

COMPREHENSIVE EXHIBIT LIST  
DOCKET NO. 140226-EI  
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<b><u>Docket No. 140226-EI</u></b> <b>Comprehensive Exhibit List for Entry into Hearing Record</b> <b>July 22, 2015</b>				
Hearing I.D. #	Witness	I.D. # As Filed	Exhibit Description	Entered
<b>STAFF</b>				
1		Exhibit List	Comprehensive Exhibit List	
<b>WALMART STORES EAST, LP'S AND SAM'S EAST, INC – (DIRECT)</b>				
2	Kenneth E. Baker	KEB-1	Qualifications of Kenneth E. Baker	
3	Kenneth E. Baker	KEB-2	Energy Efficiency and Demand Side Management Programs of the Companies	
4	Kenneth E. Baker	KEB-3	Oklahoma Administrative Code Section OAC 165:35-41-3	
5	Kenneth E. Baker	KEB-4	Public Service Company of Oklahoma and Duke Energy Carolinas' South Carolina DSM-EE tariffs	
6	Kenneth E. Baker	KEB-5	PSC of South Carolina, Order No. 2008-251-E	
7	Steve W. Chriss	SWC-1	Witness Qualifications Statement of Steve W. Chriss	
8	Steve W. Chriss	SWC-2	Utility Proposed Energy and Demand Allocations and ECCR Rate Calculations	
9	Steve W. Chriss	SWC-3	Illustrative Part E and Part D Rates for Florida Investor - Owned Utilities	
10	Steve W. Chriss	SWC-4	Public Service Company of Oklahoma Demand Side Management Cost Recovery Rider Factor Calculation	

<b>TAMPA ELECTRIC COMPANY – (REBUTTAL)</b>				
11	Mark R. Roche	MRR-2	Impacts of opt out proposals	
12	J. Terry Deason	JTD-1	Resumé	
<b>FLORIDA INDUSTRIAL POWER USERS GROUP – (DIRECT &amp; SURREBUTTAL)</b>				
13	Jeffry Pollock	Appendix A	Qualifications of Jeffry Pollock	
14	Jeffry Pollock	Appendix B	Testimony Filed in Regulatory Proceedings	
15	Jeffry Pollock	JP-1	Policy Survey	
16	Jeffry Pollock	JP-2	Duke Energy Sample Form Letter	
17	Jeffry Pollock	JP-3	EPA 2030 Goal Calculation	
18	Jeffry Pollock	JP-4	EPA Florida EE Goal	
<b>STAFF</b>				
19		Staff's Exhibit #19	FIPUG's Responses to Staff's First Set of Interrogatories Nos. 1-12 [Bates Nos. 00001-00014]	<b>stipulated</b>
20		Staff's Exhibit #20	FIPUG's Responses to Staff's Second Set of Interrogatories Nos. 13-18 [Bates Nos. 00015-00021]	<b>stipulated</b>
21		Staff's Exhibit #21	Walmart's Responses to Staff's First Set of Interrogatories (Nos. 1-11) [Bates Nos. 00022-00032]	<b>stipulated</b>
22		Staff's Exhibit #22	Walmart's Responses to Staff's Second Set of Interrogatories (Nos. 12-13) [Bates Nos. 00033-00037]	<b>stipulated</b>

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23		Staff's Exhibit #23	Walmart's Responses to Staff's First Production of Documents (No. 1) [Bates Nos. 00038-00087]	<b>stipulated</b>
24		Staff's Exhibit #24	FPL's Responses to Staff's First Set of Interrogatories (Nos. 1-8) [Bates Nos. 00088-00099]	<b>stipulated</b>
25		Staff's Exhibit #25	FPL's Responses to Staff's Second Set of Interrogatories (Nos. 10-12) [Bates Nos. 00100-00107]	<b>stipulated</b>
26		Staff's Exhibit #26	FPL's Responses to FIPUG's First Set of Interrogatories (No. 1) [Bates Nos. 00108-00110]	<b>stipulated</b>
27		Staff's Exhibit #27	DEF's Responses to Staff's First Set of Interrogatories (Nos. 1-9) <b>See also excel files contained on Staff Exhibit CD.</b> [Bates Nos. 00111-00124]	<b>stipulated</b>
28		Staff's Exhibit #28	DEF's Responses to Staff's Second Set of Interrogatories (Nos. 11-13) [Bates Nos. 00125-00133]	<b>stipulated</b>
29		Staff's Exhibit #29	TECO's Responses to Staff's First Set of Interrogatories (Nos. 1-8) [Bates Nos. 00134-00157]	<b>stipulated</b>
30		Staff's Exhibit #30	TECO's Responses to Staff's Second Set of Interrogatories (Nos. 10-12) [Bates Nos. 00158-00172]	<b>stipulated</b>
31		Staff's Exhibit #31	TECO's Responses to FIPUG's First Set of Interrogatories (Nos. 1-10) [Bates Nos. 00173-00187]	<b>stipulated</b>
32		Staff's Exhibit #32	GULF's Responses to Staff's First Set of Interrogatories (Nos. 1-8) [Bates Nos. 00188-00199]	<b>stipulated</b>
33		Staff's Exhibit #33	GULF's Responses to Staff's Second Set of Interrogatories (Nos. 10-12) [Bates Nos. 00200-00207]	<b>stipulated</b>
34		Staff's Exhibit #34	FPL's Responses to OPC's First Set of Interrogatories (Nos. 1-2), filed on October 6, 2014 in Docket No. 140002-EG. [Bates Nos. 00208-00214]	<b>stipulated</b>
35		Staff's Exhibit #35	DEF's Responses to OPC's First Set of Interrogatories (Nos. 1-2), filed on October 2, 2014 in Docket No. 140002-EG [Bates Nos. 00215-00219]	<b>stipulated</b>

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36		Staff's Exhibit #36	TECO's Responses to OPC's First Set of Interrogatories (Nos. 1-2), filed on October 6, 2014 in Docket No. 140002-EG. [Bates Nos. 00220-00232]	stipulated
37		Staff's Exhibit #37	GULF's Responses to OPC's First Set of Interrogatories (Nos. 1-2), filed on October 6, 2014 in Docket No. 140002-EG. [Bates Nos. 00233-00238]	stipulated

**OTHER HEARING EXHIBITS**

Exhibit Number	Witness	Party	Description	Moved In/Due Date of Late Filed
38	Baker	Wal-Mart	Comparison of goal contribution to ECCR Revenue Impact	
39	Baker	Wal-Mart	Confidential - Specific Comparison ECCR Revenue	
40	Duff	FIPUG	Duke, NC Opt-out	
41	Duff	FIPUG	Duke, SC Opt-out	
42	Duff	FIPUG	Duke, Indiana Opt-out	
43	Duff	FIPUG	Duke, Ohio Opt-out	
44	Duff	FIPUG	Duke, SC testimony	
45	Duff	Wal-Mart	SC Opt out testimony	
46	Duff	Wal-Mart	Duke DSM EE Application	



## COMPREHENSIVE EXHIBIT LIST

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47	Duff	PCS Phosphate	Excerpt DEF 2015 TYSP	
48	Duff	PCS Phosphate	Duff 8.27.14 testimony from Dkt 140002-EG	
49	Floyd	FIPUG	Gulf Residential Customer Incentive Program	

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Energy Conservation Cost Recovery )  
Clause )  
\_\_\_\_\_ )

Docket No. 140002-EG

**EXHIBITS OF KENNETH E. BAKER**

**ON BEHALF OF**

**WAL-MART STORES EAST, LP AND SAM'S EAST, INC.**

Dated: September 5, 2014

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 2  
PARTY: WALMART STORES EAST, LP'S AND SAM'S EAST, INC  
– (DIRECT)  
DESCRIPTION: Kenneth E. Baker KEB-1

## KENNETH BAKER

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702 Windsor Lane • Bentonville, Arkansas 72716  
• (479) 586-3596

### SUMMARY OF QUALIFICATIONS

*Attorney extensively experienced in civil litigation, and family law in addition to experience in law, specifically in the area of sustainable legislation and regulation. A proven leader, with a demonstrated ability to handle complex legal matters, exercise sound judgment, and respond quickly and accurately to evolving policies and regulations.*

- ❖ Ability to manage multiple ongoing projects while maintaining a commitment to integrity
- ❖ Experience in preparing intervention documents, and providing testimony for regulatory and legislative proceedings
- ❖ Knowledgeable in real estate construction management, land acquisition, and market analysis
- ❖ Exhaustive knowledge in family law and domestic law case management
- ❖ Comprehensive understanding and extensive experience in civil litigation practice
- ❖ Licensed to practice law in the state of Arkansas since 1992

### PROFESSIONAL EXPERIENCE

#### WAL-MART STORES, INC. – Bentonville, Arkansas

2006 to Present

##### Senior Manager of Sustainable Regulation and Legislation

- Delivered \$1.2 million in mitigated savings to stores and clubs through participation in Opt Out and Self Direct state energy efficiency programs.
- Participated in conferences and meetings with state utility commissioners and staff to influence regulations, rule makings and policies that providing significant financial savings to Walmart.
- Collaborated with industry partners and commented on thousands of pieces of energy legislation to address and influence state and federal renewable policies, resulting in financial savings to Walmart of approximately \$17 million.
- Provided written and oral witness testimony in numerous energy docket interventions.
- Assisted the Legal Department in drafting, negotiating and executing renewable energy contracts through Power Purchase Agreements, Leases, and direct ownership.
- Partnered with Public Affairs department to introduce or amend renewable legislation to support corporate renewable goals.

##### Prior Testimonies before State Utility Regulatory Commissions

- Delivered \$1.2 million in mitigated savings to stores and clubs through participation in Opt Out and Self Direct state energy efficiency programs.
- New Mexico- Renewable Portfolio Procurement Plan – Docket No. 10-00199-UT; 10-00373-UT
- North Carolina – Distributed Generation & EE- Smart Grid – Docket No. E-7 Sub 856; E-100 Sub 123
- South Carolina – Smart Grid – Docket No. 2005-385-E
- South Carolina – SCE&G DSM/EE – Docket No. 2013-208-E
- South Carolina – Duke Energy Carolinas DSM/EE – Docket No. 2013-298-E

*Continued...*

## **KENNETH BAKER**

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- Missouri – DSM – Cause No. EO-2012-009
- Massachusetts – Forward Capacity Market – Docket No. D.P.U. 08-8
- Indiana – Energy Efficiency Self Direct – Cause No. 43580
- Arizona – Renewable Energy Standard – Docket Nos. E-01345A-10-0394; E-0134A-12-0290; E-01933A-12-0296; E-04204A-12-0297
- Georgia – IRP – Docket Nos. 36498; 36499

### **WAL-MART STORES, INC. – Bentonville, Arkansas**

**1999-2006**

#### **Senior Real Estate Manager**

- Conducted market analysis for distribution center site decisions, analyzed data, and identified potential site options.
- Obtained and evaluated incentive programs, labor studies and demographic information for site locations, and negotiated the purchase of land for over 10 new 1 million square foot distribution center sites.
- Attended initial meetings with community leaders, participated at city and county board meetings, and partnered with Public Affairs to gain community support for over 10 distribution center projects throughout the U.S.
- Managed and lead the closing process, analyzed financials, updated site plans and prepared real estate closing presentation for executive level management for multi- million dollar distribution center projects.

### **CENTER FOR ARKANSAS LEGAL SERVICES – Little Rock, Arkansas**

**1992-1999**

#### **Attorney**

- Successfully argued before both the Arkansas Court of Appeals and the Arkansas Supreme Court.
- Represented over 150 clients at any given time in civil cases involving domestic and family law, contracts, and landlord/tenant disputes.
- Managed a large, diverse litigation caseload, researched and drafted memoranda and pleadings, engaged in discovery, factual investigations, depositions and court appearances.
- Provided on site supervision and substantive support to 20 attorneys on a broad range of civil cases.

### **REBSAMEN REGIONAL MEDICAL CENTER – Jacksonville, Arkansas**

**1986-1999**

#### **Registered Medical Technologist**

- Performed chemical and bacterial analysis on various body fluids and culture specimens.

**KENNETH E. BAKER**

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**EDUCATION AND CERTIFICATIONS**

**Juris Doctor / 1992**

University of Arkansas at Little Rock School of Law, Little Rock, Arkansas

**Bachelor of Science Degree in Health Science / 1988**

College of St. Frances, Little Rock, Arkansas

**Associate Degree in Applied Science in Medical Laboratory Technology / 1982**

Garland County Community College, Hot Springs, Arkansas

**General Studies /1977**

University of Central Arkansas

**FLORIDA POWER & LIGHT COMPANY**  
**ENERGY & DEMAND CLASSIFICATION OF CONSERVATION PROGRAMS**

**Energy Efficiency:**

Residential Home Energy Survey  
Residential Building Envelope  
Residential Duct System Testing & Repair  
Residential Air Conditioning  
Residential New Construction (BuildSmart)  
Residential Low Income Weatherization  
Business Energy Evaluation  
Business Efficient Lighting  
Business Heating, Ventilating & AC  
Business Custom Incentive  
Business Building Envelope  
Business Water Heating  
Business Refrigeration  
Business Photovoltaic for School Pilot  
Solar Pilot Projects Common Expenses  
Cogeneration & Small Power Production  
Conservation Research and Development

**Common Expenses (Energy)**

**Demand Side Management:**

Residential Load Management (On Call)  
Business On Call  
Commercial/Industrial Load Control  
Commercial Demand Reduction

**Common Expenses (Demand)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 3  
PARTY: WALMART STORES EAST, LP'S  
AND SAM'S EAST, INC – (DIRECT)  
DESCRIPTION: Kenneth E. Baker KEB-2

## MODULE C-2

## MODULE C-2

## MODULE C-2

**Notes:** Expenses include provision for projected severance.  
**Totals may not add due to rounding.**



**DUKE ENERGY FLORIDA**  
**ENERGY & DEMAND CLASSIFICATION OF CONSERVATION PROGRAMS**

**Energy Efficiency:**

Better Business  
Residential New Construct  
Home Energy Improvement  
C/I New Construction  
Home Energy Check  
Low Income  
Solar Water Heating with EM  
Renewable Energy Saver  
Neighborhood Energy Saver  
Business Energy Check  
Conservation Program Administration (Energy)  
Qualifying Facility  
Innovation Incentive  
Technology Development  
Residential Solar Photovoltaic  
Solar Water Heat Low Income Res Cust  
Commercial Solar Photovoltaic  
Photovoltaic for Schools Pilot  
Research and Demonstration

**Demand Side Management:**

Conservation Program Administration (Demand)  
Standby Generation  
Interruptible Service  
Curtailable Service  
Res Energy Mangmt-Admin  
Com Energy Mangm-Admin

Walmart Stores East, LP and Sam's East, Inc.  
Energy Efficiency and Demand Side  
Management Programs of the Companies  
Exhibit KEB-2, Page 4 of 8  
Florida PSC Docket No. 140002-EG

DOCKET NO. 140002-EG  
DUKE ENERGY FLORIDA  
TIMOTHY J. DUFF  
EXHIBIT NO. (TJD-1P)  
SCHEDULE C-2  
PAGE 1 OF 8

DUKE ENERGY FLORIDA  
ESTIMATED CONSERVATION PROGRAM COSTS  
JANUARY 2015 - DECEMBER 2015

LINE NO.	PROGRAM TITLE Demand (D) or Energy (E)	12 MONTH TOTAL	Prior Period True-Up Under/Over Recovery	Total Costs with True-up	Revenue Expansion Factor	Total Costs To Recover
1	BETTER BUSINESS (20015937) (E)	\$ 2,589,093				
2	RESIDENTIAL NEW CONSTRUCT (20015933) (E)	\$ 4,091,111				
3	HOME ENERGY IMPROVEMENT (20015934) (E)	\$ 4,685,944				
4	CH NEW CONSTRUCTION (20015938) (E)	\$ 1,054,121				
5	HOME ENERGY CHECK (20015932) (E)	\$ 6,323,865				
6	LOW INCOME (20021329) (E)	\$ 270,814				
7	SOLAR WATER HEATING WITH EM (20084820) (E)	\$ 0				
8	RENEWABLE ENERGY SAVER (20060744) (E)	\$ 1,150,571				
9	NEIGHBORHOOD ENERGY SAVER (20060745) (E)	\$ 651,510				
10	BUSINESS ENERGY CHECK (20015935) (E)	\$ 3,427,317				
11	CONSERVATION PROGRAM ADMIN (20015935) (E)	\$ 380,521				
12	CONSERVATION PROGRAM ADMIN (20015935) (D)	\$ 1,024,488				
13	QUALIFYING FACILITY (20025062) (E)	\$ 309,894				
14	INNOVATION INCENTIVE (20015940) (E)	\$ 800,377				
15	TECHNOLOGY DEVELOPMENT (20015939) (E)	\$ 5,999,077				
16	STANDBY GENERATION (20021332) (D)	\$ 30,993,402				
17	INTERRUPTIBLE SERVICE (20015941) (D)	\$ 1,286,568				
18	CURTailable SERVICE (20015942) (D)	\$ 41,748,546				
19	RES ENERGY MANGMNT-ADMIN (20015943) (D)	\$ 540,000				
20	COM ENERGY MANGMNT-ADMIN (20015944) (D)	\$ -				
21	RESIDENTIAL SOLAR PHOTOVOLTAIC (20084818) (E)	\$ -				
22	SOLAR WATER HEAT LOW INCOME RES CUST (20084821) (E)	\$ -				
23	COMMERCIAL SOLAR PHOTOVOLTAIC (20084819) (E)	\$ -				
24	PHOTOVOLTAIC FOR SCHOOLS PILOT (20084817) (E)	\$ -				
25	RESEARCH AND DEMONSTRATION (20084822) (E)	\$ -				
26		\$ -				
27	NET PROGRAM COSTS	\$ 107,340,446				
28						
29	SUMMARY OF DEMAND & ENERGY					
30						
31						
32						
33	ENERGY	\$ 28,391,913	\$ (6,786,985)	\$ 19,605,948	1.000315	\$ 19,612,123
34	DEMAND	\$ 80,948,534	\$ (17,047,803)	\$ 63,900,728	1.000315	\$ 63,920,854
35						
36	TOTAL	\$ 107,340,446	\$ (23,833,773)	\$ 83,506,673		\$ 83,532,978
37						

**TAMPA ELECTRIC COMPANY**  
**ENERGY & DEMAND CLASSIFICATION OF CONSERVATION PROGRAMS**

**Energy Efficiency:**

Heating and Cooling  
Energy Audits  
Commercial Lighting  
Residential Duct Repair  
DSM Research and Development (R & D)  
Commercial Cooling  
Residential New Construction  
Residential Building Envelope Improvement  
Residential Electronically Commutated Motor  
Energy Education Outreach  
Residential HVAC Re-Commissioning  
Neighborhood Weatherization and Agency Outreach  
Commercial Duct Repair  
Commercial Energy Recovery Ventilation  
Commercial Building Envelope Improvement  
Commercial Energy Efficient Motors  
Commercial Chiller Replacement  
Commercial Occupancy Sensors (Lighting)  
Commercial Water Heating  
Commercial HVAC Re-Commissioning  
Commercial Electronically Commutated Motor  
Commercial Cool Roof

Common Expenses (50% Energy)

**Demand Side Management:**

Prime Time  
Cogeneration  
Commercial Load Management  
Standby Generator  
Renewable Energy Program  
Renewable Energy Systems Initiative  
Industrial Load Management  
Price Responsive Load Management  
Commercial Demand Response  
Commercial Refrigeration (Anti-Condensate)

Common Expenses (50% Demand)

DOCKET NO. 140002-EG  
ECCR 2015 PROJECTION  
EXHIBIT MRR-1, SCHEDULE C-2, PAGE 1 OF 4

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**GULF POWER COMPANY**  
**ENERGY & DEMAND CLASSIFICATION OF CONSERVATION PROGRAMS**

**Energy Efficiency:**

Residential Energy Audit and Education  
Community Energy Saver  
Landlord/Renter Custom  
HVAC Efficiency  
Heat Pump Water Heater  
Ceiling Insulation  
High Performance Window  
Reflective Pool  
Variable Speed Pool Pump  
Self-Install Energy Efficiency  
Refrigerator Recycling  
Commercial/Industrial Audit  
HVAC Retro commissioning  
Commercial Building Efficiency  
HVAC Occupancy Sensor  
High Efficiency Motors  
Food Services  
Commercial / Industrial Custom Incentive  
Conversation Demonstration and Development  
Energy Select / Energy Select LITE (Energy)

**Demand Side Management:**

Energy Select / Energy Select LITE (Demand)

Walmart Stores East, LP and Sam's East, Inc.  
 Energy Efficiency and Demand Side  
 Management Programs of the Companies  
 Exhibit KEB-2, Page 8 of 8  
 Florida PSC Docket No. 140002-EG

Schedule C-2  
 Page 2 of 5

Docket No. 140002-EG  
 ECCR 2014 Est/Act  
 & 2015 Projection  
 Exhibit JLT-2, Page 6 of 50

GULF POWER COMPANY  
 ENERGY CONSERVATION CLAUSE  
 PROJECTED CONSERVATION PROGRAM COSTS (NET OF PROGRAM FEES)  
 For the Period: January, 2015 Through December, 2015

Programs	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	12 MONTH TOTAL	DEMAND COSTS	ENERGY COSTS
<b>Residential Conservation Programs:</b>															
1. Residential Energy Audit and Education	186,286	320,397	200,827	275,772	237,212	224,705	195,334	201,553	277,877	189,487	197,225	186,343	2,797,088	70,872	2,726,216
2. Community Energy Saver	70,648	70,686	71,284	72,538	70,915	70,804	70,818	70,808	72,597	70,943	70,962	70,872	853,775	8,671	845,104
3. Landmark Water Cutoff	8,287	8,107	9,403	12,207	8,514	12,258	8,378	8,352	12,101	8,575	8,486	8,571	113,288	113,288	0
4. HVAC Efficiency	190,453	224,331	1,262,422	1,455,091	1,458,470	1,437,818	317,482	320,103	327,703	344,597	388,022	216,451	8,094,113	8,094,113	0
5. Heat Pump Water Heater	30,886	40,050	40,783	43,982	41,140	41,330	40,781	41,523	47,377	40,971	40,943	40,940	502,478	502,478	0
6. Ceiling Insulation	23,791	24,065	24,282	23,282	24,895	24,670	24,835	24,431	25,458	24,767	24,563	24,333	303,973	303,973	0
7. High Performance Window	23,553	23,504	23,642	23,987	24,437	24,091	24,153	24,885	25,155	24,543	24,135	23,987	298,880	298,880	0
8. Reflective Roof	20,670	20,837	21,283	21,021	21,515	21,587	21,233	21,979	22,541	21,573	21,414	21,374	346,007	346,007	0
9. Variable Speed Pool Pump	15,048	15,528	15,862	16,653	16,474	16,117	16,188	16,104	16,218	16,442	15,941	16,085	216,743	216,743	0
10. Energy Saver / Energy Select LITE	544,858	565,828	572,333	594,987	592,774	633,931	593,108	622,590	602,263	635,117	593,729	591,507	8,515,354	8,515,354	0
11. Set-Install Energy Efficiency	36,808	18,408	36,533	43,986	38,764	57,418	88,285	68,151	63,588	41,448	57,315	67,262	683,195	683,195	0
12. Refrigerator Recycling	11,518	11,735	14,085	12,721	12,000	20,208	20,328	18,991	32,517	21,853	14,588	11,836	203,298	203,298	0
<b>Subtotal</b>	<b>1,172,271</b>	<b>1,284,937</b>	<b>2,438,708</b>	<b>2,805,249</b>	<b>2,494,081</b>	<b>2,401,155</b>	<b>1,357,872</b>	<b>1,270,548</b>	<b>1,688,281</b>	<b>1,371,670</b>	<b>1,331,105</b>	<b>1,241,601</b>	<b>20,707,220</b>	<b>3,257,877</b>	<b>17,449,343</b>
<b>Commercial / Industrial Conservation Programs:</b>															
13. Commercial / Industrial Audit	84,182	65,353	85,348	98,221	67,919	68,058	68,773	67,853	100,089	85,348	67,850	67,184	908,705	908,705	0
14. HVAC Retrocommissioning	13,941	18,336	21,573	24,401	26,253	28,340	28,248	28,947	38,853	26,312	21,355	11,465	287,179	287,179	0
15. Commercial Building Efficiency	86,574	68,490	88,899	113,901	88,792	103,614	88,300	88,077	113,571	81,111	65,782	88,202	1,123,903	1,123,903	0
16. HVAC Occupancy Sensor	3,125	2,753	2,861	3,982	2,878	2,578	3,204	2,863	3,688	2,590	2,865	2,904	37,230	37,230	0
17. High Efficiency Motors	2,710	2,942	2,124	3,684	2,383	2,130	2,801	2,267	2,282	2,901	2,330	2,124	107,140	107,140	0
18. Pool Services	3,910	5,983	5,088	7,072	6,470	7,194	4,491	6,973	6,882	5,530	4,950	4,322	68,268	68,268	0
19. Commercial / Industrial Cushman Incentive	5,090	5,074	17,874	7,595	5,345	17,550	8,847	5,226	25,211	8,406	5,308	17,873	118,106	118,106	0
<b>Subtotal</b>	<b>178,373</b>	<b>154,302</b>	<b>246,953</b>	<b>255,646</b>	<b>201,108</b>	<b>248,882</b>	<b>153,054</b>	<b>158,955</b>	<b>292,208</b>	<b>210,985</b>	<b>194,175</b>	<b>214,158</b>	<b>2,805,295</b>	<b>0</b>	<b>2,805,295</b>
<b>20. Conservation Demonstration and Development:</b>	<b>50,059</b>	<b>30,425</b>	<b>30,754</b>	<b>22,188</b>	<b>21,328</b>	<b>20,468</b>	<b>20,653</b>	<b>20,558</b>	<b>22,188</b>	<b>21,437</b>	<b>20,705</b>	<b>18,186</b>	<b>250,000</b>	<b>0</b>	<b>250,000</b>
<b>21. Total All Programs</b>	<b>1,371,743</b>	<b>1,500,134</b>	<b>2,638,425</b>	<b>2,868,181</b>	<b>2,708,687</b>	<b>2,760,385</b>	<b>1,555,529</b>	<b>1,590,065</b>	<b>1,982,782</b>	<b>1,613,092</b>	<b>1,545,986</b>	<b>1,474,935</b>	<b>23,532,755</b>	<b>3,257,877</b>	<b>20,335,079</b>
<b>22. Least Base Rate Recovery</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>23. Net Program Costs</b>	<b>1,371,743</b>	<b>1,500,134</b>	<b>2,638,425</b>	<b>2,868,181</b>	<b>2,708,687</b>	<b>2,760,385</b>	<b>1,555,529</b>	<b>1,590,065</b>	<b>1,982,782</b>	<b>1,613,092</b>	<b>1,545,986</b>	<b>1,474,935</b>	<b>23,532,755</b>	<b>3,257,877</b>	<b>20,335,079</b>

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### **165:35-41-3. Definitions**

The following words and terms, when used in this Subchapter, shall have the following meaning, unless the context clearly indicates otherwise:

**"Average customer bill"** means the value derived from the sum of all ratepayer bills in a particular customer sector divided by the number of ratepayers in that sector; i.e., the arithmetic mean. A utility may provide average customer bills for customer rate classes rather than customer sectors if it chooses to do so and clearly identifies the choice.

**"Barrier"** means any physical or non-physical necessity, obligation, condition, constraint, or requisite that obstructs or impedes electricity user participation in energy efficiency or demand response programs. Barriers may include but are not limited to language, physical or mental disability, educational attainment, utility meter type, economic status, property status, or geography.

**"Base line"** means kilowatt-hour energy use, trend in kilowatt-hour energy use, percentage of capacity use over time, trend in percentage of capacity use, and description of conditions affecting such uses and trends prior to implementation of an energy efficiency or demand response program designed to affect particular uses and trends.

**"California Standard Practice Manual"** means The California Standard Practice Manual: Economic Analysis of Demand Side Programs and Projects, 2001 edition, produced by the California Energy Commission and the California Public Utility Commission.

**"Cost effective"** and **"cost effectiveness"** mean utilizing a specified amount of money, in a way that delivers the most benefit from available alternative uses, so long as the benefit's value exceeds the money spent.

**"Customized opportunity"** means an energy efficiency or demand response program tailored to an individual electricity user's needs, including opportunities for high-volume electricity usage customers to self administer and self fund their own programs.

**"Deemed savings"** means an estimate of energy or peak demand savings for a single unit of an installed energy-efficiency or renewable-energy measure that (1) has been developed from data sources and analytical methods that are widely considered acceptable for the measure and purpose, and (2) will be applied to measures that are deployed in significant numbers in similar ways.

**"Demand portfolio"** means a collection of energy efficiency and demand response programs offered or proposed by an electric utility; for example, a residential weatherization program, a program to trade ordinary commercial fluorescent ballasts for T-5 ballasts, and a program to provide financial inducement for purchase of properly sized industrial motors is a demand portfolio.

**"Demand portfolio administrator"** means the utility employee responsible for supervising the utility's energy efficiency and demand response efforts as proposed in compliance with this subchapter.

**"Demand response"** means any load management program in which a utility offers electricity users payments or other inducement to reduce their demand for electricity for specified periods of time.

**"Electricity user"** means a real property freeholder or leaseholder at a specific location who consumes energy at that location, regardless of whether the consumer receives an energy bill directly from a utility.

**"Energy efficiency"** means reducing electricity consumption on the customer's side of the meter while achieving substantially the same level of end-use service.

**"Evaluation, measurement, and verification"** means a systematic, objective study conducted periodically to authenticate, assess, and report how well a program is achieving its objectives, including identification and quantification of inputs, outputs, outcomes, and unintended effects.

**"Fuel switching"** means changing from natural gas to electricity or from electricity to natural gas for a particular end-use service or installing electric heating devices in new construction where natural gas service is available or can be economically made available. It does not include installation of any device that relies primarily on on-site renewable energy, such as, but not limited to, a solar water heater, geothermal heat pump, or biomass gas-powered furnace.

**"Goal"** means a target to be achieved by a utility's demand portfolio. A goal may be expressed in kilowatts, kilowatt-hours, percentage reduction or limitation, years that anticipated construction of utility plant is delayed, and/or another quantifiable measurement approved by the Commission. When determining whether a goal is met, reductions or increases attributable to weather and economic activity will not be counted.

**"Hard-to-reach customers"** means:

- (A) Residential electricity users who rent their residences from persons other than kin related to the third degree of affinity or consanguinity, trusts operated by and for the benefit of the users, or the users' legal guardians,



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(B) Commercial electricity users who rent their business property from persons other than the users' owners, parent companies, subsidiaries of their parent companies, their own subsidiaries, or trusts operated by and for the benefit of the same;

(C) Residential or commercial electricity users who traditionally fail to engage in energy efficiency or demand response programs because of one or more severe barriers beyond those experienced by average residential or commercial customers in a utility's service area.

**"High-volume electricity usage"** means consumption by a single customer in Oklahoma of more than 15 million kWh of electricity per year, regardless of the number of meters or service locations.

**"Incentive"** means a sum of money a utility may be allowed to recover--in addition to program costs and lost net revenues--which sum is designed to reward the utility for successful and appropriate energy efficiency and demand response program performance.

**"Inducement"** means any thing of value offered by a utility to encourage an electricity user or trade ally to engage in an energy efficiency or demand response program approved pursuant to this subchapter.

**"Lost net revenue"** means income from the retail sale of electricity forgone by a utility directly resulting from the success of its demand portfolio, less expenses the utility was not required to pay by forgoing the sales.

**"Low-income customer"** means a residential electricity user who provides proof to a utility that the user has been determined by the appropriate authority to be eligible to receive services through the Oklahoma Department of Commerce Weatherization Assistance Program State Plan, as provided by OAC 150:80; Health Care Authority SoonerCare Choice or fee-for-service programs, as provided by OAC 317:25, 35, and 40; or Department of Human Services Temporary Assistance for Needy Families, State Supplemental Payment, Low Income Home Energy Assistance, Food Stamp, or Refugee Resettlement programs as provided by OAC 340:10, 15, 20, 50, and 60, respectively, or similar program.

**"Market potential study"** means an evaluation that assesses customer population base lines, customer needs, target customer populations, and how best to address these issues.

**"Market transformation"** means the strategic process of influencing customer population decision-making to create lasting change in customer behavior by removing barriers or exploiting opportunities to accelerate adoption of cost-effective energy efficiency as a matter of standard practice.

**"Measure"** means the equipment, materials, or actions that are installed or used within an energy efficiency or demand response program that result in measurable or verifiable savings; for example, a measure would include caulking around windows or weather stripping around doors to prevent heat loss.

**"Peak demand"** means a utility system's maximum annual customer-driven electricity requirement, measured in kilowatts.

**"Peak shaving"** means reducing demand for electricity during high-use hours.

**"Program"** means an organized set of activities or measures directed toward the common purpose of energy efficiency or demand response that a utility undertakes or proposes to undertake to reduce peak demand or future growth in energy or capacity demand; for example, a general offer to assist homeowners in weatherizing their homes is a program.

**"Program cost"** means the expenditures incurred by a utility to achieve capacity, energy, and peak demand savings through energy efficiency and demand response programs. Expenditures made by customers or third parties are not included. Programs costs must be reported in nominal dollars in the year in which they are incurred, regardless of when the savings occur. The utility's program costs are all labor, equipment, inducement, marketing, monitoring, measurement and evaluation, and other expenditures incurred by the utility for operation of the energy efficiency and demand response programs, regardless of whether the costs are expensed or capitalized.

**"Program implementer"** means the person who puts an energy efficiency program into practical effect.

**"Research and development"** means a planned activity aimed at discovering new knowledge with the hope of developing new or improved energy efficiency processes, products, or services and the translation of these research findings into a plan or design for new or improved energy efficiency processes, products, and services.

**"Savings"** means a reduction in the rate of growth of energy use, as measured in kilowatt-hours, or capacity addition, as measured in kilowatts, or peak demand, as measured in kilowatts.

**"Standard offer"** means an energy efficiency or demand response program available to a group of customers or customers generally on the same terms and without customization.

**"Trade allies"** means contractors, retailers, skilled laborers, service providers, and wholesale distributors who support energy efficiency programs through sale or installation of goods and services.

[Source: Added at 26 Ok Reg 1849, eff 6-25-09]

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 5  
PARTY: WALMART STORES EAST, LP'S AND  
SAM'S EAST, INC – (DIRECT)  
DESCRIPTION: Kenneth E. Baker KEB-4

Walmart Stores East, LP and Sam's East, Inc.  
Public Service Company of Oklahoma and  
Duke Energy Carolinas' South Carolina DSM-EE tariffs  
Exhibit KEB-4, Page 1 of 12  
Florida PSC Docket No. 140002-EG

PUBLIC SERVICE COMPANY OF OKLAHOMA  
P.O. BOX 201  
TULSA, OKLAHOMA 74102-0201  
PHONE: 1-888-216-3523  
KIND OF SERVICE: ELECTRIC

SHEET NO. 85 - 1B  
REPLACES SHEET NO. 85 - 1A  
EFFECTIVE DATE: 04/01/13

**SCHEDULE: DEMAND SIDE MANAGEMENT COST RECOVERY RIDER (DSM RIDER)**

### AVAILABILITY

DSM Rider is designed to recover costs associated with the Energy Efficiency and Demand-side Management programs (DSM Programs) as authorized in PUD 200900196, Order 572836.

This Rider is applicable to and becomes part of each OCC jurisdictional rate schedule. This Rider is applicable to energy consumption of retail customers and to facilities, premises and loads of such retail customers.

The DSM Factor shall be determined annually for each major rate class using the DSM Program projected costs for that year and any true-up amounts included from the previous year. The DSM Factor will be calculated in accordance with the following methodology and will be applied to each kWh sold.

### METHOD OF CALCULATION FOR DSM RIDER

The DSM Factor is calculated annually for each major rate class. The formula for the DSM Factor is as follows:

DSM Factor =  $\{[(\text{Projected Program cost} + \text{DSM true-up for previous period}) * \text{Demand or Energy Allocator}]\} / \text{Class Annual kWhs.}$

### Method of Calculation For DSM Rider:

$PDSM = \{[(PPCDR + TDSMDR) * DF]\} + \{[(PPCEE + TDSMEE) * DEF] + OPT OUT\}$ , where:

PPCDR = Budgeted Demand Response Program Cost for the year associated with the DSM programs approved by the OCC.

PPCEE = Budgeted Energy Efficiency Program Cost for the year associated with the DSM programs approved by the OCC.

TDSMDR = Demand Response program true-up balance from the previous period where:  
 $TDSMDR = (APCDR - PPCDR) + (ALRDR - PLRDR) + (ASHDR - PSSDR) + (ADSMDR \text{ Revenues} - PDSMDR)$

### Rates Authorized by the Oklahoma Corporation Commission

Effective	Order Number	Cause / Docket Number
November 15, 2012	604214	PUD 201200128
January 31, 2011	581748	PUD 201000050
March 3, 2010	572836	PUD 200900196
January 29, 2009	564437	PUD 200800144
August 1, 2008	555302	PUD 200700449

APPROVED  
MAR 22 2013  
DIRECTOR OF PUBLIC UTILITY

Walmart Stores East, LP and Sam's East, Inc.  
Public Service Company of Oklahoma and  
Duke Energy Carolinas' South Carolina DSM-EE tariffs  
Exhibit KEB-4, Page 2 of 12  
Florida PSC Docket No. 140002-EG

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SHEET NO. 85 - 2B  
REPLACES SHEET NO. 85 - 2A  
EFFECTIVE DATE: 04/01/13

**SCHEDULE: DEMAND SIDE MANAGEMENT COST RECOVERY RIDER (DSM RIDER)**

APCDR = (Actual Program costs)

ALRDR = (Actual Calculated Lost revenues) where:

ALRDR = Actual Lost Revenues as calculated by Demand Response program. The ALRDR is calculated as follows:

$$ALRDR = (ECR * CKWHDR)$$

ECR = Embedded cost per kWh by class; Embedded Cost per kWh is calculated by dividing the final revenue allocation by class, established in the most recent rate proceeding, by the total kWhs also established for use in that proceeding.

The ECR by classes for use in this tariff will be:

Participating Class	COS \$/kWh
Residential	\$ 0.028908
Small Commercial	\$ 0.030609
Large Commercial & Industrial	\$ 0.028221
Large Industrial	\$ 0.013474

CKWHDR = Cumulative kWhs for saved for Demand Response programs.

The kWh savings used in the Lost Revenue calculation will accumulate until the final order in a new base rate case, at which time the cumulative kWhs will be zeroed out until the next calculation of the DSM Rider and new DSM programs are implemented.

ASHDR = (Actual Calculated Shared Savings)

**Rates Authorized by the Oklahoma Corporation Commission**

Effective	Order Number	Cause / Docket Number
November 15, 2012	604214	PUD 201200128
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SHEET NO. 85 - 3B  
REPLACES SHEET NO. 85 - 3A  
EFFECTIVE DATE: 04/01/13

**SCHEDULE: DEMAND SIDE MANAGEMENT COST RECOVERY RIDER (DSM RIDER)**

ASHDR = Actual shared saving as calculated, by customer classes, resulting from the implementation of the Demand Response Programs.  
The ASHDR is calculated as follows:

ASHDR = Shared Benefit + Program Incentives where:

Shared Benefit = Net benefit \* Sharing Percentage (SP) where:

Net Benefit = is a product of the Program Administrator Cost Test (PACT), also referred to as the Utility Cost Test (UCT), for the Demand Response Programs with measurable benefits.

PACT = Avoided capacity and energy costs – Equipment + Demand Response program Administration costs.

SP = 15% where:

Program Incentives = Program costs \* sharing percentage (SP2)

Program costs = budgeted program costs for DSM period

SP2 = 15%

ADSMR = (Total revenues collected from DSM Rider)

PDSMR = (DSM Revenues projected to be recovered during previous period)

TDSMEE = Energy Efficiency program true-up balance from the previous period where:

TDSMEE = (APCEE – PPCEE) + (ALREE – PLREE) + (ASHEE – PSSEE) + (ADSMEE Revenues – PDSMEE)

APCEE = (Actual Program costs)

ALREE = (Actual Calculated Lost revenues)

**Rates Authorized by the Oklahoma Corporation Commission**

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REPLACES SHEET NO. 85 - 4A  
EFFECTIVE DATE: 04/01/13

**SCHEDULE: DEMAND SIDE MANAGEMENT COST RECOVERY RIDER (DSM RIDER)**

ALREE = Actual Lost Revenues as calculated by Energy Efficiency program. The ALREE is calculated as follows:

$$ALREE = (ECR * CKWHEE)$$

CKWHEE = Cumulative kW'hs saved for Energy Efficiency programs.

The kWh savings used in the Lost Revenue calculation will accumulate until the final order in a new base rate case, at which time the cumulative kWhs will be zeroed out until the next calculation of the DSM Rider and new DSM programs are implemented.

ASHEE = (Actual Calculated Shared Savings)

ASHEE = Actual shared saving as calculated, by customer classes, resulting from the implementation of the Energy Efficiency Programs.

The ASHEE is calculated as follows:

ASHEE = Shared Benefit + Program Incentives where:

Shared Benefit = Net benefit \* Sharing Percentage (SP) where:

Net Benefit = is a product of the Program Administrator Cost Test (PACT), also referred to as the Utility Cost Test (UCT), for the Energy Efficiency Programs with measurable benefits.

PACT = Avoided capacity and energy costs – Equipment + Energy Efficiency program Administration costs.

SP = 15% where:

Program Incentives = Program costs \* sharing percentage (SP2)

Program costs = budgeted program costs for DSM period

**Rates Authorized by the Oklahoma Corporation Commission**

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SP2 = 15%

ADSMEE = (Total revenues collected from DSM Rider)

PDSMEE = (DSM Revenues projected to be recovered during previous period)

DF = Demand Allocation Factor for each major rate class (based upon allocators from Cause PUD 201000050) are as follows:

<u>DF Allocator</u>	<u>Major Rate Class</u>
48.69%	Residential - Secondary
32.14%	Commercial - Secondary
8.77%	SL3 - Primary
8.68%	SL2 - Primary Sub
1.72%	SL1 - Transmission
* Lighting included in the Commercial Secondary Rate Class	

DEF = Demand/Energy Allocation Factor for each major rate class (based upon allocators from Cause PUD 201000050) are as follows:

<u>DEF Allocator</u>	<u>Major Rate Class</u>
42.72%	Residential - Secondary
32.13%	Commercial - Secondary
10.51%	SL3 - Primary
12.06%	SL2 - Primary Sub
2.57%	SL1 - Transmission
* Lighting included in the Commercial Secondary Rate Class	

**OPTIONAL PARTICIPATION ADJUSTMENT (OPT OUT):**

The opt-out period for high-volume electricity users (a single customer using more than fifteen million kWh of electricity per year, regardless of the number of meters or service locations) will be for one month each year, beginning on December 1 and closing on December 31. Any high-volume electricity user may opt out of either all energy efficiency or all demand response programs, or both; and

**Rates Authorized by the Oklahoma Corporation Commission**

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Exhibit KEB-4, Page 6 of 12  
Florida PSC Docket No. 140002-EG

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SHEET NO. 85 - 6B  
REPLACES SHEET NO. 85 - 6A  
EFFECTIVE DATE: 04/01/13

**SCHEDULE: DEMAND SIDE MANAGEMENT COST RECOVERY RIDER (DSM RIDER)**

they may opt out for the program year or for the entire program period. They must submit notice of such decision to the Director of the Public Utility Division and to PSO on or before December 31 of each year. After December 31, high-volume electricity users may no longer opt out or opt in until the next enrollment period.

**Rates Authorized by the Oklahoma Corporation Commission**

Effective	Order Number	Cause / Docket Number
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**Supplemental Page**

**PUBLIC SERVICE COMPANY OF OKLAHOMA  
 Demand Side Management Cost Recovery Rider (DSM Rider)  
 Consumer Programs 2014**

**2014 PSO DSM Factors**

<b>Energy Programs</b>	
<b>MAJOR RATE CLASS</b>	<b>DPCR Factor</b>
Residential - Secondary	0.002324
Commercial/Industrial	0.003486
<b>Demand Programs</b>	
<b>MAJOR RATE CLASS</b>	<b>DPCR Factor</b>
Residential - Secondary	0.000268
Commercial/Industrial	0.000310
<b>Total Programs</b>	
<b>MAJOR RATE CLASS</b>	<b>DPCR Factor</b>
Residential - Secondary	0.002592
Commercial/Industrial	0.003796

The above factors will be applied to kWh sales on bills rendered beginning with the April 2014 Cycle 1 billing.

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Public Service Commission of South Carolina  
Tariff Summary Sheet as of January 27, 2014

**Duke Energy Carolinas, LLC**

Tariff Service: **EE - Energy Efficiency Rider**

This document is the complete version of the tariff on file and contains the following approved revisions. Detailed information is available for each revision on the Commission's E Tariff website (<http://etariff.psc.sc.gov>).

Revision	Date Filed	Effective Date	# of Pages
E2014-8	1/8/14	1/27/14	4
Summary: Filed in accordance with PSC Order 2013-889. Tariff Revised Pursuant to Order 2013-889			
E2012-495	11/27/12	1/9/13	3
Summary: Filed in accordance with PSC Order 2012-823. EE Rider to recover the cost of Save-A-Watt EE and DSM programs.			
E2012-100	5/1/12	5/3/12	3
Summary: Filed in accordance with PSC Order 2012-202. Corrected tariff pursuant to Order 2012-202			
E2012-94	4/12/12	4/13/12	3
Summary: Filed in accordance with PSC Order 2012-202. Pursuant to Order 2012-202			
E2012-15	1/18/12	1/19/12	3
Summary: Filed in accordance with PSC Order 2012-17. Energy Efficiency Rider Adjustments applicable to residential and nonresidential rate schedules for the period January 1, 2011 through December 31, 2011.			
E2011-13	1/14/11	2/10/11	3
Summary: Filed in accordance with PSC Order 2010-853. Energy Efficiency Rider Adjustments applicable to the residential and nonresidential rate schedules for January 1, 2011, through December 31, 2011.			
E2010-242	9/2/10	2/1/10	3
Summary: Filed in accordance with PSC Order 2010-79. System Maintenance - Save initial tariff in revision history.			

Walmart Stores East, LP and Sam's East, Inc.  
Public Service Company of Oklahoma and  
Duke Energy Carolinas' South Carolina DSM-EE tariffs  
Exhibit KEB-4, Page 9 of 12  
Florida PSC Docket No. 140002-EG

Duke Energy Carolinas, LLC

Electricity No. 4  
South Carolina Fifth Revised Leaf No. 62  
Superseding South Carolina Fourth Revised Leaf No. 62

RIDER EE (SC)  
ENERGY EFFICIENCY RIDER

**APPLICABILITY (South Carolina Only)**

Service supplied under the Company's rate schedules is subject to approved adjustments for new energy efficiency and demand-side management programs approved by the Public Service Commission of South Carolina (PSCSC). The Rider Adjustments are not included in the Rate Schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate. Cost recovery under Rider EE consists of two four-year term programs, years 2009 – 2013 and years 2014 – 2017 as outlined separately below. This rider applies to service supplied under all rate schedules for program years 2009 – 2013 but does not apply to Rate Schedules, OL, FL, PL, GL and NL for program years 2014 – 2017.

The Rider will recover the cost of Duke Energy Carolinas' Interruptible Service and Stand-By Generator programs ("Existing DSM Programs") based on the cost of bill credits and amounts paid to customers participating on these programs ("Program Costs"). Revenue requirements will be determined on a system basis and allocated to SC retail customer classes based on the class contribution to system peak demand.

**I. PROGRAM YEARS 2009-2013 (Vintage Years 1-4)**

**GENERAL PROVISIONS**

This Rider will recover the cost of Duke Energy Carolinas' Save-a-Watt ("SAW") energy efficiency and demand-side management programs, using the method approved by the PSCSC, for programs implemented over a 4 year period (*i.e.*, comprising four 12-month program years or "Vintage Years"). In each year this Rider will include components to recover revenue requirements related to demand-side management and energy efficiency programs implemented in that vintage, as well as lost revenues resulting from the energy efficiency programs. Lost revenues associated with each vintage will be recovered for 36 months upon implementation. As a result the Rider will continue beyond the 4 year period to fully recover lost revenues for programs in years 3 and 4.

Revenue requirements for SAW demand-side management programs will be determined on a system basis and allocated to South Carolina retail customers based on the class contribution to system retail peak demand. Revenue requirements for SAW energy efficiency programs will be determined on a system basis and allocated to all South Carolina retail customer classes based on SC retail contribution to system retail sales. Residential customers will pay for the allocated cost of residential programs; non-residential customers will pay for the allocated cost of non-residential programs.

Revenue requirements will be determined on a system basis and allocated to South Carolina retail customers based on the South Carolina retail contribution to system retail peak demand for demand side management programs and South Carolina retail contribution to system retail kWh sales for energy efficiency programs. Residential customer classes will pay for residential programs and non-residential customer classes will pay for non-residential programs through methods found appropriate by the Commission for demand-side management and energy efficiency programs, respectively. All allocation factors will be based on the Company's most recently completed cost of service study utilizing the allocation method approved by PSCSC in the Company's most recent general rate proceeding and will exclude the amounts related to customers that elect to opt out of this Rider.

**TRUE-UP PROVISIONS**

Rider amounts for SAW programs will initially be determined based on estimated kW and kWh impacts related to expected customer participation in the programs, and will be true-up as actual customer participation and actual kW and kWh impacts are verified.

Participation true-ups: After the first year, the Rider will include a true-up of previous Rider amounts billed to reflect actual customer participation in the programs.

Measurement and verification true-up: EM&V activities and results will be included in a mid-term EM&V-based true-up process that will be reflected in Vintage Year 3 Rider EE collections. A final EM&V true-up reflected in Vintage Year 6 Rider EE collections will incorporate all EM&V studies completed since the mid-term EM&V true-up. EM&V results will include measure-level savings adjustments and net-to-gross analysis. In addition, the mid-term and final true-ups will incorporate the most recent EM&V results in the avoided cost true-up, the lost revenue true-up, and the earnings cap true-up.

South Carolina Fifth Revised Leaf No. 62  
Effective for service on and after January 1, 2014  
PSCSC Docket No. 2013-298-E and 2013-299-E  
Order No. 2013-889

Walmart Stores East, LP and Sam's East, Inc.  
Public Service Company of Oklahoma and  
Duke Energy Carolinas' South Carolina DSM-EE tariffs  
Exhibit KEB-4, Page 10 of 12  
Florida PSC Docket No. 140002-EG

Duke Energy Carolinas, LLC

Electricity No. 4  
South Carolina Fifth Revised Leaf No. 62  
Superseding South Carolina Fourth Revised Leaf No. 62

RIDER EE (SC)  
ENERGY EFFICIENCY RIDER

Earnings cap true-up: In the sixth year a true up will be billed, if applicable, to refund amounts collected through the Rider in excess of the earnings cap, in accordance with the following levels of achievement and allowed return on investment.

<u>Percentage Actual Target Achievement</u>	<u>Return on Investment Cap on Program Costs Percentage</u>
>=90%	15%
80% to 89%	12%
60% to 79%	9%
< 60%	5%

DETERMINATION OF ENERGY EFFICIENCY RIDER ADJUSTMENT

Energy Efficiency Adjustments (EEA) will be applied to the energy (kilowatt hours) billed of all rate schedules for each vintage as determined by the following formula:

EEA Residential (expressed as cents per kWh) = SAW Residential Adjustment + Existing DSM Residential Adjustment

SAW Residential Adjustment = Residential Avoided Cost Revenue Requirement + Residential Lost Revenues / Forecasted Residential kWh Sales for the Rider billing period

Where

Residential Avoided Cost Revenue Requirement = (Residential Demand Side Management Program Avoided Cost Revenue Requirement X 75%) + (Residential Energy Efficiency Program Avoided Cost Revenue Requirement X 55%)

And

Existing DSM Residential Adjustment = Non-SAW Residential Program Costs / Forecasted Residential kWh Sales for the Rider billing period

EEA Non-residential (expressed as cents per kWh) = SAW Non-residential Adjustment + Existing DSM Non-residential Adjustment

SAW Non-residential Adjustment = Non-residential Avoided Cost Revenue Requirement + Non-residential Lost Revenues / Forecasted Non-residential kWh Sales (excluding opt out sales) for the Rider billing period

Where

Non-residential Avoided Cost Revenue Requirement = (Non-residential Demand Side Management Program Avoided Cost Revenue Requirement X 75%) + (Non-residential Energy Efficiency Program Avoided Cost Revenue Requirement X 55%)

And

Existing DSM Non-residential Adjustment = Non-SAW Non-residential Program Costs / Forecasted Non-residential kWh Sales (excluding opt out sales) for the Rider billing period

II. PROGRAM YEARS 2014-2017 (Vintages 2014-2017)

GENERAL PROVISIONS

This Rider will recover the cost of new energy efficiency and demand-side management programs, using the method approved by the PSCSC, for programs implemented over a four-year period (i.e., comprising four 12-month program years or "Vintage Years").

