.  
25 Right.



1                   **COMMISSIONER SKOP:** Yeah, that's correct.

2                   **CHAIRMAN ARGENZIANO:** So we're going to go  
3 five --

4                   **COMMISSIONER SKOP:** Okay. Adopt staff  
5 recommendation on 3, 5 and 6.

6                   **COMMISSIONER EDGAR:** Second.

7                   **CHAIRMAN ARGENZIANO:** All those in favor, say  
8 aye.

9                   **COMMISSIONER EDGAR:** Aye.

10                  **COMMISSIONER SKOP:** Aye.

11                  **COMMISSIONER KLEMENT:** Aye.

12                  **CHAIRMAN ARGENZIANO:** Aye.

13                                Opposed, same sign. That's adopted.

14                                And what we'll do is come back immediately  
15 after we recess. Well, here's what we probably should  
16 do. Why don't we try for IA in like ten, 12 minutes,  
17 and at IA will take our presentation first so that those  
18 people can leave, and then maybe give some time for  
19 lunch, if possible, for our time certain at 1:00, and  
20 then have to go back to IA after we deal with the rest  
21 of the agenda.

22                                So with that said, let's recess and be back  
23 here at just about 1:00.

24                                (Recess taken.)

25                   **CHAIRMAN ARGENZIANO:** There's something I

1 meant to say, Commissioners, that I want to say for a  
2 minute. The last time we met we went to, some  
3 Commissioners went to our Call Center. I believe you  
4 already had been there, Commissioner Edgar. And I just  
5 wanted to say I was so impressed with the job that they  
6 do in our Call Center. Out of all the troubles we have  
7 at the PSC or wherever, I've got to tell you the people  
8 in the Call Center are pretty good people and they  
9 handle those calls very well. So I just wanted to say  
10 thank you to them and kudos to them to let them know  
11 they're doing a good job. Because we're quick a lot of  
12 times to say, you know, hey, when somebody is doing  
13 something wrong. But I've got to say that the Call  
14 Center was just right on and I'm proud of them.

15 Commissioner Klement.

16 **COMMISSIONER KLEMENT:** Madam Chair, I was  
17 impressed with the professionalism of those -- I was  
18 impressed with the professionalism of the staffers that  
19 I observed too. They were very sharp and very  
20 responsive.

21 **COMMISSIONER EDGAR:** Absolutely.

22 **COMMISSIONER KLEMENT:** And the number, the  
23 variety of complaints that I overheard, they went all  
24 over the board.

25 **CHAIRMAN ARGENZIANO:** Oh, yes.

1 Commissioner Stevens.

2 **COMMISSIONER STEVENS:** And the being bilingual  
3 and everything else, I mean it was, they were awesome.

4 **CHAIRMAN ARGENZIANO:** Oh, yes.

5 **COMMISSIONER STEVENS:** As a matter of fact, I  
6 went down there again yesterday.

7 **CHAIRMAN ARGENZIANO:** Yeah. It's just  
8 incredible. They do a good job and they need to be  
9 recognized for that.

10 **COMMISSIONER STEVENS:** Yeah. It's awesome.

11 **CHAIRMAN ARGENZIANO:** So we want to thank them  
12 and let them know we're proud of them.

13 Also, if Katherine -- Katherine, where are  
14 you?

15 **MS. FLEMING:** Right here.

16 **CHAIRMAN ARGENZIANO:** Oh, I'm sorry. It's  
17 hard to see you there. It shouldn't be hard to see you  
18 there. (Laughter.) If you would give us an update and  
19 then we can get on with our agenda. Thank you.

20 **MS. FLEMING:** Commissioners, when we broke,  
21 staff was able to meet with the utility to double-check  
22 on those numbers that may be double counted, and it does  
23 appear that there has been some double counting.  
24 Progress is in the process of updating a discovery  
25 response and getting the backup data so that staff can

1 verify those numbers. So staff would request that we  
2 take up the DSM item after the Aqua item today.

3 **CHAIRMAN ARGENZIANO:** Okay. So we need more  
4 time. And that's what we'll do, and we appreciate that  
5 very much.

6 And for those of you who don't know why we're  
7 giggling, when she gets up, you'll see why I should have  
8 noticed her. Thank you. All right. Let us --  
9 (Laughter.) She's due to have her baby in a couple of  
10 weeks.

11 (Break in proceedings.)

12 Okay. Okay. We're back on Issue 18.

13 **MS. FLEMING:** 21.

14 **CHAIRMAN ARGENZIANO:** 21. I'm sorry. Not 18.  
15 We've had enough of 18. Thank you, Katherine.

16 **MS. FLEMING:** Good evening, Commissioners.  
17 Back on Item 21, as you recall earlier, there were  
18 discussions with respect to Progress's motion for  
19 reconsideration, specifically the measures that may have  
20 been potentially double counted.

21 We used the break to confer with the utility  
22 because staff could not verify the, that these measures  
23 were actually double counted within the record, and  
24 through that time we were able to meet with the utility,  
25 and the parties were on notice that we were all meeting,

1 and Progress at this time has an oral motion to reopen  
2 the record.

