

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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FPSC - COMMISSION CLERK

In the Matter of:

DOCKET NO. 20180002-EG

ENERGY CONSERVATION COST
RECOVERY CLAUSE.

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VOLUME 1
PAGES 1 through 76

PROCEEDINGS: HEARING
COMMISSIONERS
PARTICIPATING: CHAIRMAN ART GRAHAM
COMMISSIONER JULIE I. BROWN
COMMISSIONER DONALD J. POLMANN
COMMISSIONER GARY F. CLARK
COMMISSIONER ANDREW G. FAY

DATE: Monday, November 5, 2018

TIME: Commenced: 1:33 P.M.
Concluded: 1:41 P.M.

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

REPORTED BY: DEBRA R. KRICK
Court Reporter

PREMIER REPORTING
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1 APPEARANCES:

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4 appearing on behalf of Florida Power & Light Company.

5 MATTHEW R. BERNIER, ESQUIRE, 106 East College
6 Avenue, Suite 800, Tallahassee, Florida 32301-7740;

7 DIANNE M. TRIPLETT, ESQUIRE, 299 First Avenue North, St.
8 Petersburg, Florida 33701, appearing on behalf of Duke
9 Energy Florida, LLC.

10 RUSSELL A. BADDERS and STEVEN R. GRIFFIN,
11 ESQUIRES, Beggs & Lane, P.O. Box 12950, Pensacola,
12 Florida 32591-2950; JEFFREY A. STONE, ESQUIRE, One
13 Energy Place, Pensacola, Florida 32320, appearing on
14 behalf of Gulf Power Company.

15 JAMES D. BEASLEY and J. JEFFRY WAHLEN,
16 ESQUIRES, Ausley & McMullen, Post Office Box 391,
17 Tallahassee, Florida 32302, appearing on behalf of Tampa
18 Electric 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.

23 JON C. MOYLE, JR., and KAREN PUTNAL, ESQUIRES,
24 Moyle Law Firm, P.A, 118 North Gadsden Street,
25 Tallahassee, Florida 32301, appearing on behalf of

1 APPEARANCES (CONTINUED):

2 Florida Industrial Power Users Group.

3 JAMES W. BREW, OWEN J. KOPON AND LAURA A.
4 WYNN, ESQUIRES, Stone Matheis Xenopoulos & Brew PC, 1025
5 Thomas Jefferson Street, NW, Eight Floor, West Tower,
6 Washington, DC 20007, appearing on behalf of White
7 Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate
8 - White Springs.

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

15 MARGO A. DUVALL, ESQUIRE, FPSC General
16 Counsel's Office, 2540 Shumard Oak Boulevard,
17 Tallahassee, Florida 32399-0850, appearing on behalf of
18 the Florida Public Service Commission Staff.

19 KEITH HETRICK, GENERAL COUNSEL; MARY ANNE
20 HELTON, DEPUTY GENERAL COUNSEL; Florida Public Service
21 Commission, 2540 Shumard Oak Boulevard, Tallahassee,
22 Florida 32399-0850, Advisor to the Florida Public
23 Service Commission.

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EXHIBITS

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

2 COMMISSIONER CLARK: We will go ahead and call
3 the 2018 clause hearing to order.

4 I want to say a special thank you to Chairman
5 Graham for giving me the opportunity to walk us
6 through this proceeding. I promise to do my very
7 best and not embarrass him. He gave pretty strict
8 orders about how I was go to handle this, but we
9 will try to make everything go as smooth as
10 possible. I appreciate you working with me as I go
11 through my first hearing as Chair.

12 We call the hearing to order. At this time,
13 we will ask staff to please read the notice.

14 MS. DUVAL: By notice issued October 9th,
15 2018, this time and place was set for hearing in
16 Docket Nos. 20180001-EI, 20180002-EG, 20180003-GU,
17 20180004-GU, and 20180007-EI. The purpose of the
18 hearing is set out in the notice.

19 COMMISSIONER CLARK: All right. Let's take
20 appearances. We will begin all the way down on the
21 left with FPL. We will march all the way across
22 and then pick up with staff last.

23 MS. MONCADA: Good afternoon, Commissioners,
24 Maria Moncada from Florida Power & Light here in
25 the 01, 02 and 07 docket. I would also like to

1 enter an appearance for Joel Baker in those three
2 dockets, and in the 01 docket also an appearance
3 for Mr. Will Cox.

4 Thank you.

5 MR. BERNIER: Good afternoon, Commissioners.
6 Matt Bernier for Duke Energy Florida. I am
7 appearing in the 01, 02 and 07 dockets. And I
8 would also like to enter an appearance for Dianne
9 Triplett in those same dockets.

10 Thank you.

11 MR. BADDERS: Good afternoon, Commissioner.
12 My name is Russell Badders. I am here on behalf of
13 Gulf Power. I would like to enter and appearance
14 for myself, Jeffrey Stone and Steve Griffin in the
15 01, 02 and 07 dockets.

16 MR. BEASLEY: Good afternoon, Commissioners.
17 Jim Beasley appearing with Jeff Wahlen, both of the
18 law firm of Ausley McMullen in Tallahassee on
19 behalf of Tampa Electric Company in the 01, 02 and
20 07 dockets.

21 MR. WRIGHT: Good afternoon, Commissioners.
22 Robert Scheffel Wright with the Gardner Law Firm,
23 appearing on behalf of the Florida Retail
24 Federation in the fuel docket only, 20180001. Also
25 please enter an appearance for my partner, John T.

1 LaVia, III.

2 Thank you.

3 MS. KEATING: Good afternoon, Commissioners.
4 Beth Keating with the Gunster Law Firm, here this
5 afternoon for FPU in the 01, 02 and 03 dockets.
6 Also appearing for Florida City Gas in that docket
7 as well. And in that docket, I would like to enter
8 an appearance for my colleague Greg Munson as well
9 as Chris Wright with FPL.

10 In the 04 docket I am also here for FPU
11 Chesapeake as well as Florida City Gas. And again,
12 in that docket I would also like to enter an
13 appearance for Greg Munson with the Gunster Law
14 Firm and Chris Wright with FPL.

15 MS. PUTNAL: Good afternoon. I am Karen
16 Putnal. I am here on behalf of Florida Industrial
17 Power Users Group in the 01 docket. And I would
18 also like to enter an appearance for Jon Moyle as
19 well in that docket.

20 Thank you.

21 MR. BREW: James Brew, I am here for the Stone
22 Law Firm on behalf of PCS Phosphate. And I would
23 also like to make an appearance for Laura Wynn. We
24 are appearing in the dockets 01, 02 and 07.

25 MS. CHRISTENSEN: Patty Christensen, along

1 with Charles Rehwinkel and J.R. Kelly, the Public
2 Counsel. We would like to put an appearance in the
3 01, 02, 03, 04 and 07 dockets.

4 Thank you.

5 MR. CAVROS: Good afternoon, Commissioners.
6 George Cavros on behalf of Southern Alliance for
7 Clean Energy. I am making an appearance in the 07
8 docket.

9 Thank you.

10 COMMISSIONER CLARK: Yes, please.

11 MS. BENTLEY: Good afternoon, my name is April
12 Bentley, and I am entering an appearance for myself
13 and Paula Sparkman from Messer Caparello on behalf
14 of Sebring Gas Systems in Docket 04-GU.

15 COMMISSIONER CLARK: Thank you.

16 Any others?

17 Okay, Ms. DuVal.

18 MS. DUVAL: Margo DuVal in the 02 docket on
19 behalf of staff. Rachael Dziechciarz in the 04
20 docket, Kurt Schrader in the 03 docket, Charles
21 Murphy and Ashley Weisenfeld in the 07 docket and
22 Suzanne Brownless and Johana Nieves in the 01
23 docket.

24 MS. HELTON: And Mary Anne Helton here as your
25 advisor for all of the dockets. I would also like

1 to enter an appearance for your General Counsel,
2 Keith Hetrick.

3 COMMISSIONER CLARK: Okay. Did we get
4 everybody? All right. Great.

5 Ms. DuVal, do we have any notes to mention
6 under the appearances?

7 MS. DUVAL: No, sir.

8 COMMISSIONER CLARK: Okay. I think we would
9 note that St. Joe was dismissed.

10 MS. DUVAL: Oh, yes, my mistake.

11 We would note that St. Joe Natural Gas Company
12 and Peoples Gas Company have been excused from the
13 hearings in the 03 and 04 dockets.