TRUE-UP PROVISIONS

Rider amounts will initially be determined based on estimated kW and kWh impacts related to expected customer participation in the programs, and will be true-up on an annual basis as actual customer participation and actual kW and kWh impacts are verified. The true-up will reflect actual participation and EM&V results for the most recently completed vintage. If a customer participates in any vintage of programs, the customer is subject to the true-ups for any vintage of programs in which the customer participated.

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RIDER EE (SC)  
ENERGY EFFICIENCY RIDER

**RIDER EE OPT OUT PROVISION FOR QUALIFYING NON-RESIDENTIAL CUSTOMERS**

The Rider EE increment applicable to energy efficiency programs and/or demand-side management programs will not be applied to the energy charge of the applicable rate schedule for Customers qualified to opt out of the programs where:

- a. The Customer has notified the Company in writing that it elects to opt out and that the opt-out customer has implemented its own energy management system or has performed or had performed for it an energy audit or analysis within the three year period preceding the opt out request and has implemented or has plans for implementing the cost-effective energy efficiency measures recommended in that audit or analysis; and
- b. Electric service to the Customer must be provided under:
  1. An electric service agreement where the establishment is classified as a "manufacturing industry" by the Standard Industrial Classification Manual published by the United States Government and where more than 50% of the electric energy consumption of such establishment is used for its manufacturing processes; or
  2. An electric service agreement for general service as provided for under the Company's rate schedules where the Customer's annual energy use is 1,000,000 kilowatt hours or greater in the billing months of the prior calendar year. Additionally, all other agreements billed to the same entity with lesser annual usage located on the same or contiguous properties are also eligible to opt out.

For Customers who elect to opt out of Energy Efficiency Programs, the following provisions also apply:

- Qualifying customers may opt out of the Company's energy efficiency programs each calendar year only during the designated annual two month enrollment period. For the Rider EE 2014 Program Year, the enrollment period begins November 1, 2013 and ends December 31, 2013.
- Customers may not opt out of individual energy efficiency programs offered by the Company. The choice to opt out applies to the Company's entire portfolio of energy efficiency programs.
- If a customer participates in any vintage of energy efficiency programs, the customer, irrespective of future opt-out decisions, remains obligated to pay the remaining portion of the lost revenues for each vintage of efficiency programs in which the customer participated.
- Customers who elect to opt out during the two-month annual enrollment period immediately prior to the new Rider EE becoming effective may elect to opt in to the Company's energy efficiency program during the first 5 business days of March each calendar year. Customers making this election will be back-billed to the effective date of the new Rider EE.

For Customers who elect to opt out of Demand Side Management Programs, the following provisions also apply:

- Qualifying customers may opt out of the Company's demand-side management program during the enrollment period between November 1, and December 31 immediately prior to a new Rider EE becoming effective on January 1 of the applicable year. (Qualifying new customers have sixty days after beginning service to opt out).
- If a customer elects to participate in a demand-side management program, the customer may not subsequently choose to opt out of demand side management programs for three years.
- Customers who elect to opt out during the two-month annual enrollment period immediately prior to the new Rider EE becoming effective may elect to opt in to the Company's demand-side management program during the first 5 business days of March each calendar year. Customers making this election will be back-billed to the effective date of the new Rider EE.

Any qualifying non-residential customer that has not participated in an energy efficiency or demand-side management program may opt out during any enrollment period, and have no further responsibility to pay Rider EE amounts associated with the Customer's opt out election for energy efficiency and/or demand-side management programs.

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Electricity No. 4  
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Superseding South Carolina Fourth Revised Leaf No. 62

RIDER EE (SC)  
ENERGY EFFICIENCY RIDER

**ENERGY EFFICIENCY RIDER ADJUSTMENTS (EEA) FOR ALL PROGRAM YEARS**

The Rider EE amounts applicable to the residential and nonresidential rate schedules for the period January 1, 2014 through December 31, 2014 including revenue-related taxes and utility assessments are as follows:

<b><u>Residential</u></b>	Vintage 1, 2, 3,4	0.1801¢ per kWh	
	Vintage 2014	<u>0.2387¢ per kWh</u>	
	<b>Total Residential</b>	<b>0.4188¢ per kWh</b>	
<b><u>Nonresidential</u></b>		<b><u>Energy Efficiency</u></b>	<b><u>Demand Side Management</u></b>
	Vintage 1	0.0030¢ per kWh	NA
	Vintage 2	(0.0033)¢ per kWh	NA
	Vintage 3	0.0974¢ per kWh	0.0140 ¢ per kWh
	Vintage 4	0.0153¢ per kWh	NA
	2014 Vintage*	0.0827¢ per kWh	0.0743 ¢ per kWh
	<b>Total Vintage 1, 2, 3,4,2014</b>	<b>0.1951¢ per kWh</b>	<b>0.0883¢ per kWh</b>
	<b>Total Nonresidential</b>	<b>0.2834¢ per kWh</b>	

**\*Not Applicable to Rate Schedules OL, FL, PL, GL, and NL**

Each factor listed under Nonresidential is applicable to nonresidential customers who are not eligible to opt out and to eligible customers who have not opted out. If a nonresidential customer has opted out of a Vintage(s), then the applicable energy efficiency and/or demand-side management charge(s) shown above for the Vintage(s) during which the customer has opted out, will not apply to the bill.

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2008-251-E - ORDER NO. 2009-373

JUNE 26, 2009

IN RE: Application of Carolina Power & Light	)	ORDER APPROVING
Company d/b/a Progress Energy Carolinas,	)	DSM/EE APPLICATION
Inc. for the Establishment of Procedures for	)	
DSM/EE Programs	)	

Pursuant to S.C. Code Ann. § 58-37-20 (Supp. 2008) and S.C. Code Ann. Regs. 103-819, 103-820 and 103-823 (Supp. 2008), this proceeding before the Public Service Commission of South Carolina ("Commission") concerns the Application of Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc. ("PEC" or the "Company") to establish procedures that encourage PEC to invest in cost effective energy efficient technologies and energy conservation programs. In their application, PEC also requests the Commission approve the establishment of an annual rider to allow recovery of all costs associated with such programs and the recovery of an appropriate incentive for investing in such programs.<sup>1</sup> Notice of this matter was published by PEC in newspapers of general circulation in the areas affected by its request to inform interested parties of the manner and time in which to file the appropriate pleadings to participate.

Intervenors in the proceeding included Southern Environmental Law Center, Coastal Conservation League, Natural Resources Defense Council, and the Southern

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<sup>1</sup> Commission Order 2009-435 addresses PEC's requested Rider DSM/EE-1 allowing for the recovery of the costs associated its Demand Side Management and Energy Efficiency programs.



Alliance for Clean Energy (collectively "Environmental Intervenors") as well as Nucor Steel – South Carolina, a Division of Nucor Corporation ("Nucor"), and Wal-Mart Stores East, LP ("Wal-Mart"). The South Carolina Office of Regulatory Staff ("ORS") was a party pursuant to S.C. Code Ann. § 58-4-10 (Supp. 2008). On January 23, 2009, PEC, Nucor, Wal-Mart, and ORS ("Stipulating Parties") filed a Stipulation Agreement resolving their issues. The Stipulation Agreement included a Demand Side Management ("DSM") and Energy Efficiency ("EE") (collectively "DSM/EE") cost recovery mechanism and procedure (the "DSM/EE Procedure") that addressed the recovery of PEC's DSM/EE costs, the recovery of net lost revenues, a performance incentive to encourage PEC to aggressively pursue DSM/EE programs, and the filing procedures and requirements for establishment of a rider to allow recovery of PEC's DSM/EE program costs. However, the Environmental Intervenors remained opposed to the DSM/EE proposal. An evidentiary hearing was held on February 12, 2009.

At the hearing, PEC was represented by Len S. Anthony, Esquire, and presented the testimony of B. Mitchell Williams, Manager of Regulatory Affairs, as well as Laura Bateman, Manager of Regulatory Planning. The Environmental Intervenors were represented by Christopher K. DeScherer, Esquire, and Sarah Rispin, Esquire, and presented the testimony of J. Richard Hornby, a consultant with Synapse Energy Economics, Inc., as well as Brian M. Henderson, an independent energy consultant. Wal-Mart was represented by Thomas L. Moses, Esquire, and Holly Rachel Smith, Esquire, and presented the testimony of Steve W. Chriss, Manager of State Rate Proceedings. Nucor Steel – South Carolina was represented by Michael Lavanga, Esquire, and Robert

R. Smith, Esquire, but presented no testimony. ORS was represented by Jeff Nelson, Esquire, and Shealy Boland Reibold, Esquire, but also presented no testimony.

Contemporaneous with its South Carolina proceeding, PEC witness Williams testified that the Company was involved in a Demand Side Management/Energy Efficiency cost recovery proceeding in North Carolina. Williams also stated that following the filing of PEC's June 27, 2008 Application with this Commission, it entered into simultaneous and parallel negotiations with the North Carolina Utilities Commission Public Staff and Wal-Mart in North Carolina as well as ORS, Nucor, and Wal-Mart in South Carolina to mutually agree on an appropriate DSM/EE cost recovery mechanism. Tr. 36. Additionally, PEC reached agreement with the North Carolina Public Staff and Wal-Mart prior to the hearing in the South Carolina docket and, therefore, revised its proposed DSM/EE cost recovery procedure in this proceeding to be consistent with the settlement reached in North Carolina. *Id.*

These revisions were explained in Williams' January 8, 2009 prefiled testimony and detailed in the exhibit attached to this filing. During the hearing, Williams testified that PEC's January 14, 2009 filing, titled "Procedure and Mechanism for Recovery of Costs and Incentives for Demand-Side Management and Energy Efficiency Programs" clarified and combined into a single document PEC's Application, as revised, to be consistent with the North Carolina settlement. Thereafter, ORS, Wal-Mart, Nucor, and PEC reached an agreement on the South Carolina DSM/EE Procedure that closely reflects PEC's January 14, 2009 filing. The agreed upon DSM/EE Procedure and Stipulation Agreement were filed with this Commission on January 23, 2009.

**BASIS FOR PEC'S APPLICATION**

According to Williams, Tr. 10-130, PEC requests the establishment of its proposed DSM/EE Procedure because the electric industry is going through a transformation. He explained that traditionally an electric utility's duty was to provide a reliable supply of electricity to its customers at the lowest reasonable price, leaving use of that electricity solely to the discretion of the individual consumer. Primarily, attempts to influence the consumption of energy have been limited to the use of price signals, such as those employed by PEC in its time-of-use and curtailable rate schedules, where the Company provides a credit in exchange for its ability to interrupt power supplies during times of peak demand. He further explained that since South Carolina has relatively low electric rates, customers typically may not see DSM/EE programs as economically beneficial which may result in low participation and could cause few DSM/EE programs to be cost-effective.

However, Williams testified that while South Carolina continues to enjoy some of the lowest electricity rates in the nation, the cost of coal and natural gas has increased precipitously over the past few years, resulting in increases in electricity rates. Moreover, South Carolina's electric utilities have "grown into" the base load generation facilities constructed over the last two decades and all of South Carolina's electric providers are in the position of having to add a substantial amount of base load generation during the next ten (10) years. The cost of this new base load generation is forecasted to be substantially greater than the average cost of the utilities' existing generation mix.

As a result, Williams explained that DSM/EE programs are expected to become more cost-effective and therefore much more prevalent and expansive than has historically been the case. According to PEC, while these programs may be cost effective from the customers' perspective, it must be recognized that DSM/EE Programs are designed to encourage customers to reduce their consumption of the utility's electricity. This case is especially true for EE Programs. In other words, through these programs and measures, utilities are spending money to encourage their customers not to buy their product. Williams emphasized that this fact is completely inconsistent with any normal business plan and the resulting reduction in energy sales causes a loss of revenue which imperils the utility's ability to recover its costs. To properly compensate and encourage PEC to invest in and promote such programs, Williams stated that it is appropriate to provide PEC with timely cost recovery of all DSM/EE costs incurred, a mechanism to recover net lost revenues, and an appropriate incentive for promoting such programs. Tr. 37.

The Commission agrees with PEC witness Williams and finds that South Carolina's utilities should aggressively pursue and implement cost effective DSM/EE programs for the benefit of their customers.

Williams further explained that the DSM/EE Procedure agreed to by PEC, ORS, Nucor, and Wal-Mart, specifically the program cost recovery, recovery of net lost revenues, and an incentive/reward element, is consistent with S.C. Code Ann. § 58-37-20 (Supp. 2008). The Commission recognizes that this statute authorizes the adoption of procedures that encourage electric utilities to invest in cost effective energy efficient

technologies and energy conservation programs. Furthermore, we also recognize the statute provides that if the Commission chooses to adopt such procedures these procedures must:

1. Provide incentives and cost recovery for electric utilities that invest in energy supply and end-use technologies that are cost effective, environmentally acceptable, and reduce energy consumption or demand;
2. Allow electric utilities to recover their costs and obtain a reasonable rate of return on their investment in qualified demand-side management programs sufficient to make these programs at least as financially attractive as construction of new generating facilities; and
3. Establish rates and charges that ensure that the net income of an electric utility after implementation of specific cost effective energy conservation measures is at least as high as the utility's net income would have been if the energy conservation measures had not been implemented.

S.C. Code Ann. Section 58-37-20 (Supp. 2008)

#### ELEMENTS OF THE PROPOSED DSM/EE PROCEDURE

The DSM/EE Procedure consists of an annual rider to allow PEC to recover the following costs and incentives: (1) the actual costs incurred in providing the DSM/EE programs (including a return on PEC's investment)<sup>2</sup>; (2) the recovery of net lost revenues

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<sup>2</sup> DSM/EE expenses will be deferred and amortized over a ten (10) year period using a levelized rate. The unamortized balance will earn a return equal to PEC's rate of return authorized in its last general rate case. DSM/EE capital expenditures will be depreciated over the useful life of the equipment with a return based upon PEC's current capital structure, current embedded cost of debt, and cost of equity as determined in PEC's last general rate case.

resulting from these programs<sup>3</sup>; and (3) an incentive equal to 8% of the net present value of the net benefits associated with each DSM program as calculated using the Utility Cost Test, and 13% of the net present value of the net benefits associated with each EE program as calculated using the Utility Cost Test. Tr. 39-40.

Williams explained in detail how these three elements of the DSM/EE Procedure are authorized by and consistent with S.C. Code Ann. § 58-37-20. Tr. 38-40. He testified that the statute requires a utility be allowed to recover its costs and obtain a reasonable rate of return on its investment. The DSM/EE Procedure does that in allowing PEC to recover all of its costs incurred in offering a DSM/EE program, including a return on any capital expenditures made in furtherance of such programs.

Regarding the second element of the DSM/EE Procedure (the recovery of net lost revenues), the statute provides that the Commission is to establish rates that ensure that the net income of the utility after implementation of DSM/EE programs is at least as high as the net income would have been if the DSM/EE programs had not been offered. By allowing PEC to recover its net lost revenues, this requirement of the statute is met.

Finally, regarding the third element of the DSM/EE Procedure, the recovery of an incentive/reward, the statute provides that the rate established by the Commission must be sufficient to make the utility's DSM/EE programs at least as financially attractive as construction of new generation facilities. By definition, investments in supply-side

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<sup>3</sup> For purposes of this Docket, the parties have stipulated that the term "net lost revenues" means the revenue losses, net of marginal cost avoided at the time of the lost kilowatt-hour sales or in the case of purchased power, in the applicable billing period, incurred by PEC as a result of a new DSM/EE program. Net lost revenues are also net of any increases in revenues resulting from activity by PEC's public utility operations that cause a customer to increase demand or energy consumption. PEC will be allowed to recover net lost revenues for three years from the installation of a measure as part of a DSM/EE program, or until PEC's next general rate case when any lost revenues are addressed, whichever time period is shorter.

generating facilities are much more capital intensive than demand-side resources and therefore have the potential to produce higher earnings for the utility. Allowing PEC to recover 8% for DSM programs and 13% for EE programs of the net present value of the net benefits associated with such programs as calculated using the utility cost test appears to be a reasonable incentive/reward under S.C. Code Ann. § 58-37-20 for implementing DSM and EE programs, fairly balancing the interests of the utility, consumers, and the public interest.

We find that the DSM/EE Procedure proposed by the Company is entirely consistent with S.C. Code Ann. § 58-37-20 and is a transparent and easily understood cost recovery procedure.

#### TREATMENT OF INDUSTRIAL AND LARGE COMMERCIAL CUSTOMERS

Witness Williams explained that all customer classes are not addressed in the same manner under the DSM/EE Procedure. Tr. 40-41. This distinction between customer classes results because substantial differences exist between small customers and large customers in their awareness of the benefits of DSM/EE programs and their willingness and ability to develop and implement them on their own. Large commercial customers (defined as customers that consume at least a million kilowatt-hours per year) and industrial customers are typically very conscious of their energy costs and already have a substantial incentive to invest in DSM/EE programs tailored to each individual customer's unique facilities and production processes, since it is cost effective for them to do so. These customers are better positioned than anyone else to make the decision on

whether a particular DSM or EE program would be suitably cost effective and operationally effective for their plants and facilities. Tr. 41.

Given that the incentive and opportunity already exists for large commercial and industrial customers to invest in DSM/EE programs even without the proposed DSM/EE Procedure, these customers should be able to opt out upon notification to PEC and not be required to contribute to the cost of the programs being provided to those customers who have not made such investments and are being provided incentives to do so by PEC. Additionally, requiring large commercial and industrial customers to fund PEC's DSM/EE programs could be anticompetitive where a customer that already has its own programs is being required to pay for PEC programs that are or might be used by its competitors. Moreover, large customers are simply not in a position to bear additional costs for EE and DSM programs that do not apply to them. The outcome of imposing such costs on these types of customers, while many other states do not, could result in a negative impact on business retention and economic development in South Carolina. We recognize that these concerns are particularly acute today, when large commercial and industrial customers are facing difficult economic conditions and competitive pressures.

The customers most likely to participate in and directly benefit from utility-sponsored DSM/EE programs are the residential and small commercial segments, and PEC's programs will target these customer segments. By participating in Progress's DSM/EE programs, these customers will receive the direct and tangible benefits of lower energy costs. It is appropriate that the customer segments which benefit also have responsibility for the cost of the programs, and those larger customers most likely to



finance and install energy efficiency improvements on their own should not be required to pay for utility-sponsored programs not directly benefitting them.

Therefore, the DSM/EE Procedure does not provide for any of the costs of new DSM/EE programs to be assigned to large commercial or industrial customers who opt out by notifying PEC that the customer has implemented or will implement alternative DSM/EE programs at its own expense and does not wish to participate in PEC's DSM/EE programs. However, any large commercial or industrial customer that elects not to participate in PEC's DSM/EE programs, but subsequently elects to participate in any new DSM/EE program, will lose the right to be exempt from payment of the annual rider for five (5) years or the life of the program, whichever is longer.<sup>4</sup>

Wal-Mart witness Chriss confirmed that large customers such as Wal-Mart constantly search for and implement those DSM/EE programs that are cost effective for their business operations. Tr. 321-325. Chriss gave numerous examples of actions taken by Wal-Mart to lower its energy costs. Tr. 322-323. In addition, Witness Williams testified that Nucor, a steel recycler and PEC's largest customer, has been served for many years under a time-of-use curtailable rate. Tr. 49. Williams further testified that Nucor's rate already provides peak demand reduction benefits of the type PEC hopes to achieve through the proposed DSM/EE Procedure. *Id.*

The Commission agrees and finds that large commercial customers and industrial customers should be allowed to opt-out of PEC's DSM/EE programs as provided for under the DSM/EE Procedure. Based on the evidence in this proceeding, these customers

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<sup>4</sup> Life of the program means either the capitalization period over which PEC will amortize or depreciate the costs associated with the program or the anticipated period for the program to reach maximum penetration.

have a strong incentive to implement DSM/EE measures regardless of the proposed DSM/EE Procedure, and it is unreasonable to require such customers to pay for PEC's programs, unless they specifically choose to participate. By making it easy for such customers who are not interested in participating to opt-out, the opt-out procedure will support business retention and economic development, and will be easier for PEC to administer. Further, no party opposed the opt-out option and no party presented any evidence that the opt-out mechanism provided for in the DSM/EE Procedure is unreasonable.

Finally, under the DSM/EE Procedure, the costs associated with new DSM/EE programs will be allocated between PEC's North and South Carolina retail jurisdictions, with DSM related costs allocated based on a one-hour coincident peak demand and EE related costs allocated based on energy sales. The DSM/EE Procedure also provides that each EE or DSM program's cost will be allocated to and recovered from those South Carolina retail rate classes eligible to participate in each program. This methodology is reasonable for the allocation and recovery of such costs.

#### ENVIRONMENTAL INTERVENORS' ALLEGATIONS

The Environmental Intervenor's witnesses Henderson, Tr. 263-288, and Hornby, Tr. 185-225, questioned the DSM/EE Procedure in several ways. Witness Henderson recommended the Commission condition its approval of PEC's proposal by focusing its efforts on EE programs rather than DSM programs. Tr. 285. Henderson also recommended creating an advisory group to determine which DSM/EE programs PEC should offer its customers. In addition, Witness Hornby stated that: (1) PEC had not

proven whether the cost-recovery mechanism contained in the DSM/EE Procedure will produce just and reasonable rates because PEC had not provided actual forecasted DSM/EE costs for use in determining the level of rates; (2) PEC had not proven that receiving a return on PEC's DSM/EE costs and an incentive based upon net savings was reasonable; (3) PEC had not proven that the recovery of net lost revenues is the best method to address the lost sales impact of DSM/EE programs; and (4) the Procedure should include portfolio performance targets. Tr. 214-217. However, on cross-examination Henderson and Hornby seemed to agree that PEC had addressed all of their points and concerns. Tr. 228-255, 291-303.

Regarding Henderson's recommendation that PEC be required to favor EE programs over DSM programs, PEC witness Williams explained that S.C. Code Ann. §§ 58-37-10 et seq. (Supp. 2008) requires South Carolina's electric suppliers to develop 15-year integrated resource plans which must contain the utility's plan "for meeting the requirements shown in its forecast in an economic and reliable manner, including both demand-side and supply-side options." "Demand-side" is defined as including both demand-side resources and energy efficiency. Thus, Williams concluded and the Commission agrees that the South Carolina General Assembly has determined the State's electric utilities are to consider equally and implement both DSM and EE programs as an integral part of their resource mix. Both DSM and EE programs have a strong role to play in a utility meeting their resource needs in a cost effective manner. As further addressed below, Williams also explained that the actual mix of DSM and EE resources a utility should offer depends on its resource needs, customer mix, climate, and rates. On

cross-examination, Henderson agreed that all of these factors must be considered. Tr. 292-294.

Turning to witness Henderson's recommendation that PEC use a comprehensive DSM/EE program development strategy, PEC Witness Williams explained that PEC has done and will continue to do just that. Tr. 41-42. He testified that in 2007, PEC announced a commitment to defer 1,000 MW of power generation requirements over the next ten years through DSM and EE programs. This commitment is part of PEC's long-term, balanced energy strategy to meet the future energy needs of its customers in the Carolinas. PEC has developed several cost-effective programs to help achieve the 1,000 MW reduction in peak demand and associated energy savings. PEC has assembled a staff which is responsible solely for PEC's DSM/EE activities and which reports to the Vice President, Efficiency and Innovative Technology. Witness Williams explained that PEC has contacted other utilities and used well known and respected consulting firms to identify the best programs and practices nation-wide and adapt them to the realities in the Carolinas. Witness Williams stated that these DSM/EE experts are some of the same ones that helped design DSM/EE programs in several of the states witness Henderson recommended South Carolina emulate.

Witness Williams testified that Witness Henderson's references to and reliance on what other states have done with regard to DSM/EE is misplaced. Tr. 42-43. Williams explained that when evaluating what other states have done the Commission should take into account differences in a utility's resource needs, rates, and customer mix. The proper mix of DSM/EE programs is driven by the resource needs of the utility, the

economic and market potential for various measures, and the utilities' rates and avoided costs. Tr. 42. Williams further explained that in states like California, where average electric rates are 78% higher than in South Carolina, or New York with average rates more than double the rates in South Carolina (212%), and commensurately high avoided costs, customers already have a strong incentive to seek out and implement DSM and EE measures, even in the absence of utility sponsored programs. *Id.* In addition, such high rates and avoided costs cause many more programs and measures to be cost effective than is the case in South Carolina, which has average rates 21% below the national average. *Id.*

Witness Williams stated that the utility's mix of customers must also be considered when designing and selecting DSM/EE programs. *Id.* For a utility with a large portion of its load comprised of industrial customers and large commercial customers, its DSM/EE efforts will be materially different from a utility with predominately small commercial and residential load. *Id.* As explained earlier, large commercial customers, such as Wal-Mart, and industrial customers are constantly evaluating and making investments in energy efficiency on their own in order to minimize their cost of doing business. Tr. 43. These large customers conduct research and perform engineering evaluations to identify and implement improvements that are cost effective. That is why in some states, such as North Carolina, these customers are allowed to opt-out of participating in utility sponsored programs and associated rate surcharges. *Id.* Such opt-out provisions are significant factors that can drastically alter any state-to-state comparisons. PEC is proposing to allow such an opt-out opportunity

for its industrial and large commercial customers in South Carolina for the reasons described above, and the Commission has found such an opt-out provision to be reasonable and appropriate. PEC estimates that potential opt-out eligible customers account for approximately 49% of its South Carolina retail energy sales (kWh). *Id.*

On cross-examination Environmental Intervenors' witness Henderson agreed that the particular situation faced by a utility must be considered in selecting, designing and implementing DSM/EE programs. He also agreed that a utility's forecasted resource needs (whether baseload, intermediate or peaking) must be considered as well as the utility's existing resource and customer mix, and the utility's rates compared to other states. Tr. 292-294.

The Commission finds that all of these factors support implementing individualized programs rather than simply copying another states' DSM/EE policy. The DSM and EE experiences in states like New York and California should not be perfunctorily applied to South Carolina due to regional differences in climate, fuel choices, demographics, customer mix, appliance saturation, housing types, and overall energy policies.

With regard to PEC's actual DSM/EE program selection process, witness Williams testified that because North Carolina law requires PEC to obtain North Carolina Utilities Commission ("NCUC") approval prior to offering any new DSM/EE programs and South Carolina law does not, PEC intends to wait until the NCUC approves a DSM/EE program before offering the program in South Carolina. This process is necessary and appropriate because the NCUC may revise or reject a proposed DSM/EE

program. If the NCUC were to do so, and PEC had already begun offering the DSM/EE program in South Carolina, PEC could find itself offering different programs in the two states leading to a deterioration of the overall cost effectiveness of the program.

Witness Williams testified that in North Carolina, PEC has obtained approval of: a residential heat pump, central air conditioner and water heater DSM program; a residential new construction EE program; and a commercial, industrial and governmental new and retrofit EE program. In addition, Williams explained that PEC has four more DSM and EE programs pending NCUC approval. He stated these programs are not all of the programs PEC intends to offer, and it plans to continue to develop additional programs that will be added to PEC's portfolio of programs over the coming months and years, including a low income weatherization program, an appliance program, and a residential lighting program.

According to Williams, the initial set of programs filed in North Carolina is completely consistent with the intended market sector and relative targeted measures as outlined by the intervenor's witness Henderson. This market includes the Existing Residential Sector, New Construction Residential Sector, New Commercial Construction, and Existing Commercial Buildings. Henderson agreed on cross-examination that PEC's proposed programs are similar to those being implemented by the Arizona Public Service Company ("APS"), a utility which Henderson recommended to the Commission. Hearing Exhibit No. 7. Tr. 292.

Williams, offered PEC's Home Advantage Program (residential new construction) as an example of the efforts in designing appropriate programs for the Carolinas. Tr. 179-181. He stated this program focuses on market transformation to more efficient residential building construction by providing incentives to builders who commit to the Energy Star platform and upgrade their HVAC equipment. Currently, this market is largely untapped in South Carolina and lacks adequate infrastructure, including qualified Home Energy Rating System ("HERS") raters, trained builders, and informed realtors, which are fundamental to successful program participation. To address this need, PEC is investing in resources to help identify and support the training of individuals in its South Carolina service territory that can serve as new HERS raters. PEC also plans to offer classes in South Carolina, including builder and training seminars that will provide a sound understanding of Energy Star construction and marketing to grow the number of qualified energy professionals needed to successfully implement the program.

PEC's starter portfolio of DSM/EE programs begins with a core set of programs targeting broad market segments with straightforward, measure-based incentives. As experience is gained, the Company will add more targeted and complex programs. Williams explained that PEC has selected an initial set of programs and measures that help balance the resource planning needs, performance risks, regulatory interests, costs, and customer satisfaction objectives specific to its customer base. The initial programs incorporate design and concepts that have a proven track record of providing benefits in other regulatory jurisdictions around the country.



The program designs adopted by PEC thus far were developed with the assistance of consulting firms and professionals who have extensive roles and experience in providing similar services to many of the utilities cited by Witness Henderson. As an example, PEC's proposed comprehensive Commercial, Industrial, and Governmental Energy Efficiency Program ("CIG EE") was designed and will be implemented with the assistance of the same professional consultant used to design and implement a comparable program at APS. A comparison of the CIG EE program proposed by PEC with that of APS reveals strong similarities. Henderson agreed that PEC's proposed mix of DSM/EE programs is very similar to those offered by APS and specifically cited APS as a utility that achieved quick results even though its energy efficiency endeavors were relatively new. Tr. 287, 292. PEC anticipates similar positive impacts specific to the climate, local economy, and market demographics of its South Carolina service territory.

According to Williams, all of the programs PEC has proposed thus far pass the relevant cost benefit tests and result in significant reductions in energy ("kWh") and demand ("kW") consumption. Moreover, the bundle of measures constituting a program can be modified as the market changes, and the initial slate of programs will be subject to measurement, verification, evaluation, and market acceptance. Williams states that PEC's initial core set of programs will provide a set of cost-effective opportunities to every market sector. PEC has further indicated that it will continue to add to this core portfolio, utilizing the same basic principles combined with the experience that it gains through initial program offerings and market acceptance. Williams stated PEC agrees with witness Henderson's argument that it is important for PEC to develop a network of

private contractors and energy service providers that will be performing the work. To this end, Williams also stated that PEC has made plans to incorporate ongoing training and education specific to each program delivery channel including architects, engineering firms, builders, trade allies, and contractors as well as many of the professional organizations which represent these groups. Williams testified that a whole-systems approach is needed to ensure the successful launch of PEC's programs, and PEC is committed to engaging the relevant participants for each program. We agree with and support PEC's efforts in this area.

Turning to witness Henderson's recommendation that the Commission establish annual performance targets, it was established during cross-examination that the California Public Service Commission is in the process of reviewing the effectiveness of performance targets associated with that state's DSM/EE programs as well as its cost recovery/incentive procedure in general. We take judicial notice of the California Commission's February 4, 2009, order instituting the rulemaking on its own motion to "adopt, repeal, or amend rules, regulations, and guidelines for the electric and gas utilities." In this order the California Commission states: "We believe it is necessary to consider a more transparent, more streamlined and less controversial RRIM [risk/reward incentive mechanism] program. This may require making small but significant changes to the existing RRIM, or may require wholesale adoption of a new incentive mechanism." Hearing Exhibit No. 5.

Furthermore, PEC rebuttal witness Bateman explained in detail why performance targets are not needed in South Carolina. Tr. 147-148. She testified that the Program

Performance Incentive ("PPI") contained in the DSM/EE Procedure provides a strong incentive to PEC to make every program as successful as possible because the award is based on a percentage of the savings resulting from the program as measured by the Utility Cost Test. *Id.* Therefore, as the program becomes more successful, the incentive award will increase. Bateman stated that establishing performance targets will not provide any greater incentive to offer DSM/EE programs or make such programs more successful than the incentive created by the PPI mechanism, which is tied to actual performance. Tr. 147.

Bateman also testified that establishing overall performance targets is a complex and somewhat subjective undertaking. In order to make any attempt to establish realistic targets, a DSM/EE market potential study must be performed. The results of the market potential study are essential to any attempt to establish realistic and achievable overall portfolio targets. Without these results, any targets are only guesses at what can reasonably be accomplished through a portfolio of DSM or EE programs. She explained that PEC has commissioned such a study that will be complete by the end of March 2009.

Even then, as testified to by Bateman, the results of a market potential study alone are not adequate to create valid goals, and additional factors must be known before target goals can be established with any level of precision. For example, the utility must gain experience with the DSM/EE program implementation process and determine customer acceptance rates. Bateman explained that if appropriate, the issue of performance targets can be revisited in future DSM/EE cost-recovery proceedings after these critical factors

are known, and the Stipulation Agreement contemplates a re-evaluation of the PPI after three years.

We find that the PPI contained in the DSM/EE Procedures provides the greatest incentive possible to encourage PEC to aggressively pursue cost effective DSM/EE programs. We further find that an incentive that grows as DSM/EE program savings grow provides the utility with a substantial incentive to pursue cost effective programs, and performance targets are not necessary at this time.

Turning to Henderson's final recommendation, that the Commission require PEC to establish an Advisory Group, PEC witness Williams testified that the DSM/EE Procedure and the Stipulation Agreement contemplate PEC soliciting the input of all parties to its previous cost-recovery proceeding to assist in PEC's development of new DSM/EE programs. Williams argued no further process is appropriate for input to PEC's resource plan or DSM/EE efforts. He testified that PEC alone is responsible for providing reliable, low-cost electricity to its customers, and PEC alone must defend the prudence, justness, and reasonableness of its costs incurred in doing so. Williams also stated PEC opposes a committee planning process for its resource planning responsibilities, which may focus on only one aspect of resource planning while ignoring the broad scope of objectives that prudent resource planning requires. Williams further provided that while a utility should always be open to others' ideas, a utility must be able to reject the ideas and proposals it finds unreasonable or inappropriate. We agree and find that PEC will solicit and obtain input regarding new DSM programs, which will be subject to the Commission's review, and therefore, no advisory committee is necessary.

In response to witness Hornby's allegation that PEC failed to prove the cost-recovery mechanism contained in the DSM/EE Procedure will produce just and reasonable rates because it lacked actual forecasted DSM/EE costs, Bateman explained that the cost-recovery mechanism contained in DSM/EE Procedure is appropriate for all cost-effective DSM/EE programs to be proposed and allows the Company to recover its actual DSM/EE costs as specifically contemplated by S.C. Code Ann. § 58-37-20. Tr. 144-146. Each program will be reviewed by the Commission before implementation, and the costs associated with the programs are also subject to the Commission's review in the annual proceeding provided for in the DSM/EE Procedure for the purpose of ensuring that only PEC's just and reasonable costs are recovered via the annual rider.

The Procedure provides PEC the option of deferring and amortizing such costs over 10 years with a carrying cost equal to PEC's last Commission-approved overall return. This method allows PEC to only recover its just and reasonable costs and causes the rider to be much lower in the early years than would be the case if all expenses were recovered in the year incurred, which is also compatible with the method advocated by the Environmental Intervenors. This method is in the public interest because it avoids higher rates in the early years of a program before PEC's customers begin realizing program benefits.

Bateman explained that the net present value of expensing all costs in the year incurred, or deferring and amortizing, is the same, but the deferral option included in the DSM/EE Procedure spreads out the cost for recovery purposes in order to keep the rider as low as possible. It also better matches cost recovery with the timing of the benefits of

the programs. Bateman stated, and the Commission agrees, there is no need to have actual DSM/EE costs in order to determine whether this portion of the mechanism is reasonable. A utility should be allowed to recover its just and reasonable costs as this element of the Procedure contemplates. Additionally, Bateman testified that the second element of the DSM/EE Procedure cost recovery mechanism allows PEC to recover its net lost revenues resulting from its DSM/EE programs for three years. To the extent PEC's DSM/EE programs cause its customers to reduce their consumption of electricity, the DSM/EE Procedure makes PEC whole by allowing it to recover its actual net lost revenues.

Finally, Bateman provided that the DSM/EE Procedure allows PEC to recover an incentive to encourage it to pursue DSM/EE resources rather than supply-side resources. This aspect of the proposal allows for PEC to receive an incentive of 8% of the net present value of the Utility Cost Test savings for DSM programs and 13% of the net present value of the Utility Cost Test savings for EE programs. The Utility Cost Test is a nationally recognized test, and the method for calculating it is standardized. The parties to the Stipulation have agreed that incentives of 8% and 13% of these savings as determined by the Utility Cost Test are appropriate. The actual rates resulting from such incentives will provide no additional value in determining whether these are reasonable incentives.

Bateman emphasized that all three elements of the mechanism are expressly supported and justified by S.C. Code Ann. § 58-37-20. While PEC's DSM/EE proposal establishes cost-recovery procedures, the Commission will ensure that the rates produced

by such procedures are just and reasonable by verifying that the costs upon which the rates are based were prudently incurred and are just and reasonable. Therefore, it is not necessary to consider the specific costs to be recovered through a cost-recovery procedure in order to determine whether the procedure itself is appropriate.

S.C. Code Ann. § 58-37-20 specifically requires the Commission to allow a utility a reasonable opportunity to recover its DSM/EE costs, as it provides that a utility must be allowed to recover its costs and obtain a reasonable rate of return on its investment in DSM/EE programs sufficient to make these programs at least as financially attractive as construction of new generating facilities. Under PEC's proposal, if the Company defers recovery of its DSM/EE costs, it will incur carrying costs. Since the expense of the carrying cost associated with PEC's unrecovered DSM/EE costs is a legitimate part of PEC's revenue requirement, the company must be allowed its recovery. As Bateman observed, the recovery of carrying costs is not an incentive, but merely a mechanism to provide for the recovery of costs associated with developing, implementing, and managing the DSM/EE programs.

In adopting S.C. Code Ann. § 58-37-20, Bateman opined that the General Assembly recognized that a utility must be provided both cost recovery and incentives for its DSM/EE programs. Obviously, the greater the incentive, the more aggressively the utility will pursue such programs and measures. The exact level of the appropriate incentive is difficult, if not impossible, to demonstrate empirically. However, the incentive needs to be real and significant enough to cause the utility to develop new DSM/EE programs and measures to satisfy a resource need rather than a supply-side

resource that does not result in lost kilowatt-hour sales and return on investment. Therefore, both a return on unamortized DSM/EE costs and an incentive are necessary and are provided for by the statute. A return on unamortized DSM/EE costs is essential to allow PEC to recover its costs, and an incentive is essential to encourage PEC to aggressively pursue DSM/EE resources rather than supply-side resources in continuing to meet PEC's obligation to provide reliable service to all customers.

#### CONCLUSION

A recovery mechanism for energy efficiency and demand side management programs offered by a utility should be transparent, reasonably understandable, and consistent with South Carolina Code Ann. Section 58-37-20. The Stipulation presented by Progress Energy and the Office of Regulatory Staff meets these goals consistent with South Carolina Code Ann. Section 58-37-20 by proposing that the Company: (1) recover capital expenditures; (2) recover the actual costs incurred in providing demand side management and energy efficiency programs; (3) recover net lost revenues from these programs; (4) recover incentives equal to 8% of the estimated net savings of demand side management programs as well as 13% of efficiency programs; and (5) defer and amortize all demand side management and efficiency program expenses over a 10 year period. Additionally, Progress's and ORS's proposal will not result in windfall profits and will provide transparency to rate payers, with the unamortized balance of the deferred account earning a return equal to Progress's overall weighted average net of tax rate of return authorized in its last rate case.



However, as an additional regulatory safeguard, the Commission will review and approve Progress' energy efficiency and demand side management programs before they take effect. Progress must submit specific programs, including the initial slate of programs, to the Commission for approval as if they were experimental tariff filings. Unless considered necessary to make findings of fact and/or determine conclusions of law with regard to the programs, the Commission does not anticipate the need for hearings as part of the program approval process.

IT IS THEREFORE ORDERED THAT:

1. The Stipulation Agreement and the DSM/EE Procedure contained therein are approved.
2. PEC may recover capital expenditures, the actual costs incurred in providing demand side management and energy efficiency programs, net lost revenues from these programs, incentives equal to 8% of the estimated net savings of demand side management programs as well as 13% of efficiency programs, and defer and amortize all demand side management and efficiency program expenses over a 10 year period.
3. As a regulatory safeguard, the Commission shall review and approve PEC's Energy Efficiency and Demand Side Management programs before they take effect.
4. When submitting specific programs, including the initial slate of programs, to the Commission for approval, these proposed programs shall be treated as experimental tariff filings.

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5. Large commercial or industrial customers that elect not to participate in PEC's DSM/EE programs, but subsequently elect to participate in any new DSM/EE program, will lose the right to be exempt from payment of the annual rider for five (5) years or the life of the program, whichever is longer.

6. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Elizabeth B. Fleming, Chairman

ATTEST:

  
John E. Howard, Vice Chairman  
(SEAL)

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Energy Conservation Cost Recovery )  
Clause )  
\_\_\_\_\_ )

Docket No. 140002-EG

**EXHIBITS OF STEVE W. CHRISS**

**ON BEHALF OF**

**WAL-MART STORES EAST, LP AND SAM'S EAST, INC.**

**Dated: September 5, 2014**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 7  
PARTY: WALMART STORES EAST, LP'S AND SAM'S  
EAST, INC – (DIRECT)  
DESCRIPTION: Steve W. Chriss SWC-1

# Steve W. Chriss

**Senior Manager, Energy Regulatory Analysis**

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## EXPERIENCE

July 2007 – Present

**Wal-Mart Stores, Inc., Bentonville, AR**

**Senior Manager, Energy Regulatory Analysis (June 2011 – Present)**

**Manager, State Rate Proceedings (July 2007 – June 2011)**

June 2003 – July 2007

**Public Utility Commission of Oregon, Salem, OR**

**Senior Utility Analyst (February 2006 – July 2007)**

**Economist (June 2003 – February 2006)**

January 2003 - May 2003

**North Harris College, Houston, TX**

**Adjunct Instructor, Microeconomics**

June 2001 - March 2003

**Econ One Research, Inc., Houston, TX**

**Senior Analyst (October 2002 – March 2003)**

**Analyst (June 2001 – October 2002)**

## EDUCATION

2001                      **Louisiana State University**

1997-1998              **University of Florida**

M.S., Agricultural Economics

Graduate Coursework, Agricultural Education  
and Communication

1997                      **Texas A&M University**

B.S., Agricultural Development

B.S., Horticulture

## TESTIMONY BEFORE REGULATORY COMMISSIONS

2014

Wisconsin Docket 6690-UR-123: Application of Wisconsin Public Service Corporation for Authority to  
Adjust Electric and Natural Gas Rates.

Connecticut Docket No. 14-05-06: Application of the Connecticut Light and Power Company to Amend its  
Rate Schedules.

Virginia Corporation Commission Case No. PUE-2014-00026: Application of Appalachian Power Company  
for a 2014 Biennial Review for the Provision of Generation, Distribution and Transmission Services  
Pursuant to § 56-585.1 A of the Code of Virginia.

Virginia Corporation Commission Case No. PUE-2014-00033: Application of Virginia Electric and Power  
Company to Revise its Fuel Factor Pursuant to Va. Code § 56-249.6.

Arizona Corporation Commission Docket No. E-01345A-11-0224 (Four Corners Phase): In the Matter of Arizona Public Service Company for a Hearing to Determine the Fair Value of Utility Property of the Company for Ratemaking Purposes, to Fix and Just and Reasonable Rate of Return Thereon, to Approve Rate Schedules Designed to Develop Such Return.

Minnesota Public Utilities Commission Docket No. E-002/GR-13-868: In the Matter of the Application of Northern States Power Company, for Authority to Increase Rates for Electric Service in Minnesota.

Utah Public Service Commission Docket No. 13-035-184: In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations.

Missouri Public Service Commission Case No. EC-2014-0224: In the Matter of Noranda Aluminum, Inc.'s Request for Revisions to Union Electric Company d/b/a Ameren Missouri's Large Transmission Service Tariff to Decrease its Rate for Electric Service.

Oklahoma Corporation Commission Cause No. PUD 201300217: Application of Public Service Company of Oklahoma to be in Compliance with Order No. 591185 Issued in Cause No. PUD 201100106 Which Requires a Base Rate Case to be Filed by PSO and the Resulting Adjustment in its Rates and Charges and Terms and Conditions of Service for Electric Service in the State of Oklahoma.

Public Utilities Commission of Ohio Case No. 13-2386-EL-SSO: In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to §4928.143, Ohio Rev. Code, in the Form of an Electric Security Plan.

#### 2013

Oklahoma Corporation Commission Cause No. PUD 201300201: Application of Public Service Company of Oklahoma for Commission Authorization of a Standby and Supplemental Service Rate Schedule.

Georgia Public Service Commission Docket No. 36989: Georgia Power's 2013 Rate Case.

Florida Public Service Commission Docket No. 130140-EI: Petition for Rate Increase by Gulf Power Company.

Public Utility Commission of Oregon Docket No. UE 267: In the Matter of PACIFICORP, dba PACIFIC POWER, Transition Adjustment, Five-Year Cost of Service Opt-Out.

Illinois Commerce Commission Docket No. 13-0387: Commonwealth Edison Company Tariff Filing to Present the Illinois Commerce Commission with an Opportunity to Consider Revenue Neutral Tariff Changes Related to Rate Design Authorized by Subsection 16-108.5 of the Public Utilities Act.

Iowa Utilities Board Docket No. RPU-2013-0004: In Re: MidAmerican Energy Company.

South Dakota Public Utilities Commission Docket No. EL12-061: In the Matter of the Application of Black Hills Power, Inc. for Authority to Increase its Electric Rates. (filed with confidential stipulation)

Kansas Corporation Commission Docket No. 13-WSEE-629-RTS: In the Matter of the Applications of Westar Energy, Inc. and Kansas Gas and Electric Company for Approval to Make Certain Changes in their Charges for Electric Service.

Public Utility Commission of Oregon Docket No. UE 263: In the Matter of PACIFICORP, dba PACIFIC POWER, Request for a General Rate Revision.

Arkansas Public Service Commission Docket No. 13-028-U: In the Matter of the Application of Entergy Arkansas, Inc. for Approval of Changes in Rates for Retail Electric Service.

Virginia State Corporation Commission Docket No. PUE-2013-00020: Application of Virginia Electric and Power Company for a 2013 Biennial Review of the Rates, Terms, and Conditions for the Provision of Generation, Distribution, and Transmission Services Pursuant to § 56-585.1 A of the Code of Virginia.

Florida Public Service Commission Docket No. 130040-El: Petition for Rate Increase by Tampa Electric Company.

South Carolina Public Service Commission Docket No. 2013-59-E: Application of Duke Energy Carolinas, LLC, for Authority to Adjust and Increase Its Electric Rates and Charges.

Public Utility Commission of Oregon Docket No. UE 262: In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Request for a General Rate Revision.

New Jersey Board of Public Utilities Docket No. ER12111052: In the Matter of the Verified Petition of Jersey Central Power & Light Company For Review and Approval of Increases in and Other Adjustments to Its Rates and Charges For Electric Service, and For Approval of Other Proposed Tariff Revisions in Connection Therewith; and for Approval of an Accelerated Reliability Enhancement Program ("2012 Base Rate Filing")

North Carolina Utilities Commission Docket No. E-7, Sub 1026: In the Matter of the Application of Duke Energy Carolinas, LLC for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina.

Public Utility Commission of Oregon Docket No. UE 264: PACIFICORP, dba PACIFIC POWER, 2014 Transition Adjustment Mechanism.

Public Utilities Commission of California Docket No. 12-12-002: Application of Pacific Gas and Electric Company for 2013 Rate Design Window Proceeding.

Public Utilities Commission of Ohio Docket Nos. 12-426-EL-SSO, 12-427-EL-ATA, 12-428-EL-AAM, 12-429-EL-WVR, and 12-672-EL-RDR: In the Matter of the Application of the Dayton Power and Light Company Approval of its Market Offer.

Minnesota Public Utilities Commission Docket No. E-002/GR-12-961: In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in Minnesota.

North Carolina Utilities Commission Docket E-2, Sub 1023: In the Matter of Application of Progress Energy Carolinas, Inc. For Adjustment of Rates and Charges Applicable to Electric Service in North Carolina.

## 2012

Public Utility Commission of Texas Docket No. 40443: Application of Southwestern Electric Power Company for Authority to Change Rates and Reconcile Fuel Costs.

South Carolina Public Service Commission Docket No. 2012-218-E: Application of South Carolina Electric & Gas Company for Increases and Adjustments in Electric Rate Schedules and Tariffs and Request for Mid-Period Reduction in Base Rates for Fuel.

Kansas Corporation Commission Docket No. 12-KCPE-764-RTS: In the Matter of the Application of Kansas City Power & Light Company to Make Certain Changes in its Charges for Electric Service.

Kansas Corporation Commission Docket No. 12-GIMX-337-GIV: In the Matter of a General Investigation of Energy-Efficiency Policies for Utility Sponsored Energy Efficiency Programs.

Florida Public Service Commission Docket No. 120015-EI: In Re: Petition for Rate Increase by Florida Power & Light Company.

California Public Utilities Commission Docket No. A.11-10-002: Application of San Diego Gas & Electric Company (U 902 E) for Authority to Update Marginal Costs, Cost Allocation, and Electric Rate Design.

Utah Public Service Commission Docket No. 11-035-200: In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations.

Virginia State Corporation Commission Case No. PUE-2012-00051: Application of Appalachian Power Company to Revise its Fuel Factor Pursuant to § 56-249.6 of the Code of Virginia.

Public Utilities Commission of Ohio Case Nos. 11-346-EL-SSO, 11-348-EL-SSO, 11-349-EL-AAM, and 11-350-EL-AAM: In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form on an Electric Security Plan and In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Approval of Certain Accounting Authority.

New Jersey Board of Public Utilities Docket No. ER11080469: In the Matter of the Petition of Atlantic City Electric for Approval of Amendments to Its Tariff to Provide for an Increase in Rates and Charges for Electric Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1 and For Other Appropriate Relief.

Public Utility Commission of Texas Docket No. 39896: Application of Entergy Texas, Inc. for Authority to Change Rates and Reconcile Fuel Costs.

Missouri Public Service Commission Case No. EO-2012-0009: In the Matter of KCP&L Greater Missouri Operations Notice of Intent to File an Application for Authority to Establish a Demand-Side Programs Investment Mechanism.

Colorado Public Utilities Commission Docket No. 11AL-947E: In the Matter of Advice Letter No. 1597-Electric Filed by Public Service Company of Colorado to Revise its Colorado PUC No. 7-Electric Tariff to Implement a General Rate Schedule Adjustment and Other Changes Effective December 23, 2011.

Illinois Commerce Commission Docket No. 11-0721: Commonwealth Edison Company Tariffs and Charges Submitted Pursuant to Section 16-108.5 of the Public Utilities Act.

Public Utility Commission of Texas Docket No. 38951: Application of Entergy Texas, Inc. for Approval of Competitive Generation Service tariff (Issues Severed from Docket No. 37744).

California Public Utilities Commission Docket No. A.11-06-007: Southern California Edison's General Rate Case, Phase 2.