3 **CHAIRMAN ARGENZIANO:** Okay. You're  
4 recognized.

5 **MR. BURNETT:** Thank you, Madam Chair. We  
6 appreciate the time and the ability to work this out.  
7 We, bottom line is we found the, the culprit. It's our  
8 response to Interrogatory Number 66 where the company  
9 failed to provide the unbundled numbers I was talking  
10 about earlier rather than the bundled. So we were the  
11 ones who prevented staff from being able to reconcile  
12 the numbers, not staff. My apologies.

13 **CHAIRMAN ARGENZIANO:** You're vindicated.

14 **MS. FLEMING:** We were hoping that.

15 **MR. BURNETT:** The good news is however --  
16 sorry again. The good news is, however, I think now  
17 that puts us squarely in the position of JEA where we  
18 simply have transposed the bundled rather than the  
19 unbundled numbers. So we would move to reopen the  
20 record for the limited purpose of, of submitting the  
21 corrected supplemental response to that, which would  
22 clear it up.

23 **CHAIRMAN ARGENZIANO:** Okay. Commissioner  
24 Skop.

25 **COMMISSIONER SKOP:** Thank you, Madam Chair.

1 With respect to the Progress request, I would support  
2 granting the motion to reopen the record for the limited  
3 purpose of addressing the double counting.

4 **COMMISSIONER EDGAR:** Second.

5 **CHAIRMAN ARGENZIANO:** That was a motion;  
6 right? And a second.

7 **COMMISSIONER SKOP:** Yes.

8 **CHAIRMAN ARGENZIANO:** Okay. All those in  
9 favor, say aye.

10 **COMMISSIONER EDGAR:** Aye.

11 **COMMISSIONER SKOP:** Aye.

12 **COMMISSIONER KLEMENT:** Aye.

13 **CHAIRMAN ARGENZIANO:** Aye.

14 Any opposed? None opposed. The motion  
15 passes.

16 Any other discussion? Staff?

17 **COMMISSIONER STEVENS:** And I abstain.

18 **MS. FLEMING:** Yes, Commissioners. That would  
19 bring us now to Issue 4.

20 **CHAIRMAN ARGENZIANO:** Okay.

21 **MS. FLEMING:** Which the Commission did not  
22 vote on previously.

23 **CHAIRMAN ARGENZIANO:** That's right.

24 **MS. FLEMING:** And based on the Commission's  
25 decision to reopen the record to correct a discovery

1 response, staff would like to modify its recommendation  
2 on Issue 4.

3 **CHAIRMAN ARGENZIANO:** Okay.

4 **MS. FLEMING:** And staff's recommendation would  
5 be to deny in part and grant in part the motion for  
6 reconsideration.

7 We would deny the motion with respect to  
8 Progress's first argument, which is that the goals are  
9 based on programs that are technically possible rather  
10 than using the savings goals based on programs that are  
11 achievable for Progress, which is consistent with your  
12 earlier votes with the other utilities, but grant the  
13 motion for reconsideration with respect to the measures  
14 that were double counted. And to that effect, in the  
15 handout on Page 2 staff has compiled a chart that shows  
16 the revised goals for Progress, similar to the same type  
17 and strike version that we provided to you earlier for  
18 JEA.

19 **COMMISSIONER EDGAR:** Madam Chair, so move per  
20 the staff's amended recommendation.

21 **COMMISSIONER SKOP:** Second.

22 **CHAIRMAN ARGENZIANO:** Having a second, all  
23 those in favor, say aye.

24 **COMMISSIONER EDGAR:** Aye.

25 **COMMISSIONER SKOP:** Aye.

1                   **COMMISSIONER KLEMENT:** Aye.

2                   Opposed? Okay. That's approved. Next.

3                   **COMMISSIONER STEVENS:** I abstain.

4                   **MS. FLEMING:** And the last issue is just Issue  
5 7, which is --

6                   **CHAIRMAN ARGENZIANO:** And he's going to  
7 abstain on the last one too.

8                   **MS. FLEMING:** On Issue 7, which is the close  
9 the docket issue.

10                  **CHAIRMAN ARGENZIANO:** Okay. A motion?

11                  **COMMISSIONER SKOP:** Move, move staff, move  
12 staff recommendation on Issue 7.

13                  **CHAIRMAN ARGENZIANO:** Second?

14                  **COMMISSIONER EDGAR:** Second.

15                  **CHAIRMAN ARGENZIANO:** All those in favor, aye.

16                  **COMMISSIONER EDGAR:** Aye.

17                  **COMMISSIONER SKOP:** Aye.

18                  **COMMISSIONER KLEMENT:** Aye.

19                  **CHAIRMAN ARGENZIANO:** Aye. Motion is  
20 approved. That's it. Thank you very much. We're going  
21 to go into IA in ten minutes. Okay? Ten, 12 minutes.  
22 Okay. Ten minutes. We're adjourned. Thank you very  
23 much.

24                               (Agenda concluded at 6:35 p.m.)