14 COMMISSIONER CLARK: Okay. And the order the
15 dockets.

16 MS. DUVAL: Would be 02, 04, 03, 07 and then
17 01.

18 COMMISSIONER CLARK: Okay. Everybody got
19 those, 02, 04, 03, 07 and 01?

20 Yes, Ms. Putnal.

21 MS. PUTNAL: I would like to add to our
22 appearance both on behalf of FIPUG also the 02 and
23 07 dockets.

24 Thank you.

25 COMMISSIONER CLARK: Okay. All right.

1 Anything else under the order of dockets?

2 COMMISSIONER POLMANN: Commissioner Clark,
3 could you repeat the order, please?

4 COMMISSIONER CLARK: The order will be docket
5 02, 04, 03, 07 and 01.

6 COMMISSIONER POLMANN: Thank you, sir.

7 COMMISSIONER CLARK: Okay. At this time, we
8 will go ahead and open the 02 docket and begin with
9 the preliminary matters.

10 Staff.

11 MS. DUVAL: Staff notes that all witnesses
12 have been excused and all parties have waived
13 opening statements.

14 There are also proposed stipulations on all
15 issues, noting that the parties have stipulated to
16 Issues 1 through 10 with OPC, FIPUG and PCS
17 Phosphate taking no position.

18 COMMISSIONER CLARK: All right. Let's address
19 prefiled testimony.

20 MS. DUVAL: Staff requests that the prefiled
21 testimony of all witnesses identified in Section VI
22 of the prehearing order be inserted into the record
23 as though read.

24 COMMISSIONER CLARK: Okay.

25 (Prefiled testimony inserted.)

DUKE ENERGY FLORIDA, LLC**DOCKET No. 20180002-EG****Energy Conservation and Cost Recovery Final True-up
for the Period January through December 2017****DIRECT TESTIMONY OF****Lori J. Cross****May 1, 2018**

1 **Q. Please 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 Business Services, LLC, as Strategy &
7 Collaboration Director in the Customer Programs Department. Duke Energy
8 Business Services and Duke Energy Florida, LLC ("DEF" or the "Company")
9 are both wholly owned subsidiaries of Duke Energy Corporation.

10

11 **Q. What are your duties and responsibilities in that position?**

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

16

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

2 A. The purpose of my testimony is to compare DEF's 2017 actual energy
3 conservation program costs with actual revenues collected through the
4 Company's Energy Conservation Cost Recovery ("ECCR") Clause during
5 the period January 2017 through December 2017. The Company relies upon
6 the information presented in my testimony and exhibit in the conduct of its
7 affairs.

8

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

10 A. DEF seeks recovery through the ECCR Clause for conservation programs
11 approved by the Commission as part of the Company's DSM Plan, as well as
12 for Conservation Program Administration (i.e., those common administration
13 expenses not specifically assigned to an individual program). 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), as
16 follows:

- 17 • Home Energy Check
- 18 • Residential Incentive
- 19 • Neighborhood Energy Saver
- 20 • Low-Income Weatherization Assistance Program
- 21 • Energy Management (Residential and Commercial)
- 22 • Business Energy Check
- 23 • Better Business

- 1 • Florida Custom Incentive
- 2 • Standby Generation
- 3 • Interruptible Service
- 4 • Curtailable Service
- 5 • Technology Development
- 6 • Qualifying Facility

7

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

9 A. Yes, Exhibit No._(LJC-1T) entitled, "Duke Energy Florida, LLC Energy
10 Conservation Adjusted Net True-Up for the Period January 2017 through
11 December 2017." There are six (6) schedules included in this exhibit.

12

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

14 A. Yes. Exhibit No._(LJC-1T) presents Schedules CT-1 through CT-6.
15 Schedules CT-1 to CT-4 set out actual costs incurred for all programs during
16 the period from January 2017 through December 2017. These schedules also
17 illustrate variances between actual costs and previously projected values for
18 the same time period. Schedule CT-5 provides a brief summary of each
19 conservation program that includes a program description, program
20 accomplishments, annual program expenditures, significant program cost
21 variances versus projections, and a program progress summary over the
22 twelve-month period ending December 2017. Schedule CT-6 is DEF's capital
23 structure and cost rates.

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Q. Would you please discuss Schedule CT-1?

A. Yes. Schedule CT-1 line 14 shows that DEF's actual end-of-period ECCR true-up for December 31, 2017 was an over-recovery of \$2,815,663, including principal and interest.

Q. What does Schedule CT-2 show?

A. The four pages of Schedule CT-2 provide an annual summary of conservation program revenues as well as itemized conservation program costs for the period January 2017 through December 2017 detailing actual, estimated and variance calculations by program. These costs are directly attributable to DEF's Commission-approved programs.

Q. Would you please discuss Schedule CT-3?

A. Yes. Page one of Schedule CT-3 provides actual conservation program costs by month for the period January 2017 through December 2017. Page two of Schedule CT-3 presents program revenues by month offset by expenses, and a calculation of the end of period net true-up for each month and the total for the year. Page three provides the monthly interest calculation. Pages four and five of Schedule CT-3 provide conservation account numbers for the 2017 calendar year.

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

1 A. The five pages of Schedule CT-4 show monthly capital investment,
2 depreciation and return for each conservation program.

3

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

5 A. Yes. Schedule CT-5 provides a brief summary report of each conservation
6 program that includes a program description, program accomplishments,
7 annual program expenditures, significant program cost variances versus
8 projections, and a program progress summary for the 2017 calendar year.

9

10 **Q. What is the purpose of Schedule CT-6?**

11 A. Schedule CT-6 is the capital structure and cost rates used to calculate the
12 return for each applicable conservation program.

13

14 **Q. What is the source of data used to calculate the true-up amount.**

15 A. The actual data used in calculating the actual true-up amounts is from DEF's
16 records, unless otherwise indicated. These records are kept in the regular
17 course of DEF's business in accordance with general accounting principles
18 and practices, provisions of the Uniform System of Accounts as prescribed
19 by the Federal Energy Regulatory Commission, and any accounting rules
20 and orders established by this Commission. Pursuant to Rule 25-17.015(3),
21 Florida Administrative Code, DEF provides a list of all account numbers
22 used for conservation cost recovery during the period January 2017 through
23 December 2017 on Schedule CT-3 pages 4 and 5.

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

3 A. Yes.

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DUKE ENERGY FLORIDA
DOCKET No. 20180002-EG

Energy Conservation Cost Recovery
2018 Actual / Estimated and 2019 Projected Costs

DIRECT TESTIMONY OF
Lori J. Cross

August 10, 2018

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 Business Services, LLC ("DEBS"), as Strategy
7 Collaboration Director Regulatory Strategy in the Customer Programs
8 Department. DEBS is a service-company affiliate of Duke Energy Florida, LLC
9 ("Duke Energy Florida", "DEF", or the "Company").

10

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

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

16

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

2 A. The purpose of my testimony is to describe the components and costs of the
3 Company's DSM programs. I will detail the projected costs for each program,
4 explain how these costs are presented in my attached exhibit, and show the
5 resulting projected Energy Conservation Cost Recovery ("ECCR") factors for
6 2019 customer billings.

7

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

9 A. Pursuant to Rule 25-17.015, F.A.C., Duke Energy Florida seeks recovery
10 through the ECCR clause of costs related to the following conservation
11 programs approved by the Commission as part of the Company's DSM Plan on
12 August 20, 2015 (see Order No. PSC-15-0332-PAA-EG), as well as for common
13 administrative expenses not linked to a specific program:

- 14 • Home Energy Check
- 15 • Residential Incentive Program
- 16 • Neighborhood Energy Saver
- 17 • Low-Income Weatherization Assistance Program
- 18 • Energy Management (Residential and Commercial)
- 19 • Business Energy Check
- 20 • Better Business
- 21 • Florida Custom Incentive
- 22 • Standby Generation
- 23 • Interruptible Service

- 1 • Curtailable Service
- 2 • Technology Development
- 3 • Qualifying Facility
- 4

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

6 A. Yes. Exhibit No._(LJC-1P) supports Duke Energy Florida's energy
7 conservation calculations for the 2018 actual/estimated period and the 2019
8 projection period. There are six (6) schedules included in this exhibit.
9

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

11 A. Yes. Exhibit No._(LJC-1P) presents Schedules C-1 through C-6. Schedules C-
12 1 to C-4 provide projected program costs for calendar year 2019 along with an
13 updated projection of program costs for 2018. The 2018 updated projection of
14 costs includes the actual costs incurred for the period from January 2018
15 through June 2018 and forecasted costs for July through December 2018.
16 Schedule C-5 provides a brief summary report for each program that includes a
17 program description, estimated annual program expenditures for 2019, and a
18 summary of program accomplishments through the period ending June 2018.
19 Schedule C-6 is the capital structure and cost rates used to calculate the return
20 for each applicable conservation program.
21

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

23 A. Schedule C-1 provides the calculation of the cost recovery factors for 2019 by
24 rate class.

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Q. What does Schedule C-2 show?

