

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 150002-EG

ENERGY CONSERVATION COST  
RECOVERY CLAUSE.

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PROCEEDINGS: HEARING

COMMISSIONERS  
PARTICIPATING: CHAIRMAN ART GRAHAM  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER RONALD A. BRISÉ  
COMMISSIONER JULIE I. BROWN  
COMMISSIONER JIMMY PATRONIS

DATE: Monday, November 2, 2015

TIME: Commenced at 1:15 p.m.  
Concluded at 1:18 p.m.

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

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

## 1 APPEARANCES:

2 JAMES D. BEASLEY, J. JEFFRY WAHLEN and ASHLEY  
3 M. DANIELS, ESQUIRES, Ausley & McMullen, Post Office Box  
4 391, Tallahassee, Florida 32302, appearing on behalf of  
5 Tampa Electric Company.

6 JEFFREY A. STONE, RUSSELL A. BADDERS, STEVEN  
7 R. GRIFFIN, ESQUIRES, Beggs & Lane, P.O. Box 12950,  
8 Pensacola, Florida 32591-2950, appearing on behalf of  
9 Gulf Power Company.

10 DIANNE M. TRIPLETT, ESQUIRE, 299 First Avenue  
11 North, St. Petersburg, Florida 33701; and MATTHEW R.  
12 BERNIER, ESQUIRE, 106 East College Avenue, Suite 800,  
13 Tallahassee, Florida 32301-7740; appearing on behalf of  
14 Duke Energy Florida, Inc.

15 JOHN T. BUTLER, R. WADE LITCHFIELD, and MARIA  
16 J. MONCADA, ESQUIRES, 700 Universe Boulevard, Juno  
17 Beach, Florida 33408-0420, appearing on behalf of  
18 Florida Power & Light Company.

19 BETH KEATING, ESQUIRE, Gunster Law Firm, 215  
20 South Monroe Street, Suite 601, Tallahassee, Florida  
21 32301-1839, appearing on behalf of Florida Public  
22 Utilities Company.

## 1 APPEARANCES (Continued):

2 JON C. MOYLE, JR., and KAREN PUTNAL, ESQUIRES,  
3 Moyle Law Firm, P.A., 118 North Gadsden Street,  
4 Tallahassee, Florida 32301, appearing on behalf of  
5 Florida Industrial Power Users Group.

6 J.R. KELLY, PUBLIC COUNSEL; CHARLES REHWINKEL,  
7 DEPUTY PUBLIC COUNSEL; and PATRICIA A. CHRISTENSEN,  
8 DEPUTY PUBLIC COUNSEL, ESQUIRES, Office of Public  
9 Counsel, c/o The Florida Legislature, 111 West Madison  
10 Street, Room 812, Tallahassee, Florida 32399-1400,  
11 appearing on behalf of the Citizens of the State of  
12 Florida.

13 JAMES W. BREW, OWEN J. KOPON and LAURA A.  
14 WYNN, ESQUIRES, Xenopoulos & Brew, P.C., 1025 Thomas  
15 Jefferson Street, NW, Eight Floor, West Tower,  
16 Washington, DC 20007, appearing on behalf of White  
17 Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate  
18 - White Springs.

19 LEE ENG TAN and BIANCA LHERISSON, ESQUIRES,  
20 Florida Public Service Commission, 2540 Shumard Oak  
21 Boulevard, Tallahassee, Florida 32399-0850, appearing on  
22 behalf of the Florida Public Service Commission  
23  
24  
25

## 1 APPEARANCES (Continued):

2 MARY ANNE HELTON, ESQUIRE, Advisor to the  
3 Commission, 2540 Shumard Oak Boulevard, Tallahassee,  
4 Florida 32399-0850, appearing as advisor to the Florida  
5 Public Service Commission.

6 CHARLIE BECK, General Counsel, Florida Public  
7 Service Commission, 2540 Shumard Oak Boulevard,  
8 Tallahassee Florida, appearing as General Counsel to the  
9 Florida Public Service Commission.

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I N D E X

WITNESSES

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## EXHIBITS

NUMBER:		ID.	ADMTD.
1	Comprehensive Exhibit List	71	71
2 - 13	As described on Comprehensive Exhibit List	71	71



1                   **CHAIRMAN GRAHAM:** Thank you.

2                   **MR. BEASLEY:** Good afternoon, Commissioners.  
3 James D. Beasley of the law firm of Ausley & McMullen on  
4 behalf of Tampa Electric Company in the 01, 02, and 07  
5 dockets. I would also like to enter an appearance for  
6 J. Jeffrey Wahlen and Ashley M. Daniels of the same  
7 firm.

8                   **MR. BADDERS:** Good afternoon. Russell Badders  
9 on behalf of Gulf Power Company in the 01, 02, and 07  
10 dockets. And I'd like to also enter an appearance for  
11 Jeffery A. Stone and Steven R. Griffin in the same  
12 dockets.

13                   **MS. KEATING:** Good afternoon. Beth Keating  
14 with the Gunster Law Firm here today on behalf of FPUC  
15 in the 01, 02, and 03 dockets. I'm also here for  
16 Florida City Gas in the 03 docket. And in the 04 docket  
17 I'm here for FPU, FPU Fort Meade, Indiantown,  
18 Chesapeake, and Florida City Gas.

19                   **MR. HORTON:** Norman H. Horton, Jr., appearing  
20 on behalf of Sebring Gas Company in the 04 docket.

21                   **MR. MOYLE:** Jon Moyle with the Moyle Law Firm  
22 appearing on behalf of the Florida Industrial Power  
23 Users Group, FIPUG. I'd also like to enter an  
24 appearance for Karen Putnal who is with our firm, and we  
25 will be in the 01, 02, and 07 dockets.



1                   **MR. BREW:** Good afternoon. James Brew of the  
2 firm of Stone, Mattheis, Xenopoulos & Brew for White  
3 Springs Agricultural Chemicals/PCS Phosphate. We're in  
4 the 01, 02, and 07 dockets. And I also like to note an  
5 appearance for Owen Kopon.

6                   **MR. WRIGHT:** Good afternoon, Mr. Chairman,  
7 Commissioners. Robert Scheffel Wright and John T.  
8 LaVia, III, with the Gardner Law Firm on behalf of the  
9 Florida Retail Federation in the 001 docket. Thank you.

10                   **MR. REHWINKEL:** Good afternoon, Commissioners.  
11 Charles Rehwinkel, J. R. Kelly, Patty Christensen and  
12 Erik Sayler with the Office of Public Counsel in the  
13 01 docket. The same appearances except for Mr. Sayler  
14 in the 02, 03, 04, and 07 dockets.

15                   **MS. MAPP:** Kyesha Mapp for staff in the  
16 03 docket; Suzanne Brownless, Danijela Janjic, and John  
17 Villafrate for the 01 docket; Lee Eng Tan and Bianca  
18 Lherisson for the 02 docket; Leslie Ames and Kelly  
19 Corbari for the 04 docket; and Charles Murphy for the 07  
20 docket.

21                   Staff would also like to note that Peoples  
22 Gas System and St. Joe's Gas Company has been  
23 excused from this hearing in the 03 and the 04  
24 dockets.

25                   **MS. HELTON:** Mary Anne Helton. I'm here as

1 your advisor in the all of the dockets.

2 **MR. BECK:** And Charlie Beck, General Counsel.

3 \* \* \* \* \*

4 **CHAIRMAN GRAHAM:** And we will open Docket  
5 No. 2. And, staff --

6 **MS LHERISSON:** There are no preliminary  
7 matters in the 02 docket.

8 **CHAIRMAN GRAHAM:** All right.

9 **MS LHERISSON:** Chairman, all witnesses have  
10 been excused in this docket and the parties have waived  
11 opening statements. There are proposed stipulations on  
12 all issues, Issues 1 through 7, with OPC, FIPUG, and PCS  
13 taking no position.

14 Chairman, if the Commission decides -- or  
15 decides that a bench decision is appropriate, we  
16 recommend that the proposed stipulations for Issues  
17 1 through 7 located on pages 6 through 11 of the  
18 Prehearing Order be approved at this time.

19 **CHAIRMAN GRAHAM:** Okay. Commissioners, once  
20 again, your time for questions, comments, concerns.

21 Commissioner Edgar.

22 **COMMISSIONER EDGAR:** Thank you, Mr. Chairman.  
23 Similarly for this docket, the 02 docket, recognizing  
24 the work that has been done by our staff and all of the  
25 parties, I would move approval of the proposed

1 stipulations for Issues 1 through 7 as they are laid out  
2 in pages 6 through 11 of the Prehearing Order.

3 **CHAIRMAN GRAHAM:** It's been moved and  
4 seconded, Issues 1 through 7. Any further discussion?  
5 Seeing none, all in favor, say aye.

6 (Vote taken.)

7 Any opposed? By your action, you've  
8 approved that motion.

9 Staff, prefiled direct -- prefiled  
10 testimony.

11 **MS LHERISSON:** At this time we ask that the  
12 prefiled testimony of all witnesses identified in  
13 Section VI of the Prehearing Order be inserted into the  
14 record as though read.

15 **CHAIRMAN GRAHAM:** We will insert all the  
16 prefiled testimony from all witnesses into the record as  
17 though read.

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1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                   **FLORIDA POWER & LIGHT COMPANY**

3                   **TESTIMONY OF ANITA SHARMA**

4                   **DOCKET NO. 150002-EG**

5                   **MAY 5, 2015**

6

7   **Q. Please state your name and business address.**

8   A. My name is Anita Sharma and my business address is 9250 West Flagler Street,  
9       Miami, Florida 33174. I am employed by Florida Power and Light Company  
10       (“FPL”) in the Demand Side Management (“DSM”) Department as Manager, Cost  
11       & Performance.