**2011**

Arizona Corporation Commission Docket No. E-01345A-11-0224: In the Matter of Arizona Public Service Company for a Hearing to Determine the Fair Value of Utility Property of the Company for Ratemaking Purposes, to Fix and Just and Reasonable Rate of Return Thereon, to Approve Rate Schedules Designed to Develop Such Return.

Oklahoma Corporation Commission Cause No. PUD 201100087: In the Matter of the Application of Oklahoma Gas and Electric Company for an Order of the Commission Authorizing Applicant to Modify its Rates, Charges, and Tariffs for Retail Electric Service in Oklahoma.

South Carolina Public Service Commission Docket No. 2011-271-E: Application of Duke Energy Carolinas, LLC for Authority to Adjust and Increase its Electric Rates and Charges.

Pennsylvania Public Utility Commission Docket No. P-2011-2256365: Petition of PPL Electric Utilities Corporation for Approval to Implement Reconciliation Rider for Default Supply Service.

North Carolina Utilities Commission Docket No. E-7, Sub 989: In the Matter of Application of Duke Energy Carolinas, LLC for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina.

Florida Public Service Commission Docket No. 110138: In Re: Petition for Increase in Rates by Gulf Power Company.

Public Utilities Commission of Nevada Docket No. 11-06006: In the Matter of the Application of Nevada Power Company, filed pursuant to NRS 704.110(3) for authority to increase its annual revenue requirement for general rates charged to all classes of customers to recover the costs of constructing the Harry Allen Combined Cycle plant and other generating, transmission, and distribution plant additions, to reflect changes in the cost of capital, depreciation rates and cost of service, and for relief properly related thereto.

North Carolina Utilities Commission Docket Nos. E-2, Sub 998 and E-7, Sub 986: In the Matter of the Application of Duke Energy Corporation and Progress Energy, Inc., to Engage in a Business Combination Transaction and to Address Regulatory Conditions and Codes of Conduct.

Public Utilities Commission of Ohio Case Nos. 11-346-EL-SSO, 11-348-EL-SSO, 11-349-EL-AAM, and 11-350-EL-AAM: In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form on an Electric Security Plan and In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Approval of Certain Accounting Authority.

Virginia State Corporation Commission Case No. PUE-2011-00037: In the Matter of Appalachian Power Company for a 2011 Biennial Review of the Rates, Terms, and Conditions for the Provision of Generation, Distribution, and Transmission Services Pursuant to § 56-585.1 A of the Code of Virginia.

Illinois Commerce Commission Docket No. 11-0279 and 11-0282 (cons.): Ameren Illinois Company Proposed General Increase in Electric Delivery Service and Ameren Illinois Company Proposed General Increase in Gas Delivery Service.

Virginia State Corporation Commission Case No. PUE-2011-00045: Application of Virginia Electric and Power Company to Revise its Fuel Factor Pursuant to § 56-249.6 of the Code of Virginia.



Utah Public Service Commission Docket No. 10-035-124: In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations.

Maryland Public Utilities Commission Case No. 9249: In the Matter of the Application of Delmarva Power & Light for an Increase in its Retail Rates for the Distribution of Electric Energy.

Minnesota Public Utilities Commission Docket No. E002/GR-10-971: In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for Authority to Increase Rates for Electric Service in Minnesota.

Michigan Public Service Commission Case No. U-16472: In the Matter of the Detroit Edison Company for Authority to Increase its Rates, Amend its Rate Schedules and Rules Governing the Distribution and Supply of Electric Energy, and for Miscellaneous Accounting Authority.

*2010*

Public Utilities Commission of Ohio Docket No. 10-2586-EL-SSO: In the Matter of the Application of Duke Energy Ohio for Approval of a Market Rate Offer to Conduct a Competitive Bidding Process for Standard Service Offer Electric Generation Supply, Accounting Modifications, and Tariffs for Generation Service.

Colorado Public Utilities Commission Docket No. 10A-554EG: In the Matter of the Application of Public Service Company of Colorado for Approval of a Number of Strategic Issues Relating to its DSM Plan, Including Long-Term Electric Energy Savings Goals, and Incentives.

Public Service Commission of West Virginia Case No. 10-0699-E-42T: Appalachian Power Company and Wheeling Power Company Rule 42T Application to Increase Electric Rates.

Oklahoma Corporation Commission Cause No. PUD 201000050: Application of Public Service Company of Oklahoma, an Oklahoma Corporation, for an Adjustment in its Rates and Charges and Terms and Conditions of Service for Electric Service in the State of Oklahoma.

Georgia Public Service Commission Docket No. 31958-U: In Re: Georgia Power Company's 2010 Rate Case.

Washington Utilities and Transportation Commission Docket No. 100749: 2010 Pacific Power & Light Company General Rate Case.

Colorado Public Utilities Commission Docket No. 10M-254E: In the Matter of Commission Consideration of Black Hills Energy's Plan in Compliance with House Bill 10-1365, "Clean Air-Clean Jobs Act."

Colorado Public Utilities Commission Docket No. 10M-245E: In the Matter of Commission Consideration of Public Service Company of Colorado Plan in Compliance with House Bill 10-1365, "Clean Air-Clean Jobs Act."

Public Service Commission of Utah Docket No. 09-035-15 *Phase II*: In the Matter of the Application of Rocky Mountain Power for Approval of its Proposed Energy Cost Adjustment Mechanism.

Public Utility Commission of Oregon Docket No. UE 217: In the Matter of PACIFICORP, dba PACIFIC POWER Request for a General Rate Revision.

Mississippi Public Service Commission Docket No. 2010-AD-57: In Re: Proposal of the Mississippi Public Service Commission to Possibly Amend Certain Rules of Practice and Procedure.

Indiana Utility Regulatory Commission Cause No. 43374: Verified Petition of Duke Energy Indiana, Inc. Requesting the Indiana Utility Regulatory Commission to Approve an Alternative Regulatory Plan Pursuant to Ind. Code § 8-1-2.5-1, *ET SEQ.*, for the Offering of Energy Efficiency Conservation, Demand Response, and Demand-Side Management Programs and Associated Rate Treatment Including Incentives Pursuant to a Revised Standard Contract Rider No. 66 in Accordance with Ind. Code §§ 8-1-2.5-1 *ET SEQ.* and 8-1-2-42 (a); Authority to Defer Program Costs Associated with its Energy Efficiency Portfolio of Programs; Authority to Implement New and Enhanced Energy Efficiency Programs, Including the Powershare® Program in its Energy Efficiency Portfolio of Programs; and Approval of a Modification of the Fuel Adjustment Clause Earnings and Expense Tests.

Public Utility Commission of Texas Docket No. 37744: Application of Entergy Texas, Inc. for Authority to Change Rates and to Reconcile Fuel Costs.

South Carolina Public Service Commission Docket No. 2009-489-E: Application of South Carolina Electric & Gas Company for Adjustments and Increases in Electric Rate Schedules and Tariffs.

Kentucky Public Service Commission Case No. 2009-00459: In the Matter of General Adjustments in Electric Rates of Kentucky Power Company.

Virginia State Corporation Commission Case No. PUE-2009-00125: For acquisition of natural gas facilities Pursuant to § 56-265.4:5 B of the Virginia Code.

Arkansas Public Service Commission Docket No. 10-010-U: In the Matter of a Notice of Inquiry Into Energy Efficiency.

Connecticut Department of Public Utility Control Docket No. 09-12-05: Application of the Connecticut Light and Power Company to Amend its Rate Schedules.

Arkansas Public Service Commission Docket No. 09-084-U: In the Matter of the Application of Entergy Arkansas, Inc. For Approval of Changes in Rates for Retail Electric Service.

Missouri Public Service Commission Docket No. ER-2010-0036: In the Matter of Union Electric Company d/b/a AmerenUE for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in the Company's Missouri Service Area.

Public Service Commission of Delaware Docket No. 09-414: In the Matter of the Application of Delmarva Power & Light Company for an Increase in Electric Base Rates and Miscellaneous Tariff Charges.

#### 2009

Virginia State Corporation Commission Case No. PUE-2009-00030: In the Matter of Appalachian Power Company for a Statutory Review of the Rates, Terms, and Conditions for the Provision of Generation, Distribution, and Transmission Services Pursuant to § 56-585.1 A of the Code of Virginia.

Public Service Commission of Utah Docket No. 09-035-15 *Phase I*: In the Matter of the Application of Rocky Mountain Power for Approval of its Proposed Energy Cost Adjustment Mechanism.

Public Service Commission of Utah Docket No. 09-035-23: In the Matter of the Application of Rocky Mountain Power for Authority To Increase its Retail Electric Utility Service Rates in Utah and for Approval of Its Proposed Electric Service Schedules and Electric Service Regulations.

Colorado Public Utilities Commission Docket No. 09AL-299E: Re: The Tariff Sheets Filed by Public Service Company of Colorado with Advice Letter No. 1535 – Electric.

Arkansas Public Service Commission Docket No. 09-008-U: In the Matter of the Application of Southwestern Electric Power Company for Approval of a General Change in Rates and Tariffs.

Oklahoma Corporation Commission Docket No. PUD 200800398: In the Matter of the Application of Oklahoma Gas and Electric Company for an Order of the Commission Authorizing Applicant to Modify its Rates, Charges, and Tariffs for Retail Electric Service in Oklahoma.

Public Utilities Commission of Nevada Docket No. 08-12002: In the Matter of the Application by Nevada Power Company d/b/a NV Energy, filed pursuant to NRS §704.110(3) and NRS §704.110(4) for authority to increase its annual revenue requirement for general rates charged to all classes of customers, begin to recover the costs of acquiring the Bighorn Power Plant, constructing the Clark Peak, Environmental Retrofits and other generating, transmission and distribution plant additions, to reflect changes in cost of service and for relief properly related thereto.

New Mexico Public Regulation Commission Case No. 08-00024-UT: In the Matter of a Rulemaking to Revise NMPRC Rule 17.7.2 NMAC to Implement the Efficient Use of Energy Act.

Indiana Utility Regulatory Commission Cause No. 43580: Investigation by the Indiana Utility Regulatory Commission, of Smart Grid Investments and Smart Grid Information Issues Contained in 111(d) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. § 2621(d)), as Amended by the Energy Independence and Security Act of 2007.

Louisiana Public Service Commission Docket No. U-30192 *Phase II (February 2009)*: Ex Parte, Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generating Facility and for Authority to Commence Construction and for Certain Cost Protection and Cost Recovery.

South Carolina Public Service Commission Docket No. 2008-251-E: In the Matter of Progress Energy Carolinas, Inc.'s Application For the Establishment of Procedures to Encourage Investment in Energy Efficient Technologies; Energy Conservation Programs; And Incentives and Cost Recovery for Such Programs.

#### 2008

Colorado Public Utilities Commission Docket No. 08A-366EG: In the Matter of the Application of Public Service Company of Colorado for approval of its electric and natural gas demand-side management (DSM) plan for calendar years 2009 and 2010 and to change its electric and gas DSM cost adjustment rates effective January 1, 2009, and for related waivers and authorizations.

Public Service Commission of Utah Docket No. 07-035-93: In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations, Consisting of a General Rate Increase of Approximately \$161.2 Million Per Year, and for Approval of a New Large Load Surcharge.

Indiana Utility Regulatory Commission Cause No. 43374: Petition of Duke Energy Indiana, Inc. Requesting the Indiana Utility Regulatory Commission Approve an Alternative Regulatory Plan for the Offering of Energy Efficiency, Conservation, Demand Response, and Demand-Side Management.

Public Utilities Commission of Nevada Docket No. 07-12001: In the Matter of the Application of Sierra Pacific Power Company for authority to increase its general rates charged to all classes of electric customers to reflect an increase in annual revenue requirement and for relief properly related thereto.

Louisiana Public Service Commission Docket No. U-30192 *Phase II*: Ex Parte, Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generating Facility and for Authority to Commence Construction and for Certain Cost Protection and Cost Recovery.

Colorado Public Utilities Commission Docket No. 07A-420E: In the Matter of the Application of Public Service Company of Colorado For Authority to Implement and Enhanced Demand Side Management Cost Adjustment Mechanism to Include Current Cost Recovery and Incentives.

**2007**

Louisiana Public Service Commission Docket No. U-30192: Ex Parte, Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generating Facility and for Authority to Commence Construction and for Certain Cost Protection and Cost Recovery.

Public Utility Commission of Oregon Docket No. UG 173: In the Matter of PUBLIC UTILITY COMMISSION OF OREGON Staff Request to Open an Investigation into the Earnings of Cascade Natural Gas.

**2006**

Public Utility Commission of Oregon Docket No. UE 180/UE 181/UE 184: In the Matter of PORTLAND GENERAL ELECTRIC COMPANY Request for a General Rate Revision.

Public Utility Commission of Oregon Docket No. UE 179: In the Matter of PACIFICORP, dba PACIFIC POWER AND LIGHT COMPANY Request for a general rate increase in the company's Oregon annual revenues.

Public Utility Commission of Oregon Docket No. UM 1129 *Phase II*: Investigation Related to Electric Utility Purchases From Qualifying Facilities.

**2005**

Public Utility Commission of Oregon Docket No. UM 1129 *Phase I Compliance*: Investigation Related to Electric Utility Purchases From Qualifying Facilities.

Public Utility Commission of Oregon Docket No. UX 29: In the Matter of QWEST CORPORATION Petition to Exempt from Regulation Qwest's Switched Business Services.

**2004**

Public Utility Commission of Oregon Docket No. UM 1129 *Phase I*: Investigation Related to Electric Utility Purchases From Qualifying Facilities.

**TESTIMONY BEFORE LEGISLATIVE BODIES**

**2014**

Regarding Kansas House Bill 2460: Testimony Before the Kansas House Standing Committee on Utilities and Telecommunications, February 12, 2014.

**2012**

Regarding Missouri House Bill 1488: Testimony Before the Missouri House Committee on Utilities, February 7, 2012.

**2011**

Regarding Missouri Senate Bills 50, 321, 359, and 406: Testimony Before the Missouri Senate Veterans' Affairs, Emerging Issues, Pensions, and Urban Affairs Committee, March 9, 2011.

#### **AFFIDAVITS**

**2011**

Colorado Public Utilities Commission Docket No. 11M-951E: In the Matter of the Petition of Public Service Company of Colorado Pursuant to C.R.S. § 40-6-111(1)(d) for Interim Rate Relief Effective on or before January 21, 2012.

#### **ENERGY INDUSTRY PUBLICATIONS AND PRESENTATIONS**

Mock Trial Expert Witness, The Energy Bar Association State Commission Practice and Regulation Committee and Young Lawyers Committee and Environment, Energy and Natural Resources Section of the D.C. Bar, Mastering Your First (or Next) State Public Utility Commission Hearing, February 13, 2014.

Panelist, Customer Panel, Virginia State Bar 29<sup>th</sup> National Regulatory Conference, Williamsburg, Virginia, May 19, 2011.

Chriss, S. (2006). "Regulatory Incentives and Natural Gas Purchasing – Lessons from the Oregon Natural Gas Procurement Study." Presented at the 19<sup>th</sup> Annual Western Conference, Center for Research in Regulated Industries Advanced Workshop in Regulation and Competition, Monterey, California, June 29, 2006.

Chriss, S. (2005). "Public Utility Commission of Oregon Natural Gas Procurement Study." Public Utility Commission of Oregon, Salem, OR. Report published in June, 2005. Presented to the Public Utility Commission of Oregon at a special public meeting on August 1, 2005.

Chriss, S. and M. Radler (2003). "Report from Houston: Conference on Energy Deregulation and Restructuring." USAEE Dialogue, Vol. 11, No. 1, March, 2003.

Chriss, S., M. Dwyer, and B. Pulliam (2002). "Impacts of Lifting the Ban on ANS Exports on West Coast Crude Oil Prices: A Reconsideration of the Evidence." Presented at the 22nd USAEE/IAEE North American Conference, Vancouver, BC, Canada, October 6-8, 2002.

Contributed to chapter on power marketing: "Power System Operations and Electricity Markets," Fred I. Denny and David E. Dismukes, authors. Published by CRC Press, June 2002.

Contributed to "Moving to the Front Lines: The Economic Impact of the Independent Power Plant Development in Louisiana," David E. Dismukes, author. Published by the Louisiana State University Center for Energy Studies, October 2001.

Dismukes, D.E., D.V. Mesyanzhinov, E.A. Downer, S. Chriss, and J.M. Burke (2001). "Alaska Natural Gas In-State Demand Study." Anchorage: Alaska Department of Natural Resources.

**Wal-Mart Stores East, LP and Sam's East, Inc.**  
**Utility Proposed Energy & Demand Allocations and ECCR Rate Calculations**  
**Exhibit SWC-2, Page 1 of 7**  
**Florida PSC Docket No. 140002-EG**

DOCKET NO. 140002-EG  
ECCR 2015 PROJECTION  
EXHIBIT MRR-1, SCHEDULE C-1, PAGE 1 OF 1

C-1  
Page 1 of 1

TAMPA ELECTRIC COMPANY  
Energy Conservation Adjustment  
Summary of Cost Recovery Clause Calculation  
For Months January 2015 through December 2015

1. Total Incremental Cost (C-2, Page 1, Line 17)
2. Demand Related Incremental Costs
3. Energy Related Incremental Costs

46,224,622  
26,383,816  
19,840,707

RETAIL BY RATE CLASS

	RS	GS, TS	GSD, SBF STANDARD	GSD OPTIONAL	IS	LS1	Total
4. Demand Allocation Percentage	65.84%	8.00%	33.69%	1.84%	2.96%	0.17%	100.00%
6. Demand Related Incremental Costs (Total cost prorated based on demand allocation % above)	16,349,155	1,763,029	9,870,023	481,695	869,781	46,862	28,383,816
8. Demand Portion of End of Period True Up (O)U Recovery Shown on Schedule C-3, Pg 6 (Allocation of D & E is based on the forecast period cost.)	(1,832,891)	(197,852)	(1,108,630)	(54,025)	(97,608)	(9,800)	(3,284,186)
7. Total Demand Related Incremental Costs	14,516,264	1,565,177	8,761,393	427,670	772,173	44,362	25,099,619
8. Energy Allocation Percentage	48.82%	5.84%	38.41%	1.82%	4.94%	1.17%	100.00%
9. Net Energy Related Incremental Costs	7,901,880	949,816	8,836,923	323,342	831,931	197,036	16,890,707
10. Energy Portion of End of Period True Up (O)U Recovery Shown on Schedule C-3, Pg 6 (Allocation of D & E is based on the forecast period cost.)	(807,785)	(109,116)	(792,480)	(37,148)	(65,573)	(22,638)	(1,834,610)
11. Total Net Energy Related Incremental Costs	8,693,893	840,700	8,044,443	286,194	766,357	174,400	14,808,021
12. Total Incremental Costs (Line 5 + 8)	24,250,814	2,712,945	16,506,846	805,238	1,701,632	248,639	46,224,622
13. Total True Up (Over)/Under Recovery (Line 6 + 10) (Schedule C-3, Pg 6, Line 11) (Allocation of D & E is based on the forecast period cost.)	(2,740,849)	(308,788)	(1,623,630)	(91,171)	(163,092)	(28,236)	(5,228,882)
14. Total (Line 12 + 13)	21,510,163	2,406,077	14,637,966	714,065	1,508,610	218,763	40,695,840
15. Retail MWH Sales	8,713,067	1,047,863	7,345,405	357,148	849,861	217,418	18,630,400
16. Effective MWH at Secondary	8,713,067	1,047,863	7,345,405	357,148	849,861	217,418	18,630,400
17. Projected Billed KWH at Meter	*	*	17,148,546	*	2,290,004	*	
18. Cost per KWH at Secondary (Line 14/Line 16)	0.24687	0.22866	*	0.18794	*	0.10052	
19. Revenue Tax Expansion Factor	1.00072	1.00072	1.00072	1.00072	1.00072	1.00072	
20. Adjustment Factor Adjusted for Taxes	0.2470	0.2288	*	0.2001	*	0.1007	
21. Conservation Adjustment Factor (cents/KWH)							
RS, GS, TS, GSD Optional and LS1 Rates (cents/KWH) *							
- Secondary	0.247	0.230		0.200		0.101	
- Primary				0.198			
- Subtransmission				0.196			
GSD, SBF, IS Standard Rates (¢/KWH) *							
- Full Recipient	*	*					
- Secondary	*	*	0.85	*	0.85	*	
- Primary	*	*	0.85	*	0.85	*	
- Subtransmission	*	*	0.84	*	0.85	*	

\* (ROUNDED TO NEAREST .001 PER KWH or KW)

Wal-Mart Stores East, LP and Sam's East, Inc.  
Utility Proposed Energy & Demand Allocations and ECCR Rate Calculations  
Exhibit SWC-2, Page 2 of 7  
Florida PSC Docket No. 140002-EG

DOCKET NO. 140002-EG  
ECCR 2015 PROJECTION  
EXHIBIT MRR-1, SCHEDULE C-2, PAGE 2 OF 4

C-2  
Page 2 of 4

TAMPA ELECTRIC COMPANY  
Conservation Program Costs  
Estimated For Months January 2015 through December 2015

Program Name	(A) Capital Investment	(B) Payroll & Benefits	(C) Materials & Supplies	(D) Outside Services	(E) Advertising	(F) In-vehicle	(G) Vehicles	(H) Other	(I) Program Revenues	(J) Total
1 Heating and Cooling (E)	0	80,124	1,809	0	0	1,000,248	384	3,080	0	1,182,405
2 Prime Time (D)	0	281,222	12,744	705,800	0	1,977,708	0	3,000	0	2,958,274
3 Energy Audits (E)	0	1,045,905	51,808	83,208	112,003	0	119,850	80,623	0	2,872,404
4 Copeneration (E)	0	182,839	0	0	0	0	1,200	0	0	184,039
5 Commercial Load Mgmt (D)	0	470	0	500	0	8,958	0	0	0	7,928
6 Commercial Lighting (E)	0	165,110	0	0	0	327,200	1,230	600	0	494,140
7 Standby Generator (D)	0	83,544	0	3,000	0	2,808,000	380	2,000	0	2,908,904
8 Conservation Vehicle (E)	0	26,882	2,500	0	0	389,000	280	0	0	412,352
9 Dust Repair (E)	0	25,800	0	0	0	378,000	4,800	1,185	0	409,605
10 Renewable Energy Incentives (E)	0	30,888	0	271,536	0	0	744	0	(303,168)	0
11 Renewable Energy Systems Initiative (E)	0	0	0	0	0	0	0	0	0	0
12 Industrial Load Management (D)	14,041	16,104	0	0	0	16,800,000	1,200	0	0	16,831,345
13 CRM RPO (D&E) (see c, line 9)	0	0	0	0	0	0	0	0	0	0
14 Commercial Cooling (E)	0	17,809	0	0	0	72,810	300	0	0	90,919
15 Residential New Construction (E)	0	46,161	0	0	0	1,843,200	840	980	0	1,893,216
16 Connection Expenses (D&E) (see c, line 9)	0	1,163,487	1,200	380,000	0	0	2,100	26,930	0	1,553,717
17 Prime Response Load Mgmt (D&E) (see c, line 9)	1,894,728	1,285,883	18,200	780,000	368,001	0	75,000	353,800	0	4,554,195
18 Residential Building Envelope Improvement (E)	0	174,771	3,480	0	0	2,258,676	13,845	10,625	0	2,447,587
19 Residential Electronic Controlled Motors (E)	0	240	105	0	0	270	0	0	0	615
20 Energy Education Outreach (E)	0	65,232	3,800	35,841	0	0	3,000	22,140	0	105,713
21 Residential Re-Commissioning (E)	0	7,440	300	3,610	0	13,500	0	420	0	25,170
22 Residential Low-Income Weatherization (E)	0	167,748	0	388,000	0	3,351,182	6,500	17,100	0	2,813,430
23 Commercial Dust Repair (E)	0	61,324	0	0	0	150,180	2,400	600	0	216,474
24 Commercial Energy Recovery Ventilation (E)	0	840	0	0	0	6,100	90	0	0	8,030
25 Commercial Building Envelope Improvement (E)	0	47,011	0	6	0	128,043	870	250	0	174,984
26 Commercial Energy Efficient Motors (E)	0	1,882	0	0	0	1,000	280	0	0	2,942
27 Commercial Demand Response (D)	0	32,208	0	3,600,000	0	0	1,200	0	0	3,633,408
28 Commercial Chiller Replacement (E)	0	3,088	0	0	0	36,000	225	0	0	43,224
29 Commercial Occupancy Sensors (Lighting) (E)	0	3,298	0	0	0	30,000	0	300	0	33,596
30 Commercial Refrigerators (A/C Condensate) (E)	0	194	0	0	0	3,000	20	0	0	3,194
31 Commercial Water Heating (E)	0	188	0	0	0	700	0	0	0	888
32 Commercial HVAC Re-Commissioning (E)	0	37,056	0	6,000	0	60,000	300	500	0	103,856
33 Commercial Electronic Controlled Motors	0	1,848	0	1,100	0	1,500	110	0	0	4,558
34 Cool Roof (E)	0	84,327	0	0	0	350,000	1,200	0	0	434,527
35 Total All Programs	1,894,728	5,621,432	85,288	8,213,280	1,088,004	21,678,547	247,820	572,423	(303,168)	28,224,522
<b>Summary of Demand &amp; Energy</b>										
Energy	1,894,728	4,013,206	72,905	1,534,180	891,003	6,475,681	187,210	327,068	(303,168)	16,840,708
Demand	1,894,728	1,608,228	22,414	4,878,100	108,001	21,678,547	60,610	185,265	0	28,343,918
Total All Programs	1,894,728	5,621,432	85,288	8,213,280	1,088,004	21,678,547	247,820	572,423	(303,168)	28,224,522

GULF POWER COMPANY  
ENERGY CONSERVATION COST RECOVERY FACTORS  
CALCULATION OF ENERGY & DEMAND ALLOCATION % BY RATE CLASS  
For the Period: January, 2015 Through December, 2015

<u>Rate Class</u>	<u>A</u> Jan - Dec 2015 Percentage of KWH Sales at Generation	<u>B</u> Percentage of 12 CP KW Demand at Generation	<u>C</u> Demand Allocation 12CP	<u>D</u> 1/13 th	<u>E</u> Energy Allocation	<u>F</u> Total Conservation Costs	<u>G</u> Jan - Dec 2015 Projected KWH Sales at Meter	<u>H</u> Conservation Recovery Factor cents per KWH
RS, RSVP	47.28833%	58.32886%	\$1,959,746	\$137,126	\$10,900,748	\$12,997,820	5,188,672,000	0.250
GS	2.67498%	2.79140%	97,116	7,755	616,519	721,390	293,459,000	0.246
GSD, GSDT, GSTOU	24.64227%	22.04877%	767,103	71,444	5,679,493	6,518,040	2,703,797,000	0.241
LP, LPT	10.39994%	8.20574%	285,487	30,152	2,396,954	2,712,593	1,168,926,000	0.232
PX, PXT, RTP, SBS	13.58811%	10.26659%	357,152	39,337	3,127,147	3,523,636	1,552,182,000	0.227
OS - I / II	1.01388%	0.08794%	3,080	2,939	233,631	239,630	111,207,000	0.215
OS-III	0.40471%	0.27170%	9,453	1,173	93,277	103,903	44,399,000	0.234
<b>TOTAL</b>	<b>100.00000%</b>	<b>100.00000%</b>	<b>\$3,479,117</b>	<b>\$289,926</b>	<b>\$23,047,769</b>	<b>\$26,616,612</b>	<b>11,062,622,000</b>	

Notes:

- A Obtained from Schedule C-1, page 2 of 3, col H  
B Obtained from Schedule C-1, page 2 of 3, col I  
C Total from C-1, page 1, line 10 \* col B  
D Total from C-1, page 1, line 11 \* col A  
E Total from C-1, page 1, line 8 \* col A  
F Sum of Cols C, D and E  
G Projected kwh sales for the period January 2015 through December 2015  
H Col F / G



**DUKE ENERGY FLORIDA**  
Energy Conservation Cost Recovery Clause (ECCR)  
Calculation of Energy Conservation Cost Recovery Clause Rate Factors by Rate Class  
JANUARY 2016 - DECEMBER 2016

DOCKET NO. 140002-EG  
DUKE ENERGY FLORIDA  
TIMOTHY J. DUFF  
EXHIBIT NO. \_\_\_\_\_ (TJD-1P)  
SCHEDULE C - 1  
PAGE 2 OF 2

Rate Class	(1) mWh Sales at Source Energy Allocator (%)	(2) 12CP & 1/13 AD Demand Allocator (%)	(3) Energy- Related Costs (\$)	(4) Production Demand Costs (\$)	(5) Total Energy Conservation Costs (\$)	(6) Projected Effective Sales at Meter Level (mWh)	(7) Billing KW Load Factor (%)	(8) Projected Effective KW at Meter Level (kW)	(9) Energy Conservation Cost Recovery (\$/kW-month)	(10) (cents/kWh)
<b>Residential</b>										
RS-1, RST-1, RSL-1, RSL-2, RSS-1										
Secondary	51.561%	61.248%	\$ 10,112,184	\$39,180,107	\$49,292,301	19,390,958				0.254
<b>General Service Non-Demand</b>										
GS-1, GST-1										
Secondary						1,264,189				0.215
Primary						4,364				0.213
Transmission						3,741				0.211
TOTAL GS	3.382%	3.251%	\$ 663,375	\$2,077,984	\$2,741,359	1,272,323				
<b>General Service</b>										
GS-2 Secondary	0.393%	0.257%	\$ 77,028	\$164,059	\$241,088	147,708				0.163
<b>General Service Demand</b>										
GSD-1, GSDT-1, SS-1*										
Secondary						12,149,615			0.73	
Primary						2,311,921			0.72	
Transmission						5,729			0.72	
TOTAL GSD	38.262%	31.449%	\$ 7,507,847	\$20,102,189	\$27,610,037	14,467,265	52.30%	37,893,254		
<b>Curtailable</b>										
CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3*										
Secondary						-			0.54	
Primary						35,746			0.53	
Transmission						-			0.53	
TOTAL CS	0.092%	0.052%	\$ 18,075	\$33,531	\$51,606	35,746	51.50%	95,082		
<b>Interruptible</b>										
IS-1, IST-1, IS-2, IST-2, SS-2*										
Secondary						89,325			0.65	
Primary						1,821,463			0.64	
Transmission						324,813			0.64	
TOTAL IS	5.266%	3.587%	\$ 1,030,727	\$2,280,062	\$3,310,789	2,036,601	54.80%	5,068,493		
<b>Lighting</b>										
LS-1 Secondary	1.034%	0.177%	\$ 202,875	\$112,943	\$315,818	389,030				0.061
	100.000%	100.000%	\$19,812,123	\$63,920,654	\$83,732,778	37,736,631				0.221

**Notes:**

- (1) From Schedule C-1 1P, Column 8
- (2) From Schedule C-1 1P, Column 10
- (3) Column 1 x Total Energy Dollars, C-2 Page 1, line 33
- (4) Column 2 x Total Demand Dollars, C-2 Page 1, line 35
- (5) Column 3 + Column 4

- (6) kWh sales at effective secondary voltage
- (7) Class Billing kW Load Factor
- (8) Column 6 x 1000 / 8760 / Column 7 x 12
- (9) Column 5 / Column 8
- (10) Column 5 x 100 / Column 6 x 1,000

**\*Calculation of Standby Service kW Charges:**

	ECCR Cost	Effective kW	\$/kW
Total GSD, CS, IS	\$30,972,432	43,076,828	0.72
SS-1, 2, 3 - \$/kW-mo			
Monthly - \$0.72/kW * 10%	0.072	0.071	0.071
Daily - \$0.72/kW / 21	0.034	0.034	0.033

DUKE ENERGY FLORIDA  
ESTIMATED CONSERVATION PROGRAM COSTS  
JANUARY 2015 - DECEMBER 2015

DOCKET NO. 140002-EG  
DUKE ENERGY FLORIDA  
TIMOTHY J. DUFF  
EXHIBIT NO. \_\_\_\_\_ (TJD-1P)  
SCHEDULE C-2  
PAGE 1 OF 9

LINE NO.	PROGRAM TITLE Demand (D) or Energy (E)	12 MONTH TOTAL
1	BETTER BUSINESS (20015937) (E)	\$ 2,589,083
2	RESIDENTIAL NEW CONSTRUCT (20015933) (E)	\$ 4,091,111
3	HOME ENERGY IMPROVEMENT (20015934) (E)	\$ 4,885,944
4	CI NEW CONSTRUCTION (20015938) (E)	\$ 1,054,121
5	HOME ENERGY CHECK (20015932) (E)	\$ 6,329,865
6	LOW INCOME (20021329) (E)	\$ 270,514
7	SOLAR WATER HEATING WITH EM (20084920) (E)	\$ -
8	RENEWABLE ENERGY SAVER (20060744) (E)	\$ 0
9	NEIGHBORHOOD ENERGY SAVER (20060745)(E)	\$ 1,150,571
10	BUSINESS ENERGY CHECK (20015936) (E)	\$ 961,610
11	CONSERVATION PROGRAM ADMIN (20015935) (E)	\$ 3,427,317
12	CONSERVATION PROGRAM ADMIN (20015935) (D)	\$ 390,521
13	QUALIFYING FACILITY (20025062) (E)	\$ 1,024,496
14	INNOVATION INCENTIVE (20015940) (E)	\$ 306,594
15	TECHNOLOGY DEVELOPMENT (20015939) (E)	\$ 800,377
16	STANDBY GENERATION (20021332) (D)	\$ 5,999,097
17	INTERRUPTIBLE SERVICE (20015941) (D)	\$ 30,983,402
18	CURTAILABLE SERVICE (20015942) (D)	\$ 1,288,968
19	RES ENERGY MANGMNT-ADMIN (20015943) (D)	\$ 41,748,546
20	COM ENERGY MANGMNT-ADMIN (20015944) (D)	\$ 540,000
21	RESIDENTIAL SOLAR PHOTOVOLTAIC (20084918) (E)	\$ -
22	SOLAR WATER HEAT LOW INCOME RES CUST (20084921) (E)	\$ -
23	COMMERCIAL SOLAR PHOTOVOLTAIC (20084919) (E)	\$ -
24	PHOTOVOLTAIC FOR SCHOOLS PILOT (20084917) (E)	\$ -
25	RESEARCH AND DEMONSTRATION (20084922) (E)	\$ -
26		
27	NET PROGRAM COSTS	<u>\$ 107,340,446</u>

28  
29 SUMMARY OF DEMAND & ENERGY

	12 Months Total	Prior Period True-Up Under(Over) Recovery	Total Costs with True - up	Revenue Expansion Factor	Total Costs To Recover
30					
31					
32					
33					
34	\$ 26,391,913	\$ (6,785,965)	\$ 19,605,948	1.000315	\$ 19,612,123
35					
36	80,948,534	(17,047,808)	63,900,726	1.000315	63,920,854
37					
TOTAL	<u>\$ 107,340,446</u>	<u>\$ (23,833,773)</u>	<u>\$ 83,506,673</u>		<u>\$ 83,532,978</u>

FLORIDA POWER & LIGHT COMPANY  
ENERGY CONSERVATION COST RECOVERY  
CALCULATION OF ENERGY CONSERVATION FACTORS

SCHEDULE C-1

ESTIMATED FOR THE PERIOD OF: JANUARY 2015 THROUGH DECEMBER 2015

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
RATE CLASS	Percentage of Sales at Generation (%) <sup>1a</sup>	Percentage of Demand at Generation (%) <sup>1b</sup>	Demand Allocation 12CP (k) <sup>1c</sup>	Demand Allocation 1/12th (k) <sup>1d</sup>	Energy Allocation (k) <sup>1e</sup>	Total Recoverable Costs (k) <sup>1f</sup>	Projected Sales at Meter (kwh) <sup>1g</sup>	Billing KW Load Factor (%) <sup>1h</sup>	Projected Billing KW at Meter (kw) <sup>1i</sup>	Conservation Recovery Factor (kwh) <sup>1j</sup>	Conservation Recovery Factor (kwh) <sup>1k</sup>	NDC (k/kw) <sup>1l</sup>	SDC (k/kw) <sup>1m</sup>
R81/RT1	82.35760%	87.70780%	\$63,457,283	\$6,238,833	\$31,879,888	\$108,586,803	88,463,754,863	-	-	-	-	0.00188	-
G81/G8T1/W8S1	5.83142%	6.73403%	\$8,887,484	\$884,754	\$3,587,441	\$11,028,828	8,303,363,434	-	-	-	-	0.00175	-
G8D/G8DT1/H1FT1	24.30821%	22.11198%	\$28,878,784	\$2,457,388	\$14,948,888	\$44,082,970	28,491,488,833	81.80086%	70,327,548	8.88	-	-	-
DS2	0.00982%	0.00828%	\$11,283	\$883	\$8,081	\$18,328	11,008,147	-	-	-	-	0.00187	-
G8LD1/G8LDT1/C81/C8T1/H1FT2	10.01218%	9.08274%	\$10,632,754	\$1,003,833	\$8,107,858	\$18,004,588	10,533,802,128	56.38079%	28,787,044	0.87	-	-	-
G8LD2/G8LDT2/C82/C8T2/H1FT3	2.38122%	1.86318%	\$2,241,842	\$238,783	\$1,440,488	\$3,819,081	2,574,841,238	88.28224%	5,323,885	0.74	-	-	-
G8LD3/G8LDT3/C83/C8T3	0.18878%	0.12088%	\$148,881	\$15,819	\$88,880	\$258,319	177,940,888	70.94077%	343,802	0.78	-	-	-
SBT1T	0.07849%	0.05778%	\$88,524	\$7,871	\$48,484	\$128,888	88,088,834	13.18150%	828,038	-	-	\$0.08	\$0.04
SBT1D1/BS1D2/BS1D3	0.00824%	0.00748%	\$8,878	\$828	\$8,084	\$14,828	9,138,138	28.98741%	48,387	-	-	\$0.08	\$0.04
CILC D/CILC S	2.82828%	2.14748%	\$2,883,874	\$283,883	\$1,728,388	\$4,592,833	3,088,078,888	74.21337%	5,684,878	0.81	-	-	-
CILC T	1.21042%	0.88828%	\$1,082,078	\$121,870	\$738,413	\$1,941,888	1,388,878,181	78.87427%	2,417,881	0.80	-	-	-
MET	0.07481%	0.07184%	\$88,478	\$7,481	\$48,517	\$138,473	82,780,174	68.28182%	178,778	0.80	-	-	-
DL1/BL1/PL1	0.87878%	0.11818%	\$182,888	\$87,781	\$381,232	\$641,548	822,341,281	-	-	-	-	0.00087	-
SL2, GSCH1	0.08982%	0.05888%	\$70,882	\$8,818	\$32,418	\$132,014	82,878,530	-	-	-	-	0.00142	-
Total			\$128,325,432	\$10,027,121	\$81,004,887	\$191,857,240	108,218,631,818		112,082,348				

<sup>1a</sup> Obtained from Schedule C-1, page 2, Col (8)

<sup>1b</sup> Obtained from Schedule C-1, page 2, Col (10)

<sup>1c</sup> Total from C-1, page 1, line 12 X Col (8)

<sup>1d</sup> Total from C-1, page 1, line 13 X Col (8)

<sup>1e</sup> Total from C-1, page 1, line 10 X Col (8)

<sup>1f</sup> Total Recoverable Costs

<sup>1g</sup> Projected kWh sales for the period January 2015 through December 2015, From C-1 Page 2, Total of Column 3

<sup>1h</sup> Based on 2011-2013 load research data and 2015 projections

<sup>1i</sup> Col (8) / Col (9) x 730

<sup>1j</sup> Col (7) / Col (10)

<sup>1k</sup> Col (7) / Col (8)

<sup>1l</sup> (( Total col 7) / Col 1, pg 2, total col 8) / Col 1, pg 2, col 8) / 12

<sup>1m</sup> (( total col 7) / Col 1, pg 2, total col 8) / (21 avg days) / Col 1, pg 2, col 8) / 12

Note: There are currently no customers taking service on Schedules 18B1(D) and 18B1(T). Should any customer begin taking service on these schedules during the period, they will be billed using the applicable 18B1 factor.

Note: Totals may not add due to rounding.

FLORIDA POWER & LIGHT COMPANY  
ENERGY CONSERVATION COST RECOVERY  
CONSERVATION PROGRAM COSTS

SCHEDULE C-2

ESTIMATED FOR THE PERIOD OF: JANUARY 2016 THROUGH DECEMBER 2016

PROGRAM TITLE	Method of Calculation		Monthly Data												
	Energy	Demand	January Estimated	February Estimated	March Estimated	April Estimated	May Estimated	June Estimated	July Estimated	August Estimated	September Estimated	October Estimated	November Estimated	December Estimated	Twelve Month Amount
1. Residential Home Energy Survey	\$13,760,514	\$0	\$679,431	\$471,862	\$695,640	\$699,466	\$1,093,496	\$1,094,315	\$1,666,329	\$1,211,223	\$1,895,945	\$1,423,667	\$1,400,737	\$1,493,569	\$13,760,514
2. Residential Building Envelope	\$2,126,860	\$0	\$367,181	\$217,712	\$251,508	\$226,910	\$196,166	\$265,067	\$276,381	\$348,264	\$7,170	\$4,620	\$0	\$0	\$2,126,860
3. Residential Duct System Sealing & Repair	\$377,851	\$0	\$84,844	\$77,103	\$71,796	\$69,077	\$47,930	\$18,709	\$19,702	\$7,778	\$1,860	\$1,860	\$0	\$0	\$377,851
4. Residential Air Conditioning	\$16,368,633	\$0	\$6,786,319	\$1,227,257	\$690,626	\$696,986	\$695,112	\$713,934	\$996,330	\$1,042,678	\$1,014,896	\$888,269	\$976,688	\$926,738	\$16,368,633
5. Residential New Construction (BuildSmart®)	\$371,462	\$0	\$56,262	\$62,122	\$53,860	\$63,087	\$47,605	\$61,918	\$82,337	\$0	\$0	\$0	\$0	\$0	\$371,462
6. Residential Low-Income Weatherization	\$139,453	\$0	\$8,125	\$10,612	\$31,682	\$6,815	\$12,121	\$10,263	\$11,037	\$10,783	\$11,380	\$18,167	\$8,842	\$4,765	\$139,453
7. Residential Load Management ("On Call")	\$0	\$87,888,538	\$3,674,112	\$3,825,358	\$3,385,628	\$5,211,161	\$5,848,280	\$5,000,052	\$5,691,585	\$5,838,974	\$6,103,079	\$6,724,376	\$3,547,648	\$3,912,708	\$87,888,538
8. Business Energy Evaluation	\$6,857,866	\$0	\$651,088	\$205,876	\$645,409	\$591,178	\$643,891	\$670,837	\$689,587	\$823,666	\$826,486	\$632,634	\$766,368	\$632,683	\$6,857,866
9. Business Efficient Lighting	\$321,586	\$0	\$48,748	\$69,319	\$38,483	\$36,206	\$28,598	\$37,661	\$27,785	\$28,178	\$6,169	\$2,058	\$0	\$0	\$321,586
10. Business Heating, Ventilating & A/C	\$6,322,634	\$0	\$114,826	\$580,483	\$386,473	\$306,215	\$227,183	\$324,807	\$346,886	\$1,668,328	\$3,319,806	\$61,183	\$16,842	\$17,965	\$6,322,634
11. Business Custom Incentive	\$678,941	\$0	\$18,424	\$210,067	\$74,273	\$78,882	\$40,686	\$21,618	\$21,791	\$20,214	\$0	\$0	\$0	\$0	\$678,941
12. Business Building Envelope	\$6,438,137	\$0	\$438,313	\$896,787	\$651,851	\$726,166	\$637,181	\$666,818	\$472,478	\$661,062	\$12,318	\$3,202	\$0	\$0	\$6,438,137
13. Business Water Heating	\$28,480	\$0	\$3,127	\$6,509	\$2,718	\$8,293	\$2,906	\$2,832	\$5,213	\$2,830	\$0	\$0	\$0	\$0	\$28,480
14. Business Refrigeration	\$21,208	\$0	\$1,841	\$4,229	\$2,179	\$0	\$6,423	\$1,582	\$2,633	\$2,062	\$0	\$0	\$0	\$0	\$21,208
15. Business On Call	\$0	\$4,116,662	\$66,263	\$93,219	\$68,645	\$295,180	\$606,891	\$686,447	\$386,241	\$647,330	\$630,941	\$322,850	\$68,287	\$46,826	\$4,116,662
16. Commercial/Industrial Load Control	\$0	\$40,508,369	\$2,851,691	\$2,823,686	\$2,848,283	\$3,376,312	\$2,804,790	\$3,161,822	\$3,422,321	\$2,993,430	\$3,426,213	\$2,637,688	\$3,388,136	\$4,812,970	\$40,508,369
17. Commercial/Industrial Demand Reduction	\$0	\$16,280,083	\$1,361,288	\$1,349,431	\$1,238,804	\$1,461,804	\$1,648,658	\$1,747,604	\$1,771,881	\$1,837,083	\$1,848,080	\$1,800,606	\$1,636,422	\$1,463,613	\$16,280,083
18. Business Photovoltaics for Schools Pilot	\$1,050,860	\$0	\$187,758	\$186,818	\$486,876	\$104,334	\$183,883	\$161,613	\$182,110	\$161,169	\$186,328	\$169,266	\$166,346	\$167,404	\$1,050,860
19. Solar Pilot Projects Common Expenses	\$406,428	\$0	\$36,295	\$36,061	\$34,837	\$34,379	\$34,150	\$33,924	\$33,682	\$33,463	\$33,234	\$33,006	\$32,778	\$32,550	\$406,428
20. Cogeneration & Small Power Production	\$486,876	\$0	\$41,493	\$36,288	\$40,827	\$41,842	\$40,475	\$44,167	\$44,585	\$39,260	\$43,770	\$43,088	\$38,046	\$44,424	\$486,876
21. Conservation Research & Development	\$486,718	\$0	\$68,804	\$55,891	\$67,168	\$67,168	\$11,836	\$42,166	\$12,710	\$36,605	\$32,166	\$12,158	\$31,608	\$32,710	\$486,718
22. Common Expenses	\$5,660,682	\$11,223,660	\$1,018,282	\$838,084	\$1,153,024	\$816,820	\$4,873,848	\$668,827	\$937,076	\$1,216,971	\$607,788	\$761,846	\$667,115	\$17,204,842	\$16,660,682
23. Recoverable Conservation Expenses	\$82,638,077	\$13,523,882	\$17,381,678	\$13,296,180	\$12,965,678	\$16,735,288	\$16,820,581	\$18,868,702	\$17,419,321	\$18,341,837	\$21,360,441	\$16,007,849	\$12,912,836	\$14,089,642	\$168,480,880

Note: Expenses include provisions for projected severance.  
Totals may not add due to rounding.

**EXHIBIT SWC-3**  
**ILLUSTRATIVE PART E AND PART D RATES FOR FLORIDA INVESTOR-OWNED UTILITIES**

	Utility			Billing Determinants (kW or kWh) (3)	Utility Proposed ECCR Rate (\$/kW or \$/kWh) (4) ((1) + (2)) / (3)	Walmart Proposed		
	Proposed Revenue Requirement		ECCR Part E (\$/kW or \$/kWh) (5) (1) / (3)			ECCR Part D (\$/kW or \$/kWh) (6) (2) / (3)		
	Energy	Demand						
	(\$) (1)	(\$) (2)						
Duke Energy Florida								
General Service Demand								
(R1) GSD-1, GSDT-1, SS-1	\$ 7,507,847	\$ 20,102,189	37,893,254	\$ 0.73	\$ 0.20	\$ 0.53		
FP&L								
(R2) GSLD1/GSLDT1/CS1/CST1/HLFT2	\$ 6,107,898	\$ 11,896,687	26,797,044	\$ 0.67	\$ 0.23	\$ 0.44		
Gulf Power								
(R3) LP, LPT	\$ 2,396,954	\$ 315,639	1,168,926,000	\$ 0.00232	\$ 0.00205	\$ 0.00027		
TECO								
(R4) GSD/SBF Standard	\$ 5,874,463	\$ 8,763,503	17,148,546	\$ 0.85	\$ 0.34	\$ 0.51		

**Sources:**

- (R1): Exhibit TJD-1P, Schedule C-1, page 2  
(R2): Exhibit AS-2, Schedule C-1, page 3  
(R3): Exhibit JLT-2, page 4  
(R4): Exhibit MRR-1, Schedule C-1, page 1

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 9  
PARTY: WALMART STORES EAST, LP'S  
AND SAM'S EAST, INC - (DIRECT)  
DESCRIPTION: Steve W. Chriss SWC-3

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 10  
PARTY: WALMART STORES EAST, LP'S AND  
SAM'S EAST, INC – (DIRECT)  
DESCRIPTION: Steve W. Chriss SWC-4

Wal-Mart Stores East, LP and Sams, East, Inc.  
Public Service Company of Oklahoma Demand Side  
Management Cost Recovery Rider Factor Calculation  
Exhibit SWC-4, Page 1 of 1  
Florida PSC Docket No. 140002-EG

### Supplemental Page

**PUBLIC SERVICE COMPANY OF OKLAHOMA**  
**Demand Side Management Cost Recovery Rider (DSM Rider)**  
**Consumer Programs 2014**

#### 2014 PSO DSM Factors

<b>Energy Programs</b>	
<b>MAJOR RATE CLASS</b>	<b>DPCR Factor</b>
Residential - Secondary	0.002324
Commercial/Industrial	0.003486
<b>Demand Programs</b>	
<b>MAJOR RATE CLASS</b>	<b>DPCR Factor</b>
Residential - Secondary	0.000288
Commercial/Industrial	0.000310
<b>Total Programs</b>	
<b>MAJOR RATE CLASS</b>	<b>DPCR Factor</b>
Residential - Secondary	0.002592
Commercial/Industrial	0.003796

The above factors will be applied to kWh sales on bills rendered beginning with the April 2014 Cycle 1 billing.