A. Schedule C-2 provides annual and monthly conservation program cost estimates for the 2019 projection period for each conservation program, as well as for common administration expenses. Additionally, Schedule C-2 presents program costs by specific category (e.g., payroll, materials, incentives, etc.) and includes a schedule of estimated capital investments, depreciation and return for the projection period.

Q. Would you please discuss Schedule C-3?

A. Schedule C-3 contains a detailed breakdown of conservation program costs by specific category and by month for the period of January through June 2018 (actual) and July through December 2018 (estimated). In addition, Schedule C-3 presents a schedule of capital investment, depreciation and return, an energy conservation adjustment calculation of true-up, and a calculation of interest provision for the 2018 actual/estimated period.

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

A. Schedule C-4 provides the projected ECCR revenues for the 2019 projection period.

Q. Would you please discuss Schedule C-5?

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

4

5 **Q. What is the purpose of Schedule C-6?**

6 A. Schedule C-6 provides the capital structure and cost rates used to calculate
7 the Return on Average Investment on Schedules C-2 and C-3.

8

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

10 A. Yes. Schedule C-2, Page 1 of 8, Line 22, shows total 2019 projected program
11 costs of \$113,136,259 partially offset by a prior period over-recovery of
12 \$8,314,779 resulting in estimated net revenue requirements in 2019 of
13 \$104,853,136, after applying the revenue expansion factor of 1.000302. The
14 following table includes DEF's proposed ECCR billing factors, by retail rate
15 class and voltage level for calendar year 2019, as contained in Schedule C-1,
16 Page 2 of 2.

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2019 ECCR Billing Factors

	Secondary	Primary	Transmission
<u>Retail Rate Schedule</u>	<u>Voltage</u>	<u>Voltage</u>	<u>Voltage</u>
Residential (Cents/kWh)	.297	N/A	N/A
General-Service-Non-Demand (Cents/kWh)	.286	.283	.280
General Service 100% Load Factor (Cents/kWh)	.194	N/A	N/A
General Service Demand (\$/kW)	.94	.93	.92
Curtable (\$/kW)	.41	.41	.40
Interruptible (\$/kW)	.79	.78	.77
Standby Monthly (\$/kW)	.091	.090	.089
Standby Daily (\$/kW)	.043	.043	.042
Lighting (Cents/kWh)	.081	N/A	N/A

13

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

15 A. Yes.

16

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **TESTIMONY OF RENAE B. DEATON**

4 **DOCKET NO. 20180002-EG**

5 **MAY 1, 2018**

6

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

8 A. My name is Renae B. Deaton. My business address is Florida Power & Light
9 Company, 700 Universe Boulevard, Juno Beach, Florida 33408.

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

11 A. I am employed by Florida Power & Light Company (“FPL” or the “Company”) as
12 Director, Cost Recovery Clauses, in the Regulatory & State Governmental Affairs
13 Department.

14 **Q. Please describe your educational background and professional experience.**

15 A. I hold a Bachelor of Science in Business Administration and a Master of Business
16 Administration from Charleston Southern University. Since joining FPL in 1998,
17 I have held various positions in the rates and regulatory areas. Prior to my current
18 position, I held the positions of Senior Manager of Cost of Service and Load
19 Research and Senior Manager of Rate Design in the Rates and Tariffs Department.
20 I am a member of the Edison Electric Institute (“EEI”) Rates and Regulatory Affairs
21 Committee, and I have completed the EEI Advanced Rate Design Course. I have
22 been a guest speaker at Public Utility Research Center/World Bank International
23 Training Programs on Utility Regulation and Strategy. In 2016, I assumed my

1 current position as Director, Cost Recovery Clauses, where I am responsible for
2 providing direction as to the appropriateness of inclusion of costs through a cost
3 recovery clause and the overall preparation and filing of all cost recovery clause
4 documents including testimony and discovery.

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

6 A. Yes.

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

8 A. The purpose of my testimony is to present for Commission review and approval the
9 schedules supporting the calculation of the Energy Conservation Cost Recovery
10 (“ECCR”) Clause final net true-up amount for the period January 2017 through
11 December 2017.

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

14 A. Yes, I am sponsoring Schedules CT-1 and CT-4, and co-sponsoring Schedules CT-
15 2 and CT-3, in Exhibit AS-1. The specific sections of Schedules CT-2 and CT-3
16 that I am sponsoring are identified in the Table of Contents, which is found in
17 Exhibit AS-1, page 1.

18 **Q. What is the source of the data used in calculating the final net true-up amount
19 for the January 2017 through December 2017 period?**

20 A. Unless otherwise indicated, the data used in calculating the final net true-up amount
21 were taken from the books and records of FPL. The books and records are kept in
22 the regular course of the Company’s business in accordance with generally accepted
23 accounting principles and practices, and in accordance with the applicable provisions

1 of the Uniform System of Accounts as prescribed by this Commission and directed
2 in Rule 25-17.015, Florida Administrative Code. Schedule CT-2, pages 6 and 7
3 provides a complete list of all account numbers used for ECCR during the period
4 January 2017 through December 2017.

5 **Q. What is the actual end of period true-up amount that FPL is requesting the**
6 **Commission to approve for the January 2017 through December 2017 period?**

7 A. FPL has calculated and is requesting approval of an over-recovery of \$14,436,826
8 including interest, as the actual end of period true-up amount for the period January
9 2017 through December 2017. The calculation of this \$14,436,826 over-recovery is
10 shown on Schedule CT-3, page 9, line 7 plus line 8.

11 **Q. What is the final net true-up amount for the January 2017 through December**
12 **2017 period that FPL is requesting to be included in the January 2019 through**
13 **December 2019 ECCR factors?**

14 A. FPL has calculated and is requesting approval of an over-recovery of \$8,637,401 as
15 the final net true-up amount for the period January 2017 through December 2017.
16 This final net true-up over-recovery of \$8,637,401 is the difference between the
17 actual end of period true-up over-recovery of \$14,436,826 and the actual/estimated
18 true-up over-recovery of \$5,799,425 approved by the Commission in Order No. PSC-
19 2017-0434-FOF-EG, issued November 14, 2017. The calculation of the \$8,637,401
20 over-recovery is shown on Schedule CT-1, page 2.

21 **Q. Was the calculation of the final net true-up amount for the period January 2017**
22 **through December 2017 performed consistently with prior true-up calculations**

1 **in predecessor ECCR dockets?**

2 A. Yes. The calculation of the final net true-up amount for the period January 2017
3 through December 2017 was performed consistently with prior true-up calculations
4 in predecessor ECCR dockets.

5 **Q. Have you provided a schedule showing the variances between actual and**
6 **actual/estimated program costs and revenues for the period January 2017**
7 **through December 2017?**

8 A. Yes. Schedule CT-2, page 3, compares actual to actual/estimated program costs,
9 revenues and interest, resulting in the variance of \$8,637,401.

10 **Q. Please explain the calculation of the \$8,637,401 variance.**

11 A. The difference between 2017 actual and actual/estimated ECCR revenues, net of
12 revenues taxes of \$169,736 (CT-2, page 3, line 12) minus the difference between
13 2017 actual and actual/estimated total adjusted program costs of (\$8,438,622) (CT-
14 2, page 3, line 9) results in a variance of \$8,608,361 (CT-2, page 3, line 13). This
15 \$8,608,361 variance, plus the variance of \$29,040 in interest (CT-2, page 3, line
16 14), results in the net over-recovery of \$8,637,401 (CT-2, page 3, line 18).