12 **Q. Have you previously testified in this or predecessor dockets?**

13 A. Yes.

14 **Q. What is the purpose of your testimony?**

15 A. The purpose of my testimony is to present the actual Energy Conservation Cost  
16       Recovery costs for FPL’s DSM programs for the period January 2014 through  
17       December 2014.

18 **Q. Have you prepared or caused to be prepared under your direction,  
19       supervision or control an exhibit in this proceeding?**

20 A. Yes. I am sponsoring Exhibit AS-1, Schedules CT-5, CT-6 and Appendix A and  
21       co-sponsoring Schedules CT-2 and CT-3. The specific sections of Schedules CT-2  
22       and CT-3 that I am co-sponsoring are identified in Exhibit AS-1, Page 1 of 1,  
23       Table of Contents.

1 **Q. For the January 2014 through December 2014 period, did FPL seek recovery**  
2 **of any costs for advertising which makes a specific claim of potential energy**  
3 **savings or states appliance efficiency ratings or savings?**

4 A. Yes.

5 **Q. Has FPL complied with Rule 25-17.015(5), Florida Administrative Code,**  
6 **which requires FPL to file all data sources and calculations used to**  
7 **substantiate claims of potential energy savings or which state appliance**  
8 **efficiency ratings or savings that are included in advertisement?**

9 A. Yes. The documentation required by the Rule is included in Appendix A.

10 **Q. Are all costs listed in Schedule CT-2 attributable to Commission-approved**  
11 **DSM programs?**

12 A. Yes.

13 **Q. How did FPL's actual program costs for the January 2014 through December**  
14 **2014 period compare to the actual/estimated costs presented in Docket No.**  
15 **140002-EG, and approved in Order No. PSC-14-0632-FOF-EG?**

16 A. Actual program costs for the period were \$316,311,166. The actual/estimated  
17 program costs were \$313,534,540. Therefore, actual costs were \$2,776,626, or  
18 one percent, higher than the actual/estimated costs (see Schedule CT-2, Page 1 of  
19 5, Line 13). Each program's contribution to the variance is shown on Schedule  
20 CT-2, Page 3 of 5.

21 **Q. Does this conclude your testimony?**

22 A. Yes.

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                   **FLORIDA POWER & LIGHT COMPANY**

3                   **TESTIMONY OF ANITA SHARMA**

4                   **DOCKET NO. 150002-EG**

5                   **AUGUST 21, 2015**

6

7   **Q. Please state your name, business address, employer and position.**

8   A. My name is Anita Sharma. My business address is 9250 West Flagler Street, Miami,  
9       Florida 33174. I am employed by Florida Power and Light Company (“FPL” or the  
10       “Company”) as Manager, DSM Cost & Performance.

11   **Q. Have you previously filed testimony in this or a predecessor docket?**

12   A. Yes.

13   **Q. What is the purpose of your testimony?**

14   A. The purpose of my testimony is to submit for Commission review and approval the  
15       projected Energy Conservation Cost Recovery (“ECCR”) costs for FPL’s Demand-  
16       Side Management (“DSM”) programs to be incurred by FPL during January through  
17       December 2016 and the actual/estimated ECCR costs for January through December  
18       2015.

19   **Q. Are you sponsoring an exhibit in this proceeding?**

20   A. Yes. I am sponsoring Exhibit AS-2, Schedule C-5 and co-sponsoring Schedules C-2  
21       and C-3. The specific sections of Schedules C-2 and C-3 that I am co-sponsoring are  
22       shown in Exhibit AS-2, Page 1, Table of Contents.

1 **Q. Are all of the costs listed in these exhibits reasonable, prudent and attributable to**  
2 **programs approved by the Commission?**

3 A. Yes. The 2015 actual/estimated costs are based on FPL's current programs and  
4 rebates with a transition in the fourth quarter and for 2016 to the DSM Plan approved  
5 by the Commission in Docket 150085-EI.

6 **Q. Please describe the methods used to derive the program costs for which FPL**  
7 **seeks recovery.**

8 A. The actual costs for the months of January through June 2015 came from the books  
9 and records of FPL. The books and records are kept in the regular course of FPL's  
10 business in accordance with generally accepted accounting principles and practices  
11 and with the applicable provisions of the Uniform System of Accounts as prescribed  
12 by this Commission and directed in Rule 25-17.015, Florida Administrative Code.

13

14 Costs for the months of July through December 2015, as well as January through  
15 December 2016, are projections compiled from detailed month-by-month analyses for  
16 each program which were prepared by the relevant departments within FPL. The  
17 projections have been created in accordance with FPL's standard budgeting and on-  
18 going cost justification processes.

19 **Q. What are the 2015 actual/estimated costs that FPL is requesting the Commission**  
20 **to approve?**

21 A. FPL is requesting approval of \$218,746,107 as the actual/estimated amount for the  
22 period January through December 2015, as shown on Exhibit AS-2, Schedule C-3,  
23 Page 10, Line 30.

1 **Q. What are the 2016 costs FPL is requesting the Commission to approve?**

2 A. FPL is requesting approval of \$191,276,638 for recovery during the period of January  
3 through December 2016, as shown on Exhibit AS-2, Schedule C-1, Page 1, Line 8.  
4 This includes projected costs for January through December 2016 of \$173,255,538 as  
5 shown on Exhibit AS-2, Schedule C-1, Page 1, Line 1, as well as prior and current  
6 period under recoveries, interest and applicable revenue taxes.

7 **Q. Does this conclude your testimony?**

8 A. Yes.



1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **TESTIMONY OF TERRY J. KEITH**

4 **DOCKET NO. 150002-EG**

5 **MAY 5, 2015**

6

7 **Q. Please state your name, business address, employer and position.**

8 A. My name is Terry J. Keith and my business address is 9250 West Flagler Street,  
9 Miami, Florida, 33174. I am employed by Florida Power & Light Company  
10 (“FPL” or “the Company”) as Director, Cost Recovery Clauses, in the Regulatory  
11 Affairs Department.

12 **Q. Have you previously testified in this or predecessor dockets?**

13 A. Yes.

14 **Q. What is the purpose of your testimony?**

15 A. The purpose of my testimony is to present for Commission review and approval  
16 the schedules supporting the calculation of the Energy Conservation Cost  
17 Recovery (“ECCR”) Clause final net true-up amount for the period January 2014  
18 through December 2014.

19 **Q. Have you prepared or caused to be prepared under your direction,  
20 supervision or control an exhibit in this proceeding?**

21 A. Yes, I am sponsoring Schedules CT-1 and CT-4, and co-sponsoring Schedules  
22 CT-2 and CT-3, in Exhibit AS-1. The specific sections of Schedules CT-2 and  
23 CT-3 that I am co-sponsoring are identified in the Table of Contents, which is

1 found in Exhibit AS-1, Page 1 of 1.

2 **Q. What is the source of the data used in calculating the final net true-up amount**  
3 **for the January 2014 through December 2014 period?**

4 A. Unless otherwise indicated, the data used in calculating the final net true-up amount  
5 were taken from the books and records of FPL. The books and records are kept in  
6 the regular course of the Company's business in accordance with generally  
7 accepted accounting principles and practices, and in accordance with the applicable  
8 provisions of the Uniform System of Accounts as prescribed by this Commission  
9 and directed in Rule 25-17.015, Florida Administrative Code. Pages 4 and 5 of  
10 Schedule CT-2 provide a complete list of all account numbers used for Energy  
11 Conservation Cost Recovery during the period January 2014 through December  
12 2014.

13 **Q. What is the actual end of period true-up amount that FPL is requesting the**  
14 **Commission to approve for the January 2014 through December 2014 period?**

15 A. FPL has calculated and is requesting approval of an under-recovery of \$5,169,872  
16 including interest, as the actual end of period true-up amount for the period January  
17 2014 through December 2014. The calculation of this \$5,169,872 under-recovery is  
18 shown on Schedule CT-3, Page 2 of 3, Line 7 plus Line 8.

19 **Q. What is the final net true-up amount for the January 2014 through December**  
20 **2014 period that FPL is requesting be carried over and included in the**  
21 **January 2016 through December 2016 ECCR factors?**

1 A. FPL has calculated and is requesting approval of an under-recovery of \$8,356,646  
2 as the final net true-up amount for the period January 2014 through December  
3 2014. This final net true-up under-recovery of \$8,356,646 is the difference between  
4 the actual end of period true-up under-recovery of \$5,169,872 and the  
5 actual/estimated true-up over-recovery of \$3,186,774 approved by the Commission  
6 in Order No. PSC-14-0632-FOF-EG, issued October 31, 2014. The calculation of  
7 the \$8,356,646 under-recovery is shown on Schedule CT-1, Page 1 of 1.

8 **Q. Was the calculation of the final net true-up amount for the period January**  
9 **2014 through December 2014 performed consistently with the prior true-up**  
10 **calculations in predecessor ECCR dockets?**

11 A. Yes. FPL's final net true-up was calculated consistent with the methodology set  
12 forth in Schedule 1, Page 2 of 2, attached to Order No. 10093, dated June 19,  
13 1981.

14 **Q. Have you provided a schedule showing the variances between actual and**  
15 **actual/estimated program costs and revenues for the period January 2014**  
16 **through December 2014?**

17 A. Yes. Schedule CT-2, Page 1 of 5, compares actual to actual/estimated program  
18 costs, revenues and interest, resulting in the variance of \$8,356,646.