**EXHIBIT**

**OF**

**MARK R. ROCHE**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 11  
PARTY: TAMPA ELECTRIC COMPANY –  
(REBUTTAL)  
DESCRIPTION: Mark R. Roche MRR-2

15

Impact to Cost Recovery Factors							
Rate Schedule	Current 2015 Projection Cost Recovery Factors (cents/kWh)	2015 Cost Recovery Factors with 10% opt-out (cents/kWh)	Percent change Increase current (10% opt-out)	2015 Cost Recovery Factors with 20% opt-out (cents/kWh)	Percent change Increase current (20% opt-out)	2015 Cost Recovery Factors with 30% opt-out (cents/kWh)	Percent change Increase current (30% opt-out)
RS	0.247	0.256	3.64%	0.265	7.29%	0.274	10.93%
GS and TS	0.230	0.239	3.91%	0.248	7.83%	0.257	11.74%
GSD Optional - Secondary	0.200	0.209	4.50%	0.218	9.00%	0.227	13.50%
GSD Optional - Primary	0.198	0.207	4.55%	0.216	9.09%	0.225	13.64%
GSD Optional - Subtransmission	0.196	0.205	4.59%	0.214	9.18%	0.222	13.27%
LS1	0.101	0.110	8.91%	0.119	17.82%	0.128	26.73%
	(Dollars/kW)	(Dollars/kW)		(Dollars/kW)		(Dollars/kW)	
GSD - Secondary	0.85	0.90	5.88%	0.95	11.76%	1.01	18.82%
GSD - Primary	0.85	0.89	4.71%	0.94	10.59%	1.00	17.65%
GSD - Subtransmission	0.84	0.88	4.76%	0.93	10.71%	0.99	17.86%
SBF - Secondary	0.85	0.90	5.88%	0.95	11.76%	1.01	18.82%
SBF - Primary	0.85	0.89	4.71%	0.94	10.59%	1.00	17.65%
SBF - Subtransmission	0.84	0.88	4.76%	0.93	10.71%	0.99	17.86%
IS - Secondary	0.66	0.68	3.03%	0.71	7.58%	0.75	13.64%
IS - Primary	0.66	0.68	3.03%	0.70	6.06%	0.74	12.12%
IS - Subtransmission	0.65	0.67	3.08%	0.70	7.69%	0.73	12.31%



Impact to 1,000 kWh Usage Residential Customer							
	Using current 2015 Projection Cost Recovery Factors	Using 2015 Cost Recovery Factors with 10% opt- out	Dollar increase over current on 1,000 kWh usage (10% opt-out)	Using 2015 Cost Recovery Factors with 20% opt- out	Dollar increase over current on 1,000 kWh usage (20% opt-out)	Using 2015 Cost Recovery Factors with 30% opt- out	Dollar increase over current on 1,000 kWh usage (30% opt-out)
Residential Bill Impacts - based upon 1,000 kWh usage	\$2.47	\$2.56	\$0.09	\$2.65	\$0.18	\$2.74	\$0.27

**Dollars Shifted to Remaining Participants**

Rate Schedule	Current 2015 Projection Cost assigned to Rate Class including current period true up	2015 Projection Cost assigned to Rate Class including current period true up with 10% opt-out	Dollars burdened on Rate Class from opt-out or additional burden on Non-Opt-Out Customers in eligible opt-out rate class	2015 Projection Cost assigned to Rate Class including current period true up with 20% opt-out	Dollars burdened on Rate Class from opt-out or additional burden on Non-Opt-Out Customers in eligible opt-out rate class	2015 Projection Cost assigned to Rate Class including current period true up with 30% opt-out	Dollars burdened on Rate Class from opt-out or additional burden on Non-Opt-Out Customers in eligible opt-out rate class
RS	\$21,510,169	\$22,300,335	\$790,166	\$23,090,501	\$1,580,332	\$23,880,667	\$2,370,498
GS and TS	\$2,406,077	\$2,501,058	\$94,981	\$2,596,040	\$189,963	\$2,691,021	\$284,944
GSD, SBF Standard	\$14,637,966	\$13,805,171	\$663,692	\$12,972,375	\$1,327,384	\$12,139,580	\$1,991,076
GSD Optional	\$714,065	\$746,400	\$32,335	\$778,734	\$64,669	\$811,068	\$97,003
IS	\$1,508,610	\$1,404,220	\$83,193	\$1,299,830	\$166,386	\$1,195,440	\$249,579
LS1	\$218,753	\$238,456	\$19,703	\$258,160	\$39,407	\$277,864	\$59,111
Total Dollars Shifted			\$1,684,070		\$3,368,141		\$5,052,211

EXHIBIT

OF

TERRY DEASON

ON BEHALF OF TAMPA ELECTRIC COMPANY

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 12  
PARTY: TAMPA ELECTRIC COMPANY –  
(REBUTTAL)  
DESCRIPTION: J. Terry Deason JTD-1

## Terry Deason\*



### Special Consultant (Non-Lawyer)\*

Phone: (850) 425-6654

Fax: (850) 425-6694

E-Mail: [tdeason@radeylaw.com](mailto:tdeason@radeylaw.com)

### Practice Areas:

- Energy, Telecommunications, Water and Wastewater and Public Utilities

### Education:

- United States Military Academy at West Point, 1972
- Florida State University, B.S., 1975, Accounting, summa cum laude
- Florida State University, Master of Accounting, 1989

### Professional Experiences:

- The Radey Law Firm, Special Consultant, 2007 - Present
- Florida Public Service Commission, Commissioner, 1991 - 2007
- Florida Public Service Commission, Chairman, 1993 - 1995, 2000 - 2001
- Office of the Public Counsel, Chief Regulatory Analyst, 1987 - 1991
- Florida Public Service Commission, Executive Assistant to the Commissioner, 1981 - 1987
- Office of the Public Counsel, Legislative Analyst II and III, 1979 - 1981
- Ben Johnson Associates, Inc., Research Analyst, 1978 - 1979
- Office of the Public Counsel, Legislative Analyst I, 1977 - 1978
- Quincy State Bank Trust Department, Staff Accountant and Trust Assistant, 1976 - 1977

### Professional Associations and Memberships:

- National Association of Regulatory Utility Commissioners (NARUC), 1993 - 1998,  
*Member, Executive Committee*
- National Association of Regulatory Utility Commissioners (NARUC), 1999 - 2006,  
*Board of Directors*



## Terry Deason\*

- National Association of Regulatory Utility Commissioners (NARUC), 2005-2006,  
*Member, Committee on Electricity*
- National Association of Regulatory Utility Commissioners (NARUC), 2004 - 2005,  
*Member, Committee on Telecommunications*
- National Association of Regulatory Utility Commissioners (NARUC), 1991 - 2004,  
*Member, Committee on Finance and Technology*
- National Association of Regulatory Utility Commissioners (NARUC), 1995 - 1998,  
*Member, Committee on Utility Association Oversight*
- National Association of Regulatory Utility Commissioners (NARUC) 2002 *Member,*  
*Rights-of-Way Study*
- Nuclear Waste Strategy Coalition, 2000 - 2006, *Board Member*
- Federal Energy Regulatory Commission (FERC) South Joint Board on Security  
Constrained Economic Dispatch, 2005 - 2006, *Member*
- Southeastern Association of Regulatory Utility Commissioners, 1991 - 2006, *Member*
- Florida Energy 20/20 Study Commission, 2000 - 2001, *Member*
- FCC Federal/State Joint Conference on Accounting, 2003 - 2005, *Member*
- Joint NARUC/Department of Energy Study Commission on Tax and Rate  
Treatment of Renewable Energy Projects, 1993, *Member*
- Bonbright Utilities Center at the University of Georgia, 2001, *Bonbright Distinguished Service*  
*Award Recipient*
- Eastern NARUC Utility Rate School - Faculty Member

**APPENDIX A**

**Qualifications of Jeffry Pollock**

1     **Q     PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2     A     Jeffry Pollock. My business mailing address is 12647 Olive Blvd., Suite 585, St.  
3           Louis, Missouri 63141.

4     **Q     WHAT IS YOUR OCCUPATION AND BY WHOM ARE YOU EMPLOYED?**

5     A     I am an energy advisor and President of J. Pollock, Incorporated.

6     **Q     PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

7     A     I have a Bachelor of Science Degree in Electrical Engineering and a Masters in  
8           Business Administration from Washington University. I have also completed a  
9           Utility Finance and Accounting course.

10           Upon graduation in June 1975, I joined Drazen-Brubaker & Associates,  
11           Inc. (DBA). DBA was incorporated in 1972 assuming the utility rate and  
12           economic consulting activities of Drazen Associates, Inc., active since 1937.  
13           From April 1995 to November 2004, I was a managing principal at Brubaker &  
14           Associates (BAI).

15           During my tenure at both DBA and BAI, I have been engaged in a wide  
16           range of consulting assignments including energy and regulatory matters in both  
17           the United States and several Canadian provinces. This includes preparing  
18           financial and economic studies of investor-owned, cooperative and municipal  
19           utilities on revenue requirements, cost of service and rate design, and conducting  
20           site evaluation. Recent engagements have included advising clients on electric  
21           restructuring issues, assisting clients to procure and manage electricity in both

1 competitive and regulated markets, developing and issuing requests for  
2 proposals (RFPs), evaluating RFP responses and contract negotiation. I was  
3 also responsible for developing and presenting seminars on electricity issues.

4 I have worked on various projects in over 20 states and several Canadian  
5 provinces, and have testified before the Federal Energy Regulatory Commission  
6 and the state regulatory commissions of Alabama, Arizona, Colorado, Delaware,  
7 Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Louisiana, Minnesota,  
8 Mississippi, Missouri, Montana, New Jersey, New Mexico, Ohio, Pennsylvania,  
9 Texas, Virginia, Washington, and Wyoming. I have also appeared before the  
10 City of Austin Electric Utility Commission, the Board of Public Utilities of Kansas  
11 City, Kansas, the Bonneville Power Administration, Travis County (Texas) District  
12 Court, and the U.S. Federal District Court. A partial list of my appearances is  
13 provided in **Appendix B**.

14 **Q PLEASE DESCRIBE J. POLLOCK, INCORPORATED.**

15 A J.Pollock assists clients to procure and manage energy in both regulated and  
16 competitive markets. The J.Pollock team also advises clients on energy and  
17 regulatory issues. Our clients include commercial, industrial and institutional  
18 energy consumers. J.Pollock is a registered Class I aggregator in the State of  
19 Texas.

**APPENDIX B**  
**Testimony Filed in Regulatory Proceedings**  
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PROJECT	UTILITY	ON BEHALF OF	DOCKET	TYPE	REGULATORY JURISDICTION	SUBJECT	DATE
131002	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	E-002/GR-13-868	Surrebuttal	MN	Nuclear Depreciation Expense, Monticello EPU/LCM Project, Class Cost-of-Service Study, Class Revenue Allocation, Fuel Clause Rider Reform, Rate Design	8/4/2014
140401	ROCKY MOUNTAIN POWER	Wyoming Industrial Energy Consumers	20000-446-ER14	Direct	WY	Class Cost-of-Service Study, Rule 12 Line Extension	7/25/2014
140601	DUKE ENERGY FLORIDA	NRG Florida, LP	140111 and 140110	Direct	FL	Cost-Effectiveness of Proposed Self Build Generating Projects	7/14/2014
131002	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	E-002/GR-13-868	Rebuttal	MN	Class Cost-of-Service Study, Class Revenue Allocation	7/7/2014
140303	PPL ELECTRIC UTILITIES CORPORATION	PP&L Industrial Customer Alliance	2013-2398440	Rebuttal	PA	Energy Efficiency Cost Recovery	7/1/2014
131002	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	E-002/GR-13-868	Direct	MN	Revenue Requirements, Fuel Clause Rider, Class Cost-of-Service Study, Rate Design and Revenue Allocation	6/5/2014
140303	PPL ELECTRIC UTILITIES CORPORATION	PP&L Industrial Customer Alliance	2013-2398440	Direct	PA	Energy Efficiency Cost Recovery	5/23/2014
140105	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	42042	Direct	TX	Transmission Cost Recovery Factor	4/24/2014
130901	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	41791	Cross	TX	Class Cost-of-Service Study and Rate Design	1/31/2014
130901	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	41791	Direct	TX	Revenue Requirements, Fuel Reconciliation; Cost Allocation Issues; Rate Design Issues	1/10/2014
131005	DUQUESNE LIGHT COMPANY	Duquesne Industrial Intervenors	R-2013-2372129	Supplemental Surrebuttal	PA	Class Cost-of-Service Study	12/13/2013
131005	DUQUESNE LIGHT COMPANY	Duquesne Industrial Intervenors	R-2013-2372129	Surrebuttal	PA	Class Cost-of-Service Study; Cash Working Capital; Miscellaneous General Expense; Uncollectable Expense; Class Revenue Allocation	12/9/2013
131005	DUQUESNE LIGHT COMPANY	Duquesne Industrial Intervenors	R-2013-2372129	Rebuttal	PA	Rate L Transmission Service; Class Revenue Allocation	11/26/2013
130905	ENTERGY TEXAS, INC. ITC HOLDINGS CORP.	Texas Industrial Energy Consumers	41850	Direct	TX	Rate Mitigation Plan; Conditions re Transfer of Control of Ownership	11/6/2013
130501	MIDAMERICAN ENERGY COMPANY	Deere & Company	RPU-2013-0004	Surrebuttal	IA	Class Cost-of-Service Study; Class Revenue Allocation; Depreciation Surplus	11/4/2013
130602	SHARYLAND UTILITIES	Texas Industrial Energy Consumers and Atlas Pipeline Mid-Continent WestTex, LLC	41474	Cross-Rebuttal	TX	Customer Class Definitions; Class Revenue Allocation; Allocation of TTC costs	11/4/2013
131005	DUQUESNE LIGHT COMPANY	Duquesne Industrial Intervenors	R-2013-2372129	Direct	PA	Class Cost-of-Service, Class Revenue Allocations	11/1/2013



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130906	PUBLIC SERVICE ENERGY AND GAS	New Jersey Large Energy Users Coalition	EO13020155 and GO13020156	Direct	NJ	Energy Strong	10/28/2013
130602	SHARYLAND UTILITIES	Texas Industrial Energy Consumers and Atlas Pipeline Mid-Continent WestTex, LLC	41474	Direct	TX	Regulatory Asset Cost Recovery; Class Cost-of-Service Study, Class Revenue Allocation, Rate Design	10/18/2013
130903	GEORGIA POWER COMPANY	Georgia Industrial Group and Georgia Association of Manufacturers	36989	Direct	GA	Depreciation Expense, Alternate Rate Plan, Return on Equity, Class Cost-of-Service Study, Class Revenue Allocation, Rate Design	10/18/2013
130501	MIDAMERICAN ENERGY COMPANY	Deere & Company	RPU-2013-0004	Rebutal	IA	Class Cost-of-Service Study	10/1/2013
130902	FLORIDA POWER AND LIGHT COMPANY	Florida Industrial Power Users Group	130007	Direct	FL	Environmental Cost Recovery Clause	9/13/2013
130501	MIDAMERICAN ENERGY COMPANY	Deere & Company	RPU-2013-0004	Direct	IA	Class Cost-of-Service Study, Class Revenue Allocation, Depreciation, Cost Recovery Clauses, Revenue Sharing, Revenue True-up	9/10/2013
130202	SOUTHWESTERN PUBLIC SERVICE COMPANY	Occidental Permian Ltd.	12-00350-UT	Rebuttal	NM	RPS Cost Rider	9/9/2013
130701	WESTAR ENERGY INC. and KANSAS GAS & ELECTRIC CO.	Occidental Chemical Corporation	13-WSEE-629-RTS	Cross-Answering	KS	Cost Allocation Methodology	9/5/2013
130202	SOUTHWESTERN PUBLIC SERVICE COMPANY	Occidental Permian Ltd.	12-00350-UT	Direct	NM	Class Cost-of-Service Study	8/22/2013
130701	WESTAR ENERGY INC. and KANSAS GAS & ELECTRIC CO.	Occidental Chemical Corporation	13-WSEE-629-RTS	Direct	KS	Class Revenue Allocation.	8/21/2013
130203	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	41437	Direct	TX	Avoided Cost; Standby Rate Design	8/14/2013
100902	MID-KANSAS ELECTRIC COMPANY, LLC	Western Kansas Industrial Electric Consumers	13-MKEE-699	Direct	KS	Class Revenue Allocation	8/12/2013
100902	MID-KANSAS ELECTRIC COMPANY, LLC	Western Kansas Industrial Electric Consumers	13-MKEE-447	Supplemental	KS	Testimony in Support of Settlement	8/9/2013
100902	MID-KANSAS ELECTRIC COMPANY, LLC	Western Kansas Industrial Electric Consumers	13-MKEE-447	Supplemental	KS	Modification Agreement	7/24/2013
130201	TAMPA ELECTRIC COMPANY	Florida Industrial Power Users Group	130040	Direct	FL	GSD-IS Consolidation, GSD and IS Rate Design, Class Cost-of-Service Study, Planned Outage Expense, Storm Damage Expense	7/15/2013
100902	MID-KANSAS ELECTRIC COMPANY, LLC	Western Kansas Industrial Electric Consumers	13-MKEE-452	Supplemental	KS	Testimony in Support of Nonunanimous Settlement	6/28/2013
121203	JERSEY CENTRAL POWER & LIGHT COMPANY	Gerdau Ameristeel Sayreville, Inc.	ER12111052	Direct	NJ	Cost of Service Study for GT-230 KV Customers; AREP Rider	6/14/2013
100902	MID-KANSAS ELECTRIC COMPANY, LLC	Western Kansas Industrial Electric Consumers	13-MKEE-447	Direct	KS	Wholesale Requirements Agreement; Process for Exemption From Regulation; Conditions Required for Public Interest Finding on CCN spin-down	5/14/2013

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PROJECT	UTILITY	ON BEHALF OF	DOCKET	TYPE	REGULATORY JURISDICTION	SUBJECT	DATE
100902	MID-KANSAS ELECTRIC COMPANY, LLC	Western Kansas Industrial Electric Consumers	13-MKEE-452	Cross	KS	Formula Rate Plan for Distribution Utility	5/10/2013
100902	MID-KANSAS ELECTRIC COMPANY, LLC	Western Kansas Industrial Electric Consumers	13-MKEE-452	Direct	KS	Formula Rate Plan for Distribution Utility	5/3/2013
121001	ENTERGY TEXAS, INC. ITC HOLDINGS CORP.	Texas Industrial Energy Consumers	41223	Direct	TX	Public Interest of Proposed Divestiture of ETI's Transmission Business to an ITC Holdings	4/30/2013
121101	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	12-961	Surrebuttal	MN	Depreciation; Used and Useful; Cost Allocation; Revenue Allocation	4/12/2013
121101	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	12-961	Rebuttal	MN	Class Revenue Allocation.	3/25/2013
121101	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	12-961	Direct	MN	Depreciation; Used and Useful; Property Tax; Cost Allocation; Revenue Allocation; Competitive Rate & Property Tax Riders	2/28/2013
91203	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	38951	Second Supplemental Rebuttal	TX	Competitive Generation Service Tariff	2/1/2013
91203	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	38951	Second Supplemental Direct	TX	Competitive Generation Service Tariff	1/11/2013
110202	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	40443	Cross Rebuttal	TX	Cost Allocation and Rate Design	1/10/2013
110202	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	40443	Direct	TX	Application of the Turk Plant Cost-Cap; Revenue Requirements; Class Cost-of-Service Study; Class Revenue Allocation; Industrial Rate Design	12/10/2012
120301	FLORIDA POWER AND LIGHT COMPANY	Florida Industrial Power Users Group	120015	Corrected Supplemental Rebuttal	FL	Support for Non-Unanimous Settlement	11/13/2012
120301	FLORIDA POWER AND LIGHT COMPANY	Florida Industrial Power Users Group	120015	Corrected Supplemental Direct	FL	Support for Non-Unanimous Settlement	11/13/2012
120602	NIAGARA MOHAWK POWER CORP.	Multiple Intervenors	12-E-0201/12-G-0202	Rebuttal	NY	Electric and Gas Class Cost-of-Service Studies.	9/25/2012
120602	NIAGARA MOHAWK POWER CORP.	Multiple Intervenors	12-E-0201/12-G-0202	Direct	NY	Electric and Gas Class Cost-of-Service Study; Revenue Allocation; Rate Design; Historic Demand	8/31/2012
100902	MID-KANSAS ELECTRIC COMPANY, LLC	Western Kansas Industrial Electric Consumers	12-MKEE-650-TAR	Direct	KS	Transmission Formula Rate Plan	7/31/2012
120502	WESTAR ENERGY INC. and KANSAS GAS & ELECTRIC CO.	Occidental Chemical Corporation	12-WSEE-651-TAR	Direct	KS	TDC Tariff	7/30/2012
120301	FLORIDA POWER AND LIGHT COMPANY	Florida Industrial Power Users Group	120015	Direct	FL	Class Cost-of-Service Study, Revenue Allocation, and Rate Design	7/2/2012
120101	LONE STAR TRANSMISSION, LLC	Texas Industrial Energy Consumers	40020	Direct	TX	Revenue Requirement, Rider AVT	6/21/2012
111102	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	39896	Cross	TX	Class Cost-of-Service Study, Revenue Allocation, and Rate Design	4/13/2012

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PROJECT	UTILITY	ON BEHALF OF	DOCKET	TYPE	REGULATORY JURISDICTION	SUBJECT	DATE
111102	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	39896	Direct	TX	Revenue Requirements, Class Cost-of-Service Study, Revenue Allocation, and Rate Design	3/27/2012
91023	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	38951	Supplemental Rebuttal	TX	Competitive Generation Service Issues	2/24/2012
91203	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	38951	Supplemental Direct	TX	Competitive Generation Service Issues	2/10/2012
101101	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	39722	Direct	TX	Carrying Charge Rate Applicable to the Additional True-Up Balance and Tax Balances	11/4/2011
110703	GULF POWER COMPANY	Florida Industrial Power Users Group	110138-EI	Direct	FL	Cost Allocation and Storm Reserve	10/14/2011
90404	CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC	Texas Industrial Energy Consumers	39504	Direct	TX	Carrying Charge Rate Applicable to the Additional True-Up Balance and Taxes	9/12/2011
101101	AEP TEXAS NORTH COMPANY	Texas Industrial Energy Consumers	39361	Cross-Rebuttal	TX	Energy Efficiency Cost Recovery Factor	8/10/2011
101101	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	39360	Cross-Rebuttal	TX	Energy Efficiency Cost Recovery Factor	8/10/2011
100503	ONCOR ELECTRIC DELIVERY COMPANY, LLC	Texas Industrial Energy Consumers	39375	Direct	TX	Energy Efficiency Cost Recovery Factor	8/2/2011
90103	ALABAMA POWER COMPANY	Alabama Industrial Energy Consumers	31653	Direct	AL	Renewable Purchased Power Agreement	7/28/2011
101101	AEP TEXAS NORTH COMPANY	Texas Industrial Energy Consumers	39361	Direct	TX	Energy Efficiency Cost Recovery Factor	7/26/2011
101101	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	36360	Direct	TX	Energy Efficiency Cost Recovery Factor	7/20/2011
90201	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	39366	Direct	TX	Energy Efficiency Cost Recovery Factor	7/19/2011
90404	CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC	Texas Industrial Energy Consumers	39363	Direct	TX	Energy Efficiency Cost Recovery Factor	7/15/2011
101201	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	E002/GR-10-971	Surrebuttal	MN	Depreciation; Non-Asset Margin Sharing; Step-In Increase; Class Cost-of-Service Study; Class Revenue Allocation; Rate Design	5/26/2011
101201	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	E002/GR-10-971	Rebuttal	MN	Classification of Wind Investment	5/4/2011
101201	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	E002/GR-10-971	Direct	MN	Surplus Depreciation Reserve, Incentive Compensation, Non-Asset Trading Margin Sharing, Cost Allocation, Class Revenue Allocation, Rate Design	4/5/2011
101202	ROCKY MOUNTAIN POWER	Wyoming Industrial Energy Consumers	20000-381-EA-10	Direct	WY	2010 Protocols	2/11/2011
100802	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	38480	Direct	TX	Cost Allocation, TCRF	11/8/2010

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PROJECT	UTILITY	ON BEHALF OF	DOCKET	TYPE	REGULATORY JURISDICTION	SUBJECT	DATE
90402	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Traditional Manufacturers Group	31958	Direct	GA	Alternate Rate Plan, Return on Equity, Riders, Cost-of-Service Study, Revenue Allocation, Economic Development	10/22/2010
90404	CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC	Texas Industrial Energy Consumers	38339	Cross-Rebuttal	TX	Cost Allocation, Class Revenue Allocation	9/24/2010
90404	CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC	Texas Industrial Energy Consumers	38339	Direct	TX	Pension Expense, Surplus Depreciation Reserve, Cost Allocation, Rate Design, Riders	9/10/2010
100303	NIAGARA MOHAWK POWER CORP.	Multiple Intervenors	10-E-0050	Rebuttal	NY	Multi-Year Rate Plan, Cost Allocation, Revenue Allocation, Reconciliation Mechanisms, Rate Design	8/6/2010
100303	NIAGARA MOHAWK POWER CORP.	Multiple Intervenors	10-E-0050	Direct	NY	Multi-Year Rate Plan, Cost Allocation, Revenue Allocation, Reconciliation Mechanisms, Rate Design	07/14/2010
91203	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	37744	Cross Rebuttal	TX	Cost Allocation, Revenue Allocation, CGS Rate Design, Interruptible Service	6/30/2010
91203	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	37744	Direct	TX	Class Cost of Service Study, Revenue Allocation, Rate Design, Competitive Generation Services, Line Extension Policy	6/9/2010
90201	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	37482	Cross Rebuttal	TX	Allocation of Purchased Power Capacity Costs	2/3/2010
90402	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Traditional Manufacturers Group	28945	Direct	GA	Fuel Cost Recovery	1/29/2010
90201	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	37482	Direct	TX	Purchased Power Capacity Cost Factor	1/22/2010
90403	VIRGINIA ELECTRIC AND POWER COMPANY	MeadWestvaco Corporation	PUE-2009-00081	Direct	VA	Allocation of DSM Costs	1/13/2010
90201	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	37580	Direct	TX	Fuel refund	12/4/2009
90403	VIRGINIA ELECTRIC AND POWER COMPANY	MeadWestvaco Corporation	PUE-2009-00019	Direct	VA	Standby rate design; dynamic pricing	11/9/2009
80601	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	37135	Direct	TX	Transmission cost recovery factor	10/22/2009
80703	MID-KANSAS ELECTRIC COMPANY, LLC	Western Kansas Industrial Electric Consumers	09-MKEE-969-RTS	Direct	KS	Revenue requirements, TIER, rate design	10/19/2009
90601	VARIOUS UTILITIES	Florida Industrial Power Users Group	090002-EG	Direct	FL	Interruptible Credits	10/2/2009
80505	ONCOR ELECTRIC DELIVERY COMPANY	Texas Industrial Energy Consumers	36958	Cross Rebuttal	TX	2010 Energy efficiency cost recovery factor	8/18/2009
81001	PROGRESS ENERGY FLORIDA	Florida Industrial Power Users Group	90079	Direct	FL	Cost-of-service study, revenue allocation, rate design, depreciation expense, capital structure	8/10/2009
90404	CENTERPOINT	Texas Industrial Energy Consumers	36918	Cross Rebuttal	TX	Allocation of System Restoration Costs	7/17/2009

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PROJECT	UTILITY	ON BEHALF OF	DOCKET	TYPE	REGULATORY JURISDICTION	SUBJECT	DATE
90301	FLORIDA POWER AND LIGHT COMPANY	Florida Industrial Power Users Group	080677	Direct	FL	Depreciation; class revenue allocation; rate design; cost allocation; and capital structure	7/16/2009
90201	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	36956	Direct	TX	Approval to revise energy efficiency cost recovery factor	7/16/2009
90601	VARIOUS UTILITIES	Florida Industrial Power Users Group	VARIOUS DOCKETS	Direct	FL	Conservation goals	7/6/2009
90201	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	36931	Direct	TX	System restoration costs under Senate Bill 769	6/30/2009
90502	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	36966	Direct	TX	Authority to revise fixed fuel factors	6/18/2009
80805	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	36025	Cross-Rebuttal	TX	Cost allocation, revenue allocation and rate design	6/10/2009
80805	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	36025	Direct	TX	Cost allocation, revenue allocation, rate design	5/27/2009
81201	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	08-1065	Surrebuttal	MN	Cost allocation, revenue allocation, rate design	5/27/2009
90403	VIRGINIA ELECTRIC AND POWER COMPANY	MeadWestvaco Corporation	PUE-2009-00018	Direct	VA	Transmission cost allocation and rate design	5/20/2009
90101	NORTHERN INDIANA PUBLIC SERVICE COMPANY	Beta Steel Corporation	43526	Direct	IN	Cost allocation and rate design	5/8/2009
81203	ENTERGY SERVICES, INC	Texas Industrial Energy Consumers	ER008-1056	Rebuttal	FERC	Rough Production Cost Equalization payments	5/7/2009
81201	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	08-1065	Rebuttal	MN	Class revenue allocation and the classification of renewable energy costs	5/5/2009
81201	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	08-1065	Direct	MN	Cost-of-service study, class revenue allocation, and rate design	4/7/2009
81203	ENTERGY SERVICES, INC	Texas Industrial Energy Consumers	ER08-1056	Answer	FERC	Rough Production Cost Equalization payments	3/6/2009
80901	ROCKY MOUNTAIN POWER	Wyoming Industrial Energy Consumers	20000-333-ER-08	Direct	WY	Cost of service study; revenue allocation; inverted rates; revenue requirements	1/30/2009
81203	ENTERGY SERVICES	Texas Industrial Energy Consumers	ER08-1056	Direct	FERC	Entergy's proposal seeking Commission approval to allocate Rough Production Cost Equalization payments	1/9/2009
80505	ONCOR ELECTRIC DELIVERY COMPANY & TEXAS ENERGY FUTURE HOLDINGS LTD	Texas Industrial Energy Consumers	35717	Cross Rebuttal	TX	Retail transformation; cost allocation, demand ratchet waivers, transmission cost allocation factor	12/24/2008
70101	GEORGIA POWER COMPANY	Georgia Industrial Group and Georgia Traditional Manufacturers Association	27800	Direct	GA	Cash Return on CWIP associated with the Plant Vogtle Expansion	12/19/2008
80505	ONCOR ELECTRIC DELIVERY COMPANY & TEXAS ENERGY FUTURE HOLDINGS LTD	Texas Industrial Energy Consumers	35717	Direct	TX	Revenue Requirement, class cost of service study, class revenue allocation and rate design	11/26/2008

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80802	TAMPA ELECTRIC COMPANY	The Florida Industrial Power Users Group and Mosaic Company	080317-EI	Direct	FL	Revenue Requirements, retail class cost of service study, class revenue allocation, firm and non firm rate design and the Transmission Base Rate Adjustment	11/26/2008
80601	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	35763	Supplemental Direct	TX	Recovery of Energy Efficiency Costs	11/6/2008
80601	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	35763	Cross-Rebuttal	TX	Cost Allocation, Demand Ratchet, Renewable Energy Certificates (REC)	10/28/2008
80601	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	35763	Direct	TX	Revenue Requirements, Fuel Reconciliation Revenue Allocation, Cost-of-Service and Rate Design Issues	10/13/2008
50106	ALABAMA POWER COMPANY	Alabama Industrial Energy Consumers	18148	Direct	AL	Energy Cost Recovery Rate (WITHDRAWN)	9/16/2008
50701	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	35269	Direct	TX	Allocation of rough production costs equalization payments	7/9/2008
70703	ENTERGY GULF STATES UTILITIES, TEXAS	Texas Industrial Energy Consumers	34800	Direct	TX	Non-Unanimous Stipulation	6/11/2008
50103	TEXAS PUC STAFF	Texas Industrial Energy Consumers	33672	Supplemental Rebuttal	TX	Transmission Optimization and Ancillary Services Studies	6/3/2008
50103	TEXAS PUC STAFF	Texas Industrial Energy Consumers	33672	Supplemental Direct	TX	Transmission Optimization and Ancillary Services Studies	5/23/2008
60104	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	33891	Supplemental Direct	TX	Certificate of Convenience and Necessity	5/8/2008
70703	ENTERGY GULF STATES UTILITES, TEXAS	Texas Industrial Energy Consumers	34800	Cross-Rebuttal	TX	Cost Allocation and Rate Design and Competitive Generation Service	4/18/2008
70703	ENTERGY GULF STATES UTILITES, TEXAS	Texas Industrial Energy Consumers	34800	Direct	TX	Eligible Fuel Expense	4/11/2008
70703	ENTERGY GULF STATES UTILITES, TEXAS	Texas Industrial Energy Consumers	34800	Direct	TX	Competitive Generation Service Tariff	4/11/2008
70703	ENTERGY GULF STATES UTILITES, TEXAS	Texas Industrial Energy Consumers	34800	Direct	TX	Revenue Requirements	4/11/2008
70703	ENTERGY GULF STATES UTILITES, TEXAS	Texas Industrial Energy Consumers	34800	Direct	TX	Cost of Service study, revenue allocation, design of firm, interruptible and standby service tariffs; interconnection costs	4/11/2008
41229	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	35038	Rebuttal	TX	Over \$5 Billion Compliance Filing	4/14/2008
60303	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Traditional Manufacturers Group	26794	Direct	GA	Fuel Cost Recovery	4/15/2008
71202	SOUTHWESTERN PUBLIC SERVICE COMPANY	Occidental Periman Ltd.	07-00319-UT	Rebuttal	NM	Revenue requirements, cost of service study, rate design	3/28/2008
61101	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	35105	Direct	TX	Over \$5 Billion Compliance Filing	3/20/2008
51101	CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC	Texas Industrial Energy Consumers	32902	Direct	TX	Over \$5 Billion Compliance Filing	3/20/2008
71202	SOUTHWESTERN PUBLIC SERVICE COMPANY	Occidental Periman Ltd.	07-00319-UT	Direct	NM	Revenue requirements, cost of service study (COS); rate design	3/7/2008

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PROJECT	UTILITY	ON BEHALF OF	DOCKET	TYPE	REGULATORY JURISDICTION	SUBJECT	DATE
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	34724	Direct	TX	IPCR Rider increase and interim surcharge	11/28/2007
70601	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Traditional Manufacturers Group	25060-U	Direct	GA	Return on equity; cost of service study; revenue allocation; ILR Rider; spinning reserve tariff; RTP	10/24/2007
70303	ONCOR ELECTRIC DELIVERY COMPANY & TEXAS ENERGY FUTURE HOLDINGS LTD	Texas Industrial Energy Consumers	34077	Direct	TX	Acquisition; public interest	9/14/2007
60104	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	33891	Direct	TX	Certificate of Convenience and Necessity	8/30/2007
61201	ALTAMAHA ELECTRIC MEMBERSHIP CORPORATION	SP Newsprint Company	25226-U	Rebuttal	GA	Discriminatory Pricing; Service Territorial Transfer	7/17/2007
61201	ALTAMAHA ELECTRIC MEMBERSHIP CORPORATION	SP Newsprint Company	25226-U	Direct	GA	Discriminatory Pricing; Service Territorial Transfer	7/6/2007
70502	PROGRESS ENERGY FLORIDA	Florida Industrial Power Users Group	070052-EI	Direct	FL	Nuclear uprate cost recovery	6/19/2007
70603	ELECTRIC TRANSMISSION TEXAS LLC	Texas Industrial Energy Consumers	33734	Direct	TX	Certificate of Convenience and Necessity	6/8/2007
60601	TEXAS PUC STAFF	Texas Industrial Energy Consumers	32795	Rebuttal Remand	TX	Interest rate on stranded cost reconciliation	6/15/2007
60601	TEXAS PUC STAFF	Texas Industrial Energy Consumers	32795	Remand	TX	Interest rate on stranded cost reconciliation	6/8/2007
50103	TEXAS PUC STAFF	Texas Industrial Energy Consumers	33672	Rebuttal	TX	CREZ Nominations	5/21/2007
50701	ENTERGY GULF STATES UTILITIES, TEXAS	Texas Industrial Energy Consumers	33687	Direct	TX	Transition to Competition	4/27/2007
50103	TEXAS PUC STAFF	Texas Industrial Energy Consumers	33672	Direct	TX	CREZ Nominations	4/24/2007
61101	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	33309	Cross-Rebuttal	TX	Cost Allocation, Rate Design, Riders	4/3/2007
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	32710	Cross-Rebuttal	TX	Fuel and Rider IPCR Reconciliation	3/16/2007
61101	AEP TEXAS NORTH COMPANY	Texas Industrial Energy Consumers	33310	Direct	TX	Cost Allocation, Rate Design, Riders	3/13/2007
61101	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	33309	Direct	TX	Cost Allocation, Rate Design, Riders	3/13/2007
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	32710	Direct	TX	Fuel and Rider IPCR Reconciliation	2/28/2007
41219	AEP TEXAS NORTH COMPANY	Texas Industrial Energy Consumers	31461	Direct	TX	Rider CTC design	2/15/2007
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	33586	Cross-Rebuttal	TX	Hurricane Rita reconstruction costs	1/30/2007
60104	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	32898	Direct	TX	Fuel Reconciliation	1/29/2007
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	33586	Direct	TX	Hurricane Rita reconstruction costs	1/18/2007
60303	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	23540-U	Direct	GA	Fuel Cost Recovery	1/11/2007
60503	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	32766	Cross Rebuttal	TX	Cost allocation, Cost of service, Rate design	1/8/2007
60503	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	32766	Direct	TX	Cost allocation, Cost of service, Rate design	12/22/2006
60503	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	32766	Direct	TX	Revenue Requirements,	12/15/2006

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60503	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	32766	Direct	TX	Fuel Reconciliation	12/15/2006
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	32907	Cross Rebuttal	TX	Hurricane Rita reconstruction costs	10/12/06
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	32907	Direct	TX	Hurricane Rita reconstruction costs	10/09/06
60601	TEXAS PUC STAFF	Texas Industrial Energy Consumers	32795	Cross Rebuttal	TX	Stranded Cost Reallocation	09/07/06
60101	COLQUITT EMC	ERCO Worldwide	23549-U	Direct	GA	Service Territory Transfer	08/10/06
60601	TEXAS PUC STAFF	Texas Industrial Energy Consumers	32795	Direct	TX	Stranded Cost Reallocation	08/23/06
60104	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	32672	Direct	TX	ME-SPP Transfer of Certificate to SWEPCO	8/23/2006
50503	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	32758	Direct	TX	Rider CTC design and cost recovery	08/24/06
60503	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	32685	Direct	TX	Fuel Surcharge	07/26/06
60301	PUBLIC SERVICE ELECTRIC AND GAS COMPANY	New Jersey Large Energy Consumers	171406	Direct	NJ	Gas Delivery Cost allocation and Rate design	06/21/06
60303	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	22403-U	Direct	GA	Fuel Cost Recovery Allowance	05/05/06
50503	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	32475	Cross-Rebuttal	TX	ADFIT Benefit	04/27/06
50503	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	32475	Direct	TX	ADFIT Benefit	04/17/06
41229	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	31994	Cross-Rebuttal	TX	Stranded Costs and Other True-Up Balances	3/16/2006
41229	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	31994	Direct	TX	Stranded Costs and Other True-Up Balances	3/10/2006
50303	SOUTHWESTERN PUBLIC SERVICE COMPANY	Occidental Periman Ltd. Occidental Power Marketing	ER05-168-001	Direct	NM	Fuel Reconciliation	3/6/2006
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	31544	Cross-Rebuttal	TX	Transition to Competition Costs	01/13/06
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	31544	Direct	TX	Transition to Competition Costs	01/13/06
50601	PUBLIC SERVICE ELECTRIC AND GAS COMPANY AND EXELON CORPORATION	New Jersey Large Energy Consumers Retail Energy Supply Association	BPU EM05020106 OAL PUC-1874-05	Surrebuttal	NJ	Merger	12/22/2005
50705	SOUTHWESTERN PUBLIC SERVICE COMPANY	Occidental Periman Ltd. Occidental Power Marketing	EL05-19-002; ER05-168-001	Responsive	FERC	Fuel Cost adjustment clause (FCAC)	11/18/2005
50601	PUBLIC SERVICE ELECTRIC AND GAS COMPANY AND EXELON CORPORATION	New Jersey Large Energy Consumers Retail Energy Supply Association	BPU EM05020106 OAL PUC-1874-05	Direct	NJ	Merger	11/14/2005
50102	PUBLIC UTILITY COMMISSION OF TEXAS	Texas Industrial Energy Consumers	31540	Direct	TX	Nodal Market Protocols	11/10/2005
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	31315	Cross-Rebuttal	TX	Recovery of Purchased Power Capacity Costs	10/4/2005
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	31315	Direct	TX	Recovery of Purchased Power Capacity Costs	9/22/2005
50705	SOUTHWESTERN PUBLIC SERVICE COMPANY	Occidental Periman Ltd. Occidental Power Marketing	EL05-19-002; ER05-168-001	Responsive	FERC	Fuel Cost Adjustment Clause (FCAC)	9/19/2005
50503	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	31056	Direct	TX	Stranded Costs and Other True-Up Balances	9/2/2005



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50705	SOUTHWESTERN PUBLIC SERVICE COMPANY	Occidental Periman Ltd. Occidental Power Marketing	EL05-19-00; ER05-168-00	Direct	FERC	Fuel Cost adjustment clause (FCAC)	8/19/2006
50203	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	19142-U	Direct	GA	Fuel Cost Recovery	4/8/2005
41230	CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC	Texas Industrial Energy Consumers	30706	Direct	TX	Competition Transition Charge	3/16/2005
41230	CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC	Texas Industrial Energy Consumers	30485	Supplemental Direct	TX	Financing Order	1/14/2005
41230	CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC	Texas Industrial Energy Consumers	30485	Direct	TX	Financing Order	1/7/2005
8201	PUBLIC SERVICE COMPANY OF COLORADO	Colorado Energy Consumers	04S-164E	Cross Answer	CO	Cost of Service Study, Interruptible Rate Design	12/13/2004
8201	PUBLIC SERVICE COMPANY OF COLORADO	Colorado Energy Consumers	04S-164E	Answer	CO	Cost of Service Study, Interruptible Rate Design	10/12/2004
8244	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	18300-U	Direct	GA	Revenue Requirements, Revenue Allocation, Cost of Service, Rate Design, Economic Development	10/8/2004
8195	CENTERPOINT, RELIANT AND TEXAS GENCO	Texas Industrial Energy Consumers	29526	Direct	TX	True-Up	6/1/2004
8156	GEORGIA POWER COMPANY/SAVANNAH ELECTRIC AND POWER COMPANY	Georgia Industrial Group	17687-U/17688-U	Direct	GA	Demand Side Management	5/14/2004
8148	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	29206	Direct	TX	True-Up	3/29/2004
8095	CONECTIV POWER DELIVERY	New Jersey Large Energy Consumers	ER03020110	Surrebuttal	NJ	Cost of Service	3/18/2004
8111	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	28840	Rebuttal	TX	Cost Allocation and Rate Design	2/4/2004
8095	CONECTIV POWER DELIVERY	New Jersey Large Energy Consumers	ER03020110	Direct	NJ	Cost Allocation and Rate Design	1/4/2004
7850	RELIANT ENERGY HL&P	Texas Industrial Energy Consumers	26195	Supplemental Direct	TX	Fuel Reconciliation	9/23/2003
8045	VIRGINIA ELECTRIC AND POWER COMPANY	Virginia Committee for Fair Utility Rates	PUE-2003-00285	Direct	VA	Stranded Cost	9/5/2003
8022	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	17066-U	Direct	GA	Fuel Cost Recovery	7/22/2003
8002	AEP TEXAS CENTRAL COMPANY	Flint Hills Resources, LP	25395	Direct	TX	Delivery Service Tariff Issues	5/9/2003
7857	PUBLIC SERVICE ELECTRIC AND GAS COMPANY	New Jersey Large Energy Consumers	ER02050303	Supplemental	NJ	Cost of Service	3/14/2003
7850	RELIANT ENERGY HL&P	Texas Industrial Energy Consumers	26195	Direct	TX	Fuel Reconciliation	12/31/2002
7857	PUBLIC SERVICE ELECTRIC AND GAS COMPANY	New Jersey Large Energy Consumers	ER02050303	Surrebuttal	NJ	Revenue Allocation	12/16/2002
7836	PUBLIC SERVICE COMPANY OF COLORADO	Colorado Energy Consumers	02S-315EG	Answer	CO	Incentive Cost Adjustment	11/22/2002
7857	PUBLIC SERVICE ELECTRIC AND GAS COMPANY	New Jersey Large Energy Consumers	ER02050303	Direct	NJ	Revenue Allocation	10/22/2002
7863	DOMINION VIRGINIA POWER	Virginia Committee for Fair Utility Rates	PUE-2001-00306	Direct	VA	Generation Market Prices	8/12/2002
7718	FLORIDA POWER CORPORATION	Florida Industrial Power Users Group	000824-EI	Direct	FL	Rate Design	1/18/2002
7633	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	14000-U	Direct	GA	Cost of Service Study, Revenue Allocation, Rate Design	10/12/2001
7555	TAMPA ELECTRIC COMPANY	Florida Industrial Power Users Group	010001-EI	Direct	FL	Rate Design	10/12/2001
7658	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	24468	Direct	TX	Delay of Retail Competition	9/24/2001
7647	ENTERGY GULF STATES, INC.	Texas Industrial Energy Consumers	24469	Direct	TX	Delay of Retail Competition	9/22/2001
7608	RELIANT ENERGY HL&P	Texas Industrial Energy Consumers	23950	Direct	TX	Price to Beat	7/3/2001

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7593	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	13711-U	Direct	GA	Fuel Cost Recovery	5/11/2001
7520	GEORGIA POWER COMPANY SAVANNAH ELECTRIC & POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	12499-U,13305-U, 13306-U	Direct	GA	Integrated Resource Planning	5/11/2001
7303	ENTERGY GULF STATES, INC.	Texas Industrial Energy Consumers	22356	Rebuttal	TX	Allocation/Collection of Municipal Franchise Fees	3/31/2001
7309	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	22351	Cross-Rebuttal	TX	Energy Efficiency Costs	2/22/2001
7305	CPL, SWEPCO, and WTU	Texas Industrial Energy Consumers	22352, 22353, 22354	Cross-Rebuttal	TX	Allocation/Collection of Municipal Franchise Fees	2/20/2001
7423	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	13140-U	Direct	GA	Interruptible Rate Design	2/16/2001
7305	CPL, SWEPCO, and WTU	Texas Industrial Energy Consumers	22352, 22353, 22354	Supplemental Direct	TX	Transmission Cost Recovery Factor	2/13/2001
7310	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	22349	Cross-Rebuttal	TX	Rate Design	2/12/2001
7308	TXU ELECTRIC COMPANY	Texas Industrial Energy Consumers	22350	Cross-Rebuttal	TX	Unbundled Cost of Service	2/12/2001
7303	ENTERGY GULF STATES, INC.	Texas Industrial Energy Consumers	22356	Cross-Rebuttal	TX	Stranded Cost Allocation	2/6/2001
7308	TXU ELECTRIC COMPANY	Texas Industrial Energy Consumers	22350	Direct	TX	Rate Design	2/5/2001
7303	ENTERGY GULF STATES, INC.	Texas Industrial Energy Consumers	22356	Supplemental Direct	TX	Rate Design	1/25/2001
7307	RELIANT ENERGY HL&P	Texas Industrial Energy Consumers	22355	Cross-Rebuttal	TX	Stranded Cost Allocation	1/12/2001
7303	ENTERGY GULF STATES, INC.	Texas Industrial Energy Consumers	22356	Direct	TX	Stranded Cost Allocation	1/9/2001
7307	RELIANT ENERGY HL&P	Texas Industrial Energy Consumers	22355	Direct	TX	Cost Allocation	12/13/2000
7375	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	22352	Cross-Rebuttal	TX	CTC Rate Design	12/1/2000
7375	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	22352	Direct	TX	Cost Allocation	11/1/2000
7308	TXU ELECTRIC COMPANY	Texas Industrial Energy Consumers	22350	Direct	TX	Cost Allocation	11/1/2000
7308	TXU ELECTRIC COMPANY	Texas Industrial Energy Consumers	22350	Cross-Rebuttal	TX	Cost Allocation	11/1/2000
7305	CPL, SWEPCO, and WTU	Texas Industrial Energy Consumers	22352, 22353, 22354	Direct	TX	Excess Cost Over Market	11/1/2000
7315	VARIOUS UTILITIES	Texas Industrial Energy Consumers	22344	Direct	TX	Generic Customer Classes	10/14/2000
7308	TXU ELECTRIC COMPANY	Texas Industrial Energy Consumers	22350	Direct	TX	Excess Cost Over Market	10/10/2000
7315	VARIOUS UTILITIES	Texas Industrial Energy Consumers	22344	Rebuttal	TX	Excess Cost Over Market	10/1/2000
7310	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	22349	Cross-Rebuttal	TX	Generic Customer Classes	10/1/2000
7310	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	22349	Direct	TX	Excess Cost Over Market	9/27/2000
7307	RELIANT ENERGY HL&P	Texas Industrial Energy Consumers	22355	Cross-Rebuttal	TX	Excess Cost Over Market	9/26/2000
7307	RELIANT ENERGY HL&P	Texas Industrial Energy Consumers	22355	Direct	TX	Excess Cost Over Market	9/19/2000
7334	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	11708-U	Rebuttal	GA	RTP Petition	3/24/2000
7334	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	11708-U	Direct	GA	RTP Petition	3/1/2000
7232	PUBLIC SERVICE COMPANY OF COLORADO	Colorado Industrial Energy Consumers	99A-377EG	Answer	CO	Merger	12/1/1999
7258	TXU ELECTRIC COMPANY	Texas Industrial Energy Consumers	21527	Direct	TX	Securitization	11/24/1999
7246	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	21528	Direct	TX	Securitization	11/24/1999

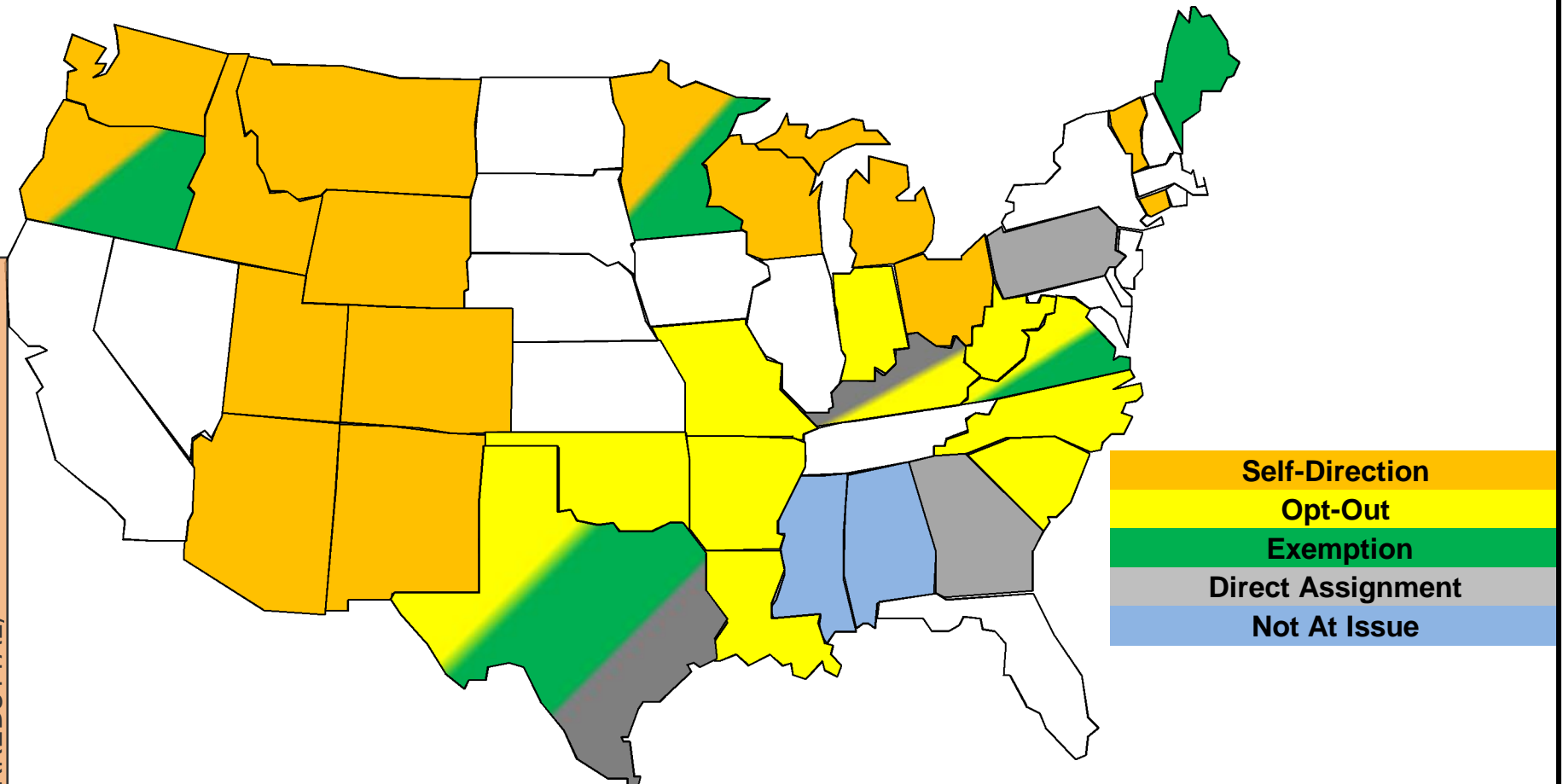
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7089	VIRGINIA ELECTRIC AND POWER COMPANY	Virginia Committee for Fair Utility Rates	PUE980813	Direct	VA	Unbundled Rates	7/1/1999
7090	AMERICAN ELECTRIC POWER SERVICE CORPORATION	Old Dominion Committee for Fair Utility Rates	PUE980814	Direct	VA	Unbundled Rates	5/21/1999
7142	SHARYLAND UTILITIES, L.P.	Sharyland Utilities	20292	Rebuttal	TX	Certificate of Convenience and Necessity	4/30/1999
7060	PUBLIC SERVICE COMPANY OF COLORADO	Colorado Industrial Energy Consumers Group	98A-511E	Direct	CO	Allocation of Pollution Control Costs	3/1/1999
7039	SAVANNAH ELECTRIC AND POWER COMPANY	Various Industrial Customers	10205-U	Direct	GA	Fuel Costs	1/1/1999
6945	TAMPA ELECTRIC COMPANY	Florida Industrial Power Users Group	950379-EI	Direct	FL	Revenue Requirement	10/1/1998
6873	GEORGIA POWER COMPANY	Georgia Industrial Group	9355-U	Direct	GA	Revenue Requirement	10/1/1998
6729	VIRGINIA ELECTRIC AND POWER COMPANY	Virginia Committee for Fair Utility Rates	PUE960036,PUE96029 6	Direct	VA	Alternative Regulatory Plan	8/1/1998
6713	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	16995	Cross-Rebuttal	TX	IRR	1/1/1998
6582	HOUSTON LIGHTING & POWER COMPANY	Lyondell Petrochemical Company	96-02867	Direct	COURT	Interruptible Power	1997
6758	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	17460	Direct	TX	Fuel Reconciliation	12/1/1997
6729	VIRGINIA ELECTRIC AND POWER COMPANY	Virginia Committee for Fair Utility Rates	PUE960036,PUE96029 6	Direct	VA	Alternative Regulatory Plan	12/1/1997
6713	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	16995	Direct	TX	Rate Design	12/1/1997
6646	ENTERGY TEXAS	Texas Industrial Energy Consumers	16705	Rebuttal	TX	Competitive Issues	10/1/1997
6646	ENTERGY TEXAS	Texas Industrial Energy Consumers	16705	Rebuttal	TX	Competition	10/1/1997
6646	ENTERGY TEXAS	Texas Industrial Energy Consumers	473-96-2285/16705	Direct	TX	Rate Design	9/1/1997
6646	ENTERGY TEXAS	Texas Industrial Energy Consumers	16705	Direct	TX	Wholesale Sales	8/1/1997
6744	TAMPA ELECTRIC COMPANY	Florida Industrial Power Users Group	970171-EU	Direct	FL	Interruptible Rate Design	5/1/1997
6632	MISSISSIPPI POWER COMPANY	Colonial Pipeline Company	96-UN-390	Direct	MS	Interruptible Rates	2/1/1997
6558	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	15560	Direct	TX	Competition	11/11/1996
6508	TEXAS UTILITIES ELECTRIC COMPANY	Texas Industrial Energy Consumers	15195	Direct	TX	Treatment of margins	9/1/1996
6475	TEXAS UTILITIES ELECTRIC COMPANY	Texas Industrial Energy Consumers	15015	DIRECT	TX	Real Time Pricing Rates	8/8/1996
6449	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	14965	Direct	TX	Quantification	7/1/1996
6449	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	14965	Direct	TX	Interruptible Rates	5/1/1996
6449	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	14965	Rebuttal	TX	Interruptible Rates	5/1/1996
6523	PUBLIC SERVICE COMPANY OF COLORADO	Multiple Intervenors	95A-531EG	Answer	CO	Merger	4/1/1996
6235	TEXAS UTILITIES ELECTRIC COMPANY	Texas Industrial Energy Consumers	13575	Direct	TX	Competitive Issues	4/1/1996
6435	SOUTHWESTERN PUBLIC SERVICE COMMISSION	Texas Industrial Energy Consumers	14499	Direct	TX	Acquisition	11/1/1995
6391	HOUSTON LIGHTING & POWER COMPANY	Grace, W.R. & Company	13988	Rebuttal	TX	Rate Design	8/1/1995
6353	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	14174	Direct	TX	Costing of Off-System Sales	8/1/1995
6157	WEST TEXAS UTILITIES COMPANY	Texas Industrial Energy Consumers	13369	Rebuttal	TX	Cancellation Term	8/1/1995
6391	HOUSTON LIGHTING & POWER COMPANY	Grace, W.R. & Company	13988	Direct	TX	Rate Design	7/1/1995
6157	WEST TEXAS UTILITIES COMPANY	Texas Industrial Energy Consumers	13369	Direct	TX	Cancellation Term	7/1/1995