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

18 A. Yes.

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **TESTIMONY OF RENAE B. DEATON**

4 **DOCKET NO. 20180002-EG**

5 **AUGUST 10, 2018**

6

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

8 A. My name is Renae B. Deaton and my business address is 700 Universe Boulevard,
9 Juno Beach, FL 33408. I am employed by Florida Power & Light Company (“FPL”
10 or “the Company”) as Director of Clause Recovery and Wholesale Rates in the
11 Regulatory Affairs Department.

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

13 A. Yes.

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

15 A. The purpose of my testimony is to present the schedules necessary to support the
16 actual/estimated Energy Conservation Cost Recovery (“ECCR”) clause true-up for
17 the period January 2018 through December 2018 and the calculation of the ECCR
18 factors based on the projected ECCR costs for FPL’s Demand Side Management
19 (“DSM”) programs to be incurred during the months of January 2019 through
20 December 2019.

21

22

1 **Q. Have you prepared or caused to be prepared under your direction, supervision**
2 **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 that I
5 am sponsoring are identified in the Table of Contents, which is found on Exhibit
6 AS-2, page 1.

7 **Q. What is the source of the data used in calculating the 2018 actual/estimated true-**
8 **up amount?**

9 A. Unless otherwise indicated, the data used in calculating the 2018 actual/estimated
10 true-up amount was taken from the books and records of FPL. The books and records
11 are kept in the regular course of the Company's business in accordance with generally
12 accepted accounting principles and practices, and with the applicable provisions of
13 the Uniform System of Accounts as prescribed by this Commission and directed in
14 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 amount for 2018 included in Exhibit AS-2.**

17 A. Schedule C-3, pages 22 and 23 provide the calculation of the 2018 ECCR end of
18 period net true-up and actual/estimated true-up amounts. The end of period net true-
19 up amount to be carried forward to the 2019 ECCR factors is an over-recovery of
20 \$13,711,769 (Schedule C-3, page 22, line 9). This \$13,711,769 over-recovery
21 includes the 2017 final true-up over-recovery of \$8,637,400 (Schedule C-3, page 22,
22 line 7a) filed with the Commission on May 1, 2018, and the 2018 actual/estimated

1 true-up over-recovery, including interest, of \$5,074,368 (Schedule C-3, page 22,
2 lines 5 plus 6) for the period January 2018 through December 2018. The 2018
3 actual/estimated true-up is based on actual data for the period January 2018 through
4 June 2018 and revised estimates for the period July 2018 through December 2018.

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

7 A. Yes, they were.

8 **Q. Have you prepared calculations of the allocation factors for demand and**
9 **energy?**

10 A. Yes. Schedule C-1, page 3 in Exhibit AS-2 provides these calculations. The
11 demand allocation factors are calculated by determining the percentage each rate
12 class contributes to the monthly system peaks. The energy allocation factors are
13 calculated by determining the percentage each rate class contributes to total kWh
14 sales, as adjusted for losses.

15 **Q. Have you prepared calculations of the 2019 ECCR factors by rate class?**

16 A. Yes. Schedule C-1, page 4 in Exhibit AS-2 provides the calculations of FPL's 2019
17 ECCR factors being requested.

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

19 A. Yes.

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
2 **FLORIDA POWER & LIGHT COMPANY**
3 **TESTIMONY OF ANITA SHARMA**
4 **DOCKET NO. 20180002-EG**
5 **MAY 1, 2018**

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.

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

11 A. I am employed by Florida Power and Light Company (“FPL”) as Manager, Cost &
12 Performance for Demand-Side Management (“DSM”) programs.

13 **Q. Please describe your educational and professional background and experience.**

14 A. I received a Masters in Economics in 1983 and a Masters in Finance in 2006 from
15 Florida International University. I began working at FPL in 1985 as an Assistant
16 Economist and have worked in positions of increasing responsibility in the areas of
17 economics and energy forecasting. I began in my present position as Manager of Cost
18 & Performance for DSM programs in March 2009.

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

20 A. Yes.

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

1 A. The purpose of my testimony is to present the actual Energy Conservation Cost
2 Recovery costs for FPL's DSM programs for the period January 2017 through
3 December 2017.

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

6 A. Yes. I am sponsoring Schedules CT-5, CT-6 and Appendix A and co-sponsoring
7 Schedules CT-2 and CT-3 in Exhibit AS-1. The specific sections of Schedules CT-2
8 and CT-3 that I am co-sponsoring are identified in Exhibit AS-1, page 1, Table of
9 Contents.

10 **Q. For the January 2017 through December 2017 period, did FPL seek recovery of**
11 **any costs for advertising which makes a specific claim of potential energy savings**
12 **or states appliance efficiency ratings or savings?**

13 A. Yes.

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

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

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

21 A. Yes.

1 **Q. How did FPL's actual program costs for the January 2017 through December**
2 **2017 period compare to the actual/estimated costs presented in Docket No.**
3 **20170002-EG, and approved in Order No. PSC-2017-0434-FOF-EG?**

4 A. Actual program costs for the period were \$154,916,595. The actual/estimated
5 program costs were \$163,355,217. Therefore, actual costs were \$8,438,622 or
6 approximately five percent lower than the actual/estimated costs (see Schedule CT-2,
7 page 3, line 9). Each program's contribution to the variance is shown on Schedule
8 CT-2, page 5.

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

10 A. Yes.

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **TESTIMONY OF ANITA SHARMA**

4 **DOCKET NO. 20180002-EG**

5 **AUGUST 10, 2018**

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”) as
10 Manager, Cost & Performance for Demand-Side Management programs.

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-Side
16 Management (“DSM”) programs to be incurred by FPL during January through
17 December 2019 and the actual/estimated ECCR costs for January through December
18 2018.

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 and
21 C-3. The specific sections of Schedules C-2 and C-3 that I am co-sponsoring are shown
22 on the Table of Contents (Exhibit AS-2, Page 1).

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 2019 projections and 2018 actual/estimated costs are based on the programs
4 from FPL's DSM Plan approved by the Commission in Docket 150085-EG. The costs
5 also include some residual carryover costs associated with the Business Photovoltaic for
6 Schools Pilot from FPL's previously-approved DSM Plan that was discontinued in the
7 current DSM Plan.

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

10 A. The actual costs for the months of January through June 2018 came from the books and
11 records of FPL. The books and records are kept in the regular course of FPL's business
12 in accordance with generally accepted accounting principles and practices and with the
13 applicable provisions of the Uniform System of Accounts as prescribed by this
14 Commission and directed in Rule 25-17.015, Florida Administrative Code.

15
16 Costs for the months of July through December 2018 and January through December
17 2019 are projections compiled from detailed month-by-month analyses for each
18 program which were prepared by the relevant departments within FPL. The projections
19 have been created in accordance with FPL's standard budgeting and on-going cost
20 justification processes.

21

1 **Q. What are the ECCR costs for the January through December 2018**
2 **actual/estimated period?**

3 A. The actual/estimated costs for the period January – December 2018 are \$162,812,015 as
4 shown on Exhibit AS-2, Schedule C-3, page 21, line 18.

5 **Q. What are the 2019 costs FPL is requesting the Commission to approve?**

6 A. FPL is requesting approval of \$153,423,778 for recovery during the period of January
7 through December 2019 as shown on Exhibit AS-2, Schedule C-1, page 2, line 8. This
8 includes projected costs for January through December 2019 of \$167,101,642 as shown
9 on Exhibit AS-2, Schedule C-1, page 2, line 1 as well as prior and current period over
10 recoveries, interest and applicable revenue taxes.

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

12 A. Yes.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 180002-EG
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct (True Up) Testimony of
CURTIS D. YOUNG

On 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, 2017 through
10 December 31, 2017 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, 2017 through December 31, 2017.