19 **Q. Please explain the calculation of the \$8,356,646 variance.**

20 A. The difference between 2014 actual and actual/estimated ECCR revenues, net of  
21 revenues taxes of \$5,579,009 (CT-2, Page 1 of 5, Line 14) minus the difference  
22 between 2014 actual and actual/estimated total adjusted program costs of

1           \$2,776,626 (CT-2, Page 1 of 5, Line 13) results in a variance of \$8,355,635 (CT-  
2           2, Page 1 of 5, Line 17). This \$8,355,635 under-recovery, plus the variance of  
3           \$1,011 in interest (CT-2, Page 1 of 5, Line 18), results in a net under-recovery of  
4           \$8,356,646 (CT-2, Page 1 of 5, Line 22).

5   **Q.    Does this conclude your testimony?**

6   A.    Yes.

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**  
**FLORIDA POWER & LIGHT COMPANY**  
**TESTIMONY OF TERRY J. KEITH**  
**DOCKET NO. 150002-EG**  
**AUGUST 21, 2015**

**Q. Please state your name, business address, employer and position.**

A. My name is Terry J. Keith and my business address is 9250 West Flagler Street, Miami, Florida, 33174. I am employed by Florida Power & Light Company (“FPL” or “the Company”) as Director, Cost Recovery Clauses, in the Regulatory Affairs Department.

**Q. Have you previously filed testimony in this docket?**

A. Yes, I have.

**Q. What is the purpose of your testimony in this proceeding?**

A. The purpose of my testimony is to present the schedules necessary to support the actual/estimated Energy Conservation Cost Recovery (“ECCR”) clause true-up for the period January 2015 through December 2015 and the calculation of the ECCR factors based on the projected ECCR costs for FPL’s Demand Side Management (“DSM”) programs to be incurred during the months of January 2016 through December 2016.

1 **Q. Have you prepared or caused to be prepared under your direction,**  
2 **supervision or control any exhibits in this proceeding?**

3 A. Yes, I am sponsoring Schedules C-1 and C-4, and co-sponsoring Schedules C-2  
4 and C-3 in Exhibit AS-2. The specific sections of Schedules C-2 and C-3 which I  
5 am co-sponsoring are identified in the Table of Contents, which is found on page  
6 1 of Exhibit AS-2.

7 **Q. What is the source of the data used in calculating the 2015 actual/estimated**  
8 **true-up amount?**

9 A. Unless otherwise indicated, the data used in calculating the 2015 actual/estimated  
10 true-up amount was taken from the books and records of FPL. The books and  
11 records are kept in the regular course of the Company's business in accordance with  
12 generally accepted accounting principles and practices, and with the applicable  
13 provisions of the Uniform System of Accounts as prescribed by this Commission  
14 and directed in Rule 25-17.015, Florida Administrative Code.

15 **Q. Please explain the calculation of the ECCR end of period net true-up and**  
16 **actual/estimated true-up amounts for 2015 included in Exhibit AS-2.**

17 A. Schedule C-3, pages 11 and 12, provide the calculation of the 2015 ECCR end of  
18 period net true-up and actual/estimated true-up amounts. The end of period net  
19 true-up amount to be carried forward to the 2016 ECCR factors is an under-  
20 recovery of \$17,957,961 (Schedule C-3, page 11, line 11). This \$17,957,961 under-  
21 recovery includes the 2014 final true-up under-recovery of \$8,356,646 (Schedule  
22 C-3, page 11, line 9a) filed with the Commission on May 5, 2015, and the 2015

1 actual/estimated true-up under-recovery, including interest, of \$9,601,315,  
2 (Schedule C-3, page 11, lines 7 plus 8) for the period January 2015 through  
3 December 2015. The 2015 actual/estimated true-up under-recovery amount is  
4 based on actual data for the period January 2015 through June 2015 and revised  
5 estimates for the period July 2015 through December 2015.

6 **Q. Were these calculations made in accordance with the procedures previously**  
7 **approved in the predecessors to this Docket?**

8 A. Yes, they were.

9 **Q. Have you prepared a calculation of the allocation factors for demand and**  
10 **energy?**

11 A. Yes. Schedule C-1, page 2 in Exhibit AS-2, provides this calculation. The  
12 demand allocation factors are calculated by determining the percentage each rate  
13 class contributes to the monthly system peaks. The energy allocation factors are  
14 calculated by determining the percentage each rate class contributes to total kWh  
15 sales, as adjusted for losses.

16 **Q. Have you prepared a calculation of the 2016 ECCR factors by rate class?**

17 A. Yes. Schedule C-1, page 3 in Exhibit AS-2 provides the calculation of FPL's  
18 2016 ECCR factors being requested.

19 **Q. Does this conclude your testimony?**

20 A. Yes.

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 150002-EG  
ENERGY CONSERVATION COST RECOVERY CLAUSEDirect Testimony (Final True-Up) of  
CURTIS D. YOUNGOn Behalf of  
FLORIDA PUBLIC UTILITIES COMPANY

- 1 Q. Please state your name and business address.
- 2 A. Curtis D. Young: my business address is 1641 Worthington Road,  
3 Suite 220 West Palm Beach, Florida 33409.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am employed by Florida Public Utilities Company as a Senior  
6 Regulatory Analyst.
- 7 Q. What is the purpose of your testimony at this time?
- 8 A. To advise the Commission of the actual over/under recovery of the  
9 Conservation Program costs for the period January 1, 2014 through  
10 December 31, 2014 as compared to the true-up amounts previously  
11 reported for that period which were based on six months actual and six  
12 months estimated data.
- 13 Q. Please state the actual amount of over/under recovery of Conservation  
14 Program costs for the Consolidated Electric Divisions of Florida Public  
15 Utilities Company for January 1, 2014 through December 31, 2014.
- 16 A. The Company under-recovered \$80,307 during that period. This  
17 amount is substantiated on Schedule CT-3, page 2 of 3, Energy  
18 Conservation Adjustment.



1 Q. How does this amount compare with the estimated true-up amount  
2 which was allowed by the Commission during the October 2014  
3 hearing?

4 A. We had originally estimated an over-recovery of \$175,773 as of  
5 December 31, 2014. In calculating the final true-up, however, we  
6 determined that an error had been made in calculating that estimated  
7 amount, which should actually have been reflected as an estimated  
8 under-recovery \$72,307 as of December 31, 2014. This corrected  
9 amount has been used in calculation of the Company's final true-up for  
10 December 2014.

11 Q. Have you prepared any exhibits at this time?

12 A. Yes, I have one exhibit. I am sponsoring Schedules CT-1, CT-2, CT-3,  
13 CT-4, CT-5 and CT-6 (Composite Exhibit CDY-1), in conjunction with  
14 my testimony.

15 Q. Does this conclude your testimony?

16 A. Yes.

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## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Energy conservation cost recovery clause.

DIRECT TESTIMONY OF CURTIS D. YOUNG (Actual/Estimated)

On behalf ofFlorida Public Utilities CompanyDOCKET NO. 150002-EG

1 Q. **Please state your name, occupation and business address.**

2 A. My name is Curtis Young. I am the Senior Regulatory Analyst for Florida Public  
3 Utilities Company. My business address is 1641 Worthington Road, West Palm  
4 Beach, Florida 33409.

5 Q. **Describe briefly your background and business experience?**

6 A. I graduated from Pace University in 1982 with a BBA in Accounting. I have been  
7 employed by FPUC since 2001. During my employment at FPUC, I have  
8 performed various accounting and analytical functions including regulatory  
9 filings, revenue reporting, account analysis, recovery rate reconciliations and  
10 earnings surveillance. I am also involved in the preparation of special reports  
11 and schedules used internally by division managers for decision making  
12 projects. Additionally, I coordinate the gathering of data for the FPSC audits.

13 Q. **Are you familiar with the electric conservation programs of the Company and  
14 costs which have been, and are projected to be, incurred in their  
15 implementation?**

16 A. Yes.

17 Q. **What is the purpose of your testimony in this docket?**

18 A. To describe generally the expenditures made and projected to be made in  
19 implementing, promoting, and operating the Company's electric conservation  
20 programs. This will include recoverable costs incurred in January through

Docket No. 150002-EG

1 June 2015 and projections of program costs to be incurred from July through  
2 December 2015. It will also include projected electric conservation costs for  
3 the period January through December 2016, with a calculation of the  
4 Conservation Adjustment Factor to be applied to the Company's consolidated  
5 electric customers' bills during the collection period of January 1, 2016  
6 through December 31, 2016.

7 **Q. Are there any exhibits that you wish to sponsor in this proceeding?**

8 A. Yes. I wish to sponsor as exhibits Schedules C-1, C-2, C-3, C-4, and C-5, which  
9 have been filed with this testimony.

10 **Q. Have you prepared summaries of the Company's electric conservation**  
11 **programs and the costs associated with these programs?**

12 A. Yes. Summaries of the electric conservation programs proposed in Docket No.  
13 150089-EG, the petition for approval of the demand-side management plan, are  
14 contained in Schedule C-5 of Exhibit CDY-2. Included are the Residential Energy  
15 Survey Program, the Residential Heating and Cooling Efficiency Program, the  
16 Commercial Heating and Cooling Efficiency Program, the Commercial Chiller  
17 Upgrade Program, the Electric Conservation Demonstration and Development  
18 Program, and the Low Income Energy Outreach Program. Also included are two  
19 new programs, the Commercial Reflective Roof Program and the Commercial  
20 Energy Consultation Program.

21 **Q. Have you prepared schedules that show the expenditures associated with the**  
22 **Company's electric conservation programs for the periods you have**  
23 **mentioned?**

24 A. Yes, Schedule C-3, Pages 1 and 1A of 5, Exhibit CDY-2 shows actual expenses for  
25 the months January through June 2015. Projections for July through December 2015

Docket No. 150002-EG

1 are also shown on Schedule C-3, Pages 1 and 1A. Projected expenses for the  
2 January through December 2016 period are shown on Schedule C-2, Page 1 of 3 of  
3 Exhibit CDY-2.