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6296	GEORGIA POWER COMPANY	Georgia Industrial Group	5601-U	Rebuttal	GA	EPACT Rate-Making Standards	5/1/1995
6296	GEORGIA POWER COMPANY	Georgia Industrial Group	5601-U	Direct	GA	EPACT Rate-Making Standards	5/1/1995
6278	COMMONWEALTH OF VIRGINIA	VCFUR/ODCFUR	PUE940067	Rebuttal	VA	Integrated Resource Planning	5/1/1995
6295	GEORGIA POWER COMPANY	Georgia Industrial Group	5600-U	Supplemental	GA	Cost of Service	4/1/1995
6063	PUBLIC SERVICE COMPANY OF COLORADO	Multiple Intervenors	94I-430EG	Rebuttal	CO	Cost of Service	4/1/1995
6063	PUBLIC SERVICE COMPANY OF COLORADO	Multiple Intervenors	94I-430EG	Reply	CO	DSM Rider	4/1/1995
6295	GEORGIA POWER COMPANY	Georgia Industrial Group	5600-U	Direct	GA	Interruptible Rate Design	3/1/1995
6278	COMMONWEALTH OF VIRGINIA	VCFUR/ODCFUR	PUE940067	Direct	VA	EPACT Rate-Making Standards	3/1/1995
6125	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	13456	Direct	TX	DSM Rider	3/1/1995
6235	TEXAS UTILITIES ELECTRIC COMPANY	Texas Industrial Energy Consumers	13575 13749	Direct	TX	Cost of Service	2/1/1995
6063	PUBLIC SERVICE COMPANY OF COLORADO	Multiple Intervenors	94I-430EG	Answering	CO	Competition	2/1/1995
6061	HOUSTON LIGHTING & POWER COMPANY	Texas Industrial Energy Consumers	12065	Direct	TX	Rate Design	1/1/1995
6181	GULF STATES UTILITIES COMPANY	Texas Industrial Energy Consumers	12852	Direct	TX	Competitive Alignment Proposal	11/1/1994
6061	HOUSTON LIGHTING & POWER COMPANY	Texas Industrial Energy Consumers	12065	Direct	TX	Rate Design	11/1/1994
5929	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	12820	Direct	TX	Rate Design	10/1/1994
6107	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	12855	Direct	TX	Fuel Reconciliation	8/1/1994
6112	HOUSTON LIGHTING & POWER COMPANY	Texas Industrial Energy Consumers	12957	Direct	TX	Standby Rates	7/1/1994
5698	GULF POWER COMPANY	Misc. Group	931044-EI	Direct	FL	Standby Rates	7/1/1994
5698	GULF POWER COMPANY	Misc. Group	931044-EI	Rebuttal	FL	Competition	7/1/1994
6043	EL PASO ELECTRIC COMPANY	Phelps Dodge Corporation	12700	Direct	TX	Revenue Requirement	6/1/1994
6082	GEORGIA PUBLIC SERVICE COMMISSION	Georgia Industrial Group	4822-U	Direct	GA	Avoided Costs	5/1/1994
6075	GEORGIA POWER COMPANY	Georgia Industrial Group	4895-U	Direct	GA	FPC Certification Filing	4/1/1994
6025	MISSISSIPPI POWER & LIGHT COMPANY	MIEG	93-UA-0301	Comments	MS	Environmental Cost Recovery Clause	1/21/1994
5971	FLORIDA POWER & LIGHT COMPANY	Florida Industrial Power Users Group	940042-EI	Direct	FL	Section 712 Standards of 1992 EPACT	1/1/1994

# Survey of State Policies on Cost Recovery of Energy Efficiency Costs By Industrial Customers



FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 15  
PARTY: FLORIDA INDUSTRIAL POWER  
USERS GROUP – (DIRECT &  
SURREBUTTAL)

## Energy Efficiency and Demand-Side Management Decision Form

### Instructions

Complete each step of this form to notify Duke Energy whether or not your account(s) will participate in the cost recovery rider for Duke Energy's energy efficiency (EE) and/or demand-side management (DSM) programs.

**THIS COMPLETED FORM MUST BE RETURNED TO DUKE ENERGY BY NO LATER THAN FEB. 14, 2014. THE ANNUAL ENROLLMENT WINDOW IS DEC. 16, 2013 THROUGH FEB. 14, 2014. FOR MORE INFORMATION ABOUT THESE PROGRAMS VISIT OUR WEBSITE WWW.DUKE-ENERGY.COM**

#### STEP ONE - OPT IN

*(If opting out of these programs skip to step 2)*

Enjoy the benefits of participating in our energy efficiency and demand-side management programs designed to help save energy and lower your costs. By opting in, the applicable cost recovery factor(s) of Rider EE will be charged for each qualifying service.

- List the Duke Energy account(s) that you wish to opt in to the cost recovery rider for Duke Energy's energy efficiency and/or demand-side management programs.

*If needed, use a separate document to list additional accounts, and include it when you submit this form to Duke Energy*

Provide account information <u>exactly</u> as it appears on your Duke Energy bill. Check all boxes that apply		ENERGY EFFICIENCY	DEMAND-SIDE MANAGEMENT
Company Name (as it appears on your bill): _____			
Account/Agreement Number(s)	Facility Address (Street, city, state, zip)	Opt-in	Opt-in

*\* If you are making a decision to opt in to DSM, check the box to acknowledge the statement.*

We understand that if we elect to participate in a demand-side management program by committing load at our facility for interruption, as a part of the program, we are obligated to fulfill the required contract term(s) before opting out.

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 16  
PARTY: FLORIDA INDUSTRIAL POWER  
USERS GROUP – (DIRECT &  
SURREBUTTAL)  
DESCRIPTION: Jeffrv Pollock JP-2

**STEP TWO - OPT OUT**

*(Skip this step if you are not opting out of these programs.)*

By opting out, the applicable cost recovery factor(s) of Rider EE will not be charged for each qualifying service. You will not be eligible to participate in our energy efficiency and/or demand-side management programs.

- List only those Duke Energy Carolinas account(s) that you wish to opt out of the cost recovery rider for Duke Energy Carolinas' EE and/or DSM programs and you acknowledge you have provided the necessary notification to the Company and meet the following eligibility requirements:
  - o Accounts served under an electric service agreement where the establishment is classified as a "manufacturing industry" by the Standard Industrial Classification Manual published by the United States Government with more than fifty percent (50%) of the electric energy consumption of such establishment being used for its manufacturing processes; or
  - o Commercial Customers with per account annual consumption of 1,000,000 kWh or greater in the billing months of the prior calendar year, as well as all other accounts billed to the same customer with lesser annual usage located on the same or contiguous properties.
- Duke Energy Carolinas may be required to provide the Commission with a list of those industrial or large commercial customers that have opted out of participation in the new energy efficiency measures.
- Your decision to opt out or opt in may be changed during the annual enrollment window each year between November 1st and December 31st.
- Any customer electing to opt out during the annual enrollment window, at their sole discretion, may change their election to opt in during the March Opt In Window (the first five business days of March), and will retroactively be billed for the EE Rider back to January 1st as if they had participated in the entire Vintage year.

*If needed, use a separate document to list additional accounts, and include it when you submit this form to Duke Energy.*

Provide account information exactly as it appears on your Duke Energy bill.  
Check all boxes that apply

Company Name  
(as it appears on your bill): \_\_\_\_\_

Account/Agreement Number(s)	Facility Address (Street, city, state, zip)	ENERGY EFFICIENCY	PREVIOUSLY RECEIVED INCENTIVE	DEMAND-SIDE MANAGEMENT
		Opt-out	(Check if known)	Opt-out

*\* If you are making a decision to opt out of DSM or EE, check the box to acknowledge the statement.*

We hereby notify the Company of our election to opt out and will not participate in any Duke Energy DSM or EE programs for which cost recovery is allowed by the Public Service Commission of South Carolina. By making this election, we are notifying the Company that we have implemented an energy management system or have performed or had performed an energy audit or analysis within the three year period preceding the opt out request, and have implemented or have plans for implementing the cost-effective energy efficiency measures recommended in that audit or analysis.

**STEP THREE**

Complete this section with information about the person at your company who is authorized to make decisions concerning this form and your Duke Energy account. In addition, provide your company information, as it appears on your Duke Energy bill.

\_\_\_\_\_  
*First and Last Name (please print)*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Company Name (as it appears on your bill):*

\_\_\_\_\_  
*Phone No.*

\_\_\_\_\_  
*Mailing Address 1*

\_\_\_\_\_  
*Fax No,*

\_\_\_\_\_  
*Mailing Address 2*

\_\_\_\_\_  
*Email Address*

\_\_\_\_\_  
*City, State, Zip*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

**STEP FOUR**

***For more information visit our website [www.duke-energy.com/EEProgramsSC](http://www.duke-energy.com/EEProgramsSC)***

- Complete and return this form to Duke Energy's Business Service Center using one of the following:
  - o Fax: 980.373.2214
  - o Email: [BusinessServiceCenter@duke-energy.com](mailto:BusinessServiceCenter@duke-energy.com)
- This completed form must be returned to Duke Energy by no later than Feb. 14, 2014. The enrollment window is Dec. 16, 2013 through Feb. 14, 2014. Forms postmarked and/or time stamped after Feb. 14 will not be accepted, and you must wait until the next annual election window (Nov. 1 to Dec. 31) to submit your request.
- We will send you a confirmation email once we process your request.

***New accounts eligible to opt-out of the cost recovery rider may do so within 60 days of meter installation.***



Data Viewer EPA Proposed Clean Power Plan, State 2030 Goal Calculation: Florida



Start & Key Resources

Summary

Step 1

Step 2

Step 3a

Step 3b

Step 4a

Step 4b

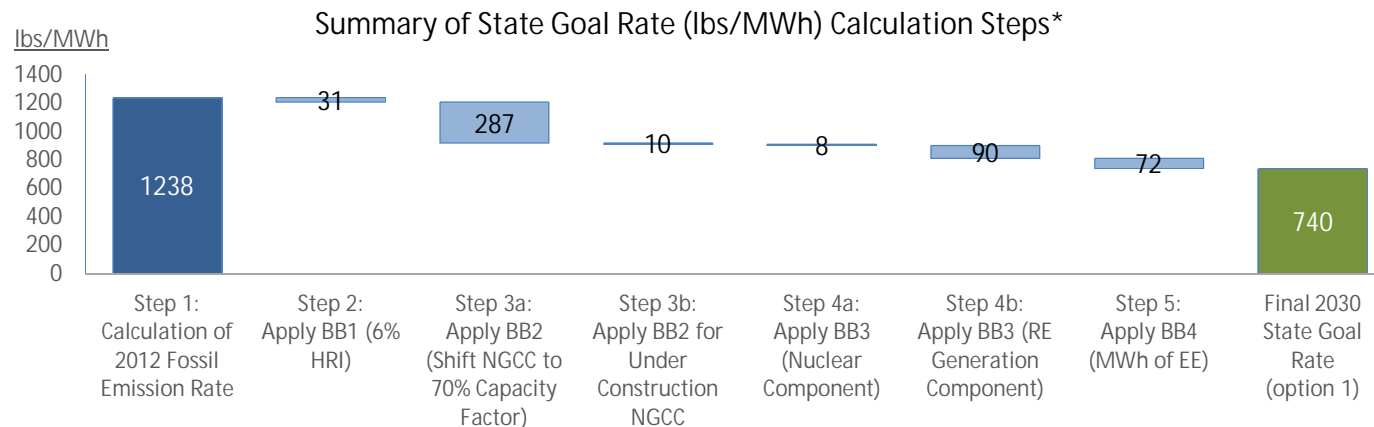
Step 5

Back

Next

## Getting from 2012 Fossil Emission Rate to Final 2030 State Goal Rate (option 1)

Building Block 1 (step 2)	Improve the heat rate at existing coal units 6% to reduce the emission rate from 2,251 lbs/MWh to 2,116 lbs/MWh
Building Block 2 (steps 3a and 3b)	Shift generation from fossil-fired boilers to NGCC units up to a 70% capacity factor, increasing NGCC generation from 133,320 GWh to 182,822 GWh
Building Block 3 (steps 4a and 4b)	Increase generation from renewable sources from 4,524 GWh in 2012 to 22,110 GWh in 2030. Incentivize preservation of 1,623 GWh of generation (-5.8%) from historic nuclear fleet
Building Block 4 (step 5)	Improve end-use energy efficiency to decrease electricity demand 21,349 GWh, equivalent to avoiding 10.0% of projected electricity sales in 2030



\*This graph and the associated calculations are for illustrative purposes only to demonstrate how state goals are calculated to take into account all of the building blocks identified in [Option 1](#) of the proposed Clean Power Plan. While this demonstration yields apparent "incremental" changes to state emission rates from quantifying the effect of each building block in a given state, the state goal is a product of all of the building blocks considered simultaneously in the computation process. While the "incremental" effect calculated for each building block depends on the sequence in which the building blocks are quantified (with only one particular sequence demonstrated here), the computed state goal is the same regardless of the sequence selected to calculate each building block's effects within the overall state goal computation process.

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 17  
PARTY: FLORIDA INDUSTRIAL POWER  
USERS GROUP – (DIRECT &  
SURREBUTTAL)

## Main Module: Currently Modeling Florida

		2012	2013	2014	2015	2016	2017
<b>Annual Incremental Baseline Savings</b>							
Historical annual incremental savings	GWh	587					
Maintain historical savings	GWh		587	587	587	587	587
Total annual savings	GWh	587	587	587	587	587	587
<b>Sales</b>							
Annual average growth rate	%		1.19%	1.19%	1.19%	1.19%	1.19%
BAU sales	GWh	221,261	223,884	226,538	229,224	231,941	234,691
Sales after Net EE	GWh	220,674	223,884	226,538	229,224	231,941	234,104
<b>Savings as a Percent of Previous Year Sales</b>							
Historical savings as percent of previous year sales	%		0.27%	0.26%	0.26%	0.26%	0.25%
Final first-year savings as percent of previous year sales	%		0.00%	0.00%	0.00%	0.00%	0.25%
<b>Savings and Sales Re-calculation</b>							
Annual incremental savings	GWh		0	0	0	0	587
Expiring savings	GWh		0	0	0	0	0
Net cumulative savings	GWh		0	0	0	0	587
Net cumulative savings as a percent of sales before EE	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.25%
<b>Cost of Savings</b>							
First-year cost escalation factor	%		100.0%	100.0%	100.0%	100.0%	100.0%
Regional cost of first-year savings	2011 ¢/kWh		55.00	55.00	55.00	55.00	55.00
Levelized cost of saved energy associated with program year							
Total levelized cost of saved energy	2011 ¢/kWh		0.00	0.00	0.00	0.00	6.51
Program levelized cost of saved energy	2011 ¢/kWh		0.00	0.00	0.00	0.00	3.25
Participant levelized cost of saved energy	2011 ¢/kWh		0.00	0.00	0.00	0.00	3.25
Annualized total cost of EE							
Annualized total cost of EE	2011 \$ M		\$0.0	\$0.0	\$0.0	\$0.0	\$38.2
Annualized program cost of EE	2011 \$ M		\$0.0	\$0.0	\$0.0	\$0.0	\$19.1
Annualized participant cost of EE	2011 \$ M		\$0.0	\$0.0	\$0.0	\$0.0	\$19.1
Annual first-year costs							
Annual total cost of EE	2011 \$ M		\$0.0	\$0.0	\$0.0	\$0.0	\$323
Annual program cost of EE	2011 \$ M		\$0.0	\$0.0	\$0.0	\$0.0	\$161
Annual participant cost of EE	2011 \$ M		\$0.0	\$0.0	\$0.0	\$0.0	\$161

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 18  
PARTY: FLORIDA INDUSTRIAL POWER  
USERS GROUP - (DIRECT &  
SURREBUTTAL)

## Main Module: Currently Modeling Florida

		2018	2019	2020	2021	2022	2023	2024
<b>Annual Incremental Baseline Savings</b>								
Historical annual incremental savings	GWh							
Maintain historical savings	GWh	587	587	587	587	587	587	587
Total annual savings	GWh	587	587	587	587	587	587	587
<b>Sales</b>								
Annual average growth rate	%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%
BAU sales	GWh	237,473	240,288	243,136	246,019	248,935	251,886	254,872
Sales after Net EE	GWh	235,856	237,217	238,210	238,858	239,187	239,227	239,371
<b>Savings as a Percent of Previous Year Sales</b>								
Historical savings as percent of previous year sales	%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Final first-year savings as percent of previous year sales	%	0.45%	0.65%	0.85%	1.05%	1.25%	1.45%	1.50%
<b>Savings and Sales Re-calculation</b>								
Annual incremental savings	GWh	1,061	1,540	2,024	2,509	2,993	3,476	3,588
Expiring savings	GWh	31	87	168	274	406	564	747
Net cumulative savings	GWh	1,617	3,071	4,927	7,161	9,748	12,659	15,501
Net cumulative savings as a percent of sales before EE	%	0.68%	1.28%	2.03%	2.91%	3.92%	5.03%	6.08%
<b>Cost of Savings</b>								
First-year cost escalation factor	%	100.0%	120.0%	120.0%	140.0%	140.0%	140.0%	140.0%
Regional cost of first-year savings	2011 ¢/kWh	55.00	66.00	66.00	77.00	77.00	77.00	77.00
Levelized cost of saved energy associated with program year								
Total levelized cost of saved energy	2011 ¢/kWh	6.51	7.81	7.81	9.11	9.11	9.11	9.11
Program levelized cost of saved energy	2011 ¢/kWh	3.25	3.91	3.91	4.56	4.56	4.56	4.56
Participant levelized cost of saved energy	2011 ¢/kWh	3.25	3.91	3.91	4.56	4.56	4.56	4.56
Annualized total cost of EE								
Annualized total cost of EE	2011 \$ M	\$105.2	\$219.9	\$366.0	\$574.3	\$814.7	\$1,084.8	\$1,348.4
Annualized program cost of EE	2011 \$ M	\$52.6	\$110.0	\$183.0	\$287.2	\$407.4	\$542.4	\$674.2
Annualized participant cost of EE	2011 \$ M	\$52.6	\$110.0	\$183.0	\$287.2	\$407.4	\$542.4	\$674.2
Annual first-year costs								
Annual total cost of EE	2011 \$ M	\$583	\$1,017	\$1,336	\$1,932	\$2,305	\$2,676	\$2,763
Annual program cost of EE	2011 \$ M	\$292	\$508	\$668	\$966	\$1,152	\$1,338	\$1,382
Annual participant cost of EE	2011 \$ M	\$292	\$508	\$668	\$966	\$1,152	\$1,338	\$1,382

## Main Module: Currently Modeling Florida

		2025	2026	2027	2028	2029	2030
<b>Annual Incremental Baseline Savings</b>							
Historical annual incremental savings	GWh						
Maintain historical savings	GWh	587	587	587	587	587	587
Total annual savings	GWh	587	587	587	587	587	587
<b>Sales</b>							
Annual average growth rate	%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%
BAU sales	GWh	257,893	260,950	264,044	267,174	270,341	273,546
Sales after Net EE	GWh	239,737	240,323	241,126	242,142	243,372	244,811
<b>Savings as a Percent of Previous Year Sales</b>							
Historical savings as percent of previous year sales	%	0.25%	0.24%	0.24%	0.24%	0.24%	0.24%
Final first-year savings as percent of previous year sales	%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
<b>Savings and Sales Re-calculation</b>							
Annual incremental savings	GWh	3,591	3,596	3,605	3,617	3,632	3,651
Expiring savings	GWh	936	1,125	1,314	1,504	1,694	1,885
Net cumulative savings	GWh	18,156	20,627	22,918	25,032	26,970	28,735
Net cumulative savings as a percent of sales before EE	%	7.04%	7.90%	8.68%	9.37%	9.98%	10.50%
<b>Cost of Savings</b>							
First-year cost escalation factor	%	140.0%	140.0%	140.0%	140.0%	140.0%	140.0%
Regional cost of first-year savings	2011 ¢/kWh	77.00	77.00	77.00	77.00	77.00	77.00
Levelized cost of saved energy associated with program year							
Total levelized cost of saved energy	2011 ¢/kWh	9.11	9.11	9.11	9.11	9.11	9.11
Program levelized cost of saved energy	2011 ¢/kWh	4.56	4.56	4.56	4.56	4.56	4.56
Participant levelized cost of saved energy	2011 ¢/kWh	4.56	4.56	4.56	4.56	4.56	4.56
Annualized total cost of EE							
Annualized total cost of EE	2011 \$ M	\$1,595.0	\$1,824.9	\$2,038.4	\$2,235.7	\$2,417.0	\$2,582.5
Annualized program cost of EE	2011 \$ M	\$797.5	\$912.5	\$1,019.2	\$1,117.8	\$1,208.5	\$1,291.3
Annualized participant cost of EE	2011 \$ M	\$797.5	\$912.5	\$1,019.2	\$1,117.8	\$1,208.5	\$1,291.3
Annual first-year costs							
Annual total cost of EE	2011 \$ M	\$2,765	\$2,769	\$2,776	\$2,785	\$2,797	\$2,811
Annual program cost of EE	2011 \$ M	\$1,382	\$1,384	\$1,388	\$1,393	\$1,398	\$1,405
Annual participant cost of EE	2011 \$ M	\$1,382	\$1,384	\$1,388	\$1,393	\$1,398	\$1,405

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request to opt-out of cost recovery for investor-owned electric utility energy efficiency programs by Wal-Mart Stores East, LP and Sam's East, Inc. and Florida Industrial Power Users Group.

DOCKET NO. 140226-EI

DATED: June 15, 2015

RESPONSES TO STAFF'S FIRST SET OF INTERROGATORIES TO  
FLORIDA INDUSTRIAL POWER USERS GROUP (NOS. 1-12)

The Florida Industrial Power Users Group ("FIPUG") responds to the Interrogatories (1-12) previously served by Staff of the Florida Public Service Commission. FIPUG does not waive any objections previously noted and served in responding to these interrogatories.

INTERROGATORIES

1. In Docket 810050-EU, the Florida Public Service Commission (Commission) stated on page 9 of Order No. 9974 "One of the issues addressed during this proceeding was whether the unreimbursed costs should be recovered on a kilowatt hour (or therm basis) from all customers." Later on page 9, the order states, "Because all customers will enjoy the benefits of such cost avoidancy we direct that the authorized costs be recovered from all customers."

In Docket 930759-EG page 7, the FPSC order states, "While FPL has proposed to allocate all ECCR costs on a demand basis, rather than an energy basis as in the past, it has not proposed any changes to the treatment of its Commercial/Industrial Load Control (CILC) customers. This treatment entails allocating to CILC customers their share of conservation costs in the same manner as any other rate class. FIPUG has argued that these customers should be excused from the payment of all demand-related conservation costs. We believe that FPL's proposal to allocate conservation costs to CILC customers in the same manner as all other classes is appropriate."

FLORIDA PUBLIC SERVICE  
COMMISSION  
DOCKET: 140226-EI EXHIBIT: 19  
PARTY: STAFF  
DESCRIPTION: FIPUG's Responses to  
Staff's First Set of Interrogatories Nos.

Please explain what the witness believes are the different factors that have occurred subsequent to those orders that would make it appropriate for the Commission to approve an opt-out provision?

**Response:** The proposed opt-out provision would apply only to energy efficiency (EE) and not load management programs. As explained in Mr. Pollock's Surrebuttal testimony, the proposal would allow utilities to count the peak demand and energy savings from self-directed EE toward meeting their Commission-approved conservation goals as a condition for opting out. Further, to the extent that future environmental regulations require the state or a utility to document EE savings, the proposed opt-out provision would help the state or the utility to comply with the requirements.

2. On page 10 of his direct testimony, Walmart witness Baker proposes that an eligible account may not opt to participate in the designated energy efficiency programs for two years after the first day of the year of the period in which the customer opts out. What are FIPUG's views on this proposed requirement?

**Response:** FIPUG does not oppose this requirement.

3. In EXH KEB-2 pgs. 1 of 8 and 8 of 8, Walmart witness Baker lists a Business Custom Incentive and Commercial/Industrial Incentive energy efficiency program provided by Florida Power & Light (FP&L) and Gulf Power Company (Gulf), respectfully. Please identify how many FIPUG members are or have participated in either of these programs in the past five years.



**Response:** FIPUG maintains its objection that this question seeks confidential, sensitive business information that is protected as a trade secret or otherwise. Without waiving this objection, FIPUG states: Three FIPUG members have participated in either of these programs in the past five years.

4. On page 5 of witness Pollack's testimony, the witness states that to the extent an opt-out customer's power and energy savings are measured and verified, the self-funded measures should be counted toward the utility's conservation goals. In detail please explain:

- a) Why does the witness believe it is appropriate to allow the utility to count energy efficiency savings towards goals if the opt-out customer is not participating in a utility-sponsored energy efficiency program?

**Response:** The resulting peak demand and energy savings from EE programs benefit all customers regardless of who provides EE. Thus, if an opt-out customer can demonstrate using the appropriate measurement and evaluation protocols that the customer's self-directed EE programs are providing tangible peak demand and energy benefits and these savings are counted toward achieving the utility's Commission-approved conservation goals, it will reduce the costs that the utilities must spend, and hence, lower the ECCR charges.

- b) Do FIPUG members use different investment evaluations (return on investment, cost-effectiveness, simple payback) in determining what energy efficiency programs are selected to be implemented at individual facilities? Please identify what investment evaluation criteria is used FIPUG members.

**Response:** FIPUG maintains its objection that this question seeks confidential, sensitive business information that is protected as a trade secret or otherwise. Without waiving this objection, FIPUG states: Yes. FIPUG members use different evaluations, including, but not limited to internal rate of return, simple payback, return on investment, and consider the overall economics of a particular project, the cost of a replacement part or parts, and the age, condition and efficiency of the part to be replaced.

- c) Regardless of the investment evaluation used by FIPUG members, does the implicit discount rate or required return on investment – referred to as an investment hurdle rate – used in the investment evaluation technique vary by different FIPUG members? If not, what is the standard investment criterion that must be met to implement an energy efficiency investment?

**Response:** FIPUG maintains its objection that this question seeks confidential, sensitive business information that is protected as a trade secret or otherwise. Without waiving this objection, FIPUG states: Yes. Please see the response to part b.

- d) Assuming the answer to 4 (c) varies between FIPUG members, how would FIPUG recommend the proposal be modified to ensure that ALL members used a standard investment criteria to ensure that all cost-effective energy investments are undertaken as proposed in the opt-out petition?

**Response:** The proposed opt-out provision is not based on the assumptions or investment criteria that FIPUG members (or all utility customers that self-direct EE) would have to use the same criteria to evaluate the cost-effectiveness of self-directed EE. The customer would still pay for the self-directed EE irrespective of the criteria used to



evaluate cost-effectiveness. FIPUG is not asking that other utility customers be required to pay for self-directed EE.

- e) Does FIPUG disagree with this statement that, "a utility rebate or provision of other low cost or no cost technical services by the utility lowers the investment hurdle rate for FIPUG members to implement energy efficiency investment and therefore increases the potential universe of such investments." Please explain why this is not an accurate statement.

**Response:** FIPUG does not disagree with this statement.

- f) What processes would the opt-out customer implement to verify the amount of energy savings it achieved after opting out?

**Response:** As discussed in Mr. Pollock's Direct Testimony, the customer would have to attest that the customer has self-directed EE and provide certification of the verifiable power and energy savings signed by a licensed professional engineer or certified energy manager.

- g) Do FIPUG's members have employees that are specifically responsible for energy efficiency investments? If so, please provide the title or profession of the individual(s) responsible for making energy efficiency investment evaluations and reporting the energy savings.

**Response:** Most FIPUG members have employees whose responsibilities include energy efficiency matters. These individuals typically are trained or educated in various engineering disciplines.

h) Who are the members that FIPUG represents in this docket that would meet the proposed threshold of 1MW?

**Response:** It is expected that all FIPUG members would meet the proposed 1 MW threshold.

5. The following questions pertain to the post-opt-out monitoring of utilities' energy efficiency investments:

a) If the Commission approves FIPUG's opt-out proposal, would it be appropriate for the utility to periodically follow-up or monitor the efficiency investments made by those members that have chosen to opt-out?

**Response:** As discussed in Mr. Pollock's Direct Testimony, an opt-out would be effective for three-years. At the end of the three-year term, a customer must submit another letter signed by an officer of the company attesting that the customer has determined that there are no new cost-effective energy efficiency measures, or the customer has invested in new energy efficiency measures, and/or prior energy efficiency investments continue to be used and useful.

b) If the response to (a) is affirmative:

- Please describe what follow-up or ongoing monitoring of the efficiency investments made by the individual FIPUG members should be done.
- What should be the frequency of the monitoring period? If different types of analyses would result in different time periods used, please elaborate.
- What (if any) reports should be submitted to the Florida Public Service Commission, and what should be the frequency of the reporting periods?

**Response:** Please see the response to part a).

c) If the response to (a) is negative, please explain why follow-up or ongoing monitoring of efficiency investments would not be appropriate.

**Response:** Not applicable

6. Please refer to witness Pollock Exhibit JP-1, 1 of 1, which illustrates which states have opt-out policies.

a) Please describe the opt-out program characteristics of states whose opt-out program is similar to what FIPUG is proposing.

**Response:** Mr. Pollock has not attempted to model the proposed opt-out provision using the specific policies adopted in other states. Although there are similarities with other state policies, there are clearly differences. For example, Mr. Pollock suggests in his Surrebuttal Testimony that Florida adopt a policy which requires that a customer to affirmatively demonstrate that the customer has invested in self-directed EE. The requirement is not present in some states. (This is a revision to Mr. Pollock's initial proposal, which would have allowed a customer to opt-out if the customer could demonstrate that self-directed EE was not cost-effective.) Thus, the current proposal is a blend of policies reflected in states that allow industrial customers to either opt-out of utility EE programs or implement self-directed EE.

b) Please describe how Louisiana's opt-out policy is similar to FIPUG's proposal.



**Response:** The Louisiana opt-out policy has a few similarities with FIPUG's proposal. However, there is no obligation for the customer to attest that the customer has implemented self-directed EE. The Louisiana policy states:

Industrial customers having one or more individual electric service accounts in Louisiana with a combined aggregate demand of five thousand (5,000) kW or more shall be excluded from participation in the Quick Start EE programs for all of their accounts and from all costs associated with such programs, provided however that such customers may choose to participate in Quick Start EE programs and costs applicable for any individual accounts with less than five thousand (5,000) kW demand. Only industrial customers with annual peak loads equal to or greater than two hundred (200) kW, located within the utility's service territory, are allowed to aggregate. Industrial customers with a combined aggregated demand of five thousand (5,000) kW or more may but are not required to participate in quick start energy efficiency programs. Any industrial customer that intends to opt out must provide notice to the utility within ninety days of the issuance of the Commission Order in this proceeding. Electric service demand for purposes of Quick Start EE program eligibility shall be determined based on the calendar year preceding adoption of the issuance of the Order approving these rules, or the most recent 12 months prior to the issuance of the Order approving these rules, if it provides a larger number of kilowatts. Nothing herein shall preclude the LPSC from considering participation by industrial customers in Phase II EE programs. (Amendments to the Commission's Energy Efficiency rules attached to the General Order dated January 10, 2013 in Docket No. R-31106 by Commissioner Angelle at 14.)

7. On page 8 of witness Pollack's testimony, the witness states that large energy-intensive customers are most likely to self-fund energy efficiency measures. What is the basis for this statement? Does the witness believe residential and commercial customers, who consume smaller amounts of energy, do not invest in energy efficiency measures on their own? Please provide any available details with your explanation.

**Response:** This statement is based on discussions Mr. Pollock has had with numerous clients over his 40-year career. Mr. Pollock believes that some residential and commercial customers will invest in EE measures on their own. However, if this was true of most customers, the utilities would not have to provide EE services.

8. Current demand-side management goals are based on the Rate Impact Measure (RIM) cost-effectiveness test. On page 8 of her testimony, Gulf witness Todd refers to the RIM test as the "no losers" test because it accounts for impacts on both participating and non-participating customers. Each of the utilities have provided testimony that further states that an opt-out provision would shift costs from customers who chose to opt-out of energy efficiency programs, to customers who continue to participate in energy efficiency programs.

- a) Does FIPUG agree with the utilities' statement that an opt-out provision would shift costs from customers who choose to opt out of energy efficiency programs, to customers who continue to participate in energy-efficiency programs? Please explain.

**Response:** No. Please see Mr. Pollock's Surrebuttal Testimony.

- b) Does FIPUG believe that it is appropriate for a utility's remaining customers who do not participate in the opt-out program, to receive increases in energy efficiency costs as a result of customers opting out of energy efficiency program participation? If yes, please explain in detail.

**Response:** As discussed in Mr. Pollock's Surrebuttal Testimony, if the savings from self-directed EE can be counted toward meeting the utility's Commission-approved

conservation goals, the utility can spend less money and the ECCR charges can be reduced. It is not FIPUG's intent to increase energy efficiency costs for other customers, but to have those costs be reduced or remain revenue neutral.

- c) Since programs that pass the RIM test are beneficial to all customers who participate in a utility's energy-efficiency programs as well as non-participants, why does FIPUG believe it is being harmed by participating in utility sponsored energy efficiency programs?

**Response:** As discussed in Mr. Pollock's Surrebuttal Testimony, all customers would not benefit equally on a per kWh basis even if the RIM test is used to determine cost-effectiveness. This is because some of the EE savings are peak demand related, which are properly allocated on a demand not a kWh basis, while energy savings from EE programs are primarily on-peak related given that a utility generally incurs higher costs to serve customers during on-peak hours. Thus, high load factor customers, who use less capacity and energy during on-peak hours, are harmed by a kWh recovery of EE costs.

9. On page 13, lines 18 through 21, witness Pollock discusses recommended eligibility requirements for the opt-out customer, stating in part that "I recommend that eligibility be limited to loads of at least 1 megawatt..." Please explain why 1 megawatt is the suggested threshold.

- a) Please explain the appropriate billing period for the suggested 1 MW load criteria? For example, is the witness proposing 1 MW for any twelve month billing period or 1 MW average demand?



b) Is there any specific load factor associated with the suggested 1 MW threshold?

**Response:** The 1 MW threshold was suggested for two reasons. First, it is more likely that customers with 1 MW or higher (aggregated) load will be engaged in self-directed EE. The second reason is to minimize the costs to administer the opt-out provision.

10. On page 13, line 24 through page 14, line 5, witness Pollock discusses the suggested letter a customer would provide the utility, affirmatively stating that the customer has either invested (or intends to invest) in energy efficiency, or has determined that there are no cost-effective energy efficiency measures:

a) If the Commission approves an opt-out provision, do you believe it is appropriate for there to be any follow-up documentation to verify that the customer has invested in energy efficiency?

b) If yes, how and by whom should this verification be accomplished?

**Response:** Please see FIPUG's response to Staff's Interrogatory No. 5.

11. On page 15, lines 14 and 15, witness Pollock recommends that the opt-out letter have a term of not less than three years. Why does the witness believe that the proposed term of not less than three years is appropriate? Please provide any supporting detail or documentation that supports how the witness arrived to his conclusion regarding the provisions of the opt-out letter.

**Response:** As stated in response to Staff's Interrogatory 6a, the proposed opt-out provision was not modeled or adapted from states that have authorized either opt-out or self-directed EE by industrial customers. That stated, a three-year period is designed to minimize the cost and effort of administering the opt-out provision.

12. If the utility experiences additional administrative costs due to an opt-out provision, should these administrative costs be borne by the customers who choose to opt-out? Why or why not?

**Response:** FIPUG would be receptive to discussing a fee for administering an opt-out program if the utility can (1) demonstrate that the incremental administrative costs are not more than offset by the reduced cost of using self-directed EE savings to meet the utility's Commission-approved conservation goals and (2) provide documentation of the reasonable and necessary costs associated with administering a Commission-approved opt-out provision.



**AFFIDAVIT**

STATE OF MISSOURI    )

COUNTY OF ST. LOUIS    )

I hereby certify that on this 15<sup>th</sup> day of June, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Jeffry Pollock, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number(s) 1-12 from STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA INDUSTRIAL POWER USERS GROUP (NOS. 1-12) in Docket No(s). 140226-EI, and that the responses are true and correct based on his personal knowledge or discussions with FIPUG members or FIPUG counsel.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 15<sup>th</sup> day of June, 2015.



  
\_\_\_\_\_  
Notary Public  
State of Missouri

My Commission Expires:

April 25, 2019

**FIPUG's Responses to Staff's  
Second Set of Interrogatories  
(Nos. 13-18)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 20  
PARTY: STAFF  
DESCRIPTION: FIPUG's Responses to Staff's  
Second Set of Interrogatories Nos.  
13-18[Bates Nos. 00015-00021]

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request to opt-out of cost recovery for investor-owned electric utility energy efficiency programs by Wal-Mart Stores East, LP and Sam's East, Inc. and Florida Industrial Power Users Group.

DOCKET NO. 140226-EI

DATED: JULY 6, 2015

FIPUG'S RESPONSES TO STAFF'S SECOND SET OF INTERROGATORIES TO  
FLORIDA INDUSTRIAL POWER USERS GROUP (NOS. 13-18)

Pursuant to Rule 1.340, Florida Rules of Civil Procedure, the Florida Industrial Power Users Group (FIPUG) and Order No. PSC-15-0149-PCO-EI, responds to staff's interrogatories numbers 13-18 served on June 16, 2105.

INTERROGATORIES

13. Please refer to page 5, lines 22-25 of witness Pollock's surrebuttal testimony. The witness states that the premise for the current opt-out proposal is to empower customers who can document that their self-funded energy efficiency programs have resulted in peak demand savings and/or energy savings that can be counted toward meeting the Commission-approved conservation goals for each utility:

- a. Please state what penalties, if any, should be imposed on a customer who chooses to opt-out and cannot demonstrate that its self-funded energy efficiency programs meet the requirements of the opt-out provision?

**Response:** Mr. Pollock assumes that the question is directed to FIPUG's opt-out proposal. This proposal requires that a customer have an aggregated load of at least 1 MW and has self-funded energy efficiency programs that have produced demonstrated peak demand and energy savings. If the customer cannot meet these qualifications, that customer would not be exempt from the energy efficiency charges.

- b. Please state what happens if a customer participating in the opt-out program no longer meets the threshold proposed by FIPUG. Would such customer be removed from opt-out participation? In lieu of being removed from the opt-out program, should a penalty be imposed?

**Response:** It is unclear how the circumstances posed in the question could occur unless the customer removed or disabled its energy efficiency equipment and processes. In this unlikely event, it may be appropriate to offer the customer in question an option of being removed from the opt-out program.

- c. Over what time period would the opt-out customer who does not meet the opt-out qualifications be required to remain out of the program before being reinstated?

**Response:** To balance controlling administrative costs with the promotion of energy efficiency measures, FIPUG recommends that a two (2) year "wait period" be used.

14. On page 6, line 4-12, witness Pollock states that FIPUG's proposed opt-out program participation criteria is no different in concept from the utility directing its own cost-effective energy efficiency program for the benefit of its customers and providing documentation that the programs are producing the intended savings as a pre-requisite for cost recovery. Please elaborate on this statement and provide any detail or analysis to support the witness' assumption.

**Response:** Presently, when a utility customer makes use of a utility-sponsored energy efficiency measure, there is little to no rigorous tracking or follow up to ascertain exactly how that particular measure is performing compared to projections. Eligible opt-out



customers will similarly invest based on projected energy efficiency measures and corresponding energy savings.

15. Please state why FIPUG believes an opt-out provision should allow the opt-out customer's self-directed energy efficiency program savings to be counted towards the utility's Commission-approved goals if the customer is no longer participating in utility-sponsored conservation programs.

**Response:** The goal of energy efficiency savings can be advanced by Commission-approved goals for utilities and by other measures, as seen by changes in building codes. The opt-out proposal advanced by FIPUG and by Wal-Mart is an appropriate and recognized measure to advance energy efficiency, something recognized by a number of other states. Savings realized by these measures, since the savings result from eligible customers investing their own capital in effective energy efficiency measures (as compared to eligible customers tendering their capital via a utility charge for possible use on a predetermined energy efficiency measure), advance the state's goal of energy efficiency and should be counted, not ignored.

16. What method(s) do FIPUG members use to measure cost-effectiveness of their energy efficiency measures/projects? How do these method(s) compare to the RIM test used by the Commission in evaluating the cost-effectiveness of FEECA utility DSM goals and DSM programs?

**Response:** See previous response to Staff Interrogatory No. 4(b). While the measures and tools to determine cost-effectiveness varies between FIPUG members as detailed in FIPUG's prior response to Staff Interrogatory No. 4(b), some FIPUG members employ a

longer “payback” period than two years, which is the minimum term currently used in the RIM test. Economic efficiency is realized when eligible customers, who best know their respective business operations, are able to directly invest their own capital in cost-effective energy efficiency measures. It is less economically efficient, and effective, for opt-out eligible customers to have their capital directed by a utility to be deployed into energy efficiency programs that may or may not be attractive, beneficial or useful to eligible opt-out customers.

17. Please state whether FIPUG proposal includes four of the five investor-owned utilities. Please state whether FIPUG believes that its opt-out proposal should also be available to Florida Public Utilities Company customers that meet the proposed threshold?

**Response:** While FIPUG’s proposal is focused on Florida Power and Light Company, Duke Energy Florida, Gulf Power Company and the Tampa Electric Company, to the extent that Florida Public Utilities has customers who meet the threshold, they should be able to participate, given that similar opt out programs have been well-received in other jurisdictions, promote energy efficiency, and permit eligible customers to self-direct their own capital into energy efficiency measures.

18. If the Commission approves an opt-out provision, please state whether an annual review for each opt-out customer to determine if the customer continues to meet the threshold suggested by FIPUG is required. In your response, please state what are FIPUG’s proposals regarding how to handle a situation in which an opt-out customer fails to meet the expected or projected threshold.

**Response:** Mr. Pollock's testimony recommended a three-year term for a customer who has met the qualifications for opting-out to minimize administrative costs. Please see FIPUG's response to Staff's Interrogatory 13 for handling a situation in which an opt-out customer no longer qualifies.

**AFFIDAVIT**

STATE OF MISSOURI     )

COUNTY OF ST. LOUIS     )

I hereby certify that on this 6<sup>th</sup> day of July, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Jeffry Pollock, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number(s) 13-18 from STAFF'S SECOND SET OF INTERROGATORIES TO FLORIDA INDUSTRIAL POWER USERS GROUP (NOS. 13-18) in Docket No(s). 140226-EI, and that the responses are true and correct based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 6<sup>th</sup> day of July, 2015.



  
Notary Public  
State of Missouri

My Commission Expires:  
April 25, 2019



**21**

**WALMART's Responses to  
Staff's First Set of Interrogatories  
(Nos. 1-11)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 21  
PARTY: STAFF  
DESCRIPTION: Walmart's Responses to  
Staff's First Set of Interrogatories(Nos. 1-11)  
[Bates Nos. 00022-00032]

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**In re: Request to Opt Out of Cost Recovery for )  
Investor-Owned Electric Utility Energy Programs )  
By Wal-Mart Stores East, LP, and Sam's East, Inc., )  
And Florida Industrial Power Users Group )**

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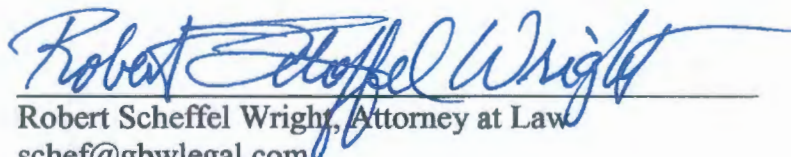
**Docket No. 140226-EG**

**Served: June 1, 2015**

**RESPONSES OF WAL-MART STORES EAST, LP AND SAM'S EAST, INC.  
TO STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1-11)**

Wal-Mart Stores East, LP and Sam's East, Inc. (collectively "Walmart"), by and through their undersigned counsel and pursuant to Order No. PSC-15-0149-PCO-EI, the Order Establishing Procedure for this docket, hereby file their responses to the Public Service Commission Staff's First Set of Interrogatories (Nos. 1-11), which were propounded on May 11, 2015. All of Walmart's responses are subject to Walmart's general objections to Staff's interrogatories, which Walmart served on May 18, 2015, and Walmart does not waive any such objections.

Respectfully submitted this 1st day of June, 2015.



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Attorneys for Wal-Mart Stores East, LP  
and Sam's East, Inc.

## **RESPONSES TO SPECIFIC INTERROGATORIES**

1. Please refer to page 3, lines 16-22 of witness Baker's testimony, in which he states that his proposals would apply to Florida's four large investor-owned utilities. He further states that Walmart is a significant customer of each of these utilities, and that in the aggregate, Walmart used approximately 1.5 billion kWh of electricity in Florida in 2013. Please use the chart below to indicate the number of Walmart stores and total annual kWh used by Walmart in each IOU's service territory. Please provide your response in Excel format.

**Walmart's Response:** Please see Attachment No. 1 to Walmart's responses.

Please note that the usage information in this table is considered proprietary confidential business information by Walmart, and accordingly, the public version of these Responses includes a redacted version of the table. The unredacted version of the table is being submitted to the Commission contemporaneously under cover of a Notice of Intent to Request Confidential Classification.

2. On page 4, lines 4-6, witness Baker states that, "A customer, whether commercial or industrial, that implements DSM and EE measures on its own yields network benefits for all of the Company's other customers."

a. Please identify the basis for this statement.

**Walmart's Response:** A kilowatt-hour (kWh) or megawatt-hour (MWH) saved is the same whether it is saved by the utility or the customer. Therefore, any MWH saved by an opt-out customer will confer the same system benefits that MWH saved through utilities' energy efficiency programs. The difference is that the utility's other customers pay for the energy efficiency savings procured and generated by the utility's EE programs but pay zero for the benefits provided by customers who proactively implement DSM and EE measures on their own.

b. Please identify the results if the reduction in energy sales leads to fixed revenue losses greater than the benefits of deferring or avoiding new capacity additions.

**Walmart's Response:** This interrogatory appears to hypothesize that energy conservation measures would not be cost-effective under a Rate Impact Measure ("RIM") test. If this were the case, then the results would be what they would be. However, given that a utility would not incur any program costs to finance the measures that are self-funded and proactively implemented by opt-out customers, it is by no means clear that the net impact on other customers is negative.



- c. Would it also be true that the energy savings resulting from utility-sponsored demand-side management programs also benefits all of the Company's customers? Please explain.

**Objection:** This question is not relevant, as Walmart is not proposing to allow customers to opt out of paying for utilities' demand side management programs.

**Walmart's Response:** Notwithstanding the above objection, energy savings through utility programs, whether EE programs or DSM (or "demand response" or "DR" programs), and energy savings provided to the utility and all customers through opt-out customers' self-funded and self-implemented EE measures provide the same benefits to the system. The critical differences are that opt-out customers must contribute savings to be eligible to opt out, and that the savings and benefits thus provided by the opt-out customers are provided to all other customers at zero cost to either the utility or those other (non-opt-out) customers.

3. Current demand-side management goals are based on the Rate Impact Measure (RIM) cost-effectiveness test. On page 8 of her testimony, Gulf witness Todd refers to the RIM test as the "no losers" test because it accounts for impacts on both participating and non-participating customers. Each of the utilities have provided testimony that further states that an opt-out provision would shift costs from customers who choose to opt-out of energy efficiency programs, to customers who continue to participate in energy efficiency programs.
- a. Does Walmart agree with the utilities' statement that an opt-out provision would shift costs from customers who choose to opt-out of utility sponsored energy efficiency programs, to customers who continue to participate in energy efficiency programs? Please explain.

**Walmart's Response:** No. An opt out provision can guarantee that there is no such cost transfers or subsidies. Customers who elect to opt out of the IOU programs would not shift costs to other customers from the cost of their programs.

- b. Does Walmart believe that it is prudent for a utility's remaining customers who do not participate in the opt-out program, to receive increases in energy efficiency costs as a result of customers opting out of energy efficiency program participation? If yes, please explain in detail.

**Walmart's Response:** No, Walmart does not believe that it is prudent for customers to receive increases in energy efficiency costs.