- 1 A. The Company over-recovered \$60,042 during that period. This
2 amount is substantiated on Schedule CT-3, page 2 of 3, Energy
3 Conservation Adjustment.
- 4 Q. How does this amount compare with the estimated true-up amount
5 which was allowed by the Commission during the November 2017
6 hearing?
- 7 A. The cost recovery factors approved by the Commission in Docket No.
8 170002-EG were based upon an anticipated over-recovery of \$65,183
9 as of December 31, 2017.
- 10 Q. Have you prepared any exhibits at this time?
- 11 A. We have prepared and pre-filled Schedules CT-1, CT-2, CT-3, CT-4,
12 CT-5 and CT-6 (Composite Exhibit CDY-1).
- 13 Q. Does this conclude your testimony?
- 14 A. Yes.

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 DOCKET NO. 20180002-EG - In Re: Energy Conservation Cost Recovery

3 Clause

4 DIRECT TESTIMONY OF DANIELLE N.B. MULLIGAN

5 On behalf of

6 Florida Public Utilities Company

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

8 A. My name is Danielle Mulligan. I am the Marketing and Conservation
9 Manager for Florida Public Utilities Company. My business address is 450
10 S. Charles Richard Beall Blvd, DeBary, Florida 32713.

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

12 A. I graduated from the University of Phoenix in 2003 with a Bachelor of
13 Science in Business Marketing. I have been employed by FPUC since 2010,
14 initially serving as an Energy Conservation Representative for three years
15 before being promoted to the position of Marketing Manager. On June 1,
16 2017, I was given the additional responsibility of overseeing the Energy
17 Conservation department, which entails management of the Company's
18 electric and gas conservation programs to ensure compliance with all Florida
19 Public Service Commission (FPSC) rules as it pertains to Energy
20 Conservation programs. I am also involved in the preparation of various
21 conservation program related regulatory filings.

22 **Q. Are you familiar with the electric conservation programs of the Company
23 and costs which have been, and are projected to be, incurred?**

24 A. Yes.

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

2 A. To describe generally the expenditures made and projected to be made in
3 implementing, promoting, and operating the Company's electric conservation
4 programs. This will include recoverable costs incurred in January through
5 June 2018 and projections of program costs to be incurred from July through
6 December 2018. It will also include projected electric conservation costs for
7 the period January through December 2019, with a calculation of the
8 Conservation Adjustment Factor to be applied to the Company's consolidated
9 electric customers' bills during the collection period of January 1, 2019
10 through December 31, 2019.

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

12 A. Yes. The Company wishes to sponsor as exhibits Schedules C-1, C-2, C-3, C-
13 4, C-5, contained in my composite Exhibit DNBM-1.

14 **Q. Has the Company prepared summaries of its electric conservation
15 programs and the costs associated with these programs?**

16 A. Yes. Summaries of the electric conservation programs as approved in Docket
17 No. 150089-EG, the petition for approval of the demand-side management
18 plan, are contained in Schedule C-5 of Exhibit DNBM-1. Included are the
19 Residential Energy Survey Program, the Residential Heating and Cooling
20 Efficiency Program, the Commercial Heating and Cooling Efficiency
21 Program, the Commercial Chiller Upgrade Program, the Electric Conservation
22 Demonstration and Development Program, the Low Income Energy Outreach
23 Program, the Commercial Reflective Roof Program and the Commercial

1 Energy Consultation Program.

2 **Q. What is the status of the Company's Distributed Battery Technology Pilot**
3 **program that you described in your testimony submitted with the**
4 **Company's 2017 Projection filing in Docket No. 20170002-EG?**

5 A. The pilot is expected to launch during the third quarter of 2018 to test the
6 viability of using battery storage technology to improve customer's electric
7 system reliability and resiliency. In addition, the pilot will test whether the
8 technology can be used to lower FPU's power supply cost and test the viability
9 of using storage batteries to integrate renewables into FPUC's power purchase
10 portfolio. The Company projects \$41,300 will be spent on the Distributed
11 Battery Technology Pilot program in 2019.

12 **Q. Has the Company prepared schedules that show the expenditures**
13 **associated with its electric conservation programs for the periods you**
14 **have mentioned?**

15 A. Yes, Schedule C-3, Pages 1 and 1A of 5, Exhibit DNBM-1 shows actual
16 expenses for the months January through June 2018. Projections for July
17 through December 2018 are also shown on Schedule C-3, Pages 1 and 1A.
18 Projected expenses for the January through December 2019 period are shown
19 on Schedule C-2, Page 1 of 3 of Exhibit DNBM-1.

20 **Q. Has the Company prepared schedules that show revenues for the period**
21 **January through December 2018?**

22 A. Yes. Schedule C-4 shows actual revenues for the months January through
23 June 2018 and projected revenues for July through December 2018 and

1 January through December 2019.

2 **Q. Has the Company prepared a schedule that shows the calculation of its**
3 **proposed Conservation Adjustment Factor to be applied during billing**
4 **periods from January 1, 2019 through December 31, 2019?**

5 A. Yes. Schedule C-1 of Exhibit DNBM-1 shows these calculations. Net
6 program cost estimates for the period January 1, 2019 through December 31,
7 2019 are used. The estimated true-up amount from Schedule C-3 (Page 4 of 5,
8 Line 11) of Exhibit DNBM-1, being an over-recovery, was added to the total
9 of the projected costs for the twelve-month period. The total projected
10 recovery amount, including estimated true-up, was then divided by the
11 projected Retail KWH Sales for the twelve-month period ending December
12 31, 2019. The resulting Conservation Adjustment Factor is shown on
13 Schedule C-1 (Page 1 of 1) of Exhibit DNBM-1.

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

16 A. The Conservation Adjustment Factor is \$.00097.

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

18 A. Yes.

1 GULF POWER COMPANY

2 Before the Florida Public Service Commission
3 Prepared Direct Testimony of
4 John N. Floyd
5 Docket No. 20180002-EG
6 Date of Filing: May 1, 2018

- 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
9 Place, Pensacola, Florida 32520. I am employed by Gulf Power Company
10 (Gulf or the Company) as the Energy Efficiency and Renewables
11 Manager.
- 12 Q. Mr. Floyd, please describe your educational background and business
13 experience.
- 14 A. I received a Bachelor Degree in Electrical Engineering from Auburn
15 University in 1985. After serving four years in the U.S. Air Force, I began
16 my career in the electric utility industry at Gulf Power in 1990 and have
17 held various positions with the Company in Power Generation, Metering,
18 Power Delivery and Marketing. In my present position, I am responsible
19 for the development and implementation of Gulf's customer program
20 offerings associated with the Company's Demand-Side Management
21 (DSM) Plan.
- 22
- 23 Q. Have you previously testified before this Commission in connection with
24 the Energy Conservation Cost Recovery Clause?
- 25 A. Yes.

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 2017 through December 2017.

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,
15 CT-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 2017 through December 2017, previously filed, were
23 \$12,276,202. The actual expenses incurred in 2017 were \$11,854,558,
24 which resulted in a variance of \$421,644 or 3.4% under the projection.
25 See Schedule CT-2, Line 10.

1 Q. Mr. Floyd, would you explain the January 2017 through December 2017
2 variance?

3 A. Yes. The variance was a result of actual expenses being less than
4 estimated in the majority of the programs. These variances were partially
5 offset by the following programs which experienced more actual expenses
6 than estimated: Residential Energy Audit and Education, Residential
7 Custom Incentive, Commercial/Industrial Energy Audit, HVAC
8 Retrocommissioning and Conservation Demonstration and Development.
9 Overall, these variances mean that actual program expenses for the 12-
10 month period through December 2017 were \$421,644 less than the level
11 of estimated/actual program expenses filed on August 18, 2017. A more
12 detailed description of the deviations is contained in Schedule CT-3, Page
13 1 and Schedule CT-6.

14
15 Q. Mr. Floyd, what was Gulf's adjusted net true-up for the period January
16 2017 through December 2017?