4 **Q. Have you prepared schedules that show revenues for the period January**  
5 **through December 2015?**

6 A. Yes. Schedule C-4 shows actual revenues for the months January through June 2015  
7 and projected revenues for July through December 2015 and January through  
8 December 2016.

9 **Q. Have you prepared a schedule that shows the calculation of the Company's**  
10 **proposed Conservation Adjustment Factor to be applied during billing periods**  
11 **from January 1, 2016 through December 31, 2016?**

12 A. Yes. Schedule C-1 of Exhibit CDY-2 shows these calculations. Net program cost  
13 estimates for the period January 1, 2016 through December 31, 2016 are used. The  
14 estimated true-up amount from Schedule C-3 (Page 4 of 5, Line 11) of Exhibit CDY-  
15 2, being an over-recovery, was added to the total of the projected costs for the  
16 twelve-month period. The total projected recovery amount, including estimated true-  
17 up, was then divided by the projected Retail KWH Sales for the twelve-month period  
18 ending December 31, 2016. The resulting Conservation Adjustment Factor is shown  
19 on Schedule C-1 (Page 1 of 1) of Exhibit CDY-2.

20 **Q. What is the Conservation Adjustment Factor necessary to recover these**  
21 **projected net total costs?**

22 A. The Conservation Adjustment Factor is \$.001352 per KWH.

23 **Q. Does this conclude your testimony?**

24 A. Yes.

## 1 GULF POWER COMPANY

2 Before the Florida Public Service Commission  
3 Prepared Direct Testimony and Exhibit of  
4 John N. Floyd  
5 Docket No. 150002-EG  
6 Date of Filing: May 5, 2015

7 Q. Please state your name, business address employer and position.

8 A. My name is John N. Floyd and my business address is One Energy Place,  
9 Pensacola, Florida 32520. I am employed by Gulf Power Company (Gulf  
10 or the Company) as the Energy Efficiency and Renewables Manager.

11 Q. Mr. Floyd, please describe your educational background and business  
12 experience.

13 A. I received a Bachelor Degree in Electrical Engineering from Auburn  
14 University in 1985. After serving four years in the U.S. Air Force, I began  
15 my career in the electric utility industry at Gulf Power in 1990 and have  
16 held various positions with the Company in Power Generation, Metering,  
17 Power Delivery and Marketing. In my present position, I am responsible  
18 for the development and implementation of Gulf's customer program  
19 offerings associated with the Company's Demand-Side Management  
20 (DSM) Plan.

21  
22 Q. Have you previously testified before this Commission in connection with  
23 the Energy Conservation Cost Recovery Clause?

24 A. Yes.

25

1 Q. Mr. Floyd, what is the purpose of your testimony?

2 A. The purpose of my testimony is to present the results of the approved  
3 Energy Conservation Cost Recovery Clause programs and related  
4 expenses for January 2014 through December 2014.

5

6 Q. Are you sponsoring any exhibits to your testimony?

7 A. Yes, I sponsor Exhibit JNF-1, Schedules CT-1 through CT-6.

8

9 Q. Have you verified that the information contained in Exhibit JNF-1 is  
10 correct?

11 A. Yes, I have. This exhibit was prepared under my direction and control,  
12 and the information contained therein is true and correct to the best of my  
13 knowledge.

14 Counsel: We ask that Mr. Floyd's exhibit consisting of 6 Schedules, CT-  
15 1 through CT-6, be marked for identification as:

16 Exhibit No. \_\_\_\_ (JNF-1)

17

18 Q. Please summarize for this Commission the deviations between the actual  
19 expenses for this recovery period and the amount of estimated/actual  
20 expenses previously filed with this Commission.

21 A. The estimated/actual true-up net expenses for the entire recovery period  
22 January 2014 through December 2014, previously filed were \$19,087,404  
23 while the actual expenses incurred in 2014 were \$17,412,618 resulting in  
24 a variance of (\$1,674,786) or 8.8% under the projection. See Schedule  
25 CT-2, Line 10.

1 Q. Mr. Floyd, would you explain the January 2014 through December 2014  
2 variance?

3 A. Yes. The variance was a result of actual expenses being less than  
4 estimated in almost all programs. These variances were offset by the  
5 following programs which experienced more actual expenses than  
6 estimated: Variable Speed Pool Pump, Refrigerator Recycling,  
7 Commercial HVAC Occupancy Sensor, Food Services, Energy Select  
8 Electric Vehicle Pilot and Conservation Demonstration and Development.  
9 Overall, these variances mean that actual program expenses for the 12  
10 month period through December 2014 were \$1,674,786 less than the level  
11 of estimated/actual program expenses filed on August 27, 2014. A more  
12 detailed description of the deviations is contained in Schedule CT-6.  
13

14 Q. Mr. Floyd, what was Gulf's adjusted net true-up for the period January  
15 2014 through December 2014?

16 A. There was a \$560,637 over-recovery as shown on Schedule CT-1.  
17

18 Q. Please describe your program participation levels during the recovery  
19 period.

20 A. A more detailed review of each of the programs is included in my  
21 Schedule CT-6. The following is a synopsis of program participation  
22 levels during this recovery period.

23 (A) Residential Energy Surveys - During the 2014 recovery period, the  
24 Company completed 7,927 surveys compared to the projection of  
25 10,061.

- 1 (B) Home Energy Reporting – During the 2014 recovery period, a total  
2 of 39,171 customers were enrolled in the Home Energy Reporting  
3 program as projected
- 4 (C) Community Energy Saver – During the 2014 recovery period, the  
5 Company implemented a total of 2,326 efficiency measures for  
6 eligible participants compared to a projection of 2,500.
- 7 (D) Landlord-Renter Custom Incentive – During the 2014 recovery  
8 period, no participants enrolled in this program compared to a  
9 projection of 0 participants.
- 10 (E) HVAC Efficiency – During the 2014 recovery period, there were a  
11 total of 10,166 participants in this program compared to a projection  
12 of 12,091.
- 13 (F) Heat Pump Water Heater – During the 2014 recovery period, a total  
14 of 471 heat pump water heaters were installed compared to a  
15 projection of 643.
- 16 (G) Ceiling Insulation – During the 2014 recovery period, a total of 271  
17 participants installed high efficiency ceiling insulation compared to a  
18 projection of 226.
- 19 (H) High Performance Window – During the 2014 recovery period, a  
20 total of 626 customers installed high efficiency windows and 56  
21 customers installed window film compared to projections of 750 and  
22 200, respectively.
- 23 (I) Reflective Roof – During the 2014 recovery period, a total of 97  
24 participants installed a qualified reflective roof compared to a  
25 projection of 281.



- 1 (J) Variable Speed Pool Pump – During the 2014 recovery period, a  
2 total of 287 participants installed a high-efficiency variable speed  
3 pool pump compared to a projection of 218.
- 4 (K) Energy Select/Energy Select LITE - During the 2014 recovery  
5 period, there was a net increase of 1,754 customers (*Energy Select*  
6 and *Energy Select LITE* combined) with a total of 14,381 customers  
7 on-line at December 31, 2014. Gulf projected 1,600 net new  
8 customer additions during 2014.
- 9 (L) Self-Install Efficiency – During the 2014 recovery period, 677  
10 customers installed qualifying ENERGY STAR appliances  
11 compared to a projection of 3,854.
- 12 (M) Refrigerator Recycling – During the 2014 recovery period, 903  
13 customers participated in the Refrigerator Recycling program  
14 compared to a projection of 218 participants.
- 15 (N) Commercial/Industrial (C/I) Energy Analysis - During the 2014  
16 recovery period, a total of 487 C/I Energy Analyses were completed  
17 compared to a projection of 600.
- 18 (O) Commercial HVAC Retrocommissioning – During the 2014  
19 recovery period, there were 64 participants in this program  
20 compared to a projection of 169.
- 21 (P) Commercial Building Efficiency - During the 2014 recovery period,  
22 1,606 tons of Commercial HVAC were completed, 73 tons of  
23 geothermal were installed, one heat pump water heater was  
24 installed, 4,742 sq. ft. of ceiling insulation and 2,122 sq. ft. of  
25 window film were installed, 1,672 kW of Commercial interior lighting

1 was installed, 3,650 lighting occupancy sensors were installed and  
2 533,691 sq. ft. of reflective roof installed. Comparisons to 2014  
3 projections can be found in Schedule CT-6.

4 (Q) HVAC Occupancy Sensor – During the 2014 recovery period, a  
5 total of 82 HVAC occupancy sensors were installed compared to a  
6 projection of 146 sensors.

7 (R) High Efficiency Motors – During the 2014 recovery period, 1,527  
8 HP of high-efficiency motors were installed compared to a  
9 projection of 2,754 HP.

10 (S) Food Service Efficiency - During the 2014 recovery period, there  
11 were 11 participants in this program compared to a projection of 11.

12 (T) Commercial/Industrial Custom Incentive – During the 2014  
13 recovery period, there were no participants in this program.

14 (U) Renewable Energy – During the 2014 recovery period, 0 Solar for  
15 Schools PV, 50 Solar PV, 29 Solar Thermal Water Heater and 14  
16 Solar Thermal Water Heater for Low Income systems were  
17 installed. Further description of the participation in the Renewable  
18 Energy pilot programs can be found in Schedule CT-6.

19 (V) Conservation Demonstration and Development – Further  
20 description of the 2014 Conservation Demonstration and  
21 Development projects can be found in Schedule CT-6.