25



1 STATE OF FLORIDA )  
 2 : CERTIFICATE OF REPORTER  
 3 COUNTY OF LEON )

4 I, LINDA BOLES, RPR, CRR, Official Commission  
 5 Reporter, do hereby certify that the foregoing  
 6 proceeding was heard at the time and place herein  
 7 stated.

8 IT IS FURTHER CERTIFIED that I  
 9 stenographically reported the said proceedings; that the  
 10 same has been transcribed under my direct supervision;  
 11 and that this transcript constitutes a true  
 12 transcription of my notes of said proceedings.

13 I FURTHER CERTIFY that I am not a relative,  
 14 employee, attorney or counsel of any of the parties, nor  
 15 am I a relative or employee of any of the parties'  
 16 attorneys or counsel connected with the action, nor am I  
 17 financially interested in the action.

18 DATED THIS 2nd day of March,  
 19 2010.

20  
 21  
 22  
 23  
 24  
 25  
 \_\_\_\_\_  
 LINDA BOLES, RPR, CRR  
 FPSC Official Commission Reporter  
 (850) 413-6734

Progress Energy Florida, Inc.'s Corrected Supplemental Response to Staff's Seventh Set of Interrogatories, No. 66

Residential Measure List: TRC Achievable Results NOT in the RIM portfolio \*

Measure Type	Customer Type	Measure Information		Cost Effectiveness		Average Annual Savings *			Single** Measure KWH	Applicable Households or Bulbs	GWH Savings	Single** Summer KW	Summer MW Savings	Single** Winter KW	Winter MW Savings
		Measure #	Measure Name	E-TRC Test Value	E-RIM Test Value	Summer Demand (MW)	Winter Demand (MW)	Annual Energy (GWH)							
EE	Res - Mobile Home	231	CFL (18-Watt integral ballast), 2.5 hr/day	5.81	0.65	0.04395	0.06266	0.84000	102.7	711,879	73.11	0.0053	3.80	0.0076	5.41
EE	Res - Single Detached	801	Two Speed Pool Pump (1.5 hp)	2.90	0.84	0.42533	0.16819	1.99217	820.5	251,878	206.67	0.1752	44.13	0.0341	8.59
EE	Res - Multi Attached	802	High Efficiency One Speed Pool Pump (1.5 hp)	5.67	0.86	0.00363	0.00071	0.01701	841.0	3,519	2.96	0.1796	0.63	0.0343	0.12

\*Per Interrogatory question 66, these are the differenceS between E-RIM High and E-TRC High divided by the 10 Year Plan to get Annual Savings.

\*\*The actual single measure annual savings per household.

Source - Staff 7th Set of ROGs to PEF (Nos. 41-80) Attachment H - 2 of 12; F\_Saere\_PEF\_TRC\_H.xls subtracting F\_Saere\_PEF\_RIM\_H.xls

080407-EG thru 080413-EG  
 Parties/Staff Handout  
 Internal Affairs/Agenda  
 on 3/16/10  
 Item No. 21

## Revised Commission-Approved Conservation Goals for PEF

(Type and Strike Version)

Year	Residential			Commercial/Industrial		
	Summer (MW)	Winter (MW)	Annual (GWh)	Summer (MW)	Winter (MW)	Annual (GWh)
2010	<del>84.5</del> <u>79.6</u>	<del>82.7</del> <u>81.3</u>	<del>289.9</del> <u>261.6</u>	13.7	5.3	31.1
2011	<del>86.4</del> <u>81.5</u>	<del>88.2</del> <u>86.8</u>	<del>295.9</del> <u>267.6</u>	16.2	5.3	33.0
2012	<del>89.4</del> <u>84.5</u>	<del>92.2</del> <u>90.8</u>	<del>306</del> <u>276.7</u>	25.5	11.4	35.9
2013	<del>91.4</del> <u>86.5</u>	<del>94.9</del> <u>93.5</u>	<del>311.0</del> <u>282.7</u>	25.9	11.5	37.7
2014	<del>93.3</del> <u>88.4</u>	<del>97.6</del> <u>96.2</u>	<del>317.1</del> <u>288.8</u>	26.4	11.5	39.6
2015	<del>98.7</del> <u>93.8</u>	<del>102.3</del> <u>100.9</u>	<del>338.2</del> <u>309.9</u>	27.6	11.7	46.2
2016	<del>107.2</del> <u>102.3</u>	<del>113.1</del> <u>111.7</u>	<del>326.1</del> <u>297.8</u>	27.1	11.6	42.5
2017	<del>106.8</del> <u>101.9</u>	<del>112.5</del> <u>111.1</u>	<del>320.1</del> <u>291.8</u>	27.0	11.6	40.6
2018	<del>101.3</del> <u>96.4</u>	<del>105</del> <u>103.6</u>	<del>308.0</del> <u>279.7</u>	25.7	11.4	36.8
2019	<del>86.8</del> <u>81.9</u>	<del>80.5</del> <u>79.1</u>	<del>298.9</del> <u>270.6</u>	22.3	11.3	34.0
<b>Total</b>	<del>945.6</del> <u>896.6</u>	<del>969.1</del> <u>955.1</u>	<del>3110.1</del> <u>2827.1</u>	237.3	102.6	377.4