17 A. There was a \$43,106 over-recovery as shown on Schedule CT-1.

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

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

24
25

- 1 (A) Residential Energy Surveys - During the 2017 recovery period, the
2 Company completed 12,314 surveys compared to the projection of
3 6,304.
- 4 (B) Community Energy Saver – During the 2017 recovery period, the
5 Company served a total of 2,500 eligible participants compared to a
6 projection of 2,500.
- 7 (C) Residential Custom Incentive – During the 2017 recovery period,
8 no participants enrolled in this program.
- 9 (D) HVAC Efficiency – During the 2017 recovery period, there were a
10 total of 2,464 participants in this program compared to a projection
11 of 5,979.
- 12 (E) Residential Building Efficiency – During the 2017 recovery period,
13 there were a total of 510 participants in this program compared to a
14 projection of 643.
- 15 (F) Energy Select - During the 2017 recovery period, there was a net
16 increase of 1,439 customers with a total of 19,159 customers
17 on-line as of December 31, 2017. Gulf projected 1,600 net new
18 customer additions during 2017.
- 19 (G) Commercial/Industrial (C/I) Energy Analysis - During the 2017
20 recovery period, a total of 222 C/I Energy Analyses were completed
21 compared to a projection of 262.
- 22 (H) Commercial HVAC Retrocommissioning – During the 2017
23 recovery period, there were 214 participants in this program
24 compared to a projection of 60.

25

- 1 (I) Commercial Building Efficiency - During the 2017 recovery period,
2 Gulf Power had 52,946 square feet of qualifying measure installed.
3 Comparisons to 2017 projections can be found in Schedule CT-6.
- 4 (J) Commercial/Industrial Custom Incentive – During the 2017
5 recovery period, there was a total of 1 participant enrolled in this
6 program compared to a projection of 0 participants.
- 7 (K) Residential Time of Use Rate Pilot – Further description of the
8 Residential Time of Use Rate pilot program can be found in
9 Schedule CT-6.
- 10 (L) Conservation Demonstration and Development – Further
11 description of the 2017 Conservation Demonstration and
12 Development projects can be found in Schedule CT-6.

13

14

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

17 A. Yes.

18

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

20 A. Yes, it does.

21

22

23

24

25

1 GULF POWER COMPANY

2 Before the Florida Public Service Commission
3 Prepared Direct Testimony of
4 John N. Floyd
5 Docket No. 20180002-EG
6 Energy Conservation Cost Recovery Clause
7 August 10, 2018

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

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

13 Q. Mr. Floyd, please describe your educational background and business
14 experience.

15 A. I received a Bachelor Degree in Electrical Engineering from Auburn
16 University in 1985. After serving four years in the U.S. Air Force, I began
17 my career in the electric utility industry at Gulf Power in 1990 and have
18 held various positions with the Company in Power Generation, Metering,
19 Power Delivery and Marketing. In my present position, I am responsible
20 for the development and implementation of Gulf's customer program
21 offerings associated with the Company's Demand-Side Management
22 (DSM) Plan.
23
24
25

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

3 A. I am testifying before this Commission on behalf of Gulf Power to address
4 matters related to the Energy Conservation Cost Recovery (ECCR)
5 Clause and to answer any questions concerning the calculation of
6 recoverable conservation costs in this filing. Specifically, I will address
7 projections for approved programs during the January 2019 through
8 December 2019 recovery period and the anticipated results of those
9 programs during the current recovery period, January 2018 through
10 December 2018 (six months actual, six months estimated).

11

12 Q. Have you prepared exhibits that contain information to which you will refer
13 in your testimony?

14 A. Yes. My exhibit consists of six schedules, each of which was prepared
15 under my direction, supervision, or review.

16 Counsel: We ask that Mr. Floyd's exhibits
17 consisting of six schedules be marked as
18 Exhibit No. ____ (JNF-2).

19

20

21

22

23

24

25

1 Q. Would you summarize for this Commission the deviations resulting from
2 the actual costs for January 2018 through June 2018 of the current
3 recovery period?

4 A. Projected expenses for the first six months of the current period were
5 \$7,416,770 compared to actual expenses of \$5,622,232 for a difference of
6 \$1,794,538 or 24% under budget. A detailed summary of all program
7 expenses is contained in my Schedule C-3, pages 1 and 2, and my
8 Schedule C-5.

9

10 Q. Did you project expenses for the period July 2018 through December
11 2018?

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

14

15 Q. How do the estimated expenses compare to projected expenses included
16 in the 2018 Projection filing for the period July – December 2018?

17 A. Estimated expenses for the period July – December 2018 of \$6,525,010
18 are \$570,282 or 8% less than the projected expenses for that same period
19 of \$7,095,292.

20

21 Q. Have you provided a description of Gulf's DSM program results achieved
22 during the period, January 2018 through June 2018?

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

25

1 Q. Would you summarize the conservation program cost projections for the
2 January 2019 through December 2019 recovery period?

3 A. Yes. Program costs for the projection period are estimated to be
4 \$14,779,215. These costs are broken down as follows: depreciation,
5 return on investment and property taxes, \$3,348,704; payroll/benefits,
6 \$3,611,612; materials/expenses, \$5,457,277; advertising, \$612,364; and
7 incentives, \$1,749,258. More detail concerning these projections is
8 contained in my Schedule C-2.

9

10 Q. Are the Company's projected expenses for the January 2019 through
11 December 2019 period reasonable and appropriate for cost recovery?

12 A. Yes. Gulf continually evaluates the resources necessary to deliver the
13 DSM Plan and all of its components in order to meet the Company's DSM
14 goals. With the current level of goals, Gulf has carefully considered the
15 appropriate level of resources necessary to achieve the goals.

16

17 Q. What is the basis for Gulf's conservation program cost projections for the
18 January 2019 through December 2019 recovery period?

19 A. These projections are based on program cost estimates associated with
20 Gulf's 2015 DSM Plan approved on August 19, 2015, in Florida Public
21 Service Commission (FPSC or Commission) Order No. PSC-2015-0330-
22 PAA-EG.

23

24

25

1 Q. Would you describe the expected results for your programs during the
2 January 2019 through December 2019 recovery period?

3 A. Program details, including expected results, for the period January 2019
4 through December 2019 can be found in my Schedule C-5.
5

6 Q. Are there any new programs included in this filing?

7 A. Yes. In March 2018, the Commission approved the experimental
8 Curtailable Load (CL) program as part of the Company's Demand-Side
9 Management Plan in Order No. PSC-2018-0159-PAA-EI. This rider was
10 filed to fulfill a commitment of Gulf's Stipulation and Settlement Agreement
11 approved by the Commission in Order No. PSC-2017-0178-S-EI in
12 consolidated Docket Nos. 20160186-EI and 20160170-EI dated May 16,
13 2017.
14

15 Q. Are expenses for this program projected for the period July through
16 December 2018?

17 A. No. At this time the Company does not expect any customers to elect the
18 CL Rider during 2018.
19

20 Q. Are expenses for this program projected for the period January through
21 December 2019?

22 A. Yes. Gulf anticipates customer participation in this program during the
23 2019 recovery period and has, therefore, projected recoverable expenses
24 as provided in Schedule C-3.
25

1 Q. Is the CL credit projected to change from the currently approved rate
2 during the recovery period?

3 A. Yes. Beginning in January 2019, the CL credit for newly subscribed
4 qualifying capacity will increase to \$5.57 per kW.

5

6 Q. Why is the CL Credit changing from the current amount?

7 A. The CL Credit is based on the value of avoidable capacity associated with
8 the Company's next planned generating unit. For the current planning
9 period, this unit is a combined cycle unit scheduled to be in service in
10 2024. Consequently, the CL credit is being adjusted to correspond with
11 the type and timing of this unit.

12

13 Q. What is the impact in total dollars and to the Residential ECCR rate for
14 this program?

15 A. The projected 2019 net impact of this new experimental rider is an
16 increase of \$141,000. This calculated impact is based on projected
17 customer participation in the CL program offset by reduced expenses in
18 the Company's Critical Peak Option (CPO) program, from which
19 customers participating in the CL program are projected to switch. The
20 resulting net impact to the Residential ECCR rate is \$0.00002 or \$0.02 per
21 1,000 kWh. Additional customer participation in the program would impact
22 annual expenses by \$5.57 per kW of qualifying capacity per month.

23

24

25

1 Q. Are any other programs impacted by this change in the next planned
2 generating unit?

3 A. Yes. The Large Power Time of Use (LPT) Critical Peak Option (CPO) On-
4 Peak Demand Credit and the Critical Peak Demand Charge will also be
5 updated as a result of this change.

6

7 Q. What will the recoverable CPO rates be in 2019?

8 A. Beginning January 2019, the On-Peak Demand Credit will equal \$4.89 per
9 kW of On-Peak billing demand, and the Critical Peak Demand Charge will
10 equal \$58.68 per kW of Critical Peak billing demand.