22

23 Q. Should Gulf's recoverable energy conservation cost for the period be  
24 accepted as reasonable and prudent?

25 A. Yes.

1 Q. Mr. Floyd, does this conclude your testimony?

2 A. Yes, it does.

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## 1 GULF POWER COMPANY

2 Before the Florida Public Service Commission  
3 Prepared Direct Testimony and Exhibit of  
4 John N. Floyd  
5 Docket No. 150002-EG  
6 Energy Conservation Cost Recovery Clause  
7 August 21, 2015

8

9 Q. Will you please state your name, business address, employer and  
10 position?

11 A. My name is John N. Floyd and my business address is One Energy Place,  
12 Pensacola, Florida 32520. I am employed by Gulf Power Company as the  
13 Energy Efficiency and Renewables Manager.

14

15 Q. Mr. Floyd, please describe your educational background and business  
16 experience.

17 A. I received a Bachelor Degree in Electrical Engineering from Auburn  
18 University in 1985. After serving four years in the U.S. Air Force, I began  
19 my career in the electric utility industry at Gulf Power in 1990 and have  
20 held various positions with the Company in Power Generation, Metering,  
21 Power Delivery and Marketing. In my present position, I am responsible  
22 for the development and implementation of Gulf's customer program  
23 offerings associated with the Company's Demand-Side Management  
24 (DSM) Plan.

25

26 Q. Mr. Floyd, for what purpose are you appearing before this Commission  
27 today?

28

1 A. I am testifying before this Commission on behalf of Gulf Power regarding  
2 matters related to the Energy Conservation Cost Recovery Clause and to  
3 answer any questions concerning the calculation of recoverable  
4 conservation costs in this filing. Specifically, I will address projections for  
5 approved programs during the January 2016 through December 2016  
6 recovery period and the anticipated results of those programs during the  
7 current recovery period, January 2015 through December 2015 (7 months  
8 actual, 5 months estimated).

9

10 Q. Have you prepared an exhibit that contains information to which you will  
11 refer in your testimony?

12 A. Yes. My exhibit consists of 6 schedules, each of which was prepared  
13 under my direction, supervision, or review.

14 Counsel: We ask that Mr. Floyd's exhibit  
15 consisting of six schedules be marked as  
16 Exhibit No. \_\_\_\_ (JNF-2).

17

18 Q. Would you summarize for this Commission the deviations resulting from  
19 the actual costs for January 2015 through July 2015 of the current  
20 recovery period?

21 A. Projected expenses for the first seven months of the current period were  
22 \$16,144,805 compared to actual expenses of \$10,641,125 for a difference  
23 of \$5,503,680 or 34% under budget. A detailed summary of all program  
24 expenses is contained in my Schedule C-3, pages 1 and 2 and my  
25 Schedule C-5.

1 Q. Did you project expenses for the period August 2015 through December  
2 2015?

3 A. Yes. A detailed summary of those projections can be found in my  
4 Schedule C-3.

5

6 Q. How do the estimated actual expenses compare to projected expenses  
7 included in the 2015 Projection filing for the period August – December  
8 2015?

9 A. Estimated actual expenses for the period August – December 2015 of  
10 \$7,291,304 are 13% less than the projected expenses for that same  
11 period of \$8,348,289.

12

13 Q. Audit Finding No. 1 of the 2014 period concerning the Ceiling Insulation  
14 Program required an adjustment of \$45,852.91. Has this adjustment been  
15 made to the Company records, and have measures been implemented to  
16 prevent future occurrences?

17 A. Yes, the adjustment was performed in May 2015. A review step has been  
18 added to the current process whereby the Energy Efficiency Supervisor  
19 will approve the verification that all pertinent program requirements and  
20 standards are properly reflected in the program enrollment and tracking  
21 system.

22

23 Q. Have you provided a description of the program results achieved during  
24 the period, January 2015 through July 2015?

25

1 A. Yes. A detailed summary of year-to-date results for each program is  
2 contained in my Schedule C-5.

3

4 Q. Would you summarize the conservation program cost projections for the  
5 January 2016 through December 2016 recovery period?

6 A. Yes. Program costs for the projection period are estimated to be  
7 \$12,849,374. These costs are broken down as follows: depreciation,  
8 return on investment and property taxes, \$2,440,724; payroll/benefits,  
9 \$4,431,063; materials/expenses, \$4,456,287; advertising, \$650,000  
10 (collectively "Administrative Expenses"); and incentives, \$871,300. More  
11 detail concerning these projections is contained in my Schedule C-2.

12

13 Q. How did Gulf Power develop its Administrative Expenses?

14 A. Gulf estimated its Administrative Expenses based upon historical program  
15 costs adjusted for participation projections associated with the January  
16 2016 through December 2016 recovery period. For programs involving  
17 outside vendor services, Gulf estimated these expenses based on current  
18 vendor contracts.

19

20 Q. Are the Company's projected expenses for the January 2016 through  
21 December 2016 period reasonable and appropriate for cost recovery?

22 A. Yes. Gulf continually evaluates the resources necessary to deliver its  
23 DSM Plan and all of its components in order to meet the Company's DSM  
24 goals. With the current level of goals, Gulf has carefully considered the

1 appropriate level of administrative resources necessary to achieve the  
2 goals.

3

4 Q. What is the basis for Gulf's conservation program cost projections for the  
5 January 2016 through December 2016 recovery period?

6 A. These projections are based on program cost estimates associated with  
7 Gulf's 2015 Demand-Side Management (DSM) Plan which was approved  
8 on July 21, 2015 in Order No. PSC-15-0330-PAA-EG.

9

10 Q. Have you reflected the impact of the transition from the 2010 DSM Plan to  
11 the 2015 DSM Plan in the period August 2015 through December 2015?

12 A. Yes, expenditures and participation have been adjusted to reflect the  
13 programs being discontinued as well as those newly created in the 2015  
14 DSM Plan.

15

16 Q. Would you describe the expected results for your programs during the  
17 January 2016 through December 2016 recovery period?

18 A. Program details, including expected results, for the period January 2016  
19 through December 2016 can be found in my Schedule C-5.

20

21 Q. What is the proposed 2016 factor for Rate Schedule RS, and what will be  
22 the charge for a 1,000 kWh monthly bill on Gulf Power's rate schedule  
23 RS?

24 A. The proposed Energy Conservation Cost Recovery factor for Rate  
25 Schedule RS is .068 cents per kWh, which results in a charge of \$0.68 on



1 a 1,000 kWh monthly bill on Gulf Power's rate schedule RS.

2

3 Q. When does Gulf propose to collect these Energy Conservation Cost  
4 Recovery charges?

5 A. The factors will be effective beginning with the first bill group for January  
6 2016 and continue through the last bill group for December 2016.

7

8 Q. Mr. Floyd, does this conclude your testimony?

9 A. Yes, it does.

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**DUKE ENERGY FLORIDA**  
**DOCKET No. 150002-EG**

**Energy Conservation and Cost Recovery Final True-up  
for the Period January through December 2014**

**DIRECT TESTIMONY OF**  
**Lori J. Cross**

**MAY 5, 2015**

1 **Q. State your name and business address.**

2 A. My name is Lori Cross. My business address is 299 First Avenue North, St.  
3 Petersburg, FL 33701.

4

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Duke Energy Florida, Inc. (Duke Energy Florida, DEF, or  
7 the Company), as Director Regulatory Strategy in the Customer Planning  
8 and Analytics department.

9

10 **Q. What are your current duties and responsibilities at Duke Energy?**

11 A. My responsibilities include the regulatory planning, support and compliance  
12 of the Company's energy efficiency and demand-side management (DSM)  
13 programs. This includes support for development, implementation and  
14 training, budgeting, and accounting functions related to these programs.

15

16 **Q. What is the purpose of your testimony?**

1 A. The purpose of my testimony is to compare DEF's 2014 actual energy  
2 conservation program costs with the actual revenues collected through the  
3 Company's Energy Conservation Cost Recovery Clause (ECCR) during the  
4 period January 2014 through December 2014.

5  
6 **Q. For what programs does Duke Energy Florida seek recovery?**

7 A. Duke Energy Florida seeks recovery through the ECCR clause for the  
8 following conservation programs approved by the Commission as part of the  
9 Company's DSM Plan, as well as for Conservation Program Administration  
10 (i.e., those common administration expenses not specifically assigned to an  
11 individual program). Notably, DEF seeks recovery of costs for conservation  
12 programs approved by the Commission on August 16, 2011 (see Order No.  
13 PSC-11-0347-PAA-EG) modifying and approving DEF's Demand Side  
14 Management (DSM) Programs. In Order No. PSC-11-0347-PAA-EG, the  
15 FPSC modified DEF's DSM Plan to consist of those existing programs in effect  
16 as of the date of the Order. Therefore, DEF seeks recovery for actual  
17 conservation program costs and program administrative costs for the following  
18 approved programs:

- 19 • Home Energy Check
- 20 • Home Energy Improvement
- 21 • Residential New Construction
- 22 • Neighborhood Energy Saver
- 23 • Low-Income Weatherization Assistance Program

- 1 • Energy Management (Residential and Commercial)
- 2 • Business Energy Check
- 3 • Better Business
- 4 • Commercial/Industrial New Construction
- 5 • Innovation Incentive
- 6 • Standby Generation
- 7 • Interruptible Service
- 8 • Curtailable Service
- 9 • Solar Water Heating with Energy Management Pilot
- 10 • Solar Water Heating Low Income Residential Pilot
- 11 • Residential Solar Photovoltaic Pilot
- 12 • Commercial Solar Photovoltaic Pilot
- 13 • Photovoltaic for Schools Pilot
- 14 • Research and Demonstration Pilot
- 15 • Technology Development
- 16 • Qualifying Facility

17

18 **Q. Do you have any exhibits to your testimony?**

19 A. Yes, Exhibit No.\_(LJC-1T) entitled, "Duke Energy Florida Energy  
20 Conservation Adjusted Net True-Up for the Period January 2014 through  
21 December 2014." There are five (5) schedules included in this exhibit.