- c. Since programs that pass the RIM test are beneficial to all customers who participate in a utility's energy efficiency programs as well as non-participants, why does Walmart believe it is being harmed by participating in utility-sponsored energy efficiency programs?

**Walmart's Response:** Because Walmart is more familiar with its stores' and facilities' systems and operations, Walmart can more effectively identify and implement optimal energy savings measures for its operations. Walmart's opt-out proposal would allow such companies and customers to self-fund and self-implement energy efficiency measures, at no cost to utilities or the utilities' other customers, and therefore opt-out

customers would be treated fairly while other customers would get the benefits of the EE measures implemented by opt-out customers at no cost.

4. Please explain how witness Baker arrived at the proposed 15 million annual kWh threshold for qualifying participants in the proposed opt-out program. In your response, please provide any related documents that were used in the analyses to develop the proposed thresholds.

**Walmart's Response:** Please see page 11, lines 6-10 of the Direct Testimony of Kenneth E. Baker in Docket No. 140002-EG, which has been incorporated into the official documents of this docket.

5. Please refer to page 3, lines 5-14 of witness Baker's testimony. Why does the witness believe it is appropriate to separate energy and demand for those programs that impact both energy and demand? Please explain.

**Walmart's Response:** The interrogatory misstates Mr. Baker's testimony. Mr. Baker believes it is appropriate to separate charges for energy efficiency programs, which fund measures, such as changes to lighting and refrigeration, that provide for sustained long-term reductions in a customer's energy and demand, from demand side management programs, which are short term changes in a customer's operations, such as load interruption, that are done in response to a temporal and locational need on the utility's system.



6. Does Walmart as a corporation use different investment evaluations (return on investment, cost-effectiveness, simple payback) in determining what energy efficiency programs are selected to be implemented at individual stores? Please identify what investment evaluation criteria is used by Walmart stores.

**Walmart's Response:** No. Walmart uses Return on Investment (ROI) and Internal Rate of Return (IRR) as the criteria for determining whether to implement EE measures.

7. Regardless of the investment evaluation used by Walmart as a corporate entity or at individual stores, does the implicit discount rate or required return on investment – sometimes referred to as investment hurdle rate – used in the investment evaluation technique vary by state or store level? If not, what is the standard investment criterion that must be met to implement an energy efficiency investment?

**Walmart's Response:** No, the 'hurdle rate' does not vary on a state or store level.

8. Assuming the answer to number 7 varies between one or more stores, how would Walmart recommend the proposal be modified to ensure that ALL stores in Florida use standard investment criteria to ensure that all cost-effective energy investments are undertaken as proposed in the opt-out petition?

**Walmart's Response:** See Walmart's response to number 7.



9. Does Walmart disagree with the statement that, "a utility rebate or provision of other low cost or no cost technical services by the utility lowers the investment hurdle rate for Walmart to implement energy efficiency investments and therefore increases the potential universe for such investments." Please explain why this is not an accurate statement.

**Walmart's Response:** Yes, Walmart disagrees with this statement. A utility's provision of rebates or subsidized technical services does not change the customer's hurdle rate nor does it change the potential universe for such investments.

10. Does Walmart have employees that are specifically responsible for energy efficiency investments? If so, please discuss the role of these employees in making these investments. Provide the title or profession of the individual(s) responsible for making energy efficiency investment evaluations and reporting or tracking the savings from these investments.

**Walmart's Response:** Many employees in several departments are responsible for energy efficiency investments at our facilities. Any energy efficiency project proposed at a particular facility is vetted among various departments and corporate, regional, and store-level personnel. The associates in these various departments cover different areas of the business.

11. If the utility experiences additional administrative costs due to an opt-out provision, should these administrative costs be borne by the customers who choose to opt-out? Why or why not?

**Walmart's Response:** At most, such costs should be charged to opt-out customers only to the extent that such costs are reasonable in light of any additional administrative expenses.

PSC DOCKET NO. 140226-EI, WALMART'S RESPONSES TO STAFF'S FIRST SET OF INTERROGATORIES

ATTACHMENT NO. 1

FLORIDA UTILITIES STATISTICS

YEAR	FLORIDA POWER & LIGHT		DUKE ENERGY FLORIDA		TAMPA ELECTRIC COMPANY		GULF POWER	
	No. of WALMARTS	Annual kWh Usage	No. of WALMARTS	Annual kWh Usage	No. of WALMARTS	Annual kWh Usage	No. of WALMARTS	Annual kWh Usage
2010	108	████████	49	████████	27	████████	18	████████
2011	116	████████	54	████████	31	████████	21	████████
2012	117	████████	57	████████	32	████████	24	████████
2013	123	████████	61	████████	31	████████	24	████████
2014	131	████████	66	████████	36	████████	25	████████

**AFFIDAVIT**

STATE OF ARKANSAS )

COUNTY OF Benton )

I hereby certify that on this 1<sup>st</sup> day of June, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgements, personally appeared Kenneth E. Baker, who is personally known to me, and he acknowledged before me that he provided the answers to Interrogatory Nos. 1-11 in STAFF'S FIRST SET OF INTERROGATORIES TO WAL-MART STORES EAST, LP'S AND SAM'S EAST, INC. in Docket No. 140226-EI, and that the responses are true and corrected based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 1<sup>st</sup> day of June, 2015.

Kenn E. Baker  
Kenneth E. Baker



Terri D. Hall  
Notary Public  
State of Arkansas

My Commission Expires:

9-28-15

**22**

**WALMART's Responses to  
Staff's First Second of Interrogatories  
(Nos. 12-13)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 22  
PARTY: STAFF  
DESCRIPTION: Walmart's Responses to  
Staff's Second Set of Interrogatories (Nos.  
12-13)[Bates Nos. 00033-00037]



**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

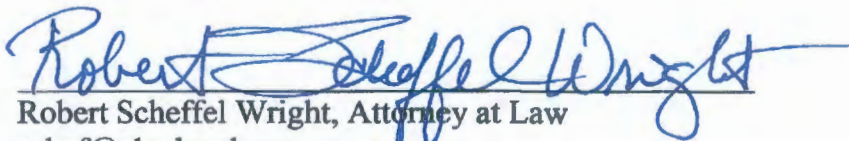
<b>In re: Request to Opt Out of Cost Recovery for</b>	)	
<b>Investor-Owned Electric Utility Energy Programs</b>	)	<b>Docket No. 140226-EG</b>
<b>By Wal-Mart Stores East, LP, and Sam's East, Inc.,</b>	)	
<b>And Florida Industrial Power Users Group</b>	)	<b>Served: July 8, 2015</b>
	)	

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**RESPONSES OF WAL-MART STORES EAST, LP AND SAM'S EAST, INC.  
TO STAFF'S SECOND SET OF INTERROGATORIES (NOS. 12-13)**

Wal-Mart Stores East, LP and Sam's East, Inc. (collectively "Walmart"), by and through their undersigned counsel and pursuant to Order No. PSC-15-0149-PCO-EI, the Order Establishing Procedure for this docket, hereby file their responses to the Public Service Commission Staff's Second Set of Interrogatories (Nos. 12-13), which were propounded on June 16, 2015.

Respectfully submitted this 8th day of July, 2015.



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Facsimile (850) 385-5416

Attorneys for Wal-Mart Stores East, LP  
and Sam's East, Inc.

## **RESPONSES TO SPECIFIC INTERROGATORIES**

12. Please state whether Wal-Mart proposals include four of the five investor-owned utilities. Please state whether Wal-Mart believes that the opt-out proposals should also be available to Florida Public Utilities Company customers that meet the proposed threshold?

**Walmart's Response:** Through the testimony of Kenneth E. Baker, Walmart specifically recommended that its opt-out proposal would only apply to Florida's four large investor-owned utilities, Florida Power & Light, Duke Energy Florida, Tampa Electric Company, and Gulf Power Company. Walmart's reasoning was that the benefits flowing to other ratepayers provided from including these four large utilities would represent the vast majority of ratepayer benefits available to the state as a whole. Having said that, Walmart could support FPUC's customers providing energy conservation savings through self-directed measures pursuant to an opt-out program.

13. If the Commission approves an opt-out provision, please state whether an annual review for each opt-out customer to determine if the customer continues to meet the thresholds suggested by Wal-Mart is required. In your response, please state what are Wal-Mart's proposals regarding how to handle a situation in which an opt-out customer fails to meet the expected or projected threshold.

**Walmart's Response:** Walmart believes that, depending on the scope and depth of an annual review for each opt-out customer, such an annual review regime could impose unnecessary costs on the utility and potentially on opt-out customers. (Walmart does not oppose the utility's recovery of reasonable administrative costs in connection with opt-out participation.) Walmart agrees that each opt-out customer should report its annual energy conservation accountability, so that the utility can properly account for opt-out customers' savings in measuring its energy conservation goals and achievements, and for other reporting purposes.

In the unlikely event that an opt-out customer fails to meet the minimum savings required pursuant to the utility's tariff, Walmart believes that a reasonable "cure period," e.g., the following year, should be allowed for the customer to satisfy its obligations under the opt-out tariffs.

**AFFIDAVIT**

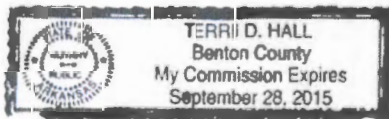
STATE OF ARKANSAS )

COUNTY OF Benton )

I hereby certify that on this 17th day of July, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgements, personally appeared Kenneth E. Baker, who is personally known to me, and he acknowledged before me that he provided the answers to Interrogatory Nos. 12-13 in STAFF'S SECOND SET OF INTERROGATORIES TO WAL-MART STORES EAST, LP'S AND SAM'S EAST, INC. in Docket No. 140226-EI, and that the responses are true and corrected based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 17th day of July, 2015.

Kenneth E. Baker  
Kenneth E. Baker



Terri D. Hall  
Notary Public  
State of Arkansas

My Commission Expires: 9-28-15



**23**

**WALMART's Responses to  
Staff's First Production of  
Documents (No. 1)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 23  
PARTY: STAFF  
DESCRIPTION: Walmart's Responses to  
Staff's First Production of Documents (No. 1)  
[Bates Nos. 00038-00087]

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request to Opt Out of Cost Recovery for	)	
Investor-Owned Electric Utility Energy Programs	)	Docket No. 140226-EG
By Wal-Mart Stores East, LP, and Sam's East, Inc.,	)	
And Florida Industrial Power Users Group	)	Served: June 1, 2015
	)	

**RESPONSE OF WAL-MART STORES EAST, LP AND SAM'S EAST, INC. TO  
STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NO. 1)**

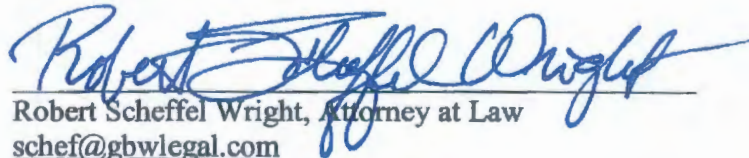
Wal-Mart Stores East, LP and Sam's East, Inc. (collectively "Walmart"), pursuant to Order No. PSC-15-0149-PCO-EL, the Order Establishing Procedure for this docket, hereby file their response to the Public Service Commission Staff's First Request for Production of Documents (No. 1), which was propounded on May 11, 2015.

**WALMART'S RESPONSE**

1. Please refer to Exhibit SWC-4. Please provide a copy of the entire Order from the Oklahoma Corporation Commission which resulted in Exhibit SWC-4.

**Walmart's Response:** Please see the attached copy, in pdf format, of Oklahoma Corporation Commission Order No. 604214, issued on November 15, 2012.

Respectfully submitted this 1st day of June, 2015.



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Attorneys for Wal-Mart Stores East, LP  
and Sam's East, Inc.

BEFORE THE CORPORATION COMMISSION OF OKLAHOMA

JA  
IN THE MATTER OF THE APPLICATION OF PUBLIC  
SERVICE COMPANY OF OKLAHOMA FOR APPROVAL  
OF ENERGY EFFICIENCY AND DEMAND RESPONSE  
PROGRAMS; FOR APPROVAL OF THE RECOVERY OF  
ALL DEMAND PROGRAM COSTS, LOST REVENUES  
AND A SHARED SAVINGS INCENTIVE; FOR  
APPROVAL TO CHANGE THE REPORTING  
REQUIREMENTS TO A CALENDAR YEAR; FOR  
APPROVAL OF A WAIVER OF THE \$1.90 PROVISION  
FOUND AT OAC 165:35-41-5(d); AND AUTHORIZING  
THE CONTINUED USE OF THE DEMAND SIDE  
MANAGEMENT COST RECOVERY RIDER.

) CAUSE NO. PUD 201200128

) ORDER NO. **604214**

HEARING: October 17, 2012, in Courtroom B  
2101 North Lincoln Blvd., Oklahoma City, Oklahoma 73105  
Before James L. Myles, Administrative Law Judge

APPEARANCES: Jack P. Fite and Joann T. Stevenson, Attorneys *representing* the Public  
Service Company of Oklahoma;  
Mary Candler, Assistant General Counsel *representing* the Public Utility  
Division, Oklahoma Corporation Commission;  
William L. Humes and Nicole A. King, Assistant Attorneys General  
*representing* the Office of Attorney General, State of Oklahoma;  
Thomas P. Schroedter and Jennifer H. Kirkpatrick, Attorneys *representing*  
Oklahoma Industrial Energy Consumers;  
Lee W. Paden, Attorney *representing* Quality of Service Coalition;  
Rick D. Chamberlain, Attorney *representing* Wal-Mart Stores East, LP,  
and Sam's East, Inc.; and  
Deborah R. Thompson, Attorney *representing* Oklahoma Sustainability  
Network.

**FINAL ORDER**

BY THE COMMISSION:

The Corporation Commission ("Commission") of the State of Oklahoma being regularly  
in session and the undersigned Commissioners being present and participating, the above-entitled  
cause comes on for an order of the Commission.

**I. PROCEDURAL HISTORY**

On June 25, 2012, Applicant filed its Application in this cause.

The following pre-filed testimonies and Statements of Position were filed in this cause.



- Direct testimony of Eric D. Raines on behalf of Public Service Company of Oklahoma (“PSO”) - June 28, 2012. (Errata to this testimony was filed July 17, 2012) (Summary of this testimony filed October 10, 2012)
- Direct testimony of Tamara Brown on behalf of Public Service Company of Oklahoma (“PSO”) - June 28, 2012. (Revised Exhibits filed August 9, 2012) (Summary of this testimony filed October 10, 2012)
- Direct testimony of William L. Brooks on behalf of Public Service Company of Oklahoma (“PSO”) - June 28, 2012. (Summary of this testimony filed October 10, 2012)
- Direct testimony of Franklin D. Stern on behalf of Public Service Company of Oklahoma (“PSO”) - June 28, 2012. (Errata to this testimony was filed July 17, 2012) (Summary of this testimony filed October 10, 2012)
- Responsive Testimony of Tonya Hinex-Ford on behalf of the Public Utility Division, Oklahoma Corporation Commission – September 18, 2012. (Summary of this testimony filed October 10, 2012)
- Responsive Testimony of Nicholas Fiegel on behalf of the Public Utility Division, Oklahoma Corporation Commission – September 18, 2012. (Summary of this testimony filed October 10, 2012)
- Responsive Testimony of Edwin C. Farrar on behalf of the Oklahoma Attorney General – September 18, 2012. (Summary of this testimony filed October 10, 2012)
- Statement of Position of Oklahoma Sustainability Network – September 18, 2012.
- Statement of Position of Quality of Service Coalition – September 18, 2012.
- Statement of Position of Oklahoma Industrial Energy Consumers – September 18, 2012.
- Statement of Position of Wal-Mart Stores East, LP, and Sam’s East, Inc. – September 18, 2012.
- Testimony of Eric D. Raines in support of the Joint Stipulation and Settlement Agreement on behalf of Public Service Company of Oklahoma – October 4, 2012.
- Testimony of Tonya Hinex-Ford in support of the Joint Stipulation and Settlement Agreement on behalf of the Public Utility Division, Oklahoma Corporation Commission – October 10, 2012.

On July 2, 2012, Oklahoma Industrial Energy Consumers (“OIEC”) filed an Entry of Appearance (“EOA”).

On July 12, 2012, PSO filed a Motion for Procedural Schedule and a Motion to Determine Notice.

On July 17, 2012, the Quality of Service Coalition (“QOSC”) filed an EOA.

On July 18, 2012, the Attorney General (“AG”) filed an EOA.

On July 25, 2012, the Oklahoma Sustainability Network (“OSN”) filed an EOA.

On July 31, 2012, this Commission issued an Order Determining Notice (Order No. 600422) and an Order Establishing Procedural Schedule (Order No. 600423) setting this cause for hearing on October 17, 2012.

On August 23, 2012, Wal-Mart Stores East, LP and Sam's East, Inc. ("Wal-Mart/Sam's") filed an EOA.

On October 4, 2012, Proof of Publication was filed.

Also on October 4, 2012, a Joint Stipulation and Settlement Agreement ("Joint Stipulation") executed by all parties except for Wal-Mart/Sam's was filed. A full and complete copy of the Joint Stipulation is included as Attachment "A" to this Final Order.

On October 10, 2012, Proof of Individual Bill Notice was filed by PSO.

On October 17, 2012, the referenced Joint Stipulation came on for hearing before the undersigned Administrative Law Judge ("ALJ"). At the conclusion of the hearing, the ALJ admitted all pleadings into the record and stated that based on all of the pleadings, testimony, exhibits and evidence, he recommended the Commission approve the Joint Stipulation.

## **II. SUMMARY OF EVIDENCE**

Summaries of the prefiled testimony, Statements of Positions and the testimony provided at the hearing in support of the Joint Stipulation are included on Attachment "B" to this Final Order.

## **III. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

THE COMMISSION FINDS that it is vested with jurisdiction in this cause pursuant to Article IX, Oklahoma Constitution, Section 18; 17 O.S. § 151 *et seq.*; and OAC 165:35-41-1 *et seq.*

THE COMMISSION FURTHER FINDS after review of the ALJ's recommendation, the Joint Stipulation, the documents attached thereto, and the testimonies submitted herein, that the Joint Stipulation be approved with the exception of the III(9) requirement for PSO to organize an Energy Efficiency Advisory Council. The Commission does, however, find it to be in the public interest to require PSO to organize a meeting at least semi-annually over the course of the program period to seek input from and engage the Stipulating Parties and other stakeholders in discourse regarding how to increase energy efficiency within PSO's service territory.

THE COMMISSION FURTHER FINDS that approving the Joint Stipulation, with the one exception and modification described above, will be in accord with OAC 165:35-41-2(a) which states that the goals of energy efficiency and demand response programs are to (1) minimize the long-term cost of utility service and (2) avoid or delay the need for new generation, transmission, and distribution investment.

THE COMMISSION FURTHER FINDS that PSO's Application and Exhibits filed June 25, 2012, and June 28, 2012, comply with Subchapter 41-Demand Programs-found at OAC 165:35-41-1, *et seq.*;

THE COMMISSION FURTHER FINDS that PSO's energy efficiency and demand programs shall be fuel neutral and not promote any type of fuel switching.



THE COMMISSION FURTHER FINDS that all parties to this cause signed the Joint Stipulation, except for Wal-Mart East, LP, and Sam's East, Inc. However, at the hearing to approve the Joint Stipulation Wal-Mart/Sam's stated they were not opposed to the Commission approving the Joint Stipulation and Settlement Agreement.

#### IV. ORDER

IT IS THEREFORE THE ORDER OF THE COMMISSION that the Demand Response and Energy Efficiency Programs and the proposed budgets for the program set forth in Attachments 1 and 2 of the Joint Stipulation are hereby approved; and, the Demand Side Management Cost Recovery Rider ("DSM Rider") attached to the Joint Stipulation as Attachment 3 is hereby approved;

THE COMMISSION FURTHER APPROVES a waiver of the \$1.90 provision found at OAC 165:35-4-5(d);

THE COMMISSION FURTHER APPROVES PSO changing its reporting requirements to a calendar year;

THE COMMISSION FURTHER APPROVES PSO receiving an incentive payment of fifteen percent of education program costs;

THE COMMISSION FURTHER ORDERS that the Public Utility Division shall review and monitor the effectiveness of the fifteen percent incentive given to PSO for its Educational Program.

THE COMMISSION FURTHER ORDERS that the Public Utility Division shall study whether the fifteen percent shared savings is the appropriate level to be applied to all DSM programs.

THE COMMISSION FURTHER ORDERS that PSO shall track and report program performance on a levelized dollar per kWh basis in addition to the five benefit-cost tests as defined in the California Standard Practice Manual;

THE COMMISSION FURTHER ORDERS PSO to promote innovation and increased productivity in the industrial and commercial sectors, in educational facilities, and in governmental facilities by (1) providing energy efficiency and demand response consulting as part of its High Performance Businesses program, and (2) investigating the possibility of a partnership with the DOE Industrial Assessment Center at Oklahoma State University;

THE COMMISSION FURTHER ORDERS PSO to organize a meeting at least semi-annually over the course of the program period to allow PSO the opportunity to engage the Stipulating Parties and other stakeholders in a discussion of how to increase energy efficiency within PSO's service territory;

THE COMMISSION FURTHER ORDERS that the opt-out period for high-volume electricity users (a single customer using more than fifteen million kWh of electricity per year,

regardless of the number of meters or service locations) will be for one month each year, beginning on December 1 and closing on December 31. Any high-volume electricity user may opt out of either all energy efficiency or all demand response programs, or both; and they may opt out for the program year or for the entire program period. They must submit notice of such decision to the Director of the Public Utility Division and to PSO on or before December 31 of each year. After December 31, high-volume electricity users may no longer opt out or opt in until the next enrollment period;

THE COMMISSION FURTHER ORDERS that all program costs, lost revenues and incentive costs of the Business Demand Response Program be allocated by using PSO's existing Four Coincident Peak and Excess (4CP & Excess) Production Cost Allocator.

THE COMMISSION FURTHER ORDERS that all other program costs, lost revenues, and incentives shall be allocated by using PSO's existing Demand and Energy (DEF) Allocator;

THE COMMISSION FURTHER ORDERS that all energy efficiency and demand programs shall be fuel neutral and not promote any type of fuel switching.

THIS ORDER SHALL BE EFFECTIVE immediately.

OKLAHOMA CORPORATION COMMISSION

*Patrice Douglas*

PATRICE DOUGLAS, Chairman

*Bob Anthony*

BOB ANTHONY, Vice Chairman

*Dana L. Murphy*

DANA L. MURPHY, Commissioner

CERTIFICATION

DONE AND PERFORMED this 15<sup>th</sup> day of November, 2012.  
BY ORDER OF THE COMMISSION

*Peggy Mitchell*  
PEGGY MITCHELL, Secretary



BEFORE THE CORPORATION COMMISSION OF OKLAHOMA

IN THE MATTER OF THE APPLICATION OF PUBLIC )  
SERVICE COMPANY OF OKLAHOMA FOR APPROVAL )  
OF ENERGY EFFICIENCY AND DEMAND RESPONSE )  
PROGRAMS; FOR APPROVAL OF THE RECOVERY OF )  
ALL DEMAND PROGRAM COSTS, LOST REVENUES )  
AND A SHARED SAVINGS INCENTIVE; FOR )  
APPROVAL TO CHANGE THE REPORTING )  
REQUIREMENTS TO A CALENDAR YEAR; FOR )  
APPROVAL OF A WAIVER OF THE \$1.90 PROVISION )  
FOUND AT OAC 165:35-41-5(d); AND AUTHORIZING )  
THE CONTINUED USE OF THE DEMAND SIDE )  
MANAGEMENT COST RECOVERY RIDER. )

CAUSE NO. PUD 201200128

**FILED**  
OCT 04 2012

COURT CLERK'S OFFICE - OKC  
CORPORATION COMMISSION  
OF OKLAHOMA

JOINT STIPULATION AND SETTLEMENT AGREEMENT

COME NOW the undersigned parties to the above entitled cause and present the following Joint Stipulation and Settlement Agreement ("Joint Stipulation") for the Commission's review and approval as their compromise and settlement of all issues in this proceeding between the parties to this Joint Stipulation ("Stipulating Parties"). The Stipulating Parties represent to the Commission that this Joint Stipulation represents a fair, just, and reasonable settlement of these issues, that the terms and conditions of the Joint Stipulation are in the public interest, and the Stipulating Parties urge the Commission to issue an Order in this Cause adopting and approving this Joint Stipulation.

I. THE APPLICATION

1. On June 25, 2012, Public Service Company of Oklahoma ("PSO") filed an Application followed by supporting testimony filed June 28, 2012, requesting a Commission Order approving energy efficiency and demand response programs.

2. Specifically, PSO requested approval of energy efficiency and demand response programs; approval of the recovery of all demand program costs, lost revenues and a shared savings incentive, approval to change the reporting requirements to a calendar year as well as approval of a waiver of the \$1.90 provision found at OAC 165:35-41-5(d), and authorization for the continued use of the Demand Side Management Cost Recovery Rider.

3. Pursuant to OAC 165:35-41(2)(a) the goals of energy efficiency and demand response programs are to (1) minimize the long-term cost of utility service and (2) avoid or delay the need for new generation, transmission, and distribution investment. PSO filed testimony and exhibits setting forth the programs for residential, commercial, and industrial customers for the years

ATTACHMENT A



2013 through 2015 that are aimed at meeting the goals set forth by the Commission. The testimony and exhibits filed in support of the Application met the requirements of OAC 165:35-41(a)(1-19) as is set forth in Attachment 1 to the Application, a table cross-referencing the 19 requirements to the testimony and exhibits.

4. PSO is also requesting to change the reporting requirements to a January to December calendar year to synchronize program costs with revenues.

## **II. PROCEDURAL MATTERS**

5. After the filing of the Application, the Oklahoma Industrial Energy Consumers ("OIEC") filed an Entry of Appearance (EOA) on July 2, 2012. Quality of Service Coalition ("QOSC") filed an EOA on July 17, 2012. The AG filed an EOA on July 18, 2012, and the Oklahoma Sustainability Network ("OSN") filed an EOA on July 25, 2012. Wal-Mart Stores East, LP and Sam's East, Inc. filed an EOA on August 23, 2012.

## **III. TERMS OF THE JOINT STIPULATION AND SETTLEMENT AGREEMENT**

It is hereby stipulated and agreed by and between the Stipulating Parties as follows:

The Stipulating Parties request that the Commission issue an order:

1. Approving the implementation of the demand response and energy efficiency programs and the proposed budgets for the programs set forth in Attachments 1 and 2;
2. Approving the Demand Side Management Cost Recovery Rider (DSM Rider) which is attached to this Joint Stipulation as Attachment 3;
3. Making a finding that PSO's Application and exhibits filed June 25, 2012, and June 28, 2012, comply with Subchapter 41-Demand Programs-found at OAC 165:35-41-1 *et seq.*;
4. Approving a waiver of the \$1.90 provision found at OAC 165:35-4-5(d);
5. Allowing PSO to receive an incentive payment of fifteen percent of education program costs;
6. Allowing PSO to change reporting requirements to a calendar year;
7. Requiring PSO to track and report program performance on a levelized dollar per kWh basis in addition to the five benefit-cost tests as defined in the California Standard Practice Manual;

8. Requiring PSO to promote innovation and increased productivity in the industrial and commercial sectors, in educational facilities, and in governmental facilities by (1) providing energy efficiency and demand response consulting as part of its High Performance Businesses program, and (2) investigating the possibility of a partnership with the DOE Industrial Assessment Center at Oklahoma State University;

9. Requiring PSO to organize an Energy Efficiency Advisory Council that will meet at least semi-annually over the course of the program period to allow PSO the opportunity to engage the Stipulating Parties and other stakeholders in a discussion of how to increase energy efficiency within PSO's service territory;

10. The Stipulating Parties agree and request an order of the Commission that the opt-out period for high-volume electricity users (a single customer using more than fifteen million kWh of electricity per year, regardless of the number of meters or service locations) will be for one month each year, beginning on December 1 and closing on December 31. Any high-volume electricity user may opt out of either all energy efficiency or all demand response programs, or both; and they may opt out for the program year or for the entire program period. They must submit notice of such decision to the Director of the Public Utility Division and to PSO on or before December 31 of each year. After December 31, high-volume electricity users may no longer opt out or opt in until the next enrollment period;

11. The Stipulating Parties further request the Commission issue an order that the program costs, lost revenues and incentive costs of the Business Demand Response Program be allocated by using PSO's existing Four Coincident Peak and Excess (4CP & Excess) Production Cost Allocator. The Stipulating Parties further agree and request an order of the Commission that all other program costs, lost revenues, and incentives shall be allocated by using PSO's existing Demand and Energy (DEF) Allocator.



#### **IV. DISCOVERY AND MOTIONS**

As between and among the Stipulating Parties, all pending requests for discovery, and all motions pending before either the Commission or the Administrative Law Judge are hereby withdrawn.

#### **V. GENERAL RESERVATIONS**

The Stipulating Parties represent and agree that, except as specifically otherwise provided herein:

- (a) This Joint Stipulation represents a negotiated settlement for the purpose of compromising and settling all issues which were raised relating to this proceeding.
- (b) Each of the undersigned counsel of record affirmatively represents that he or she has full authority to execute this Joint Stipulation on behalf of his or her client(s).
- (c) None of the signatories hereto shall be prejudiced or bound by the terms of this Joint Stipulation in the event the Commission does not approve this Joint Stipulation nor shall any of the Stipulating Parties be prejudiced or bound by the terms of this Joint Stipulation should any appeal of a Commission order adopting this Joint Stipulation be filed with the Oklahoma Supreme Court.
- (d) Nothing contained herein shall constitute an admission by any party that any allegation or contention in these proceedings as to any of the foregoing matters is true or valid and shall not in any respect constitute a determination by the Commission as to the merits of any allegations or contentions made in this rate proceeding.
- (e) The Stipulating Parties agree that the provisions of this Joint Stipulation are the result of extensive negotiations, and the terms and conditions of this Joint Stipulation are interdependent. The Stipulating Parties agree that settling the issues in this Joint Stipulation is in the public interest and, for that reason, they have entered into this Joint Stipulation to settle among themselves the issues in this Joint Stipulation. This Joint Stipulation shall not constitute nor be cited as a precedent nor deemed an admission by any Stipulating Party in any other proceeding except as necessary to enforce its terms before the Commission or any state court of competent jurisdiction. The Commission's decision, if it enters an order consistent with this Joint Stipulation, will be binding as to the matters decided regarding the issues described in this Joint Stipulation, but the decision will not be binding with respect to similar issues that might arise in other proceedings. A Stipulating Party's support of this Joint Stipulation may differ from its position or testimony in other causes. To the extent there is a difference, the Stipulating Parties are not waiving their positions in other causes. Because this is a stipulated agreement, the

Stipulating Parties are under no obligation to take the same position as set out in this Joint Stipulation in other dockets.

WHEREFORE, the Stipulating Parties hereby submit this Joint Stipulation and Settlement Agreement to the Commission as their negotiated settlement of this proceeding with respect to all issues which were raised with respect to this Application, and respectfully request the Commission to issue an Order approving this Joint Stipulation and Settlement Agreement.

**OKLAHOMA CORPORATION COMMISSION**

By: 

Brandy Wreath  
Acting Director of the Public Utility Division

**PUBLIC SERVICE COMPANY OF OKLAHOMA**

By: 

Jack P. Fite  
Joann T. Stevenson  
Attorneys for Public Service Company of  
Oklahoma

**E. SCOTT PRUITT, ATTORNEY GENERAL OF THE  
STATE OF OKLAHOMA**

By: 

William L. Humes  
Nicole A. King  
Assistant Attorneys General

**OKLAHOMA INDUSTRIAL ENERGY CONSUMERS**

By: 

Jennifer H. Kirkpatrick  
Hall, Estill, Hardwick, Gable, Golden & Nelson

**QUALITY OF SERVICE COALITION**

By:   
Lee W. Paden

**OKLAHOMA SUSTAINABILITY NETWORK**

By:   
Deborah R. Thompson  
OK Energy Firm, PLLC

**ATTACHMENT 1**

Home Weatherization – energy saving weatherization upgrades for homeowners making less than \$35,000 per year.

High Performance Homes – incentives for new and existing homes using or installing energy saving measures, and for completing comprehensive energy audits.

Energy Saving Products & Services – rebates on Energy Star room air conditioners, CFLs, LEDs, smart strips, A/C and heat pump tune ups, replacement A/Cs and heat pumps, and additional home energy efficiency measures.

Education Program – Provide an educational experience to homeowners to learn how to make their homes more energy efficient with easy to install measures.

High Performance Businesses – a wide variety of energy efficiency incentives for businesses, schools, and city/state facilities.

Business Demand Response – an incentive paid to businesses that can reduce electricity usage for short intervals on short notice during high-demand periods.



Public Service Company of Oklahoma  
Proposed DSM Program Budget - 2013

Proposed Budget	kW	kWh	Non-EM&V Admin (\$)	EM&V Admin Costs (\$)	Total Admin Costs (\$)	Annual Cash Inducement Costs (\$)	Annual Non Cash Inducements Costs (\$)	Total Annual Program Costs (\$)	Lost Revenues	Shared Saving & Incentives	Total Budget
Home Weatherization	1,301	2,119,479	\$ 188,449	\$ 125,633	\$ 314,082	\$ 1,570,412	\$ 1,256,331	\$ 3,140,825	\$ 61,270	\$ 67,279	\$ 3,269,373
High Performance Homes	2,549	3,973,279	\$ 241,142	\$ 160,761	\$ 401,903	\$ 2,411,422	\$ 1,205,711	\$ 4,019,036	\$ 114,860	\$ 100,857	\$ 4,234,753
Energy Saving Products and Services	2,290	10,569,444	\$ 249,102	\$ 166,068	\$ 415,170	\$ 2,491,019	\$ 1,245,510	\$ 4,151,699	\$ 305,541	\$ 530,129	\$ 4,987,369
High Performance Business	8,219	37,919,306	\$ 587,858	\$ 391,906	\$ 979,764	\$ 5,388,701	\$ 3,429,173	\$ 9,797,638	\$ 1,070,121	\$ 3,334,213	\$ 14,201,972
Business Demand Response	58,886		\$ 177,920	\$ 118,613	\$ 296,533	\$ 1,779,200	\$ 889,600	\$ 2,965,333	\$ -	\$ 59,165	\$ 3,024,498
Education						\$ 1,000,000		\$ 1,000,000		\$ 150,000	\$ 1,150,000
Total	73,245	54,581,508	1,444,471	\$ 962,981	\$ 2,407,452	\$ 14,840,754	\$ 8,026,325	\$ 25,074,531	\$ 1,551,792	\$ 4,241,642	\$ 30,867,964

Proposed DSM Program Budget - 2014

Proposed Budget	kW	kWh	Non-EM&V Admin (\$)	EM&V Admin Costs (\$)	Total Admin Costs (\$)	Annual Cash Inducement Costs (\$)	Annual Non Cash Inducements Costs (\$)	Total Annual Program Costs (\$)	Lost Revenues	Shared Saving & Incentives	Total Budget
Home Weatherization	1,301	2,119,479	\$ 188,449	\$ 125,633	\$ 314,082	\$ 1,570,412	\$ 1,256,330	\$ 3,140,824	\$ 61,270	\$ 67,279	\$ 3,269,372
High Performance Homes	2,722	3,900,920	\$ 304,206	\$ 202,804	\$ 507,010	\$ 3,042,058	\$ 1,521,029	\$ 5,070,097	\$ 112,768	\$ 100,857	\$ 5,283,722
Energy Saving Products and Services	2,520	11,629,317	\$ 274,212	\$ 182,808	\$ 457,020	\$ 2,742,117	\$ 1,371,059	\$ 4,570,196	\$ 336,180	\$ 530,129	\$ 5,436,505
High Performance Business	9,658	45,352,999	\$ 695,434	\$ 463,622	\$ 1,159,056	\$ 6,374,808	\$ 4,056,696	\$ 11,590,560	\$ 1,279,907	\$ 3,334,213	\$ 16,204,680
Business Demand Response	64,774		\$ 195,712	\$ 130,475	\$ 326,187	\$ 1,957,120	\$ 978,560	\$ 3,281,867	\$ -	\$ 59,165	\$ 3,321,032
Education						\$ 1,000,000		\$ 1,000,000		\$ 150,000	\$ 1,150,000
Total	80,975	63,002,715	1,658,013	\$ 1,105,342	\$ 2,763,355	\$ 16,686,515	\$ 9,183,674	\$ 28,633,544	\$ 1,790,125	\$ 4,241,642	\$ 34,665,310

Proposed DSM Program Budget - 2015

Proposed Budget	kW	kWh	Non-EM&V Admin (\$)	EM&V Admin Costs (\$)	Total Admin Costs (\$)	Annual Cash Inducement Costs (\$)	Annual Non Cash Inducements Costs (\$)	Total Annual Program Costs (\$)	Lost Revenues	Shared Saving & Incentives	Total Budget
Home Weatherization	1,292	2,103,910	\$ 188,449	\$ 125,633	\$ 314,082	\$ 1,570,412	\$ 1,256,330	\$ 3,140,824	\$ 60,820	\$ 67,279	\$ 3,268,922
High Performance Homes	3,402	4,882,576	\$ 379,550	\$ 253,034	\$ 632,584	\$ 3,795,503	\$ 1,897,752	\$ 6,325,839	\$ 141,146	\$ 100,857	\$ 6,567,842
Energy Saving Products and Services	2,356	12,047,769	\$ 301,960	\$ 201,306	\$ 503,266	\$ 3,019,597	\$ 1,509,799	\$ 5,032,662	\$ 348,277	\$ 530,129	\$ 5,911,067
High Performance Business	11,577	54,463,513	\$ 832,733	\$ 555,155	\$ 1,387,888	\$ 7,833,386	\$ 4,857,609	\$ 13,878,883	\$ 1,537,015	\$ 3,334,213	\$ 18,750,111
Business Demand Response	71,252		\$ 215,283	\$ 143,522	\$ 358,805	\$ 2,152,832	\$ 1,076,416	\$ 3,588,053	\$ -	\$ 59,165	\$ 3,647,218
Education						\$ 1,000,000		\$ 1,000,000		\$ 150,000	\$ 1,150,000
Total	89,879	73,497,768	1,917,975	\$ 1,278,650	\$ 3,196,625	\$ 19,171,730	\$ 10,597,906	\$ 32,966,261	\$ 2,087,257	\$ 4,241,642	\$ 39,295,160

ATTACHMENT

2



**ATTACHMENT 3**

PUBLIC SERVICE COMPANY OF OKLAHOMA  
P.O. BOX 201  
TULSA, OKLAHOMA 74102-0201  
PHONE: 1-888-216-3523  
KIND OF SERVICE: ELECTRIC

SHEET NO. 85-1A  
REPLACES SHEET NO. 85-1  
EFFECTIVE DATE: 1/31/11

**SCHEDULE: DEMAND SIDE MANAGEMENT COST RECOVERY RIDER (DSM RIDER)**

**AVAILABILITY**

DSM Rider is designed to recover costs associated with the Energy Efficiency and Demand-side Management programs (DSM Programs) as authorized in PUD 200900196, Order 572836.

This Rider is applicable to and becomes part of each OCC jurisdictional rate schedule. This Rider is applicable to energy consumption of retail customers and to facilities, premises and loads of such retail customers.

The DSM Factor shall be determined annually for each major rate class using the DSM Program projected costs for that year and any true-up amounts included from the previous year. The DSM Factor will be calculated in accordance with the following methodology and will be applied to each kWh sold.

**METHOD OF CALCULATION FOR DSM RIDER**

The DSM Factor is calculated annually for each major rate class. The formula for the DSM Factor is as follows:

$$\text{DSM Factor} = \{[(\text{Projected Program cost} + \text{DSM true-up for previous period}) * \text{Demand or Energy Allocator}]\} / \text{Class Annual kWhs.}$$

**Method of Calculation For DSM Rider:**

PDSM =  $\{[(\text{PPCDR} + \text{TDSMDR}) * \text{DF}]\} + \{[(\text{PPCEE} + \text{TDSMEB}) * \text{DEF}] + \text{OPT OUT}\}$ , where:

PPCDR = Budgeted Demand Response Program Cost for the year associated with the DSM programs approved by the OCC.

PPCEE = Budgeted Energy Efficiency Program Cost for the year associated with the DSM programs approved by the OCC.

TDSMDR = Demand Response program true-up balance from the previous period where:  
 $\text{TDSMDR} = (\text{APCDR} - \text{PPCDR}) + (\text{ALRDR} - \text{PLRDR}) + (\text{ASHDR} - \text{PSSDR}) + (\text{ADSMDR Revenues} - \text{PDSMDR})$

**Rates Authorized by the Oklahoma Corporation Commission**

Effective	Order Number	Cause / Docket Number
January 31, 2011	581748	PUD 201000050
March 3, 2010	572836	PUD 200900196
January 29, 2009	564437	PUD 200800144
August 1, 2008	555302	PUD 200700449

## ATTACHMENT 3 to Joint Stipulation and Settlement Agreement

PUBLIC SERVICE COMPANY OF OKLAHOMA  
P.O. BOX 201  
TULSA, OKLAHOMA 74102-0201  
PHONE: 1-888-216-3523  
KIND OF SERVICE: ELECTRIC

SHEET NO. 85-2A  
REPLACES SHEET NO. 85-2  
EFFECTIVE DATE: 1/31/11

SCHEDULE: DEMAND SIDE MANAGEMENT COST RECOVERY RIDER (DSM RIDER)

APCDR = (Actual Program costs)

ALRDR = (Actual Calculated Lost revenues) where:

ALRDR = Actual Lost Revenues as calculated by Demand Response program. The ALRDR is calculated as follows:

$$ALRDR = (ECR * CKWHDR)$$

ECR = Embedded cost per kWh by class; Embedded Cost per kWh is calculated by dividing the final revenue allocation by class, established in the most recent rate proceeding, by the total kWhs also established for use in that proceeding.

The ECR by classes for use in this tariff will be:

Participating Class	COS \$/kWh
Residential	\$ 0.028908
Small Commercial	\$ 0.030609
Large Commercial & Industrial	\$ 0.028221
Large Industrial	\$ 0.013474

CKWHDR = Cumulative kWhs for saved for Demand Response programs.

The kWh savings used in the Lost Revenue calculation will accumulate until the final order in a new base rate case, at which time the cumulative kWhs will be zeroed out until the next calculation of the DSM Rider and new DSM programs are implemented.

ASHDR = (Actual Calculated Shared Savings)

ASHDR = Actual shared saving as calculated, by customer classes, resulting from the implementation of the Demand Response Programs.

Rates Authorized by the Oklahoma Corporation Commission

Effective	Order Number	Cause / Docket Number
January 31, 2011	581748	PUD 201000050
March 3, 2010	572836	PUD 200900196
January 29, 2009	564437	PUD 200800144
August 1, 2008	555302	PUD 200700449

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P.O. BOX 201  
TULSA, OKLAHOMA 74102-0201  
PHONE: 1-888-216-3523  
KIND OF SERVICE: ELECTRIC

SHEET NO. 85-3A  
REPLACES SHEET NO. 85-3  
EFFECTIVE DATE: 1/31/11

SCHEDULE: DEMAND SIDE MANAGEMENT COST RECOVERY RIDER (DSM RIDER)

The ASHDR is calculated as follows:

ASHDR = Shared Benefit + Program Incentives where:

Shared Benefit = Net benefit \* Sharing Percentage (SP) where:

Net Benefit = is a product of the Program Administrator Cost Test (PACT), also referred to as the Utility Cost Test (UCT), for the Demand Response Programs with measurable benefits.

PACT = Avoided capacity and energy costs - Equipment + Demand Response program Administration costs.

SP = 15% where:

Program Incentives = Program costs \* sharing percentage (SP2)

Program costs = budgeted program costs for DSM period

SP2 = 15%

ADSMR = (Total revenues collected from DSM Rider)

PDSMR = (DSM Revenues projected to be recovered during previous period)

TDSMEE = Energy Efficiency program true-up balance from the previous period where:

TDSMEE = (APCEE - PPCEE) + (ALREE - PLREE) + (ASHEE - PSSEE) + (ADSMEE Revenues - PDSMEE)

APCEE = (Actual Program costs)

ALREE = (Actual Calculated Lost revenues)

ALREE = Actual Lost Revenues as calculated by Energy Efficiency program. The ALREE is calculated as follows:

Rates Authorized by the Oklahoma Corporation Commission

Effective	Order Number	Cause / Docket Number
January 31, 2011	581748	PUD 201000050
March 3, 2010	572836	PUD 200900196
January 29, 2009	564437	PUD 200800144
August 1, 2008	555302	PUD 200700449

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TULSA, OKLAHOMA 74102-0201  
PHONE: 1-888-216-3523  
KIND OF SERVICE: ELECTRIC

SHEET NO. 85-4A  
REPLACES SHEET NO. 85-4  
EFFECTIVE DATE: 1/31/11

SCHEDULE: DEMAND SIDE MANAGEMENT COST RECOVERY RIDER (DSM RIDER)

$$ALREE = (ECR * CKWHEE)$$

CKWHEE = Cumulative kW'hs saved for Energy Efficiency programs.

The kWh savings used in the Lost Revenue calculation will accumulate until the final order in a new base rate case, at which time the cumulative kWhs will be zeroed out until the next calculation of the DSM Rider and new DSM programs are implemented.

ASHEE = (Actual Calculated Shared Savings)

ASHEE = Actual shared saving as calculated, by customer classes, resulting from the implementation of the Energy Efficiency Programs.

The ASHEE is calculated as follows:

ASHEE = Shared Benefit + Program Incentives where:

Shared Benefit = Net benefit \* Sharing Percentage (SP) where:

Net Benefit = is a product of the Program Administrator Cost Test (PACT), also referred to as the Utility Cost Test (UCT), for the Energy Efficiency Programs with measurable benefits.

PACT = Avoided capacity and energy costs - Equipment + Energy Efficiency program Administration costs.

SP = 15% where:

Program Incentives = Program costs \* sharing percentage (SP2)

Program costs = budgeted program costs for DSM period

SP2 = 15%

ADSMEE = (Total revenues collected from DSM Rider)

Rates Authorized by the Oklahoma Corporation Commission

Effective	Order Number	Cause / Docket Number
January 31, 2011	581748	PUD 201000050
March 3, 2010	572836	PUD 200900196
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PHONE: 1-888-216-3523  
KIND OF SERVICE: ELECTRIC

SHEET NO. 85-5A  
REPLACES SHEET NO. 85-5  
EFFECTIVE DATE: 1/31/11

**SCHEDULE: DEMAND SIDE MANAGEMENT COST RECOVERY RIDER (DSM RIDER)**

PDSMEE = (DSM Revenues projected to be recovered during previous period)

DF = Demand Allocation Factor for each major rate class (based upon allocators from Cause PUD 201000050) are as follows:

<u>DF Allocator</u>	<u>Major Rate Class</u>
48.69%	Residential - Secondary
32.14%	Commercial - Secondary
8.77%	SL3 - Primary
8.68%	SL2 - Primary Sub
1.72%	SL1 - Transmission
* Lighting included in the Commercial Secondary Rate Class	

DEF = Demand/Energy Allocation Factor for each major rate class (based upon allocators from Cause PUD 201000050) are as follows:

<u>DEF Allocator</u>	<u>Major Rate Class</u>
42.72%	Residential - Secondary
32.13%	Commercial - Secondary
10.51%	SL3 - Primary
12.06%	SL2 - Primary Sub
2.57%	SL1 - Transmission
* Lighting included in the Commercial Secondary Rate Class	

**OPTIONAL PARTICIPATION ADJUSTMENT (OPT OUT):**

The opt-out period for high-volume electricity users (a single customer using more than fifteen million kWh of electricity per year, regardless of the number of meters or service locations) will be for one month each year, beginning on December 1 and closing on December 31. Any high-volume electricity user may opt out of either all energy efficiency or all demand response programs, or both; and they may opt out for the program year or for the entire program period. They must submit notice of such decision to the Director of the Public Utility Division and to PSO on or before December 31 of each year. After December 31, high-volume electricity users may no longer opt out or opt in until the next enrollment period.

**Rates Authorized by the Oklahoma Corporation Commission**

Effective	Order Number	Cause / Docket Number
January 31, 2011	581748	PUD 201000050
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**Attachment B – Summary of Filed Testimony and Statements of Position**

**Eric D. Raines on behalf of PSO.**

**Direct Testimony**

Mr. Eric D. Raines, Manager Energy Efficiency (EE) and Consumer Programs, testified on behalf of Public Service Company of Oklahoma (PSO or Company).

Mr. Raines graduated from Oklahoma Wesleyan University with a Bachelor of Science in Human Resources Management and received a Master of Arts in Administrative Leadership from the University of Oklahoma. He is a member of the Association of Energy Services Professionals. He began his career with PSO in 1989 and has held various positions with the Company.

Mr. Raines described the background of PSO’s energy efficiency and demand side management programs in Oklahoma.

In August 2008, as a result of the Commission’s final order in Cause No. PUD 200600285, PSO implemented a portfolio of seven DSM Quick Start programs in its service territory. The Quick Start programs provided PSO with valuable information and lessons learned. In 2009, PSO proposed a more robust demand portfolio. PSO based its proposed programs on several criteria, including lessons learned from the Quick Start programs, a market potential study performed by Frontier, customer input, and lessons learned from other utilities and its corporate parent AEP. Seventeen programs were ultimately approved and implemented by PSO beginning in 2010. Just as with the Quick Start programs, PSO has closely monitored the performance of these programs and used the results as inputs into the proposed programs in this application.

Mr. Raines testified that in an attempt to synchronize program costs with revenues, PSO was proposing to change its reporting requirements to a January to December calendar year.

According to Mr. Raines, PSO contracted with Frontier Associates LLC (Frontier) to help prepare its 2013-2015 demand portfolio. Frontier is a nationally recognized consulting firm with expertise in various areas of the energy efficiency and demand side management industry, including program design, program administration and management, and evaluation, measurement and verification (EM&V).

Mr. Raines testified that PSO has complied with the terms of the Settlement approved in Cause No. PUD 2009000196, including terms regarding program implementation, cost recovery, large customer opt out, and EM&V.

As a result of the Settlement, PSO agreed to implement the demand portfolio shown in Figure 1.



**Figure 1 – PSO's 2010-2012 Demand Portfolio**

<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>
Low Income Weatherization	Large C&I Smart Solutions	Customized Solutions
ENERGY STAR® New Homes	Commercial Lighting	Load Management
ENERGY STAR® Multi-Family	Small C&I Smart Solutions	
Home Energy Solutions	A/C Tune-up	
ENERGY STAR® Appliance	Model Cities	
A/C Tune-up	Smart Schools	
Energy Audits	C&I Load Management	
Residential Direct Load Management		

In describing the results of the 2010-2012 programs, Mr. Raines testified that PSO's demand portfolio successfully reduced both customer energy usage and peak demand in 2010 and 2011. The results from 2012 will be verified after the program year closes on December 31, 2012. Company witness Stern discusses in detail the EM&V process and has attached to his testimony the executive summaries from the EM&V reports for program year 2010 and 2011 (PY2010 and PY2011). As described in those reports, the demand portfolio resulted in energy and demand savings detailed in Figure 2.

**Figure 2 – Energy & Demand Savings**

<b>Program</b>	<b>Program Year 2010*</b>				<b>Program Year 2011**</b>			
	Energy (GWh) Savings	Demand (MW) Savings	TRC Result	UCT Result	Energy (GWh) Savings	Demand (MW) Savings	TRC Result	UCT Result
Energy Efficiency Programs	30.88	6.86	1.67	2.93	21.50	4.50	1.10	1.31
Demand Response Programs	0.58	27.4	0.95	0.58	0.66	18.84	0.57	0.32
Portfolio Totals	31.46	34.26	1.62	2.47	22.16	23.34	0.87	0.88

\*Program Year 2010 reflects participation from January 1, 2010, to March 31, 2011.