11

12 Q. What is the total proposed 2019 factor for Rate Schedule RS and what will
13 be the charge for a 1,000 kWh monthly bill on Gulf Power's Rate Schedule
14 RS?

15 A. The proposed Energy Conservation Cost Recovery factor for Rate
16 Schedule RS is .125 cents per kWh, which results in a charge of \$1.25 on
17 a 1,000 kWh monthly bill on Gulf Power's Rate Schedule RS.

18

19 Q. When does Gulf propose to collect these Energy Conservation Cost
20 Recovery charges?

21 A. The factors will be effective beginning with the first bill group for January
22 2019 and continue through the last bill group for December 2019.

23

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

25 A. Yes, it does.

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 Manager, 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 twenty 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 and
5 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 2017 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 2017-December 2017" 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 2017

1 period.

2

3 **Q.** What were Tampa Electric's actual January through
4 December 2017 conservation costs?

5

6 **A.** For the period, January through December 2017, Tampa
7 Electric incurred actual net conservation costs of
8 \$37,585,598.

9

10 **Q.** What is the final end of period true-up amount for the
11 conservation clause for January through December 2017?

12

13 **A.** The final conservation clause end of period true-up for
14 January through December 2017 is an under-recovery,
15 including interest, of \$649,400. 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 2017 period compare to
20 the actual/estimated costs presented in Docket No.
21 20170002-EG?

22

23 **A.** For the period, January through December 2017, Tampa
24 Electric had a variance of \$2,235,839 or 5.59 percent
25 less than the estimated amount. The estimated total

1 program costs were projected to be \$39,821,438 which was
2 the amount approved in Order No. PSC 2017-0434-FOF-EG,
3 issued November 14, 2017 as compared to the incurred
4 actual net conservation costs of \$37,585,598.

5
6 **Q.** Please summarize the reasons why the actual expenses were
7 less than projected expenses by \$2,235,839?

8
9 **A.** The variance was a result of the following actual
10 expenses being less than estimated in the following
11 residential programs: Walk-Through Energy Audits;
12 Customer Assisted Energy Audits; Computer Assisted
13 Audits; Ceiling Insulation; Electronically Commutated
14 Motors; ENERGY STAR for Multi-Family Residences; Heating
15 and Cooling; Neighborhood Weatherization; Energy Planner;
16 Wall Insulation; Window Replacement; and Prime Time.
17 Additionally, actual expenses less than estimated in the
18 following commercial/industrial programs: Energy Audits;
19 Comprehensive Energy Audits; Chiller; Conservation Value;
20 Cool Roof; Lighting Conditioned Space; Refrigeration
21 Anti-Condensate Control; Standby Generator; Thermal
22 Energy Storage; Water Heating; Conservation Research and
23 Development; and Renewable Energy Program. Common actual
24 expenses were also less than estimated. Each DSM
25 program's detailed variance and common variance

1 contribution is shown on Schedule CT-2, Page 3 of 4.

2

3 **Q.** Are all costs listed on Schedule CT-2 directly related to
4 the Commission's approved DSM programs?

5

6 **A.** Yes.

7

8 **Q.** When did Tampa Electric transition to the Commission
9 approved new 2015-2024 Ten-Year DSM Plan?

10

11 **A.** Tampa Electric transitioned to the Commission approved
12 new 2015-2024 Ten-Year DSM Plan on November 3, 2015 for
13 all DSM programs except for the Renewable Energy Systems
14 Initiative which was retired on December 31, 2015.

15

16 **Q.** Should Tampa Electric's cost incurred during the January
17 through December 2017 period for energy conservation be
18 approved by the Commission?

19

20 **A.** Yes, the costs incurred were prudent and directly related
21 to the Commission's approved DSM programs and should be
22 approved.

23

24 **Q.** Does that conclude your testimony?

25

1 **A.** Yes, it does.

2

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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") and Peoples Gas System ("Peoples") as
12 Manager, Regulatory Rates in the Regulatory Affairs
13 Department.

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

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

1 Distributed Resources, Load Management, Power Quality,
2 Distribution Control Center operations, Meter Department,
3 Meter Field Operations, Service Delivery, Revenue
4 Assurance, Commercial and Industrial Energy Management
5 Services, Demand Side Management ("DSM") Planning and
6 Forecasting. In my current position, I am responsible
7 for Tampa Electric's Energy Conservation Cost Recovery
8 ("ECCR") Clause, Peoples' Natural Gas Conservation Cost
9 Recovery Clause and Tampa Electric's Storm Hardening.

10
11 **Q.** Have you previously testified before the Florida Public
12 Service Commission ("Commission")?

13
14 **A.** Yes. I have testified before this Commission on
15 conservation and load management activities, DSM plan
16 approval dockets and other ECCR dockets.

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

19
20 **A.** The purpose of my testimony is to support the company's
21 actual conservation costs incurred during the period
22 January through December 2017, the actual/projected
23 period January to December 2018, and the projected period
24 January through December 2019. The projected 2019 ECCR
25 factors have been calculated based on the current

1 approved allocation methodology. Also, I will support
2 the appropriate Contracted Credit Value ("CCV") for
3 participants in the General Service Industrial Load
4 Management Riders ("GSLM-2" and "GSLM-3") for the period
5 January through December 2019. In addition, I will
6 support the appropriate Residential Variable Pricing
7 Rates ("RSVP-1") for participants in the Residential
8 Price Responsive Load Management Program for the period
9 January through December 2019.

10
11 **Q.** Did you prepare any exhibits in support of your
12 testimony?

13
14 **A.** Yes. Exhibit No. MRR-2 was prepared under my direction
15 and supervision. This document includes Schedules C-1
16 through C-5 and associated data which support the
17 development of the conservation cost recovery factors for
18 January through December 2019 using the current 12
19 Coincident Peak ("CP") and 1/13 Average Demand ("AD")
20 Factor allocation methodology.

21
22 **Q.** Does the Exhibit No. MRR-2 meet the requirements of
23 Florida Statute Rule 25-17.015(1)(b) which requires the
24 projection filing to include the annual estimated/actual
25 true-up filing showing eight months actual and four

1 months projected commons costs, individual program costs
2 and any revenues?

3

4 **A.** No, based upon the due date of August 10, 2018 for this
5 filing in Docket No. 20180002-EG it would be impossible
6 for Tampa Electric to comply with having eight months
7 actual and four months projected commons costs,
8 individual program costs and any revenues.

9

10 **Q.** Did Tampa Electric communicate this issue to the
11 Commission?

12

13 **A.** Yes, Tampa Electric filed a joint petition on March 9,
14 2018, with the other investor owned utilities for a two-
15 year waiver of Rule 25-17.015(1)(b) which would allow the
16 company to file the annual estimated/actual true up
17 filings of six months actual and six months of projected
18 data.

19

20 **Q.** Did the Commission approve this requested waiver?

21

22 **A.** Yes, the requested waiver received Commission approval in
23 Order No. PSC-2018-0244-PAA-EG.

24

25 **Q.** Did Tampa Electric submit the 2018 annual

1 estimated/actual true up filings of six months actual and
2 six months of projected data based upon this rule waiver?

3
4 **A.** Yes.

5
6 **Q.** Please describe the conservation program costs projected
7 by Tampa Electric during the period January through
8 December 2017.

9
10 **A.** For the period January through December 2017, Tampa
11 Electric projected conservation program costs to be
12 \$37,913,383. The Commission authorized collections to
13 recover these expenses in Docket No. 20160002-EG, Order
14 No. PSC-2016-0534-FOF-EG, issued November 23, 2016.

15
16 **Q.** For the period January through December 2017, what were
17 Tampa Electric's conservation costs and what was
18 recovered through the ECCR clause?

19
20 **A.** For the period January through December 2017, Tampa
21 Electric incurred actual net conservation costs of
22 \$37,585,606 plus a beginning true-up under-recovery of
23 \$789,258 for a total of \$38,374,864. The amount
24 collected in the ECCR clause was \$37,738,117.

25

1 **Q.** What was the true-up amount?

2

3 **A.** The true-up amount for the period January through
4 December 2017 was an under-recovery of \$649,408 including
5 interest.

6

7 **Q.** Please describe the conservation program costs projected
8 to be incurred by Tampa Electric during the period
9 January through December 2018?