22

23 **Q. Will you please explain your exhibit?**

1 A. Yes. Exhibit No.\_(LJC-1T) presents Schedules CT-1 through CT-5.  
2 Schedules CT-1 to CT-4 set out the actual costs incurred for all programs  
3 during the period from January 2014 through December 2014. They also  
4 describe the variance between actual costs and previously projected values for  
5 the same time period. Schedule CT-5 provides a brief summary report for  
6 each program that includes a program description, annual program  
7 expenditures and program accomplishments over the twelve-month period  
8 ending December 2014.

9

10 **Q. Would you please discuss Schedule CT-1?**

11 A. Yes. Schedule CT-1 line 14 shows that Duke Energy Florida's actual end-of-  
12 period ECCR true-up for December 31, 2014 was an over-recovery of  
13 \$609,857 including principal and interest.

14

15 **Q. What does Schedule CT-2 show?**

16 A. The four pages of Schedule CT-2 provide an annual summary of  
17 conservation program revenues as well as itemized conservation program  
18 costs for the period January 2014 through December 2014 detailing actual,  
19 estimated and variance calculations by program. These costs are directly  
20 attributable to DEF's commission approved programs. The significant  
21 favorable variance in advertising costs in 2014 is primarily related to  
22 advertising campaigns for the Home Energy Check and Home Energy

1 Improvement Program that were not executed due to the high participation  
2 levels that were already being experienced.

3

4 **Q. Would you please discuss Schedule CT-3?**

5 A. Yes. Page one of Schedule CT-3 provides the actual conservation program  
6 costs by month for the period January 2014 through December 2014. Page  
7 two of Schedule CT-3 presents the program revenues by month offset by  
8 the expenses and a calculation of the end of period net true-up for each  
9 month and the total for the year. Page three provides the monthly interest  
10 calculation. Pages four and five of Schedule CT-3 provide conservation  
11 account numbers for the 2014 calendar year.

12

13 **Q. What is the purpose of Schedule CT-4?**

14 A. The five pages of Schedule CT-4 report the monthly capital investment,  
15 depreciation and return for each conservation program.

16

17 **Q. Would you please discuss Schedule CT-5?**

18 A. Yes. Schedule CT-5 provides a brief summary report for each program. The  
19 summary includes a program description, annual program expenditures and  
20 program accomplishments for the 2014 calendar year.

21

22 **Q. Please explain the source of data used to calculate the true-up amount.**

1 A. The data used in calculating the actual true-up amounts was taken from  
2 DEF records unless otherwise indicated. These records are kept in the  
3 regular course of business in accordance with general accounting principles  
4 and practices and provisions of the Uniform System of Accounts as  
5 prescribed by the Commission. Pursuant to Rule 25-17.015(3), Florida  
6 Administrative Code, in Schedule CT-3, pages 4 and 5, DEF provides a list  
7 of all account numbers used for conservation cost recovery during the  
8 period January 2014 through December 2014.

9

10 **Q. Does this conclude your direct testimony?**

11 A. Yes.

**DUKE ENERGY FLORIDA****DOCKET No. 150002-EG****Energy Conservation and Cost Recovery  
2015 Actual / Estimated and 2016 Projected Costs****DIRECT TESTIMONY OF****Lori J. Cross****August 21, 2015**

1 **Q. State your name and business address.**

2 A. My name is Lori Cross. My business address is 299 First Avenue North, St.  
3 Petersburg, FL 33701.

4

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Duke Energy Florida, LLC. (Duke Energy Florida, DEF, or  
7 the Company), as Director Regulatory Strategy in the Customer Planning  
8 and Analytics department.

9

10 **Q. What are your current duties and responsibilities at Duke Energy?**

11 A. My responsibilities include the regulatory planning, support and compliance  
12 of the Company's energy efficiency and demand-side management (DSM)  
13 programs. This includes support for development, implementation and  
14 training, budgeting, and accounting functions related to these programs.

15

16 **Q. What is the purpose of your testimony?**



1 A. The purpose of my testimony is to describe the components and costs of the  
2 Company's Demand-Side Management ("DSM") Plan. I will detail the  
3 projected costs for implementing each program in that plan, explain how  
4 these costs are presented in my attached exhibit, and show the resulting  
5 Energy Conservation Cost Recovery ("ECCR") factors for customer billings  
6 in 2016.

7

8 **Q. For what programs does Duke Energy Florida seek recovery?**

9 A. Duke Energy Florida seeks recovery through the ECCR clause pursuant to  
10 Rule 25-17.015, F.A.C., for the following conservation programs approved by  
11 the Commission as part of the Company's DSM Plan, as well as for  
12 Conservation Program Administration (i.e. those common administration  
13 expenses not specifically linked to an individual program). <sup>1</sup> Notably, DEF  
14 seeks recovery of costs for conservation programs approved by the  
15 Commission on August 20, 2015 (see Order No. PSC-15-0332-PAA-EG)  
16 modifying and approving DEF's Demand Side Management (DSM) Programs.  
17 DEF seeks recovery for actual conservation program costs and program  
18 administrative costs for the following approved programs:

- 19
- Home Energy Check
  - Residential Incentive Program (formerly Home Energy Improvement)
- 20

---

<sup>1</sup> DEF is seeking recovery of the 2015 actual and estimated costs for the Solar Water Heating for Low Income Residential Customers, Solar Water Heating with Energy Management, Residential Solar Photovoltaic, Commercial Solar Photovoltaic, Photovoltaic for Schools projects, and the Research and Demonstration Project, but does not project any 2016 costs associated with those projects.

- 1           • Residential New Construction (combined with Residential Incentive
- 2           Program beginning 2016)
- 3           • Neighborhood Energy Saver
- 4           • Low-Income Weatherization Assistance Program
- 5           • Energy Management (Residential and Commercial)
- 6           • Business Energy Check
- 7           • Better Business
- 8           • Commercial/Industrial New Construction (combined with Better
- 9           Business beginning 2016)
- 10          • Florida Custom Incentive (formerly Innovation Incentive)
- 11          • Standby Generation
- 12          • Interruptible Service
- 13          • Curtailable Service
- 14          • Technology Development
- 15          • Qualifying Facility
- 16          • Solar Water Heating with Energy Management Pilot
- 17          • Solar Water Heating Low Income Residential Pilot
- 18          • Residential Solar Photovoltaic Pilot
- 19          • Commercial Solar Photovoltaic Pilot
- 20          • Photovoltaic for Schools Pilot
- 21          • Research and Demonstration Pilot

22   **Q. Do you have any exhibits to your testimony?**

1 A. Yes, Exhibit No.\_(LJC-1P) which supports Duke Energy Florida's energy  
2 conservation calculations for the 2015 actual/estimated period and the 2016  
3 projection period. There are five (5) schedules included in this exhibit.  
4

5 **Q. Will you please explain your exhibit?**

6 A. Yes. Exhibit No.\_(LJC-1P) presents Schedules C-1 through C-5. Schedules  
7 C-1 to C-4 set out the actual costs incurred for all programs during the period  
8 from January 2015 through July 2015. They also set out the estimated costs  
9 to be incurred for all programs during the period from August 2015 through  
10 December 2016. Schedule C-5 provides a brief summary report for each  
11 program that includes a program description, estimated annual program  
12 expenditures for 2016, and program accomplishments through the period  
13 ending July 2015.  
14

15 **Q. Would you please discuss Schedule C-1?**

16 A. Schedule C-1 provides the calculation of the cost recovery factors for 2016  
17 by rate class.  
18

19 **Q. What does Schedule C-2 show?**

20 A. Schedule C-2 provides annual and monthly conservation program cost  
21 estimates for the 2016 projection period for each conservation program, as  
22 well as for common administration expenses. Additionally, Schedule C-2  
23 presents program costs by specific category (i.e., payroll, materials,

1 incentives, etc.) and includes a schedule of estimated capital investments,  
2 depreciation and return for the projection period.

3  
4 **Q. Would you please discuss Schedule C-3?**

5 A. Schedule C-3 contains a detailed breakdown of conservation program costs  
6 by specific category and by month for the period of January through July  
7 2015 (actual) and August through December 2015 (estimated). In addition,  
8 Schedule C-3 presents a schedule of capital investment, depreciation and  
9 return, an energy conservation adjustment calculation of true-up, and a  
10 calculation of interest provision for the 2015 actual/estimated period.

11  
12 **Q. What is the purpose of Schedule C-4?**

13 A. Schedule C-4 projects ECCR revenues during the 2016 projection period.  
14

15 **Q. Would you please discuss Schedule C-5?**

16 A. Schedule C-5 presents a brief description of each program, as well as a  
17 summary of progress and projected expenditures for each program for which  
18 DEF seeks cost recovery through the ECCR clause.

19  
20 **Q. Would you please summarize the results presented in your Exhibit?**

21 A. Yes. Schedule C-2, Page 1 of 9, Line 37, shows total program costs, net of  
22 the prior period over-recovery, of \$108,145,590 for the 2016 projection  
23 period. The following table presents DEF's proposed ECCR billing factors,

1 by retail rate class and voltage level for calendar year 2016, as contained in  
 2 Schedule C-1, Page 2 of 2.