\*\*Program Year 2011 reflects participation from April 1, 2011, to December 31, 2011

According to Mr. Raines, the portfolio had a Total Resource Cost (TRC) test of 1.62 in PY2010 and 0.87 in PY2011 and Utility Cost Test (UCT) scores of 2.47 in PY2010 and 0.88 in PY2011. The key reasons for the decrease in cost-effectiveness compared to PY2010, as identified by Navigant, were a decrease in the avoided cost of energy, an increase in program implementation and administration costs, and an increase in participant costs. While PSO takes this decrease seriously, it is still confident that its demand portfolio will be cost-effective in the long term. Mr. Raines further testified that the infancy of the programs could have contributed to these results. This is supported by the National Action Plan for Energy Efficiency in its review of the Massachusetts MassSave program, which found:

During the initial two- to three-year startup phase, program costs may be high relative to energy savings. However, as contractor services increase over time, energy savings tend to increase dramatically. Limiting cost-effectiveness tests to



three-year program cycles or less may inadvertently limit the development of these long-term, comprehensive program models.

In addition to reducing energy usage and demand, the current demand portfolio achieved a high level of customer satisfaction. Over 75 percent of customers were satisfied with each program evaluated in 2011.

Mr. Raines testified that the goals of PSO’s 2013-2015 demand portfolio were to minimize the long-term cost of utility service and avoid or delay the need for new generation, transmission and distribution investment consistent with OAC 165:35-41-2(a). PSO’s 2013-2015 demand portfolio seeks to accomplish these goals by overcoming barriers that prevent residential and business customers from adopting energy efficient technologies. PSO also intends for several of its programs to leverage load management capability to reduce peak demand on the system, which should, all things being equal, decrease the amount of investment required to meet its peak demand.

PSO was not proposing the same demand portfolio of programs for 2013 through 2015.

While PSO is requesting to extend several of the programs, it has made changes in the proposed new demand portfolio. The EM&V results indicated that many of the programs were successful. For example, the Industrial Load Management program had a TRC ratio of over 20. Other programs that passed the TRC test were the ENERGY STAR® Appliance, Commercial Lighting and Controls, Large C&I Solutions, and Small C&I Solutions. However, the results also indicate that some programs did not produce desired benefit-cost ratios. PSO examined the EM&V reports from Navigant and worked with Frontier to evaluate the successes and shortcomings of its existing programs. Frontier has also offered suggestions for new programs based on its experience and knowledge of the DSM industry. As a result of this evaluation, PSO has eliminated certain programs and consolidated some other programs that were competing for similar customers. PSO believes that the resulting demand portfolio can be even more successful than its 2010-2012 programs. Figure 3 displays the 2013-2015 demand portfolio.

**Figure 3 - PSO’s 2013-2015 Demand Portfolio**

<b>Residential</b>	<b>Commercial &amp; Industrial</b>
Home Weatherization	High Performance Businesses
High Performance Homes	Business Demand Response
Energy Saving Products & Services	
Education	

Mr. Raines explained the reasons for the changes to the demand portfolio that PSO proposes.

According to Mr. Raines, PSO examined the successes and shortcomings of its existing programs when developing its 2013-2015 demand portfolio. During this review process, PSO found that some of the existing programs were competing with each other for customers. For example, even though the Commercial Lighting and C&I Smart Solutions programs were generally aimed at the same end users, they required similar marketing efforts and sometimes



ended up in a customer choosing one solution over the other. Another example is a free residential audit was being offered in one program, while customers incurred cost for an audit in another program. PSO’s new demand portfolio combines several of the programs in an attempt to eliminate some of this competition and to remove duplicate marketing efforts. PSO also is proposing to discontinue the ENERGY STAR® Multi-Family program due to a continued lack of participation. The figure below displays how the 2010-2012 programs are reflected in the 2013-2015 demand portfolio.

**Figure 4 – Program Comparison**

<b>Residential</b>	
<b>2010-2012 Program</b>	<b>2013-2015 Program</b>
Low Income Weatherization	Home Weatherization
ENERGY STAR® New Homes	High Performance Homes
ENERGY STAR® Multi-Family	Discontinued
Home Energy Solutions	High Performance Homes
ENERGY STAR® Appliance	Energy Saving Products and Services
A/C Tune-up	Energy Saving Products and Services
Residential Direct Load Management	Discontinued
Energy Audits	Discontinued
Education	Education
<b>Commercial</b>	
<b>2010-2012 Program</b>	<b>2013-2015 Program</b>
Large C&I Smart Solutions	High Performance Businesses
Commercial Lighting	High Performance Businesses
Small C&I Smart Solutions	High Performance Businesses
A/C Tune-up	High Performance Businesses
Model Cities	High Performance Businesses
Smart Schools	High Performance Businesses
C&I Load Management	High Performance Businesses
<b>Industrial</b>	
<b>2010-2012 Program</b>	<b>2013-2015 Program</b>
Customized Solutions	High Performance Businesses
Load Management	Business Demand Response

Figure 5 summarized the TRC test results, expected budget, and savings goals of the 2013-2015 demand portfolio. Mr. Raines testified that PSO chose stretch goals with the expectation to increase participation, and in turn, energy and demand savings. While these goals may be ambitious, PSO and Frontier believe that they are attainable based on a review of PSO’s existing programs and the results of similar programs in other states.

To reach these goals, PSO must increase its existing budget from its 2010-2012 demand portfolio. PSO expects to spend approximately \$87 million in program costs over the next three years on its demand portfolio. PSO plans to increase the budget each year, which it expects will



lead to increases in reductions of energy and demand. However, while the budget will increase, the demand portfolio is expected to pass the benefit-cost tests.

**Figure 5 – 2013-2015 Budget and Goals**

Program	TRC Result	UCT/PACT Result	2013			2014			2015		
			Annual Program Costs (\$)	Energy (GWh) Savings	Demand (MW) Savings	Annual Program Costs (\$)	Energy (GWh) Savings	Demand (MW) Savings	Annual Program Costs (\$)	Energy (GWh) Savings	Demand (MW) Savings
Residential	1.36	1.29	12,311,560	16.7	6.1	13,781,117	17.6	6.5	15,499,325	19.0	7.1
Commercial & Industrial	2.21	2.62	12,762,971	37.9	67.1	14,852,427	45.47	4.4	17,466,936	54.5	82.8
Total Portfolio	1.81	1.98	25,074,531	54.6	73.2	28,633,544	63.08	1.0	32,966,261	73.5	89.9

Mr. Raines stated that Frontier calculated the projected cost-effectiveness of the demand portfolio using five widely accepted benefit-cost tests. The proposed demand portfolio is cost effective with overall TRC and PACT results of 1.81 and 1.98, respectively.

Mr. Raines further testified that proper IRP planning includes a holistic look at a utility’s operations to determine its ability to meet future demand. He had been informed by the IRP group that the load impacts of the demand portfolio are embedded in PSO’s actual load experience and its load forecast. Likewise, when determining whether PSO has the ability to meet future demand, PSO considers demand side management programs as an alternative to supply side resources.

The estimated monthly impact of the program costs on residential customers is expected to be \$1.83 in 2013, \$2.07 in 2014, and \$2.38 in 2015. PSO is aware that the projected monthly impact in 2014 and 2015 will exceed the \$1.90 residential cap imposed by OAC 165:35-41-5(d). PSO is requesting that the Commission waive this cap.

PSO was requesting that the Commission waive the rate cap because PSO has set ambitious goals to promote energy savings and peak demand reduction, which provides customers the opportunity to lower their monthly electric bills. To achieve such goals, the program costs are projected to rise. PSO asserts that, even with the increase in the proposed budget, the benefits of its proposed demand portfolio outweigh the difference between the cap and the retail impacts of its programs.

Mr. Raines testified that PSO was requesting to recover the costs of the 2013-2015 demand portfolio through its existing DSM Rider.

The current DSM Rider provides for recovery of reasonable program costs, reasonable incentives, net lost revenues, and it is appropriate to continue that mechanism.

The DSM Rider provides PSO a mechanism to accurately track the costs associated with its demand portfolio and removes traditional barriers that utilities face when promoting demand programs. As stated in Aligning Utility Incentives for Energy Efficiency, National Action Plan for Energy Efficiency, 2007:

Utility spending on energy efficiency programs can affect the utility’s financial position in three ways: (1) through recovery of the direct costs of the programs; (2) through the impact on utility earnings of reduced sales; and (3) through the



effects on the shareholder value of energy efficiency spending versus investment in supply-side resources. These three elements are key to aligning utility incentives for energy efficiency. (page ES-1,2)

According to Mr. Raines, PSO was requesting recovery of program costs, lost revenues, and incentives for its 2013-2015 demand portfolio as part of this filing. All three components are necessary because they provide recovery of: (1) incremental costs – none of the program costs for the proposed demand portfolio have been requested for recovery in base rates or through another mechanism, (2) success of these programs causes the utility to lose revenues – utilities sell power to earn a return on investment and recover fixed and allowed costs, and intentionally selling less power through participation in DSM programs will cause a reduction in energy and demand use and will result in less billed revenues, and (3) demand resources are considered an alternative to building new plant or making potentially more expensive purchases from the market – energy suppliers earn a return on their sales, and demand resources should be provided a similar opportunity to provide a return. The proposed shared saving incentive encourages PSO to maximize the performance of the demand portfolio so that both customers and the Company will benefit from their implementation.

Mr. Raines testified that as with its 2010-2012 demand portfolio, PSO will track all costs associated with the proposed 2013-2015 demand portfolio using specific project numbers associated with each EE and DSM program. All costs are either directly assigned to the program through their project number or are assigned a share of general expenses, labor, and overhead.

As in the current DSM Rider, the net lost revenue component is calculated by multiplying the annual kWh projected to be saved through the implementation of the demand portfolio by the average base rate per kWh by major customer class. The DSM Rider will continue to be trued-up annually to ensure that lost revenues are only paid on the actual kWh savings achieved.

According to Mr. Raines, PSO was proposing the same shared savings mechanism be used for the proposed 2013-2015 demand portfolio.

The current DSM Rider includes a shared savings mechanism with two components: the shared benefit component for those programs whose Utility Cost Test (UCT) net benefit is above 1.0, and the program incentive component for those programs whose net benefits are difficult to quantify. For the shared benefit component, PSO is requesting to continue to collect 15 percent of the UCT net benefit attributed to the demand portfolio. For the program incentive, PSO is requesting to continue to collect 15 percent of the program costs.

Unlike other incentive mechanisms, the shared savings mechanism encourages the Company to manage the proposed programs so that they achieve the program goals and wisely manage program costs. The shared savings mechanism provides the opportunity for the Company to earn a reasonable return. It also puts that return at risk based on the performance of the programs and how well PSO manages program costs. If PSO does not achieve its kW or kWh savings goals or exceeds the established budget, PSO will not receive the full shared savings incentive.

The shared savings mechanism has the additional advantage of using information that will already be available as a result of one of the cost effectiveness tests, the UCT test, as



required by Commission rules. According to Mr. Raines, this means that the incentive calculation or measurement is objective, verifiable, and auditable.

### **Testimony in support of Joint Stipulation and Settlement Agreement**

On October 4, 2012, Mr. Raines submitted testimony in support of a Joint Stipulation and Settlement Agreement (“Joint Stipulation and Settlement Agreement,” “Stipulation,” or “Agreement”) entered into by the parties to this proceeding. The Agreement was signed by representatives of the Public Utility Division of the Oklahoma Corporation Commission (“Staff”), the Attorney General of the State of Oklahoma (“Attorney General” or “AG”), the Oklahoma Industrial Energy Consumers (“OIEC”), the Oklahoma Sustainability Network (“OSN”) and the Quality of Service Coalition (“QOSC”). According to Mr. Raines, the Agreement reasonably balances Company and ratepayers’ interests and those of the Stipulating parties.

In August 2008, as a result of the Commission’s final order in Cause No. PUD 200600285, PSO implemented a portfolio of seven DSM Quick Start programs in its service territory. The Quick Start programs provided PSO with valuable information and lessons learned. In 2009, PSO proposed a more robust demand portfolio in Cause No. PUD 200900196. PSO based its proposed programs on several criteria, including lessons learned from the Quick Start programs, a market potential study performed by Frontier Associates, customer input, and lessons learned from other utilities and its corporate parent AEP. Seventeen programs were ultimately approved and implemented by PSO beginning in 2010. Just as with the Quick Start programs, PSO has closely monitored the performance of these programs and used the results as inputs into the proposed programs in this application.

In addition, and in an effort to avoid any possible delays with a smooth transition from the Company’s 2010-2012 demand portfolio to the proposed 2013-2015 demand portfolio, PSO has begun issuing request-for-proposals (“RFPs”) to potential third-party implementers so that PSO can begin implementing the proposed slate of 2013-2015 programs should the Commission adopt the Stipulation.

According to Mr. Raines, from an overall perspective, the Stipulation would allow PSO to continue its already solid performance in the implementation of cost-effective DSM programs and initiate more ambitious kWh and kW savings goals. PSO’s DSM Programs will result in significant, long-term generation cost savings for its customers, which is the basis for implementing DSM rules.

From a more detailed perspective, the Stipulation provides for recovery of the actual program costs, the lost fixed-cost revenues resulting from reduced sales, and an incentive which is an opportunity for PSO to recoup some of the lost earnings associated with future reduced sales resulting from implementing these programs. The Stipulation also allows PSO to comply with the Commission’s Rules by (1) allowing high volume users to opt out of some or all programs, (2) offering programs to all types of customer groups, and (3) acknowledging the restrictions on fuel switching.

Mr. Raines testified that the provisions in the Joint Stipulation and Settlement Agreement.



(1) Approving the implementation of the demand response and energy efficiency programs and the proposed budgets for the programs set forth in Attachments 1 and 2 to the Stipulation;

(2) Approving the Demand Side Management Cost Recovery Rider (DSM Rider) which is attached to the Stipulation as Attachment 3;

(3) Making a finding that PSO’s Application and exhibits filed June 25, 2012, and June 28, 2012, comply with Subchapter 41-Demand Programs-found at OAC 165:35-41-1 et seq.;

(4) Approving a waiver of the \$1.90 provision found at OAC 165:35-4-5(d);

(5) Allowing PSO to receive an incentive payment of fifteen percent of education program costs;

(6) Allowing PSO to change reporting requirements to a calendar year;

(7) Requiring PSO to track and report program performance on a levelized dollar per kWh basis in addition to the five benefit-cost tests as defined in the California Standard Practice Manual;

(8) Requiring PSO to promote innovation and increased productivity in the industrial and commercial sectors, in educational facilities, and in governmental facilities by (1) providing energy efficiency and demand response consulting as part of its High Performance Businesses program, and (2) investigating the possibility of a partnership with the DOE Industrial Assessment Center at Oklahoma State University;

(9) Requiring PSO to organize an Energy Efficiency Advisory Council that will meet at least semi-annually over the course of the program period to allow PSO the opportunity to engage the Stipulating Parties and other stakeholders in a discussion of how to increase energy efficiency within PSO’s service territory;

(10) Establishing that the opt-out period for high-volume electricity users (a single customer using more than fifteen million kWh of electricity per year, regardless of the number of meters or service locations) will be for one month each year, beginning on December 1 and closing on December 31. Any high-volume electricity user may opt out of either all energy efficiency or all demand response programs, or both; and they may opt out for the program year or for the entire program period. They must submit notice of such decision to the Director of the Public Utility Division and to PSO on or before December 31 of each year. After December 31, high-volume electricity users may no longer opt out or opt in until the next enrollment period; and

(11) Requiring that the program costs, lost revenues and incentive costs of the Business Demand Response Program be allocated by using PSO’s existing Four Coincident Peak and Excess (4CP & Excess) Production Cost Allocator. The Stipulating Parties further agree and request an order of the Commission that all other program costs, lost revenues, and incentives shall be allocated by using PSO’s existing Demand and Energy (DEF) Allocator.



Mr. Raines testified that in his opinion the Commission should approve the Joint Stipulation and Settlement Agreement.

First, it is an agreement entered into by all parties to this proceeding with diverse interests. With parties as diverse as PSO, Staff, the AG, OIEC, OSN and QOSC agreeing to the Stipulation, there is assurance that it reasonably balances all interests. According to Mr. Raines, the creation of an Energy Efficiency Advisory Council will provide an opportunity for PSO to engage with stakeholders and discuss further potential savings opportunities, a benefit for all parties interested in investigating expanded efforts. Second, it allows PSO to comply with the Commission DSM Rules. For example, among others, the Stipulation allows PSO to offer programs to all customer groups, including hard-to-reach customers. Third, it provides for adjustments to cost recovery during the three-year program life based upon new EM&V information. Fourth, it requires PSO to closely monitor the cost effectiveness of its programs. Fifth, it reasonably balances the allocation of the DSM costs to customer classes. Finally, it allows PSO to continue to offer cost-effective DSM programs in a timely manner, and will allow PSO to repair to some degree the earnings erosion it will experience due to the reduced sales resulting from these programs.

**Tamara Brown on behalf of PSO.**

Tamara Brown, a Regulatory Analyst in Regulated Pricing and Analysis which is part of the Regulatory Services Department of American Electric Power Service Corporation (AEPSC), testified on behalf of PSO.

Ms. Brown testified that the purpose of her testimony was to describe proposed changes to the Company's Demand Side Management Cost Recovery Rider (DSM Rider). Her testimony described the calculation of the proposed DSM factors for PSO to recover costs associated with its proposed demand portfolio. She also discussed customer impacts associated with implementation of the proposed re-determined DSM Rider factors.

According to Ms. Brown, PSO was seeking approval from the OCC to change the demand portfolio reporting schedule from an annual reporting schedule to a calendar year reporting schedule. A calendar year reporting, January through December, will help to synchronize the program costs incurred and collected with the associated revenues.

Ms. Brown further testified that the result of the calendar year reporting schedule change would shorten the true-up period for the 2012 DSM factors. Instead of a typical 12 month true-up period, it will be a 9 month true-up period. According to Ms. Brown, PSO received approval of the current DSM factors on March 27, 2012, and those factors became effective with the first billing cycle of April 2012. The Company is requesting the first billing cycle of January 2013 as the effective date for the 2013 DSM factors, the first year of the three year demand portfolio. This request will shorten the true-up period but allows the Company to move forward with the three year demand portfolio submission and implementation on a calendar year reporting schedule.

PSO is proposing an interim filing for the 2012 true-up.



An interim filing for the 2012 true-up will allow PSO to implement the 2013 DSM factors on a calendar year schedule without the 2012 true-up seeing that there are only two months, April and May, of 2012 actual program costs at this time. PSO will file March 1, 2013, with the 2012 true-up which will adjust the 2013 DSM factors for the first year of the three year demand portfolio.

Ms. Brown testified that the DSM Rider has four cost recovery components: program costs, lost revenue, shared savings, and DSM true-up. The proposed program costs for 2013 are \$25,074,531. The proposed lost revenue for 2013 is \$1,551,792 and the proposed shared savings for 2013 is \$4,091,642. All three components are summarized in Exhibit TB-2. The 2013-2015 demand portfolio program costs, projected lost revenue, and shared savings are described in Company witness Raines’ testimony.

The lost revenue component was calculated by applying the projected energy savings multiplied by the Embedded Cost kilowatt hour (kWh) Rate (ECR) for each class participating in each program. The class ECR factor is determined by dividing the total class base rate revenue requirement, reduced by the customer charge revenue requirement, by the approved test year kWh. According to Ms. Brown, all components of the ECR factor are from Cause No. PUD 201000050, Order No. 581748, PSO’s last base rate case. Exhibit TB-3 detailed the lost revenue calculation.

Ms. Brown further testified that there were two sub-components to the shared savings mechanism: the shared benefit component and the program incentive component. The shared savings component is to allow the Company to share in the benefits derived by the implementation of PSO’s demand portfolio. As described by Company witness Brooks, the two main tests used for evaluating PSO’s demand portfolio were the Total Resource Cost Test (TRC) and the Program Administrator Cost Test (PACT), also referred to as the Utility Cost Test (UCT). The shared savings component was calculated by taking the net benefit of the PACT score for each demand portfolio program multiplied by 15 percent to determine the shared benefit. The second component program incentive was calculated by taking 15 percent of the program costs for those programs that are educational in nature, with energy savings that are difficult to quantify, or that have a PACT score less than 1.0. Exhibit TB-4 details the shared savings calculation.

According to Ms. Brown, the ECR Factor classes changed.

The ECR factor class name Residential & Small Commercial class was changed to Small Commercial. This change will eliminate one of the two Residential ECR factor classes which will better classify the ECR factor into the appropriate classification for the demand portfolio. Exhibit TB-5 details the ECR factor by class.

Ms. Brown further testified that the true-up component is calculated by comparing the projected costs with the actual costs, and reconciles the lost revenue and shared savings. PSO is proposing to true-up 2012 costs, lost revenues, and shared savings on a March 1, 2013 filing.

PSO is allocating the demand portfolio costs to classes based on allocation factors from Cause No. PUD 201000050, Order No. 581748, PSO’s last base rate case. The Demand and



Energy Factor (DEF) also originates from PSO's last base rate case. The allocation factors used in developing the DSM Rider factors are shown in Exhibit TB-6.

As part of the normal course of business, AEPSC Forecasting Department projects monthly kWh sales and demand growth factors for each of its operating companies, including PSO. The AEPSC Forecasting Department provided monthly sales forecasts for the projected energy efficiency budget years of January through December 2013-2015. Because the monthly kWh sales are projected on a total retail and revenue class basis, and not by rate class as required by PSO, rate class forecasted kWh sales were established by first determining each class's percentage of total retail sales based on twelve months of historical kWh for the twelve months ending May 2012. Forecasted kWh sales by class were then calculated by multiplying each class's percentage of total retail kWh sales by the total retail forecasted kWh sales. The annual class projected kWh sales were used to determine the proposed 2013-2015 DSM factors.

Ms. Brown testified that she used the 2012 opt out kWh to calculate the 2013 DSM factors.

To account for the 2012 opt out customers, she removed, from the 2013 test year forecast, the 2012 opt out kWh sales. The opt out customers have thirty days before the next true-up period to opt back into the programs or elect to opt out. The next proposed true-up filing is March 1, 2013.

The DSM factors are calculated by dividing the sum of class allocated demand portfolio projected program costs, lost revenues, and shared shavings by the forecast kWh sales. Exhibit TB-1 details the 2013 DSM factors.

Ms. Brown set out the proposed 2013 DSM factors in Table 1. The proposed 2014 and 2015 DSM Rider factors were detailed in Exhibits TB-7 and TB-8, respectively.

**Table 1**  
**2013 DSM Rider Factors**

<u>Energy Programs</u>	<u>DSM Factor</u>	<u>Demand Programs</u>	<u>DSM Factor</u>	<u>Total Programs</u>	<u>DSM Factor</u>
MAJOR RATE CLASS	per kWh	MAJOR RATE CLASS	per kWh	MAJOR RATE CLASS	per kWh
Residential - Secondary	0.001802	Residential - Secondary	0.00022	Residential - Secondary	0.002026
SL4 & SL5 - Secondary	0.001722	SL4 & SL5 - Secondary	0.00019	SL4 & SL5 - Secondary	0.00191
SL3 - Primary	0.002183	SL3 - Primary	0.0002	SL3 - Primary	0.002379
SL2 - Trans Sub	0.004711	SL2 - Trans Sub	0.00034	SL2 - Trans Sub	0.005054
SL1 - Transmission	0.003679	SL1 - Transmission	0.00019	SL1 - Transmission	0.003868

According to Ms. Brown, the residential customer impacts for 2013-2015 are detailed in Table 2.

**Table 2**

Year	Residential Impact	
	Monthly kWh	\$
2013	1101	1.83
2014	1101	2.07
2015	1101	2.38

**William L. Brooks on behalf of PSO.**

William L. Brooks, the Chief Executive Officer of Frontier Associates LLC ("Frontier Associates" or "Frontier") testified on behalf of Public Service Company of Oklahoma ("PSO" or "Company").

Mr. Brooks is a member of the Association of Energy Services Professionals, ("AESP"), an Associate Member of the American Society of Heating, Refrigerating, and Air Conditioning Engineers ("ASHRAE"), an Affiliate Member of the Association of Energy Engineers ("AEE"), an Associate Member of the Institute of Electrical and Electronics Engineers ("IEEE"), and a Professional Member of the International Code Council ("ICC").

Mr. Brooks has testified before the Oklahoma Corporation Commission ("OCC") on Oklahoma Gas & Electric's 2008 Quick Start Filing, and PSO's 2009 energy efficiency filing. Mr. Brooks has also testified before the Public Utility Commission of Texas on the potential for market-oriented pricing to affect electric water heater saturation in Gulf States Utilities' (now Entergy's) service area. Mr. Brooks filed testimony in Texas on the potential for energy efficiency and demand response to offset the need for a proposed cogeneration facility in Southwestern Public Service Company's service area. Mr. Brooks testified before the Texas House of Representatives State Affairs Committee on utility programs promoting energy audits and energy efficiency and the Texas Senate's Natural Resources Committee on legislation enabling local adoption of renewable energy oriented regulations.

Mr. Brooks has also testified before the New Mexico Public Regulation Commission on the potential for energy efficiency in El Paso Electric's service area and El Paso Electric's Energy Efficiency Plan, the Arkansas Public Service Commission supporting Oklahoma Gas & Electric's, SourceGas', and Arkansas Oklahoma Gas' 2011-2013 energy efficiency portfolio, adoption of deemed savings and other measurement and verification strategies.

Mr. Brooks reviewed each of the education, residential, and commercial/industrial programs, which included:

- Home Weatherization
- High Performance Homes
- Energy Saving Products and Services
- Educational Program
- High Performance Businesses
- Business Demand Response



According to Mr. Brooks, PSO’s proposed demand portfolio is comprehensive, with respect to targeted market sectors and energy efficiency/demand response technologies. He testified that the portfolio is capable of producing substantial demand and energy savings, and that PSO’s demand portfolio is cost-effective as shown in Table 1. He also determined that PSO’s proposed strategy for recording and verifying energy efficiency and demand response impacts was reasonable and consistent with industry practice.

**Table 1**

	Participant Test	Program Administrator Cost Test	Ratepayer Impact Measure	Total Resource Cost Test	Societal Test
Benefit/Cost Ratio	9.98	1.98	0.22	1.81	2.10
Net Benefits (\$000s)	678,836	79,033	-551,920	76,208	106,238
Total Benefits (\$000s)	754,454	159,410	159,410	170,805	203,042
Total Costs (\$000s)	75,619	80,378	711,331	94,597	96,804

Mr. Brooks testified that Frontier analyzed energy efficiency and demand response opportunities for a variety of specific programs. This involved a quantitative process in which energy and demand impacts from estimated customer participation are analyzed with respect to their potential impact on PSO’s energy and demand avoided costs. The cost of acquiring DSM is compared to the energy and demand avoided cost benefit.

To develop the portfolio of cost-effective demand programs for 2013-2015 presented herein, Frontier re-evaluated the program design assumptions inherent in PSO’s current program offerings. More specifically, PSO’s current portfolio was modified by streamlining and consolidating several programs, reducing third-party implementer expenses, and prioritizing the most cost-effective measures for implementation. These modifications resulted in higher benefit-cost ratios at both the individual program and overall portfolio levels.

Each program’s projected costs and benefits were evaluated with respect to five different benefit-cost tests. The two main tests used for evaluating PSO’s demand portfolio were the Total Resource Cost Test (“TRC”) and the Program Administrator Cost Test (“PACT”, also known as the Utility Cost Test “UCT”). The other three tests are the Rate Impact Measure Test (“RIM”), the Participant Test (“PT”), and the Societal Test (“ST”).

According to Mr. Brooks, the TRC is used to screen potential programs. The TRC is essentially a summation of all participant and utility reduced costs (benefits) and all participant and utility increased costs. When viewed as a ratio, reduced costs are in the numerator and increased costs are in the denominator.

Since the TRC only incorporates costs (either avoided or expended) in its calculation, customer inducements are excluded from its calculation. Customer inducements are also transfer payments, so if utility rebates were included, participant costs would be reduced by a corresponding amount. Expressed as a ratio (benefits over costs), the TRC passes if it produces a value of greater than 1.0.



Mr. Brooks stated that the TRC combines both customers’ and PSO’s costs and benefits, which gives an indication of how the program affects both participating and non-participating customers. A positive TRC ensures that customers, in the aggregate, are better off as a result of DSM program investments.

Mr. Brooks described the Program Administrator Cost Test (“PACT”), and how it was used. The PACT measures each program’s potential to reduce the utility’s revenue requirements in the form of reduced generation capacity investments, and reduced generation production cost and purchased power requirements. The PACT helps utilities evaluate DSM programs for their potential contribution to overall resource cost planning objectives.

PSO used the PACT as a secondary screening criterion.

According to Mr. Brooks, energy efficiency programs create the opportunity to cost-effectively reduce capacity investments and purchased energy. By screening programs on the PACT, as well as the TRC, PSO ensures that its program costs are prudent and fair, and that program benefits flow to a majority of customers. A positive PACT net benefit is required to ensure that PSO is minimizing the long-term cost of utility service, per OAC 165:35-41-2(a)(1).

Mr. Brooks testified that PSO’s objective was to produce a cost-effective demand portfolio that is available to all customer sectors, and to mitigate market barriers. As a consequence, PSO has made exceptions to its cost-effectiveness criteria for education and limited income programs although PSO’s current projection is that the Home Weatherization Program will pass both the TRC and PACT.

Educational program impacts are generally less predictable and more difficult, or costly, to measure relative to the savings potential. They are also intended to help overcome market barriers and transform the market for energy efficiency technologies. Thus, PSO has excluded its educational programs from the Company’s cost-effectiveness analysis.

PSO is offering a weatherization program targeting limited income households to ensure that this important hard to reach group of customers has a reasonable opportunity to participate in PSO’s demand portfolio. PSO has developed a program design intended to produce a positive TRC net benefit for this program. The Weatherization Program is expected to produce positive PACT net benefits, but PSO may not terminate the program if it produces negative net benefits, depending on their magnitude.

Mr. Brooks also described the other benefit-cost tests used in the PSO analysis. Mr. Brooks testified that Frontier used the Participant Test (“PT”) to ensure that PSO has a reasonable chance of achieving its targeted participation. Frontier also calculated the Rate Impact Measure (“RIM”), which gives an indication of the change in revenues required to keep PSO’s allowed rate of return the same after accounting for the change in sales resulting from the proposed programs, but without accounting for lost-revenue recovery. Finally, Frontier calculated the Societal Test (“ST”).

Mr. Brooks described the PT.



The PT tells program planners whether participants will be more or less well off as a result of participating in the program. With respect to PSO’s demand portfolio, PSO prefers measures with sufficient customer return to encourage customer participation.

He also described the RIM test. The RIM Test provides an indication of the additional revenues required to keep the utility’s rate of return at the same level it would have experienced had it not offered the program. As mentioned previously, the calculation is performed without accounting for any lost-revenue recovery or utility inducement mechanisms. Calculation of the impact on customer bills is included in Company witness Brown’s testimony.

Mr. Brooks also described the ST.

The ST is a variant of the TRC, with the addition of “externalities.” Externalities may include environmental impacts, effects on national security, economic development impacts, and other impacts not directly measurable at the customer’s site or on the utility’s system. Frontier applied a 5% discount rate to the ST based on National Action Plan for Energy Efficiency (“NAPEE”) standards.

Mr. Brooks discussed the data inputs used to evaluate PSO’s proposed demand portfolio.

The measure of cost-effectiveness is dependent upon a number of variables. The reasonableness of these variables determines the reasonableness of the cost-effectiveness analysis results. PSO and Frontier developed all the necessary inputs for cost-effectiveness analysis, including values for the following list of inputs.

- Measure kW Target
- Measure kWh Target
- Number of Participants
- Average Rate per kWh (including fuel adjustment)
- Customer Inducements
- Utility Administration Costs
- Utility Avoided Capacity and Energy Costs
- Incremental Customer Investment
- Program Measurement and Verification Costs
- Net-to-Gross Estimates (free-ridership)

Mr. Brooks included a description of the intent of each program.

PSO’s programs are designed to increase energy efficiency by overcoming barriers that prevent residential and business customers from adopting energy efficient technologies. PSO also intends for several of its programs to leverage load management capability to reduce peak demand on the system.

Mr. Brooks testified that the target markets for PSO’s programs ranged from residential and small commercial customers with aging heating and cooling equipment, to single-family limited income customers with inefficient homes, to large commercial and industrial customers. All participants must purchase electricity from PSO on one of its tariffs.



The baselines applied in the analysis of potential programs were derived from the Oklahoma Deemed Savings document, in concert with details contained in PSO’s program databases that record the baseline condition for program participants.

According to Mr. Brooks, the following is a representative list of the typical barriers that customers face that impede decisions to install more efficient equipment or undertake efficiency-seeking activities:

- **Lack of information**, where the consumer does not know enough about the technology and its associated payback
- **Asymmetric information**, which may lead vendors to price their more energy-efficient products or services at a price that is not designed for maximum market penetration
- **Bounded rationality**, where the customer acts against their own best economic interest
- **Organizational barriers or customs**, where decisions may reside with the uninformed or the entity that does not pay the bills
- **Misplaced inducements**, especially the classic landlord/tenant relationship in which the landlord owns the equipment but the tenant pays the electric bill
- **Financing**, where a customer may desire to install more energy-efficient technology, but is unwilling to spend or unable to obtain the required capital to obtain the long-term benefits
- **Opportunity Cost**, where customers place a higher value on alternative uses for available capital

According to Mr. Brooks, to overcome the specific barriers affecting each program, PSO will employ the following strategies to promote the proposed programs: (1) engage market providers, (2) directly market to targeted customers, (3) offer customers the technical expertise of third-party implementers, (4) provide complete website presence, (5) co-market, when possible, (6) conduct workshops, and (7) provide rebates to help off-set some of the customer’s incremental costs.

Mr. Brooks testified that PSO has consulted with the primary stakeholders in its service territory, including traditional energy service companies and representatives of the program’s target market. Furthermore, PSO contracted with experts in energy efficiency program development and design for the development of the portfolio of cost-effective programs from which this proposed program was derived. Additional description of the research and public input that contributed to program development can be found in the program-level exhibits attached to Mr. Brooks’ Direct Testimony.

PSO engaged with program implementers and PSO customer-facing employees to visit with customers and contractors. Input was also solicited via telephone surveys conducted by third parties for the EM&V process. Support was found for simplifying the portfolio, eliminating competition between programs, offering product rebates throughout the year instead of seasonally, and providing more easily understood rebate structures.



Upon implementation, PSO will monitor its programs to evaluate how effectively they reach their target market, and make modifications to improve market penetration if they are not meeting expectations, or to reduce free-ridership if a program is over-subscribed and free-ridership is suspected.

According to Mr. Brooks, PSO will use the evaluations outlined in this testimony to assess how well a program is performing. Based on these analyses, PSO will decide whether to adjust or amend under-performing programs, or, instead terminate the program and invest its efforts elsewhere. Before ending a program, PSO will work to ensure that its dissolution will not drastically reduce the availability of energy efficiency program offerings for a given customer group or subgroup.

PSO will monitor its programs to evaluate how effectively they reach their target markets. As older technologies become obsolete (by code or new technology), PSO will modify the equipment or actions targeted, as well as rebate structures. PSO will also periodically monitor the portfolio of programs to ensure it is in compliance with all relevant OCC requirements and performing within expectations outlined in the planning process.

Mr. Brooks set forth the total annual budget for each year of the proposed demand portfolio broken down by annual cash inducements, non-cash inducements, and administrative costs.

**Table 2**

Year	Annual Cash Inducement Cost (\$)	Annual Non-Cash Inducement Costs (\$)	Annual Administrative Costs (\$)	Total Annual Program Costs (\$)
2013	14,640,754	8,026,324	2,407,453	25,074,531
2014	16,686,515	9,183,674	2,763,355	28,633,544
2015	19,171,730	10,597,906	3,196,625	32,966,261

Annual administrative costs include items such as labor, travel, customer outreach, training, equipment, a tracking database, special events, and EM&V activities. According to Mr. Brooks the table below provides a breakdown of the EM&V costs included within the total administrative costs.

**Table 3**

Year	Non-EM&V Admin	EM&V Admin	Total Admin
2013	1,444,472	962,981	2,407,453
2014	1,658,013	1,105,342	2,763,355
2015	1,917,975	1,278,650	3,196,625

PSO has established an overall portfolio designed to produce approximately 244 MW of demand reduction and 191,082 MWh of energy savings for the 2013, 2014 and 2015 program years combined. These savings goals are dependent on PSO's ability to achieve the assumed levels of participation for each program within the portfolio over the three year planning period.

PSO will evaluate program performance annually and may make modifications to the program designs, if necessary. These potential changes may impact the demand reduction and energy savings goals PSO has established in this plan.

PSO expects the savings provided by its demand portfolio to be evenly distributed throughout the utility system. Table 4 summarizes PSO's forecasted demand portfolio impacts for 2013, 2014 and 2015.

**Table 4**

Year	Annual kWh Energy Savings	Annual kW Demand Reduction	Annual Therms Gas Savings
2013	54,581,508	73,245	795,110
2014	63,002,715	80,976	744,702
2015	73,497,768	89,879	849,754
Total	191,081,992	244,099	2,389,566

According to Mr. Brooks, he had an opportunity to examine and provide input on assumptions for each of the data points affecting the cost-effectiveness analysis.

He reviewed and proposed alternatives, where appropriate, to a PSO and Frontier-developed set of inputs designed to calculate energy efficiency and direct load control program cost-effectiveness.

PSO calculated cost-effectiveness and produced a benefit-cost ratio for each program. Programs with measurable impacts include the Home Weatherization, High Performance Homes, Energy Saving Products and Services, High Performance Businesses, and Business Demand Response.

The combined portfolio produces the cost-effectiveness results indicated in Table 5. Portfolio cost-effectiveness includes administration costs, program rebate costs, and other inducement costs. Individual program benefit-cost ratios are presented in Table 6.

**Table 5**

	Participant Test	Program Administrator Cost Test	Ratepayer Impact Measure	Total Resource Cost Test	Societal Test
Benefit/Cost Ratio	9.98	1.98	0.22	1.81	2.10
Net Benefits (\$000s)	678,836	79,033	-551,920	76,208	106,238
Total Benefits (\$000s)	754,454	159,410	159,410	170,805	203,042
Total Costs (\$000s)	75,619	80,378	711,331	94,597	96,804



**Table 6**

	Participant Test	Program Administrator Cost Test	Ratepayer Impact Measure	Total Resource Cost Test	Societal Test
Commercial Programs	9.81	2.62	0.33	2.21	2.53
High Performance Businesses	11.14	3.04	0.30	2.45	2.84
Business Demand Response	1.00	1.13	1.13	1.13	1.15
Residential Programs	10.17	1.29	0.13	1.36	1.62
High Performance Homes	4.96	1.14	0.25	1.17	1.34
Energy Saving Products & Services	13.89	1.83	0.12	1.64	1.97
Home Weatherization	18.83	1.15	0.10	1.46	1.82
Total Demand Portfolio	9.98	1.98	0.22	1.81	2.10

The results show that, overall, the programs pass the TRC test. The TRC results indicate that PSO’s combined residential and non-residential programs provide benefits to all ratepayers in all customer classes. The PACT results show that PSO’s demand portfolio is contributing to lower overall system revenue requirements. The Participant test results indicate that participants are better off as a result of participating in the measure, and the Societal Test indicates that when incorporating societal benefits, the benefit to all ratepayers improves.

The total demand portfolio produces less than a 1.0 rate impact benefit-cost ratio. Due to the nature of the RIM test, this is a predictable outcome. Conservation programs frequently produce less than a 1.0 RIM benefit-cost ratio since such programs have impacts throughout a season or year, rather than during a specific high marginal energy cost period. These RIM results suggest that PSO is likely to experience un-recovered lost revenue that, absent other action (such as lost-revenue recovery allowances), will negatively affect the Company’s rate of return.

Mr. Brooks testified that there were several explanations for the lower-than-anticipated benefit-cost ratios shown in the 2011 EM&V Compliance Report as detailed in Company witness Stern’s testimony, which accurately justifies program performance. Due to the fact that the programs are relatively young, and that benefit-cost ratios have been impacted by recent historic low natural gas prices, the ratio results are reasonable for the second year of a portfolio. Despite falling short of the 2009 estimates, the portfolio designed for program years 2013-2015 is expected to be cost-effective. This improvement in benefit-cost ratios is due to streamlining and consolidating several programs, reducing third-party implementer expenses, and prioritizing the most cost-effective measures for implementation.

Mr. Brooks testified that PSO has developed a plan for EM&V of performance and results of the demand portfolio for each program, including a plan for the use of deemed savings, statistical sampling or metering, where applicable and appropriate.

He further testified that PSO had developed a plan for the evaluation of market effects of each program, in part. The California Public Utility Commission’s Market Effects Evaluation Protocol uses a working definition of market effects as “[a] change in the structure of a market or the behavior of participants in a market that is reflective of an increase in the adoption of energy-efficient products, services, or practices and is causally related to market intervention(s).” It is



PSO’s position that comprehensive market effects studies for each of its programs would not be cost-effective and would significantly detract from the ability of customers to participate in PSO’s demand portfolio by siphoning funds that could otherwise be paid as rebates to customers.

However, certain targeted and timely efforts to fully understand changing market dynamics and to maximize the performance of PSO’s demand portfolio may be useful. For some programs, information about how a program is affecting the market for a given product can be derived without performing in-depth market effects studies. When such information can be obtained without significant cost, program managers will attempt to obtain insights from stakeholders and participating customers as to the effect of the program on shifts in the market. PSO will monitor the market through an ongoing process improvement research effort, and capture customer attitudes and satisfaction with program activities. If PSO identifies a significant market effects potential, the Company will invest in sufficient research to determine its nature and impacts.

PSO has also developed a plan for evaluation of administration and implementation of each program or applicable group of programs.

PSO has performed and will continue to perform annual evaluations relating to each program’s savings impacts and processes, including, but not limited to, program objectives, data collection procedures, quality assurance methodologies, reporting timelines, costs, and the program’s benefit-cost analyses.

The annual program evaluations may have several objectives:

1. Assess participant satisfaction with the program;
2. Review the market potential, including participant characteristics, participation rate, and customer awareness of energy efficiency;
3. Determine the program impacts, including energy savings (kWh) and demand reduction (kW), and program value to customers;
4. Assess the program’s cost-effectiveness based on various economic tests; and
5. Assess the effectiveness of program delivery mechanisms.

**Franklin D. Stern on behalf of PSO.**

Franklin D. Stern, Director in the Energy Practice of Navigant Consulting, Inc. (“Navigant”), testified on behalf of Public Service Company of Oklahoma (PSO) regarding PSO’s current energy efficiency (EE) and demand response (DR) program portfolio (demand portfolio), and provided recommendations for program improvement.

According to Mr. Stern, Navigant provides independent consulting services across industries undergoing substantial regulatory or business-model change. Navigant has over 1,800 professionals and approximately 2,400 employees. It is headquartered in Chicago and has offices throughout the world, including core offices in London, Los Angeles, New York, San Francisco, and Washington, D.C.



Mr. Stern testified that Navigant is a leading consultancy in EE/DR program evaluation. They have completed more than 20 evaluations of utilities' portfolio of programs and more than 70 individual program evaluations within the past two years. Navigant's experience and expertise span all types of programs including traditional incentive, pricing, emerging technology, behavioral, demand response, and market transformation programs.

Mr. Stern had testified before the Minnesota Public Utilities Commission, the State Corporation Commission of the State of Kansas, the Arizona Corporation Commission, and the New Jersey Board of Public Utilities.

Mr. Stern testified that the purpose of his testimony was to present the process used by Navigant in the evaluation of PSO's demand portfolio and the results of that evaluation. The results include estimates of verified energy and demand savings, benefit-cost ratios, customer satisfaction results, and recommendations for improvement.

According to Mr. Stern, as defined in the Oklahoma Electric Utility Rules at OAC 165:35-41-6(b), the intent of the EM&V process is three-fold:

1. To provide a reliable calculation of the net savings produced by energy efficiency and demand response programs.
2. To assess the effects of programs on the market for energy efficient products and services and products and services that support demand response programs.
3. To assess the effectiveness of the administration and implementation of energy efficiency and demand response programs.

Intent number 1 corresponds to what he referred to as impact evaluation. Intent number 2 corresponds to what he referred to as market assessment. Intent number 3 corresponds to what he referred to as process evaluation.

Navigant evaluated all of the programs in PSO's demand portfolio with significant savings.

According to Mr. Stern, three programs had minimal savings (0 to 0.1 gigawatt hours [GWH]). Consequently, Navigant did not evaluate the following programs: ENERGY STAR Multi-Family, Energy Audits and Large Customer Custom Solutions.

He summarized his findings stating that Navigant had evaluated PSO's demand portfolio, using industry standard techniques, for the period April 1, 2011, to December 31, 2011, referred to as Program Year 2011 (PY2011), a nine-month period. Navigant found that the net savings from the programs are 22.16 GWh and 23.34 megawatts (MW) for PY2011. The overall portfolio result for the Total Resource Cost test is 0.87 and the result for the Program Administrator Cost test is 0.88. Customer satisfaction with the programs is high—over 75 percent of customers were satisfied with each program evaluated. Navigant has provided recommendations to PSO for program improvement. Mr. Stern testified that he believed that PSO could achieve overall portfolio cost-effectiveness through implementation of the recommendations.



Navigant prepared the *Report on the Performance of Energy Efficiency and Demand Response Programs: Program Year 2011* filed with the Oklahoma Corporation Commission (OCC) on June 1, 2012. The executive summary was presented as Exhibit FDS-02.

Mr. Stern completed a report on the evaluation of the 2010 program year.

Navigant prepared the *Report on the Performance of Energy Efficiency and Demand Response Programs: Program Year 2010: Verification Results*, dated October 14, 2011. The executive summary was presented as Exhibit FDS-03.

Mr. Stern further testified that Navigant used industry standard techniques designed to provide accuracy and value for estimating program gross and net impacts. These techniques included:

- » **Engineering Review.** This included a thorough review of the engineering estimates and models used by PSO and implementers to estimate savings impacts. The results of this review may have resulted in refinements to the current algorithm, or a new model. The engineering review included site inspections for larger properties.
- » **Billing Analysis.** Billing analysis uses customer data and statistical techniques to develop estimates of savings.
- » **Metered Data Analysis.** Navigant metered electricity usage at customer sites as appropriate to provide input to engineering models of savings.
- » **Self-Report Approach.** The most commonly used approach to net-to-gross (NTG) analysis is the self-report method, which relies on customer and trade ally survey results. NTG analysis considers the effects of participants that might have undertaken EE or DR measures in the absence of a program (free riders) and customers that were influenced by the program to undertake EE or DR measures outside of a program (spillover).
- » **Benefit-Cost Analysis.** Navigant conducted five cost-effectiveness tests on these programs: Societal, Total Resource Cost, Program Administrator Cost, Ratepayer Impact Measure and Participant tests. These tests are described in the *California Standard Practice Manual* referenced in the Oklahoma Electric Utility Rules at OAC 165:35-41-3, and in the testimony of Company witness Brooks.

According to Mr. Stern, specific process evaluation methods and objectives vary based on each individual program's needs and stage of development. Methods included in-depth interviews with program staff and implementers, surveys with participants, and in-depth interviews with trade allies.

Navigant obtained data on technicians trained to implement the CoolSaver program, interviewed builders and realtors for the ENERGY STAR New Homes program, interviewed



decision makers regarding Model Cities and Smart Schools programs and interviewed participants regarding impacts of the Residential Solutions program.

Mr. Stern testified that the approach Navigant used was generally consistent with the measurement and verification strategy presented by Company witness Brooks in his testimony on September 15, 2009, in Cause No. PUD 200900196.

Navigant used techniques consistent with the *International Performance Measurement and Verification Protocol* and the *California Standard Practice Manual*, described in Exhibit 3 to Mr. Brooks' testimony as "the cornerstones of the PSO Measurement and Verification Plan."

Navigant concluded the total net verified savings of the demand portfolio for PSO's programs in PY2011 are 22.16 GWh and 23.34 MW.

Mr. Stern testified that PSO expected savings of 33.08 GWh and 39.91 MW for PY2011. Savings by program are presented in Exhibit FDS-04. The difference reflects two factors for energy and demand savings: realization rate and net-to-gross (NTG) ratios.

The differences between verified and reported savings are known as 'realization rates' and reflect adjustments to engineering estimates and adjustments to installation rates. The realization rates for energy and demand are 95 percent and 63 percent, respectively. The 95 percent value for energy savings is a relatively good result, indicating the gross verified savings are close to what PSO expected. The relatively low 63 percent value for demand savings is primarily due to the method PSO used for calculating demand savings. Realization rates by program were presented in Exhibit FDS-04.

Mr. Stern stated that the NTG ratios reflect the portion of savings that are attributable to the programs' influence. They include the effects of participants that might have undertaken EE or DR measures in the absence of a program (free riders) and customers that were influenced by the program to undertake EE or DR measures outside of a program (spillover). The NTG ratios are 71 percent and 93 percent for energy and demand respectively. These ratios are typical for portfolios such as PSO's, which are relatively new or young in terms of program maturity. Net-to-gross ratios by program were presented in Exhibit FDS-04.

According to Mr. Stern, the overall portfolio result for the Total Resource Cost test is 0.87 and the result for the Program Administrator Cost test is 0.88, indicating costs have exceeded benefits for these two tests. Benefit-cost ratios by program are presented in Exhibit FDS-05. Five of the programs had Total Resource Cost benefit-cost ratios greater than 1.0 and nine programs had Total Resource Cost benefit-cost ratios less than 1.0. Six programs had Program Administrator Cost benefit-cost ratios greater than 1.0 and eight had Program Administrator Cost benefit-cost ratios less than 1.0. According to Mr. Stern, the programs are relatively young, and early stage programs may have lower benefit-cost ratios than more mature programs. Benefit-cost ratios have been affected by recent historic low prices for natural gas, which may not persist. Overall, these results are reasonable for the second year of a portfolio, and indicate that overall portfolio cost-effectiveness could be realized in the near future with program improvements. Navigant provided recommendations for program improvements.



Mr. Stern testified that a comparison of customer satisfaction scores, a key component of each process evaluation, across programs was presented in Exhibit FDS-06. While there are slight differences in how each score is assessed, according to Mr. Stern it could be seen that all scores indicate high levels of customer satisfaction.

The process evaluation resulted in recommendations for improving all programs. The recommendations were presented in the *Report on the Performance of Energy Efficiency and Demand Response Programs*.

**Tonya Hinex-Ford on behalf of the Public Utility Division, Oklahoma Corporation Commission.**

**Responsive Testimony**

Tonya Hinex-Ford, on behalf of the Public Utility Division, Oklahoma Corporation Commission filed responsive testimony. She testified as follows:

My name is Tonya Hinex-Ford. I am employed by the Public Utility Division (PUD) of the Oklahoma Corporation Commission (Commission) as a public utility rate analyst IV, in the Energy and Water Group. The purpose of my testimony in Cause No. PUD 201200128 is to provide a policy recommendation for the application filed on June 25, 2012, by the Public Service Company of Oklahoma (“PSO”) regarding their energy efficiency and demand response programs, the change of reporting requirements to a calendar year; and the approval of the waiver of the \$1.90 provision found at OAC 165:35:41-5(d).

PUD recommends the approval of the PSO’s Demand Portfolio Programs. In addition, PUD urges this Commission to grant the waiver of the \$1.90 cap, based on the program analysis done by PUD’s witness Nicholas Fiegel. His in-depth analysis of the inputs and subsequent results of the five tests prescribed by the California Standard Practice Manual to assess PSO’s energy efficiency and demand response programs establishes the reasonableness of the requested waiver of the cap. Therefore, PUD agrees that a waiver of Commission rule OAC 165:35-41-5(d) should be granted for program years 2014 and 2015.

PUD recommends that the request to change from annual year reporting to the January to December calendar year reporting schedule be granted and the associated true-up interim filing that was requested. Furthermore, PUD recommends that the program recovery costs, lost revenues, shared savings incentives and continued authorization to use the demand side management rider be granted as addressed by PUD witness Nicholas Fiegel, and are fair, just, reasonable, and in the public interest.