10

11 **A.** The actual costs incurred by Tampa Electric through June
12 2018 and projected for July through December 2018 are
13 \$47,360,743. For the period, Tampa Electric anticipates
14 an under-recovery in the ECCR Clause of \$5,603,241 which
15 includes the 2017 true-up and interest. A summary of
16 these costs and estimates are fully detailed in Exhibit
17 No. MRR-2, Conservation Costs Projected, pages 22 through
18 30.

19

20 **Q.** Has Tampa Electric proposed any new or modified DSM
21 Programs for ECCR cost recovery for the period January
22 through December 2019?

23

24 **A.** No, at this time Tampa Electric is not proposing any new
25 or modified program for ECCR cost recovery for the period

1 January through December 2019.

2
3 **Q.** Please summarize the proposed conservation costs for the
4 period January through December 2019 and the annualized
5 recovery factors based on a 12 CP and 1/13 AD basis
6 applicable for the period January through December 2019?

7
8 **A.** Tampa Electric has estimated that the total conservation
9 costs (less program revenues) during the period will be
10 \$51,672,575 plus true-up. Including true-up estimates,
11 the January through December 2019 cost recovery factors
12 allocated on a 12 CP and 1/13 AD basis for firm retail
13 rate classes are as follows:

	Cost Recovery Factors
<u>Rate Schedule</u>	<u>(cents per kWh)</u>
17 RS	0.321
18 GS and CS	0.292
19 GSD Optional - Secondary	0.272
20 GSD Optional - Primary	0.269
21 GSD Optional - Subtransmission	0.267
22 LS-1	0.180

	Cost Recovery Factors
<u>Rate Schedule</u>	<u>(dollars per kW)</u>
GSD - Secondary	1.17
GSD - Primary	1.15
GSD - Subtransmission	1.14
SBF - Secondary	1.17
SBF - Primary	1.15
SBF - Subtransmission	1.14
IS - Secondary	0.94
IS - Primary	0.93
IS - Subtransmission	0.92
Exhibit No. MRR-2, Conservation Costs Projected, pages 15 through 21 contain the Commission prescribed forms which detail these estimates.	
Q.	Has Tampa Electric complied with the ECCR cost allocation methodology stated in Docket No. 930759-EG, Order No. PSC-93-1845-EG?
A.	Yes, it has.
Q.	Do the proposed conservation costs for the period January through December 2019 include the impacts of tax reform that come from the Tax Cuts and Job Act of 2017?

1 **A.** Yes, it does.

2

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

5

6 **A.** In Docket No. 990037-EI, Tampa Electric petitioned the
7 Commission to close its non-cost-effective interruptible
8 service rate schedules while initiating the provision of
9 a cost-effective non-firm service through a new load
10 management program. This program would be funded through
11 the ECCR clause and the appropriate monthly CCV billing
12 credit for participating customers would be submitted for
13 Commission approval as part of the company's annual ECCR
14 projection filing.

15

16 **Q.** Is Tampa Electric recalculating the 2019 CCV amount?

17

18 **A.** No, in Tampa Electric's Petition for limited proceeding
19 to approve the company's 2017 amended and restated
20 stipulation and settlement agreement (Docket No.
21 20170210-EI), the values to be used for the CCV amount on
22 an ongoing basis were approved by the Commission in Order
23 No. PSC-2017-0456-S-EI, on November 27, 2017.

24

25 **Q.** What were the new CCV amounts approved by the Commission?

1 **A.** The new CCV amounts approved by the Commission were
 2 marginally increased by the settlement agreement to
 3 \$10.23 per kW for secondary, \$10.13 per kW for primary
 4 and \$10.03 per kW for subtransmission voltage customers.
 5 These new CCV amounts took effect on January 1, 2018.

6

7 **Q.** What is the appropriate CCV for customers who elect to
 8 take service under the GSLM-2 and GSLM-3 rate riders
 9 during the January through December 2019 period?

10

11 **A.** For the January through December 2019 period, the table
 12 below lists the CCV for 2019 by voltage level including
 13 the past six years of CCV:

14

15

CCV dollars per kW by Voltage Level

16

17

18

19

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	<u>Secondary</u>	<u>Primary</u>	<u>Subtransmission</u>
2019	10.23	10.13	10.03
2018	10.23	10.13	10.03
2017	9.98	9.88	9.78
2016	8.81	8.72	8.63
2015	8.14	8.06	7.98
2014	7.72	7.64	7.57
2013	6.81	6.74	6.67

If the 2019 assessment for need determination indicates

1 the availability of new non-firm load, the CCV will be
2 applied to new subscriptions for service under those rate
3 riders.

4
5 **Q.** Please explain why the RSVP-1 rates for Residential Price
6 Responsive Load Management are in your testimony?

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

16
17 **Q.** What are the appropriate RSVP-1 rates for customers who
18 elect to take this service during the January through
19 December 2019?

20
21 **A.** The appropriate RSVP-1 rates during the January through
22 December 2019 period for Tampa Electric's Price
23 Responsive Load Management program based upon the
24 company's 2019 residential base rates and the 2019
25 projected clause amounts for ECCR, Fuel and Purchased

1 Power Cost Recovery, Capacity Cost Recovery and the
2 Environmental Cost Recovery are as follows:

<u>Rate Tier</u>	<u>(Cents per kWh)</u>
P4	34.911
P3	5.936
P2	(0.877)
P1	(2.319)

9 Page 69 contains the projected RSVP-1 rates for 2019.

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

12
13 **A.** Yes, it does.
14
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1 COMMISSIONER CLARK: And moving to exhibits.

2 MS. DUVAL: Staff has compiled a stipulated
3 comprehensive exhibits list which includes the
4 prefiled exhibits attached to the witness'
5 testimony in this case. The list has been provided
6 to the parties, the Commissioners and the court
7 reporter. This list is marked as the first hearing
8 exhibit, and the other exhibits should be marked as
9 set forth in the chart, and staff will request that
10 the comprehensive exhibit list marked as Exhibit
11 No. 1 be entered into the record.

12 COMMISSIONER CLARK: Okay.

13 (Whereupon, Exhibit No. 1 was marked for
14 identification and received into evidence.)

15 (Whereupon, Exhibit Nos. 2-15 were marked for
16 identification.)

17 MS. DUVAL: Staff will also request to move
18 Exhibits 2 through 15 into the record as set forth
19 in the comprehensive exhibits list.

20 COMMISSIONER CLARK: All right.

21 (Whereupon, Exhibit Nos. 2-15 were received
22 into evidence.)

23 COMMISSIONER CLARK: Okay. Moving to the
24 decision.

25 MS. DUVAL: If the Commission decides that a

1 bench decision is appropriate, staff recommends
2 that the proposed stipulations on pages 6 through
3 15 of the prehearing order, which are Issues 1
4 through 10, be approved by the Commission.

5 COMMISSIONER CLARK: All right. This is the
6 time for the Commissioners to ask questions.

7 Any Commissioners have any questions?

8 COMMISSIONER BROWN: Mr. Chairman.

9 COMMISSIONER CLARK: Commissioner Brown.

10 COMMISSIONER BROWN: Thank you.

11 I would move approval of Issues 1 through 10
12 as delineated on pages 6 through 15 of the
13 prehearing order.

14 COMMISSIONER CLARK: I have a motion.
15 Is there a second?

16 COMMISSIONER POLMANN: Second.

17 COMMISSIONER CLARK: I have a motion and a
18 second.

19 Any discussion?

20 All those in favor of the motion, say aye.

21 (Chorus of ayes.)

22 COMMISSIONER CLARK: Opposed?

23 (No response.)

24 COMMISSIONER CLARK: The motion carries.

25 All right. Are there any other matters that

1 we need to address in the 02 docket, Ms. DuVal?

2 MS. DUVAL: As the Commission has made a bench
3 decision, post-hearing filings are not necessary
4 and the final order will be issued by
5 November 26th, 2018.

6 COMMISSIONER CLARK: All right. That's record
7 pace. If we can do that the rest of the day, we
8 will be in great shape.

9 (Proceedings concluded at 1:41 P.M.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby
certify that the foregoing proceeding was heard at the
time and place herein stated.

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

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

DATED this 14th day of November, 2018.



DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #GG015952
EXPIRES JULY 27, 2020