3  
 4 **2016 ECCR Billing Factors**

5		Secondary	Primary	Transmission
6	<u>Retail Rate Schedule</u>	<u>Voltage</u>	<u>Voltage</u>	<u>Voltage</u>
7	Residential (Cents/kWh)	.325	N/A	N/A
8	General-Service-Non-Demand (Cents/kWh)	.268	.265	.263
9	General Service 100% Load Factor (Cents/kWh)	.210	N/A	N/A
10	General Service Demand (\$/kW)	.98	.97	.96
11	Curtable (\$/kW)	.67	.66	.66
12	Interruptible (\$/kW)	.84	.83	.82
13	Standby Monthly (\$/kW)	.096	.095	.094
14	Standby Daily (\$/kW)	.046	.046	.045
15	Lighting (Cents/kWh)	.108	N/A	N/A

16  
 17 **Q. Does this conclude your testimony?**

18 A. Yes.

19

1                                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                                   **PREPARED DIRECT TESTIMONY**

3                                   **OF**

4                                   **MARK R. ROCHE**

5  
6   **Q.**   Please state your name, address, occupation and employer.

7  
8   **A.**   My name is Mark R. Roche. My business address is 702  
9           North Franklin Street, Tampa, Florida 33602. I am  
10          employed by Tampa Electric Company ("Tampa Electric" or  
11          "the company") as Administrator, Regulatory Rates in the  
12          Regulatory Affairs Department.

13  
14   **Q.**   Please provide a brief outline of your educational  
15          background and business experience.

16  
17   **A.**   I graduated from Thomas Edison State College in 1994 with  
18          a Bachelor of Science degree in Nuclear Engineering  
19          Technology and from Colorado State University in 2009  
20          with a Master's degree in Business Administration. My  
21          work experience includes twelve years with the US Navy in  
22          nuclear operations as well as seventeen years of electric  
23          utility experience. My utility work has included various  
24          positions in Marketing and Sales, Customer Service,  
25          Distributed Resources, Load Management, Power Quality,

1 Distribution Control Center operations, Meter Department,  
2 Meter Field Operations, Service Delivery, Revenue  
3 Assurance, Commercial and Industrial Energy Management  
4 Services, and Demand Side Management ("DSM") Planning  
5 and Forecasting. In my current position I am responsible  
6 for the company's Energy Conservation Cost Recovery  
7 ("ECCR") Clause and Storm Hardening.

8  
9 **Q.** What is the purpose of your testimony in this proceeding?

10  
11 **A.** The purpose of my testimony is to present and support for  
12 Commission review and approval the company's actual DSM  
13 programs related true-up costs incurred during the  
14 January through December 2014 period.

15  
16 **Q.** Did you prepare any exhibits in support of your  
17 testimony?

18  
19 **A.** Yes. Exhibit No. MRR-1, entitled "Tampa Electric  
20 Company, Schedules Supporting Conservation Cost Recovery  
21 Factor, Actual, January 2014-December 2014" was prepared  
22 under my direction and supervision. This Exhibit  
23 includes Schedules CT-1 through CT-6 which support the  
24 company's actual and prudent DSM program related true-up  
25 costs incurred during the January through December 2014

1 period.

2

3 **Q.** What were Tampa Electric's actual January through  
4 December 2014 conservation costs?

5

6 **A.** For the period January through December 2014, Tampa  
7 Electric incurred actual net conservation costs of  
8 \$46,620,508.

9

10 **Q.** What is the final end of period true-up amount for the  
11 conservation clause for January through December 2014?

12

13 **A.** The final conservation clause end of period true-up for  
14 January through December 2014 is an over-recovery,  
15 including interest, of \$7,549,999. This calculation is  
16 detailed on Schedule CT-1, page 1 of 1.

17

18 **Q.** Please summarize how Tampa Electric's actual program  
19 costs for January through December 2104 period compare to  
20 the actual/estimated costs presented in Docket No.  
21 140002-EG?

22

23 **A.** For the period January through December 2014, Tampa  
24 Electric had a variance of \$2,326,128 or 4.75% less than  
25 the estimated amount. The estimated total program costs



1 were projected to be \$48,946,636 which was the amount  
2 approved in Order No. PSC 14-0632-FOF-EG, issued October  
3 31, 2014 as compared to the incurred actual net  
4 conservation costs of \$46,620,508.

5  
6 **Q.** Please summarize the reasons why the actual expenses were  
7 less than projected expenses by \$2,326,128?

8  
9 **A.** The variance was a result of the following actual  
10 expenses being less than estimated in the following  
11 residential programs: Prime Time; Duct Repair; Renewable  
12 Energy Systems Initiative; New Construction; Common  
13 Expenses; Building Envelope; Electronically Commutated  
14 Motors; Education Outreach and HVAC Re-Commissioning.  
15 Additionally, actual expenses less than estimated in the  
16 following commercial programs: Conservation Value;  
17 Industrial Load Management; Cooling; Duct Repair; Energy  
18 Recovery Ventilation; Building Envelope Improvement;  
19 Demand Response; Chillers; Refrigeration Anti-Condensate;  
20 Water Heating, HVAC Re-Commissioning; Electronically  
21 Commutated Motors and Cool Roof. Each DSM program's  
22 detailed variance contribution is shown on Schedule CT-2,  
23 Page 3 of 4.

24  
25 **Q.** Are all costs listed on Schedule CT-2 directly related to

1 the Commission's approved DSM programs?

2

3 A. Yes.

4

5 Q. Should Tampa Electric's cost incurred during the January  
6 through December 2014 period for energy conservation be  
7 approved by the Commission?

8

9 A. Yes, the costs incurred were prudent and directly related  
10 to the Commission's approved DSM programs and should be  
11 approved.

12

13 Q. Does that conclude your testimony?

14

15 A. Yes it does.

16

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25

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                   **PREPARED DIRECT TESTIMONY**

3                   **OF**

4                   **MARK R. ROCHE**

5  
6   **Q.**   Please state your name, address, occupation and employer.

7  
8   **A.**   My name is Mark R. Roche. My business address is 702  
9           North Franklin Street, Tampa, Florida 33602. I am  
10          employed by Tampa Electric Company ("Tampa Electric" or  
11          "the company") as Administrator, Regulatory Rates in the  
12          Regulatory Affairs Department.

13  
14   **Q.**   Please provide a brief outline of your educational  
15          background and business experience.

16  
17   **A.**   I graduated from Thomas Edison State College in 1994 with  
18          a Bachelor of Science degree in Nuclear Engineering  
19          Technology and from Colorado State University in 2009  
20          with a Master's degree in Business Administration. My  
21          work experience includes twelve years with the US Navy in  
22          nuclear operations as well as seventeen years of electric  
23          utility experience. My utility work has included various  
24          positions in Marketing and Sales, Customer Service,  
25          Distributed Resources, Load Management, Power Quality,

1 Distribution Control Center operations, Meter Department,  
2 Meter Field Operations, Service Delivery, Revenue  
3 Assurance, Commercial and Industrial Energy Management  
4 Services, and Demand Side Management ("DSM") Planning  
5 and Forecasting. In my current position I am responsible  
6 for the company's Energy Conservation Cost Recovery  
7 ("ECCR") Clause and Storm Hardening.

8  
9 **Q.** What is the purpose of your testimony in this proceeding?

10  
11 **A.** The purpose of my testimony is to support the company's  
12 actual conservation costs incurred during the period  
13 January through December 2014, the actual/projected  
14 period January to December 2015, and the projected period  
15 January through December 2016. The projected 2016 ECCR  
16 factors have been calculated based on the current  
17 approved allocation methodology. Also, I will support  
18 the appropriate Contracted Credit Value ("CCV") for  
19 participants in the General Service Industrial Load  
20 Management Riders ("GSLM-2" and "GSLM-3") for the period  
21 January through December 2016. In addition, I will  
22 support the appropriate residential variable pricing  
23 rates ("RSVP-1") for participants in the Residential  
24 Price Responsive Load Management Program for the period  
25 January through December 2016.

1     **Q.** Did you prepare any exhibits in support of your  
2     testimony?

3

4     **A.** Yes. Exhibit No. MRR-3 was prepared under my direction  
5     and supervision. This document includes Schedules C-1  
6     through C-5 and associated data which support the  
7     development of the conservation cost recovery factors for  
8     January through December 2016 using the current 12  
9     Coincident Peak ("CP") and 1/13 Average Demand ("AD")  
10    Factor allocation methodology.

11

12    **Q.** Please describe the conservation program costs projected  
13    by Tampa Electric during the period January through  
14    December 2014.

15

16    **A.** For the period January through December 2014, Tampa  
17    Electric projected conservation program costs to be  
18    \$52,110,132. The Commission authorized collections to  
19    recover these expenses in Docket No. 130002-EG, Order No.  
20    PSC-13-0614-FOF-EG, issued November 20, 2013.

21

22    **Q.** For the period January through December 2014, what were  
23    Tampa Electric's conservation costs and what was  
24    recovered through the ECCR clause?

25

1     **A.**   For the period January through December 2014, Tampa  
2           Electric incurred actual net conservation costs of  
3           \$46,620,508 plus a beginning true-up over-recovery of  
4           \$5,476,721 for a total of \$41,143,787.   The amount  
5           collected in the ECCR clause was \$48,690,159.

6  
7     **Q.**   What was the true-up amount?

8  
9     **A.**   The true-up amount for the period January through  
10          December 2014 was an over-recovery of \$7,549,999,  
11          including interest.   These calculations are detailed in  
12          Exhibit No. MRR-1, Conservation Cost Recovery True Up,  
13          Schedule CT-2, filed May 5, 2015.

14  
15    **Q.**   Please describe the conservation program costs projected  
16          to be incurred by Tampa Electric during the period  
17          January through December 2015?

18  
19    **A.**   The actual costs incurred by Tampa Electric through July  
20          2015 and projected for August through December 2015 are  
21          \$43,989,839.   For the period, Tampa Electric anticipates  
22          an over-recovery in the ECCR Clause of \$5,228,885 which  
23          includes the 2014 true-up and interest.   A summary of  
24          these costs and estimates are fully detailed in Exhibit  
25          No. MRR-3, Conservation Costs Projected, pages 20 through

1 26.

2

3 **Q.** Has Tampa Electric proposed any new or modified DSM  
4 Programs for ECCR cost recovery for the period January  
5 through December 2016?

6

7 **A.** Yes, on March 16, 2015, Tampa Electric filed its 2015-  
8 2024 DSM Plan for approval that includes the  
9 discontinuation of nine existing DSM programs, the  
10 creation of one new DSM program, the modification of 28  
11 existing programs and retirement of the renewable energy  
12 systems initiative. These programs are listed below and  
13 can be found in Schedules C-1 through C-5.

14

15 Discontinued DSM Programs:

- 16 1. Residential Heating, Ventilating, and Air  
17 Conditioning ("HVAC") Re-Commissioning
- 18 2. Residential Window Film
- 19 3. Commercial Energy Recovery Ventilation ("ERV")
- 20 4. Commercial Lighting Exit Signs
- 21 5. Commercial HVAC Re-Commissioning
- 22 6. Commercial Motors
- 23 7. Commercial Cooling-Packaged Terminal Air  
24 Conditioning ("PTAC")
- 25 8. Commercial Roof Insulation

1           9.    Commercial Window Film

2

3           New DSM Programs:

4           1.    Thermal Energy Storage ("TES")

5

6           Modified DSM Programs:

7           1.    Residential Walk-Through Energy Audit (Free Energy  
8           Check)

9           2.    Residential Customer Assisted Energy Audit

10          3.    Residential Computer Assisted Energy Audits ("RCS")

11          4.    Residential Ceiling Insulation

12          5.    Residential Duct Repair

13          6.    Residential Electronically Commutated Motors ("ECM")

14          7.    Energy Education, Awareness and Agency Outreach

15          8.    ENERGY STAR for New Homes

16          9.    Residential Heating and Cooling

17          10.   Neighborhood Weatherization

18          11.   Residential Wall Insulation

19          12.   Residential Window Replacement

20          13.   Commercial/Industrial Audit (Free)

21          14.   Comprehensive Commercial/Industrial Audit (Paid)

22          15.   Commercial Ceiling Insulation

23          16.   Commercial Chiller

24          17.   Conservation Value

25          18.   Cool Roof



- 1 19. Commercial Cooling
- 2 20. Commercial Duct Repair
- 3 21. Commercial Electronically Commutated Motors ("ECM")
- 4 22. Industrial Load Management (GSLM 2&3)
- 5 23. Lighting Conditioned Space
- 6 24. Lighting Non-Conditioned Space
- 7 25. Lighting Occupancy Sensors
- 8 26. Refrigeration Anti-condensate Control
- 9 27. Commercial Wall Insulation
- 10 28. Commercial Water Heating

11

12 The following existing DSM Programs did not require any  
13 necessary modifications:

- 14 1. Price Responsive Load Management (Energy Planner)
- 15 2. Renewable Energy
- 16 3. Cogeneration
- 17 4. Demand Response
- 18 5. Commercial Load Management (GSLM 1)
- 19 6. Standby Generator
- 20 7. Conservation Research and Development (R&D)

21

22 **Q.** Please summarize the proposed conservation costs for the  
23 period January through December 2016 and the annualized  
24 recovery factors based on a 12 CP and 1/13 AD basis  
25 applicable for the period January through December 2016?

1   **A.** Tampa Electric has estimated that the total conservation  
 2   costs (less program revenues) during the period will be  
 3   \$38,194,329 plus true-up. Including true-up estimates,  
 4   the January through December 2016 cost recovery factors  
 5   allocated on a 12 CP and 1/13 AD basis for firm retail  
 6   rate classes are as follows:

	<b>Cost Recovery Factors</b>
<u>Rate Schedule</u>	<u>(cents per kWh)</u>
9   RS	0.191
10   GS and TS	0.182
11   GSD Optional - Secondary	0.150
12   GSD Optional - Primary	0.149
13   GSD Optional - Subtransmission	0.147
14   LS1	0.073

	<b>Cost Recovery Factors</b>
<u>Rate Schedule</u>	<u>(dollars per kW)</u>
18   GSD - Secondary	0.65
19   GSD - Primary	0.64
20   GSD - Subtransmission	0.63
21   SBF - Secondary	0.65
22   SBF - Primary	0.64
23   SBF - Subtransmission	0.63
24   IS - Secondary	0.53
25   IS - Primary	0.53

1 IS - Subtransmission 0.52

2 Exhibit No. MRR-3, Conservation Costs Projected, pages 15  
3 through 19 contain the Commission prescribed forms which  
4 detail these estimates.

5  
6 **Q.** Has Tampa Electric complied with the ECCR cost allocation  
7 methodology stated in Docket No. 930759-EG, Order No.  
8 PSC-93-1845-EG?

9  
10 **A.** Yes, it has.

11  
12 **Q.** Please explain why the incentive for GSLM-2 and GSLM-3  
13 rate riders is included in your testimony?

14  
15 **A.** In Docket No. 990037-EI, Tampa Electric petitioned the  
16 Commission to close its non-cost-effective interruptible  
17 service rate schedules while initiating the provision of  
18 a cost-effective non-firm service through a new load  
19 management program. This program would be funded through  
20 the ECCR clause and the appropriate annual contracted  
21 credit value ("CCV") for customers would be submitted for  
22 Commission approval as part of the company's annual ECCR  
23 projection filing. Specifically, the level of the CCV  
24 would be determined by using the Rate Impact Measure  
25 ("RIM") Test contained in the Commission's cost-

1 effectiveness methodology found in Rule 25-17.008, F.A.C.  
2 By using a RIM Test benefit-to-cost ratio of 1.2, the  
3 level of the CCV would be established on a per kilowatt  
4 ("kW") basis. This program and methodology for CCV  
5 determination was approved by the Commission in Docket  
6 No. 990037-EI, Order No. PSC-99-1778-FOF-EI, issued  
7 September 10, 1999.

8  
9 **Q.** What is the appropriate CCV for customers who elect to  
10 take service under the GSLM-2 and GSLM-3 rate riders  
11 during the January through December 2016 period?

12  
13 **A.** For the January through December 2016 period, the CCV  
14 will be \$8.81 per kW. If the 2016 assessment for need  
15 determination indicates the availability of new non-firm  
16 load, the CCV will be applied to new subscriptions for  
17 service under those rate riders. The application of the  
18 cost-effectiveness methodology to establish the CCV is  
19 found in the attached analysis, Exhibit No. MRR-3,  
20 Conservation Costs Projected, beginning on page 63  
21 through 67.

22  
23 **Q.** Please explain why the RSVP-1 rates for Residential Price  
24 Responsive Load Management are in your testimony?

25

1     **A.**    In Docket No. 070056-EG, Tampa Electric's petition to  
 2            allow its pilot residential price responsive load  
 3            management initiative to become permanent was approved by  
 4            the Commission on August 28, 2007. This program is to be  
 5            funded through the ECCR clause and the appropriate annual  
 6            RSVP-1 rates for customers are to be submitted for  
 7            Commission approval as part of the company's annual ECCR  
 8            projection filing.

9  
 10    **Q.**    What are the appropriate Price Responsive Load Management  
 11            rates ("RSVP-1") for customers who elect to take this  
 12            service during the January through December 2016?

13  
 14    **A.**    The appropriate RSVP-1 rates during the January through  
 15            December 2016 period for Tampa Electric's Price  
 16            Responsive Load Management program are as follows:

<u>Rate Tier</u>	<u>(Cents per kWh)</u>
P4	30.774
P3	7.176
P2	(0.645)
P1	(2.165)

17  
 18  
 19  
 20  
 21  
 22  
 23    Page 68 contains the projected RSVP-1 rates for 2016.

24  
 25    **Q.**    Does this conclude your testimony?

1    **A.**    Yes it does.

2

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1                   **CHAIRMAN GRAHAM:** Exhibits?

2                   **MS LHERISSON:** Staff has compiled a stipulated  
3 Comprehensive Exhibit List which includes the prefiled  
4 exhibits attached to the witnesses' testimony in this  
5 case. The list has been provided to the parties, the  
6 Commissioners, and the court reporter. This list is  
7 marked as the first exhibit, and the other exhibits  
8 should be marked as set forth in the chart.

9                   At this time staff would like to move the  
10 Comprehensive Exhibit List marked as Exhibit 1 into the  
11 record.

12                   **CHAIRMAN GRAHAM:** We will move Exhibit 1 into  
13 the record.

14                   (Exhibit 1 marked for identification and  
15 admitted into the record.)

16                   **MS LHERISSON:** In addition, staff would like  
17 to move Exhibits 2 through 13 into the record as set  
18 forth in the Comprehensive Exhibit List.

19                   **CHAIRMAN GRAHAM:** We will also move Exhibits 2  
20 through 13 into the record.

21                   (Exhibits 2 through 13 marked for  
22 identification and admitted into the record.)

23

24

25

1                   **CHAIRMAN GRAHAM:** All right. Once again, this  
2 concludes the hearing for Docket No. 2. Staff.

3                   **MS LHERISSON:** There are no other matters to  
4 be addressed in this docket. As the Commission has made  
5 a bench decision, post-hearing filings are not  
6 necessary. Staff notes that the final order will be  
7 issued on November 25th, 2015.

8                   **CHAIRMAN GRAHAM:** All right. So this will  
9 adjourn Docket No. 2.

10                   (Hearing adjourned at 1:18 p.m.)

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25



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

3  
4 I, LINDA BOLES, CRR, RPR, 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 attorney or counsel connected with the action, nor am I  
17 financially interested in the action.

18 DATED THIS 13th day of November, 2015.

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22  
23  
24  
25  


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LINDA BOLES, CRR, RPR  
FPSC Official Hearings Reporter  
(850) 413-6734