**Testimony in support of Joint Stipulation and Settlement Agreement**

In addition to her Responsive Testimony, Ms. Hinex-Ford also filed testimony in support of the Joint Stipulation and Settlement Agreement executed by the parties. She testified that the purpose of her testimony was to provide PUD’s support of the Joint Stipulation and Settlement Agreement (“Settlement Agreement”) executed by the Public Service Company of Oklahoma (“PSO”), the Officer of the Attorney General (“AG”), Oklahoma Industrial Energy Consumers



(“OIEC”), Quality of Service Coalition (“QOSC”), Oklahoma Sustainability Network (“OSN”) and the PUD, collectively the (“Stipulating Parties”) on October 4, 2012. Further, she stated the total budget PSO has proposed to spend is \$87 million in program costs for program years 2013-2015 of its demand portfolio, and that PSO has proposed the total goal of 191,081,992 for years 2013 through 2015 for the Annual kWh Energy Savings and 244,099 for the total Annual kW Demand Savings for the years 2013 through 2015.

She then summarized the major provisions of the Joint Stipulation as:

1. Approving the implementation of the demand response and energy efficiency programs and the proposed budgets for the programs set forth in Attachments 1 and 2 in the Joint Stipulation and Settlement Agreement;
2. Approving the Demand Side Management Cost Recovery Rider (DSM Rider) which is attached to the Joint Stipulation as Attachment 3;
3. Making a finding that PSO’s Application and exhibits filed June 25, 2012, and June 28, 2012, comply with Subchapter 41-Demand Programs-found at OAC 165:35-41-1 et seq.;
4. Approving a waiver of the \$1.90 provision found at OAC 165:35-4-5(d);
5. Allowing PSO to receive an incentive payment of 15 percent of education program costs;
6. Allowing PSO to change reporting requirements to a calendar year;
7. Requiring PSO to track and report program performance on a levelized dollar per kWh basis in addition to the five benefit-cost tests as defined in the California Standard Practice Manual;
8. Requiring PSO to promote innovation and increased productivity in the industrial and commercial sectors, in educational facilities, and in governmental facilities by (1) providing energy efficiency and demand response consulting as part of its High Performance Businesses program, and (2) investigating the possibility of a partnership with the DOE Industrial Assessment Center at Oklahoma State University;
9. Requiring PSO to organize an Energy Efficiency Advisory Council that will meet at least semi-annually over the course of the program period to allow PSO the opportunity to engage the Stipulating Parties and other stakeholders in a discussion of how to increase energy efficiency within PSO’s service territory;
10. The Stipulating Parties agree and request an order of the Commission that the opt-out period for high-volume electricity users (a single customer using more than 15 million kWh of electricity per year, regardless of the number of meters or service locations) will be for one month each year, beginning on December 1 and closing on December 31. Any high-volume electricity user may opt out of either all energy efficiency or all demand response programs, or both; and they may opt out for the



program year or for the entire program period. They must submit notice of such decision to the Director of the Public Utility Division and to PSO on or before December 31 of each year. After December 31, high-volume electricity users may no longer opt out or opt in until the next enrollment period;

11. The Stipulating Parties further request the Commission issue an order that the program costs, lost revenues and incentive costs of the Business Demand Response Program be allocated by using PSO’s existing Four Coincident Peak and Excess (4CP & Excess) Production Cost Allocator. The Stipulating Parties further agree and request an order of the Commission that all other program costs, lost revenues, and incentives shall be allocated by using PSO’s existing Demand and Energy (DEF) Allocator.

She then explained that Items 1, 2, 3, 5, 10 and 11 were not new issues, that Item 4 was new, but PSO had indicated in its previous cause that it was aware that a waiver would be needed in a subsequent cause. Further she stated Item 6 that covers the reporting period was also new. PSO’s reporting was on an annual time period and not a January to December calendar year. A calendar year reporting will help match costs with revenues. Finally, Item 7 that covers program performance reporting on a levelized dollar per kWh basis was new and would allow the cost of the Company’s various resources to be more transparent, and that while the specific details of Items 8 and 9 are new, they merely require PSO continue to enhance its existing Energy Efficiency programs.

She then detailed the projected rate impact per residential customer class per month based on customer bills at the indicated usage levels for the year of 2013 with the average monthly usage of 1101 kWh, to be a monthly impact of \$1.83. However, after 2013, for 1101 kWh, the monthly impact is \$2.07 for 2014 and \$2.38 for 2015.

She then concluded stating that PUD believed this Settlement Agreement to be in the public interest because PUD believes that parties had concerns that were resolved due to the agreements made in this Joint Stipulation and Settlement Agreement. The results of those efforts were beneficial to all parties, especially the item in paragraph 9, which allow for an Energy Efficiency Advisory Council that will meet at least semi-annually over the course of the program period. The settlement negotiations were a robust exchange of ideas and many creative solutions were found. The result was what PUD believes is a balanced and fair stipulation. With this Stipulation, PUD believes that the Company will continue to be able to provide safe and reliable service at a reasonable cost to its ratepayers. Therefore, PUD recommends that the Commission accepts this Stipulation because it is fair just and reasonable and in the public interest.

**Nicholas Fiegel on behalf of the Public Utility Division, Oklahoma Corporation Commission.**

Nicholas Fiegel on behalf of the Public Utility Division, Oklahoma Corporation Commission filed responsive testimony. He testified as follows:

The purpose of my testimony is to discuss the Public Utility Division’s (PUD) recommendations associated with Public Service Company of Oklahoma’s (PSO) request for approval of the recovery of all demand program costs, lost revenues, and shared savings.



PUD reviewed the Company's application, the pre-filed testimony of the applicant's witnesses and reviewed discovery request responses for discovery requests issued by other parties. PUD participated in discussions with Company personnel and performed independent research on the Company's assertions for reasonableness in order to determine whether or not to recommend approval of PSO's portfolio of programs. I reviewed the assertions related to the five California Standard Practice Manual tests cited by multiple PSO witnesses as well as conducting an analysis on the individual measures comprising the proposed programs

As a result of my analysis, I found that the inputs used by the Company and the corresponding results to be reasonable. I also found that the expected energy and demand savings indicated appear to be reasonable. The mechanisms for calculating shared savings and lost revenues remained consistent with the final order in PSO's prior energy efficiency filing and remained reasonable. Consequently, I found the overall portfolio of programs to be acceptable.

PUD had two concerns related to the Company's filing. PUD had concerns that PSO did not perform a sensitivity analysis to model how fluctuations in various inputs such as commodity costs would impact the programs. There was also a concern about the discount rate used by PSO in the Participant Cost Test.

PUD recommends that the demand side management cost recovery rider remain as the mechanism used by the Company to recover the costs associated with the programs.

PUD recommends approval of PSO's portfolio of energy efficiency and demand response programs.

**Edwin C. Farrar on behalf of the Attorney General.**

Mr. Edwin C. Farrar pre-filed responsive testimony on behalf of the Attorney General of the State of Oklahoma. He testified as to his educational and professional background as a Certified Public Account. He has testified previously before the Oklahoma Corporation Commission and his qualifications as an expert have been accepted.

Mr. Farrar recommended approval of PSO's requested energy efficiency and demand response programs, approval of its request to change the reporting requirements to a calendar year, and also approval of the requested waiver of the \$1.90 provision found at OAC 165:35-41-5(d). Mr. Farrar recommended approval of PSO's request to expand its demand and efficiency programs for the 2013-2015 period. Mr. Farrar further recommended approval of PSO's request for a waiver to increase its demand and efficiency program charge above the \$1.90 limit imposed by the Commission's rules. Mr. Farrar finally recommended that PSO be allowed to change its program reporting period to a calendar year basis including the shortening of the 2012 true-up period by three months.



## **STATEMENTS OF POSITION**

### **Statement of Position of Oklahoma Sustainability Network – September 18, 2012.**

OSN has consistently intervened in demand side management dockets to support adequate funding and appropriate design and measurement of Energy Efficiency (EE) programs because successfully capturing energy savings from these programs is one of the best tools the Oklahoma Corporation Commission (OCC) can use to reduce long-term ratepayer costs, mitigate environmental regulatory costs, conserve water resources, delay the need for expensive new power plants, and produce new business investments in Oklahoma. The economic and environmental benefits expected from the effective operation of energy efficiency programs are greater than any other resource available to Public Service Company of Oklahoma's (PSO) resource planners.

It is also very important to note that OSN is not alone in its support for energy efficiency programs as an integral part of the energy policy for the great state of Oklahoma. Key State policy makers, including Governor Fallin, Secretary of Energy Ming, and leaders in the state legislature, have explicitly endorsed the expansion of energy efficiency programs in Oklahoma as a means to provide economic and environmental benefits to Oklahoma. The Oklahoma First Energy Plan lays out detailed recommendation on how to achieve greater energy efficiency and OSN provides suggestions on specific ways or processes to make progress on the Governor's goals.

PSO's proposed program portfolio from 2013 to 2015 over the life of the measures installed is estimated to result in over \$203 million in reduced energy and capacity expenditures. The indicators evaluated by OSN reflect the fact that PSO is proposing to roughly double the level of annual energy savings achieved in 2013 relative to the verified 2011 savings levels with a commensurate increase in program funding and, therefore, OSN supports PSO's request from the OCC to waive the \$1.90 cap.

OSN sought the assistance of Mike Messenger with Itron, Inc. to assist it in analyzing the filings in this docket and the preparation of its position statement. Based on its review of the PSO filings in this Cause, OSN recommends the following:

1. Approve PSO's request to waive the funding cap found at OAC 165:35-41-5(d).
2. Require program performance to be tracked and reported on a levelized dollar per kWh basis (\$/kWh). Levelized cost indicators are useful and easier to compare across a variety of supply-side options rather than the use of the more specialized and in some places controversial metrics such as the total resource cost test.
3. Increase the energy savings goals or targets provided by PSO by roughly 15% in 2015 to place PSO on the path to achieving program savings equivalent to 0.50% of annual electricity sales by 2015.

4. Consider additional options to achieve and fund additional energy savings ranging from a simple funding increase to contracting with third parties. OSN recommends promoting innovation in program design by having PSO partner with outside parties to develop and test new approaches to capture energy savings in targeted market segments not reached by current programs.

5. Encourage PSO to create additional innovative Energy Efficiency Programs by reaching out to the private sector, students in local colleges and universities, and innovators in other market segments to develop and pilot test more effective programs.

6. Utilize recommendations from the Oklahoma First Energy Plan to work with industrial firms to reduce energy use and increase productivity. This would include capturing the benefits of energy efficiency and combined heat and power opportunities in industrial processes; provide training, expertise, and services to industrial consumers looking to implement energy efficiency opportunities; and work with the DOE Industrial Assessment Center (IAC) at OSU to help foster a new base of Oklahoma industrial efficiency. IACs provide energy assessments at no charge to small and mid-sized manufacturers and the OSU IAC has performed more than 800 assessments in Oklahoma and the surrounding region.

7. Promote the development of additional residential programs designed to reduce customer energy bills by working with customers at the community level.

8. Set aggressive energy savings goals while giving PSO the flexibility to decide how to meet them by providing the flexibility to shift funds between high and low performing programs and resisting the urge to micromanage every proposed change in program designs.

OSN was a party to the Joint Stipulation and Settlement Agreement executed and filed in the cause.

**Statement of Position of Quality of Service Coalition – September 18, 2012.**

Quality of Service Coalition (QOSC) filed its Statement of Position in this Cause on 18th day of September, 2012. QOSC indicated that it would not present a witness at the hearing on the merits reserving the right to cross examine witnesses and to amend its Statement of Position if that became necessary.

QOSC fully participated in all aspects of this proceeding including settlement discussions and is a signatory to the proposed Settlement Agreement. QOSC agrees that the Settlement Agreement is in the public interest and is a fair, just and reasonable resolution of the issues in this cause.



**Statement of Position of Oklahoma Industrial Energy Consumers – September 18, 2012.**

Oklahoma Industrial Energy Consumers (OIEC) filed its Statement of Position in this Cause on 18th day of September, 2012. OIEC indicated that it would not present a witness at the hearing on the merits reserving the right to cross examine witnesses and to amend its Statement of Position if that became necessary.

OIEC was a party to the Joint Stipulation and Settlement Agreement executed and filed in the cause.

**Statement of Position of Wal-Mart Stores East, LP, and Sam’s East, Inc. – September 18, 2012.**

Wal-Mart Stores East, LP, and Sam’s East, Inc. (collectively “Wal-Mart”) filed its Statement of Position in this Cause on 18th day of September, 2012. Wal-Mart indicated that it would not present a witness at the hearing on the merits reserving the right to cross examine witnesses and to amend its Statement of Position if that became necessary.

Wal-Mart did not sign the Joint Stipulation and Settlement Agreement executed by all the other parties to the cause, but announced at the hearing that it did not oppose the Commission’s approval of the agreement.



**24**

**FPL's Responses to Staff's  
First Set of Interrogatories  
(Nos. 1-8)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 24  
PARTY: STAFF  
DESCRIPTION: FPL's Responses to Staff's  
First Set of Interrogatories (Nos. 1-8)[Bates  
Nos. 00088-00099]

**Q.**

Please state what internal processes would need to be incorporated by the utility, including billing system changes for FPL to implement either of the opt-out proposals outlined by FIPUG and Walmart?

**A.**

Numerous process and systems modifications would be required in order to ensure proper tracking and handling of any accounts that would be determined to be eligible for Energy Conservation Cost Recovery (ECCR) opt-out. These changes would be required whether the number of accounts ultimately opting-out would turn out to be large or comparatively small. The following represents FPL's initial assessment:

**Billing System Changes** - Identification of ECCR opt-out customers and the creation of additional charge(s) in the rates and billing tables; new charge(s) to be added to all billing screens, data warehouse, rate and revenue report, and other financial reports; new GL account and SAP interface; changes to the cancel and replace program, the call center CALLS (Customer Account Local Liaison System) program, FPL.com; changes to the paper and paperless billing statements and the bill register.

**Customer Service Field Operations changes** - Modifying Utilities International (UI) Planner to produce customer bill impacts for the ECCR opt out option, notifying and communicating with customers, tracking customer participation and validating customer eligibility and energy efficiency performance. FPL would need to replicate the processes used for the current Business Custom Incentive (BCI) program for a potentially extensive number of accounts (please see FPL's response to Interrogatory No. 3 of this set.).

**Demand-Side Management (DSM) Program Operations** - FPL would need to modify its Demand-Side Management System (DSMS), which is used to track and report all DSM-related transactions, to identify the opt-out participants to ensure none were accidentally issued a rebate during the period of DSM ineligibility. In addition to the DSMS modifications, the interface to FPL's billing system would also need to be modified to reflect the opt-out status.

**Clauses** - FPL would need to create a separate set of ECCR clause factors for opt-out customers. This will basically require duplicating the current ECCR processes including projection and true-up filings and the resulting FPSC audit. In addition to the increased administration work, FPL will need to modify its current cost tracking system and the system used to produce its filing schedules.

**Q.**

Please provide a one-time and recurring annual estimate of the costs of implementing the internal processes described in Question 1.

**A.**

FPL has prepared an order of magnitude estimated range of opt-out implementation costs based on an assumed number of accounts potentially requesting/qualifying to opt-out. For purposes of these estimates, FPL assumed a "low band" of 100 accounts and a "high band" of 84,000 accounts (please see FPL's response to Staff Interrogatory No. 4 of this set for the basis of the latter figure).

**One-Time Costs:** There are two types of "one-time" costs that would be incurred. The first type are start-up related costs for modifications to FPL's systems (i.e., billing, accounting, account management, and DSM) as well as various implementation-related administrative costs. These start-up costs would be incurred regardless of how many accounts ultimately would request/qualify for opt-out. The start-up costs are estimated to be approximately **\$3.3 to \$3.5 million**. The second type of one-time cost would be for initial verification of each account's compliance with the opt-out criteria. This one-time verification cost would vary depending on the number of accounts requesting to opt-out. The low and high band account volumes were used because it is not possible at this time to predict the volume or timing of such requests, assuming the ECCR Opt-Out proposal is approved. This cost is estimated to range from approximately **\$5,000 to \$4.3 million** (for 100 and 84,000 accounts respectively). Therefore, the total one-time costs are estimated to range from approximately **\$3.3 million to \$7.8 million** (for 100 and 84,000 accounts respectively).

**Annual Recurring Operational Costs:** These costs are estimated to range from approximately **\$150,000 to \$950,000** (for 100 and 84,000 accounts respectively).

**Q.**

**Please state how the utility would verify energy and demand savings reported by the opt-out customer?**

**A.**

FPL expects verifying the energy and demand savings would entail 100 percent on-site verification of the customers' claimed high-efficiency electric technology installation(s). In addition, the customer would be responsible for providing the associated measurement & verification (M&V) analysis produced by an independent registered professional engineer with the requisite expertise, and/or lab testing, etc. Depending on the nature, uniqueness or complexity of the particular installation, field monitoring/measurement of performance may also be necessary to support the proposed energy and demand savings.



**Florida Power & Light Company**  
**Docket No. 140226-EG**  
**Staff's First Set of Interrogatories**  
**Question No. 4**  
**Page 1 of 1**

**Q.**

Assuming any customer of 1 MW billable demand for any billable period in a year, how many customers on your system would be eligible for the 1 MW opt-out standard?

**A.**

The number of individual accounts that have more than 1MW billable demand for any billable period in 2014 is 945 as shown in the table below. FPL has conservatively estimated that more than 84,000 accounts from 816 customers would qualify under the proposed aggregation provision.

Rate Code	Rate	Rate Description	# of accounts
54	CILC-1D	Commercial/Industrial Load Control (Distribution)	182
55	CILC-1T	Commercial/Industrial Load Control (Transmission)	17
62	GSLD-1	General Service Large Demand (500 - 2000 kw)	199
63	GSLD-2	General Service Large Demand (2000 kw+)	38
64	GSLDT-1	General Service Large Demand Time of Use (500 - 2000 kw)	210
65	GSLDT-2	General Service Large Demand Time of Use (2000 kw+)	63
71	CS-2	Curtailable Service (2000 kw+)	1
73	CS-1	Curtailable Service (500 - 2000 kw)	6
74	CST-1	Curtailable Service Time of Use (500 - 2000 kw)	4
75	CST-2	Curtailable Service Time of Use (2000 kw+)	6
80	MET	Metropolitan Transit Service(Metrorail)	4
82	CST-3	Curtailable Service Time of Use (2000 kw+)	1
85	SST-1	Standby and Supplemental Service (Transmission)	13
90	GSLDT-3	General Service Large Demand - TOU Transmission (2000 kw+)	6
91	GSLD-3	General Service Large Demand (2000 kw+)	1
164	HLFT-2	High Load Factor TOU (500 - 1,999 kW)	60
165	HLFT-3	High Load Factor TOU (2,000+ kW)	35
264	SDTR	GSLD-1 with Seasonal Demand Rider	79
265	SDTR	GSLD-2 with Seasonal Demand Rider	5
270	SDTR	GSD-1 with Seasonal Demand Rider	1
364	SDTR	GSLDT-1 with Seasonal Demand Rider	2
365	SDTR	GSLDT-2 with Seasonal Demand Rider	10
853	SST-3	Standby and Supplemental Service (Distribution)	2
Total			945



**Florida Power & Light Company**  
**Docket No. 140226-EG**  
**Staff's First Set of Interrogatories**  
**Question No. 5**  
**Page 1 of 1**

**Q.** Walmart has proposed that threshold criteria for customers wishing to opt-out of utility sponsored energy efficiency programs be 15 million kWh per year. Please use the chart below to identify the rate class, number of customers in each class, and corresponding total energy sales that would qualify under each scenario by class.

**A.** The number of accounts with more than 15 million kWh sales by rate code is shown in the chart below. Additionally, FPL has conservatively estimated that there are more than 71,000 accounts from 286 customers with 18.6 billion kWh annual energy sales that would qualify under the aggregation provision.

Potential Qualifying Opt-Out Customers (15 Million kWh)				
Rate Code	Rate	Rate Description	# of accounts	Total kWh Billed for 2014
54	CILC-1D	Commercial/Industrial Load Control (Distribution)	44	1,218,626,216
55	CILC-1T	Commercial/Industrial Load Control (Transmission)	17	1,381,131,995
62	GSLD-1	General Service Large Demand (500 - 2000 kw)	1	18,976,080
63	GSLD-2	General Service Large Demand (2000 kw+)	12	261,549,183
65	GSLDT-2	General Service Large Demand Time of Use (2000	19	526,923,753
71	CS-2	Curtailable Service (2000 kw+)	1	22,752,800
75	CST-2	Curtailable Service Time of Use (2000 kw+)	1	20,947,200
82	CST-3	Curtailable Service Time of Use (2000 kw+)	1	15,260,000
85	SST-1	Standby and Supplemental Service (Transmission)	1	22,437,981
87	SL-1	Street Lighting	5	195,092,156
90	GSLDT-3	General Service Large Demand - TOU Transmission	3	121,660,284
165	HLFT-3	High Load Factor TOU (2,000+ kW)	23	699,006,332
365	SDTR	GSLDT-2 with Seasonal Demand Rider	3	68,593,760
Total			131	4,572,957,740

**Q.**

Please provide a list and description of energy efficiency programs the utility is proposing as part of its new DSM programs pursuant to Order No. PSC-14-0696-FOF-EU that would be available to those customers that meet the proposed opt-out threshold requirements.

**A.**

All of FPL's business programs are available to these customers. FPL's DSM Plan business portfolio includes:

- Business Energy Evaluation (BEE) – Energy survey which educates customers on energy efficiency and load management and encourages implementation of recommended practices and measures.
- Business On Call – Load management program which allows FPL to turn off customers' direct expansion (DX) central electric air conditioning units using FPL-installed equipment during periods of extreme demand, capacity shortages or system emergencies.
- Commercial/Industrial Demand Reduction (CDR) – Load management program which allows FPL to control customer loads of 200 kW or greater during periods of extreme demand, capacity shortages or system emergencies. Please note, FPL also has the similar Commercial/Industrial Load Control (CILC) program which is closed to new participants.
- Business Heating, Ventilating & Air Conditioning (HVAC) – Encourages customers to install high-efficiency HVAC systems, such as: chillers; thermal energy storage; split/package DX; demand control ventilation; and energy recovery ventilation.
- Business Lighting – Encourages customers to install high-efficiency lighting systems such as: compact fluorescent lights; pulse-start metal halides; premium linear fluorescents with high-efficiency electronic ballasts; and high bay light-emitting diodes.
- Business Custom Incentive (BCI) – Provides customers the ability to receive a project-specific incentive – if demonstrated to be cost-effective – for installations of high-efficiency electric technologies not covered under FPL's other Demand-Side Management (DSM) programs.

FPL's portfolio, through both the specific end-use programs and the BCI, covers all major end-uses. Please also see FPL's response to Interrogatory No. 8 of this set for a further description of the BCI program.

**Q.**

**Please explain whether or not the utility believes it is appropriate to split ECCR expenditures into energy efficiency programs and demand-side management programs.**

**A.**

FPL does not believe it is appropriate to require a utility to separate their Energy Conservation Cost Recovery (ECCR) expenditures into two categories, one for the Energy Efficiency programs and the other for Demand-Side Management programs. FPL assumes that the intent of the term "Demand-Side Management" is to refer to "load management" type programs. FPL's approved ECCR programs have both energy and demand reduction impacts, regardless of whether they are characterized as "energy efficiency" or "load management." Moreover, for programs that pass the Rate Impact Measure (RIM) cost-effectiveness screening test, there are benefits to the general body of non-participating customers regardless of the characterization. Accordingly, distinguishing between "energy efficiency" and "load management" programs would serve no relevant purpose nor would it provide a meaningful basis for determining costs that "eligible" opt-out customers should be allowed to avoid and pass on to other customers.



**Q.**

**Please state whether your utility currently offer or plan to offer customized energy efficiency or demand-side management incentives to its larger (commercial and/or industrial) customers that would meet the proposed opt-out threshold proposals of FIPUG and Walmart. If so, please describe the program and provide specific examples of recent customized incentives under the program.**

**A.**


Yes. FPL has offered its Business Custom Incentive (BCI) program since 1993, and has proposed to continue offering it in the DSM Plan filed in Docket No. 150085-EG. This program provides commercial and industrial customers the ability to receive a project-specific incentive – if demonstrated to be cost-effective – for installations of high-efficiency electric technologies not covered under FPL's other Demand-Side Management (DSM) programs. Examples of technologies incented under the BCI program are: light-emitting diode lighting; variable frequency drives; electronically commutated motors for refrigeration; and various industrial process improvements.

**AFFIDAVIT**

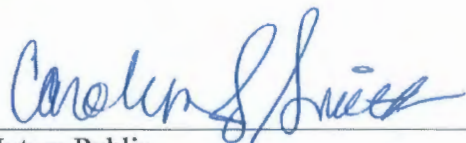
STATE OF FLORIDA        )

COUNTY OF MIAMI-DADE)

I hereby certify that on this 1<sup>st</sup> day of June, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Thomas R. Koch, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory numbers 3 and 6 through 8, and co-sponsored answers to interrogatory numbers 1 and 2 from STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 1-8) in Docket No. 140226-EI, and that the responses are true and correct based on his personal knowledge.

  
Thomas R. Koch

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 1<sup>st</sup> day of JUNE, 2015.

  
Notary Public  
State of Florida, at Large

My Commission Expires:






**AFFIDAVIT**

STATE OF FLORIDA        )

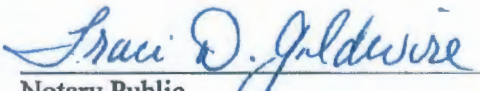
COUNTY OF PALM BEACH )

I hereby certify that on this 2<sup>nd</sup> day of June, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Renae Deaton, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory numbers 4 and 5 and co-sponsored answers to interrogatory numbers 1 and 2 from STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 1-8) in Docket No. 140226-EI, and that the responses are true and correct based on her personal knowledge.

  
Renae Deaton

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 2<sup>nd</sup> day of June, 2015.



  
Notary Public  
State of Florida, at Large

My Commission Expires:  
July 31, 2015

**AFFIDAVIT**

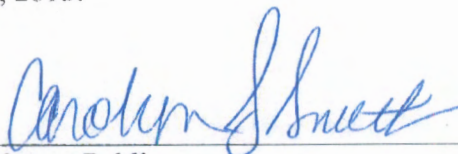
STATE OF FLORIDA        )

COUNTY OF MIAMI-DADE )

I hereby certify that on this 2nd day of June, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Terry J. Keith, who is personally known to me, and he acknowledged before me that he co-sponsored answers to interrogatory numbers 1 and 2 from STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 1-8) in Docket No. 140226-EI, and that the responses are true and correct based on his personal knowledge.

  
Terry J. Keith

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 2nd day of June, 2015.

  
Notary Public  
State of Florida, at Large

My Commission Expires:  
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**25**

**FPL's Responses to Staff's  
Second Set of Interrogatories  
(Nos. 10-12)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 25  
PARTY: STAFF  
DESCRIPTION: FPL's Responses to Staff's  
Second Set of Interrogatories (Nos. 10-12)  
[Bates Nos. 00100-00107]

**Florida Power & Light Company  
Docket No. 140226-EG  
Staff's Second Set of Interrogatories  
Question No. 10  
Page 1 of 1**

**Q.**

**Please refer to the company's response to staff's first set of interrogatories, Nos. 4 and 5. Please clarify whether your response included aggregated accounts as proposed by FIPUG and Wal-Mart.**

**A.**

FPL provided an estimate which included aggregated accounts in the narrative of the response. However the information provided in the tables for qualifying accounts by rate code are for individual accounts and not aggregated accounts.

**Florida Power & Light Company  
Docket No. 140226-EG  
Staff's Second Set of Interrogatories  
Question No. 11  
Page 1 of 1**

**Q.**

**If the Commission approves an opt-out provision, please state whether an annual review for each opt-out customer to determine if the customer continues to meet the thresholds suggested by Wal-Mart and FIPUG is required. In your response, what are the company's opinions regarding how to handle a situation in which an opt-out customer fails to meet the expected or projected threshold under the Wal-Mart or FIPUG proposal.**

**A.**

Yes, an annual review would be reasonable and appropriate to ensure eligibility compliance. Please note that this would create an incremental administrative cost, which could be very significant depending on the number of opt-out accounts. FPL has not at this point fully considered what all the appropriate actions would be in this circumstance, but they should possibly include actions such as: immediately removing the ineligible account/customer from the opt-out list; back-billing for any past inappropriately avoided ECCR charges (in order to make the general body of customers whole); and a multi-year suspension period during which reapplication for opt-out status would not be allowed for the account/customer.



**Q.**

For each of the following Commission proceedings or company practices, please explain in detail, what specific changes, if any, would be necessary if the Commission approved the opt-out proposals by the petitioners:

- a. DSM goals setting and annual reporting**
- b. ECCR filings and timing of these filings**
- c. Forecasting practices, including load and revenue forecasts**
- d. Tracking and monitoring DSM program participation and achievements**

**A.**

**a.** An explicit reduction due to the impact of opt-out customers would need to be reflected in the analyses used in the DSM Goal-Setting proceeding. The impact would be a reduction in the amount of available Technical Potential and Achievable Potential for utility-sponsored DSM programs. The kW and kWh achievements in the utilities' annual reports would also need to reflect the impact of opt-out customers. This would require some type of additional supplemental schedules in the reports.

**b.** FPL would need to create a separate set of rates for customers opting out of the energy-related ECCR programs. Two separate sets of schedules would be required for reporting actual and projected expenses to the Commission. This would result in essentially two ECCR filings - one for customers participating in the ECCR Opt-Out option and the standard filing for all other customers. Expenses incurred associated with the ECCR Opt-Out rates would need to be tracked and trued-up separately. The ECCR Opt-Out filings would be made in conjunction with the standard ECCR filings.

**c.** For purposes of the ECCR clause, specific forecasts of the opt-out customers kWh sales and peak demands would need to be developed if the Commission approved the opt-out proposal by the petitioners.

**d.** FPL would need to create incremental tracking and monitoring for opt-out accounts/customers. The administrative burden and complexity entailed would be depend on what rules would be ultimately established on how these account/customers should be reflected in DSM goal-setting, DSM Plan and program performance purposes.

**AFFIDAVIT**

STATE OF FLORIDA        )

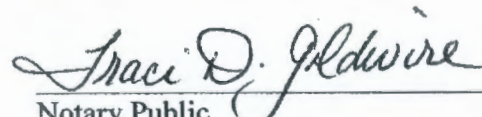
PALM BEACH COUNTY    )

I hereby certify that on this 1<sup>ST</sup> day of July, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Renae Deaton, who is personally known to me, and she acknowledged before me that she provided the answer to interrogatory number 10 from STAFF'S SECOND SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 9-13) in Docket No. 140226-EI, and that the responses are true and correct based on her personal knowledge.

  
Renae Deaton

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 1<sup>ST</sup> day of July, 2015.



  
Notary Public  
State of Florida, at Large

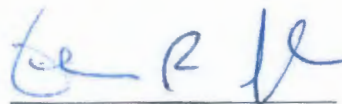
My Commission Expires:  
July 31, 2015

**AFFIDAVIT**

STATE OF FLORIDA        )

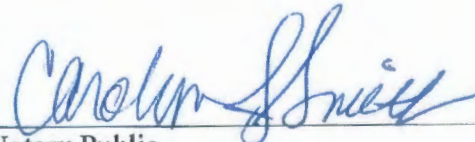
COUNTY OF MIAMI-DADE    )

I hereby certify that on this 1<sup>st</sup> day of July, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Thomas R. Koch, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory numbers 9, 11, 12a&d and 13 from STAFF'S SECOND SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 9-13) in Docket No. 140226-EI, and that the responses are true and correct based on his personal knowledge.



Thomas R. Koch

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 1<sup>st</sup> day of July, 2015.



Notary Public  
State of Florida, at Large

My Commission Expires:



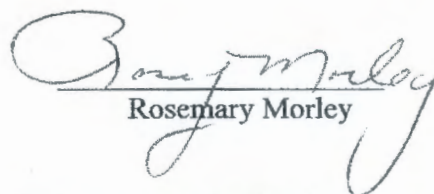


**AFFIDAVIT**


STATE OF FLORIDA )

PALM BEACH COUNTY )

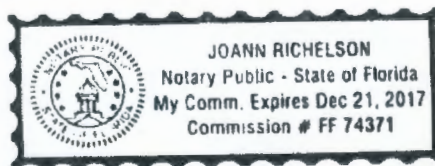
I hereby certify that on this 1 day of July, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Rosemary Morley, who is personally known to me, and she acknowledged before me that she provided the answer to interrogatory number 12c from STAFF'S SECOND SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 9-13) in Docket No. 140226-EI, and that the response is true and correct based on her personal knowledge.

  
Rosemary Morley

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 1 day of July, 2015.

  
Notary Public  
State of Florida, at Large

My Commission Expires: 12/21/2017



**AFFIDAVIT**

STATE OF FLORIDA )


COUNTY OF MIAMI-DADE )

I hereby certify that on this 2<sup>nd</sup> day of July, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Terry J. Keith, who is personally known to me, and he acknowledged before me that he provided the answer to interrogatory number 12b from STAFF'S SECOND SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 9-13) in Docket No. 140226-EI, and that the response is true and correct based on his personal knowledge.

  
Terry J. Keith

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 2<sup>nd</sup> day of July, 2015.



  
Notary Public  
State of Florida, at Large

My Commission Expires:  
Sept. 22, 2015



**26**

**FPL's Responses to FIPUG's  
First Set of Interrogatories  
(No. 1)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 26  
PARTY: STAFF  
DESCRIPTION: FPL's Responses to FIPUG's  
First Set of Interrogatories (No. 1)[Bates Nos.  
00108-00110]

**Florida Power & Light Company  
Docket No. 140226-EI  
FIPUG'S First Set of Interrogatories  
Question No. 1  
Page 1 of 1**

**Q.**

**Referring to page 7 of Mr. Koch's rebuttal testimony, does the witness contend that large customers who self-direct their own conservation efforts are "free riders?" Please explain your response and provide authoritative support for your explanation.**

**A.**

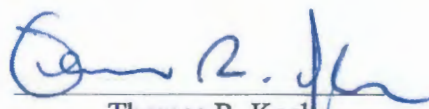
Yes, though perhaps not in exactly the same sense traditionally discussed in the DSM Goals dockets. Customers who would install a measure without requiring any additional incentive from the utility are referred to as "free riders." One of the primary missions of utility-sponsored DSM plans is to identify measures that would not be implemented without incentives and induce participation in those measures if it can be done in a way that benefits all customers (i.e., passes the RIM test). The discussion in the testimony of the Wal-Mart and FIPUG witnesses about its independent implementation of DSM is nothing more than a good illustration of free ridership. Their corporate objectives, as provided in the testimony, appear to require implementation of DSM, thus making additional utility incentives inappropriate for their activities. In this case, these large opt-out customers would receive an "incentive" from the utility in the form of a lower ECCR charge for actions they would have taken anyway for their own economic or philosophical reasons. In addition, at the same time, these opt-out customers will receive the incremental benefits of other customers' implementation of DSM installations, both those that require utility incentives and those that do not.

**AFFIDAVIT**


STATE OF FLORIDA        )

COUNTY OF MIAMI-DADE)

I hereby certify that on this 1<sup>st</sup> day of June, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Thomas R. Koch, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number 1 from FLORIDA INDUSTRIAL POWER USERS GROUP'S FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 1-2) in Docket No. 140226-El, and that the response is true and correct based on his personal knowledge.

  
Thomas R. Koch

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 1<sup>st</sup> day of June, 2015.

  
Notary Public  
State of Florida, at Large

My Commission Expires:



**DEF's Responses to Staff's  
First Set of Interrogatories  
(Nos. 1-9)**

**See also: Excel files contained on  
Staff's Exhibit CD**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 27  
PARTY: STAFF  
DESCRIPTION: DEF's Responses to Staff's  
First Set of Interrogatories (Nos. 1-9)See also  
excel files contained on ...

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request to opt-out of cost recovery for investor-owned electric utility energy efficiency programs by Wal-Mart Stores East, LP and Sam's East, Inc. and Florida Industrial Power Users Group.

DOCKET NO. 140226-EI

DATED: June 1, 2015

**DUKE ENERGY FLORIDA'S RESPONSES TO  
STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1-9)**

Duke Energy Florida, Inc. ("DEF"), responds to Staff's First Set of Interrogatories to DEF (Nos. 1-9), as follows:

**INTERROGATORIES**

1. Please state what internal processes would need to be incorporated by the utility, including billing system changes for DEF to implement either of the opt-out proposals outlined by FIPUG and Walmart?

**Answer:**

The following internal processes would need to be incorporated by the utility to implement either of the opt-out proposals outlined by FIPUG and Walmart:

- **Application/Eligibility-** DEF would need to implement a process whereby the customer would provide the information necessary to determine eligibility. This information would need to include a list of accounts, the results of an energy audit, and certification by a licensed engineer or certified energy manager of the savings impacts.
- **Inspection Process** - DEF would also need to perform an inspection on a sample of the facilities for customers applying for the opt out to verify eligibility.
- **Audit process** - DEF would also need to implement a process to periodically verify that the opt-out accounts continue to meet the eligibility threshold.



- **Performance Tracking Process** - DEF would need to implement a process to track energy and demand savings achieved by the opt out customers and adjust the annual goals set by the Commission to recognize the impacts of these savings.
- **Administrative Cost Tracking Process** - DEF would also need to track costs attributable to the opt-out program and then allocate those costs directly to the opt-out customers in the rate setting process.
- **Rate Setting and Billing Process** - DEF will need to develop separate ECCR charges for opt out customers in each rate class. New rate codes would need to be set up in the customer billing system and customer accounts would need to be transferred to the new rate codes.

2. Please provide a one-time and recurring annual estimate of the costs of implementing the internal processes described in Question 1.

**Answer:**

Please see the attached Excel file titled: Attachment DEF Response to DR1-2.

3. Please state how the utility would verify energy and demand savings reported by the opt-out customer?

**Answer:**

Customers would be required to submit an application to opt-out and to include the results of an energy audit and certification of verifiable energy savings by a licensed engineer or certified energy manager along with their application. DEF would verify the customer's claimed savings by inspecting a sample of the customer facilities and independently estimating the expected savings.

4. Assuming a customer of 1 MW billable demand for any billable period in a year, how many customers on your system would be eligible for the 1 MW opt-out standard?

**Answer:**

The Company records demand data by customer account, not by customer. However, based on analysis of calendar year 2014 billing data, the Company estimates that 521 customers would be eligible. The Company does not measure demand for all customer accounts.

5. Walmart has proposed that threshold criteria for customers wishing to opt-out of utility sponsored energy efficiency programs be 15 million kWh per year. Please use the chart below to identify the rate class, number of customers in each class, and corresponding total energy sales that would qualify under each scenario by class.

**Answer:**

The Company records usage data by customer account, not by customer. However, based on analysis of calendar year 2014 billing data, the Company estimates that 79 customers would be eligible, as shown in the table below. For this analysis, customers having accounts in multiple rate classes were categorized according to the rate class of their largest account.

**Potential Qualifying Opt-Out Customers (15 Million kWh)**

<b>Rate Class</b>	<b>Rate Class Description</b>	<b># of Customer Accounts</b>	<b>Total kWh Sold (2014)</b>
GSD	General Service - Demand	56	4,013,069,985
CS	Curtaillable General Service	1	105,550,037
IS	Interruptible General Service	22	1,856,080,651
<b>Total</b>		<b>79</b>	<b>5,974,700,673</b>



6. Please provide a list and description of energy efficiency programs the utility is proposing as part of its new DSM programs pursuant to Order No. PSC-14-0696-FOF-EU that would be available to those customers that meet the proposed opt-out threshold requirements.

**Answer:**

The programs available to the customers that meet the proposed opt-out threshold include the following:

- Business Energy Check - commercial energy audit program
- Better Business - provides incentives on a portfolio of energy efficiency measures for commercial accounts. The measures included in this program include:
  - HVAC Equipment
  - Energy Recovery Ventilation/Demand Control Ventilation
  - Duct Leakage Test and Repair/Duct Seal
  - Ceiling Insulation Upgrade
  - Cool Roof/Roof Insulation
- Florida Custom Incentive Program - provides incentives for customized cost effective energy efficient technologies. Examples of technologies that would be considered under this program include, but are not limited to, new construction whole building projects, efficient compressed air systems, and thermal energy storage systems. Projects must be cost effective under RIM and incentives will not exceed 50% of the total project costs. The maximum incentive for a single project is \$500,000.

7. Please explain whether or not the utility believes it is appropriate to split ECCR expenditures into energy efficiency programs and demand-side management programs.

**Answer:**

DEF does not believe that it is appropriate to split ECCR expenditures into energy efficiency programs and demand-side management programs. As all of the ECCR programs are based on the RIM cost effectiveness test, all customers essentially benefit from the programs, both participants and non-participants. While participants benefit from the bill savings and any electric rate reductions, as well as any incentives paid to them through the DSM Program, non-Participants benefit from the Program's overall effect on electric rates.

8. Please refer to the interrogatory from the Office of Public Counsel in Docket No. 140002-EG, in its first set of interrogatories Nos. 1-2. For the proposals in the pre-filed testimony of witnesses Pollock and Baker, please identify the impact on your residential customers if the company allowed non-residential customers to “opt-out” of paying the energy efficiency measures support under the energy conservation cost recovery clause on a:

- a) Total revenue requirements basis (i.e. costs that will be shifted to the remaining participants) and,
- b) On a per 1,000 kWh/month basis

For purposes of answering this question, please assume and answer separately three hypothetical scenarios whereby the largest non-residential customers (by revenue in each tier) comprising 10%, 20%, and 30% of non-residential revenues would be eligible for and take advantage of such an option.

**Answer:**

Please see the attached Excel file titled: Attachment DEF Response to DR1 8a DR1 8b.

9. Please state whether your utility currently offer or plan to offer customized energy efficiency or demand-side management incentives to its larger (commercial and/or industrial) customers that would meet the proposed opt-out threshold proposals of FIPUG and Walmart. If so, please describe the program and provide specific examples of recent customized incentives under the program.

**Answer:**

DEF currently offers and will continue to offer the Florida Custom Incentive Program (formerly Innovation Incentive Program). All commercial and industrial customers, including larger (commercial and/or industrial) customers are eligible to participate in this program. This program provides incentives for customized cost effective energy efficient technologies that reduce peak demand and provide energy savings. Examples of technologies that may qualify for incentives under this program include, but are not limited to, new construction whole building projects, efficient compressed air systems, and thermal energy storage systems. Projects must be cost effective under RIM. Incentives provided through this program will not exceed 50% of the total project cost and the maximum incentive for a single project is limited to \$500,000.

Recent incentives provided through this program have primarily been for chemical cleaning for packaged terminal air conditioning (PTAC) systems. DEF has reviewed a number of other types of projects that have been proposed under this program, but most of these projects were not eligible for incentives because they did not provide enough demand reduction to be cost effective under RIM. DEF plans to continue to work with customers to identify cost effective projects and is currently working to streamline the application and approval process for this program.

DEF  
Docket 140226  
DR 1-2

**Question:**

Please provide a one-time and recurring annual estimate of the costs of implementing the internal processes described in Question 1.

**Response:**

The following estimates for one-time and recurring annual costs for implementing the internal processes described in Question 1 are high-level estimates based on assumptions of the number of eligible customers, the estimated hours required to complete each task, and average labor rates. The actual costs may vary significantly from these estimates depending on how the opt out is structured, the eligibility requirements, the number of eligible accounts, and the requirements for tracking savings and making adjustments to annual goals.

	One-Time					Recurring Annual				
	Accounts	Account	Hours	Rate*	One-Time	Accounts	Account	Hours	Rate*	Annual Recurring
1 Application/Eligibility Process	75	16	1200	\$ 47	\$ 56,054	5	16	80	\$ 47	\$ 3,737
2 Inspection Process	8	24	192	47	8,969	1	24	24	47	1,121
3 Audit Process			80	47	3,737	75	1	75	47	3,503
4 Performance Tracking Process			160	47	7,474			40	47	1,868
5 Administrative Cost Tracking Process			120	47	5,605			40	47	1,868
6 Rate Setting and Billing Process			120	47	5,605			40	47	1,868
					<u>\$ 87,444</u>					<u>\$ 13,967</u>

- 1) The one-time costs represent the upfront costs of reviewing the applications and verifying that each of the accounts meets the eligibility requirements. On a recurring basis there would have to be a process in place to review applications for new opt out customers.
- 2) These costs assume that DEF would perform an inspection of 10% of the accounts that apply for the opt-out. This includes scheduling the inspection, performing the inspections, and validating the expected savings.
- 3) The one-time costs represent the upfront costs of establishing the annual audit process, developing the tools to complete this process, and providing training. The recurring annual costs represent the costs of ensuring that customers continue to meet the eligibility requirements.
- 4) The one-time costs represent the upfront costs of establishing a performance tracking process for opt out accounts, developing the necessary tools, and providing training. The recurring expenses are the costs of tracking and reporting the savings on a monthly basis.
- 5) The one-time costs represent the upfront costs of establishing the accounting structure necessary to capture the administrative costs of the opt out program. The annual recurring costs represent the costs of ensuring these costs are charged and reported appropriately for cost recovery and rate setting purposes.
- 6) The one-time costs represent the upfront costs of setting up new rate codes in the billing system and then transferring all of the opt accounts to the new rate codes and establishing the procedures, processes, and tools to separate the opt out accounts for rate setting and cost recovery purposes. The recurring costs represent the costs of moving any new additional opt out customers to the appropriate opt out rate code and ensuring that these accounts are handled correctly in the rate setting and cost recovery process on an ongoing basis.

\*The average labor rate includes taxes and benefits and is based on the average pay rate for employees supporting DEF's energy efficiency programs.



DEF

Docket 140226-EI

Response to Data Request 1- 8a &amp; 8b

Projected 2015			
Energy	\$	25,486,309	
Demand	\$	63,922,196	
Total	\$	89,408,505	
Total MWH		37,738,631	Current 2015 Residential ECCR Rate
Res - MWH		19,390,958	\$2.70 / \$1,000 kWh
		(Incremental) Residential Impact	
<b>10% Decrease to Opt-Out Eligible Classes KWH</b>			
(a)	Total 2015 revenue requirements shifted to the residential rate classes:	\$	599,488
(b)	Increase to Residential Monthly Bill \$/1000 KWH	\$	0.03
<b>20% Decrease to Opt-Out Eligible Classes KWH</b>			
(a)	Total 2015 revenue requirements shifted to the residential rate classes:	\$	1,256,288
(b)	Increase to Residential Monthly Bill \$/1000 KWH	\$	0.06
<b>30% Decrease to Opt-Out Eligible Classes KWH</b>			
(a)	Total 2015 revenue requirements shifted to the residential rate classes:	\$	1,979,030
(b)	Increase to Residential Monthly Bill \$/1000 KWH	\$	0.10

**Notes:**

- (a) These costs represent a significant portion of DEF's total energy-related ECCR costs (approximately 4.6%, 9.6% and 15.1% respectively).
- (b) This would increase residential customers' share of DEF's total energy-related ECCR costs from the current 52% to 54%, 57% and 59% respectively.

**Assumptions:**

- These calculations were based on data from DEF's 2015 ECCR Updated Projection Filing dated October 2, 2014 which is the basis for the 2015 ECCR cost recovery factors established in Commission Order No. PSC-14-0682-FOF-EG
- Opt-Out qualifying rate classes included those that included demand billing determinants (e.g., GSD-1, GSDT-1, SS-1, CS-1 CST-1, CS-2, CST-2, CS-3, CST-3, SS-3 IS-1, IST-1, IS-2, SS-2, etc.) DEF did not use customer-specific data; therefore, the cost estimates are likely somewhat conservative i.e. There are also accounts in the GS-1, GS-2 and GST-1 rate classes that may qualify to opt-out through the proposed aggregation, however, the majority of the eligible customers are captured in the data provided. The interveners' proposals are partially in conflict regarding the eligibility threshold; with one based on aggregate kWh and the other aggregate kW. This makes it impossible to determine exactly which customers could be eligible or, more importantly, which might desire to opt out and be able to meet criteria for such request to be accepted. Instead, DEF removed 10%, 20% and 30% of projected kWh from rate classes assumed to qualify to opt-out. Only costs allocated on energy were included. These costs represent approximately one-third of the projected 2015 ECCR costs. Allocations for demand-allocated costs were assumed to remain unchanged under the interveners' proposals.

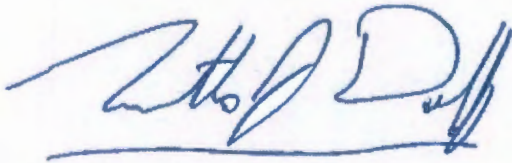
**AFFIDAVIT**

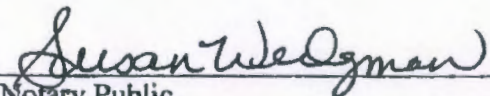
STATE OF NORTH CAROLINA)

COUNTY OF MECKLENBERG)

I hereby certify that on this 29<sup>th</sup> day of May, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared TIMOTHY J. DUFF, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number(s) 1 through 9 from STAFF'S FIRST SET OF INTERROGATORIES TO DUKE ENERGY FLORIDA, INC. (NOS. 1-9) in Docket No(s). 140226-EI, and that the responses are true and correct based on his personal knowledge.

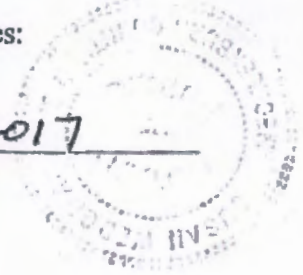
In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 29 day of May, 2015.



  
Notary Public  
State of North Carolina

My Commission Expires:

August 13, 2017



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Attachment DEF Response to DR1 8a DR...	6/2/2015 10:59 AM	Microsoft Excel W...	23 KB
Attachment DEF Response to DR1-2.xlsx	6/1/2015 7:46 PM	Microsoft Excel W...	13 KB

2 items

**28**

**DEF's Responses to Staff's  
Second Set of Interrogatories  
(Nos. 11-13)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 28  
PARTY: STAFF  
DESCRIPTION: DEF's Responses to Staff's  
Second Set of Interrogatories (Nos. 11-13)  
[Bates Nos. 00125-00133]

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request to opt-out of cost recovery for investor-owned electric utility energy efficiency programs by Wal-Mart Stores East, LP and Sam's East, Inc. and Florida Industrial Power Users Group.

DOCKET NO. 140226-EI

DATED: July 6, 2015

**DUKE ENERGY FLORIDA'S RESPONSES TO  
STAFF'S SECOND SET OF INTERROGATORIES (NOS. 10-14)**

Duke Energy Florida, Inc. ("DEF"), responds to Staff's Second Set of Interrogatories to DEF (Nos. 10-14), as follows:

**INTERROGATORIES**



11. Please refer to the company's response to staff's first set of interrogatories, Nos. 4 and 5. Use the chart below please provide the rate class, rate class description and number of accounts that would be eligible to opt-out under the Wal-Mart and FIPUG proposals. Please see FPL's response to staff's interrogatories Nos. 4 and 5 for any clarification, if needed. Please clarify whether your response includes the aggregated accounts as proposed by FIPUG and Wal-Mart.

**Answer:**

The customer accounts listed in the tables below represent the accounts of the 521 and 79 customers identified in the Company's responses to Staff's interrogatories Nos. 4 and 5. These tables assume that accounts are aggregated as proposed by FIPUG and Wal-Mart. To clarify, the heading of the third column in the Company's response to interrogatory No. 5 should have more accurately been labeled "# of Customers."

Potential Qualifying Opt-Out Customers Wal-Mart Proposal (15 Million kWh)		
Rate	Rate Class Description	# of Accounts
GS-1	General Service Non-Demand	3,195
GS-2	Gen Service Non-Demand 100% LF	1,285
GSD	General Service Demand	2,147
CS	Curtable General Service	1
IS	Interruptible General Service	58
SS-1	Firm Standby Service	2
SS-2	Interruptible Standby Service	2
SS-3	Curtable Standby Service	1
Total		6,691

Potential Qualifying Opt-Out Customers FIPUG Proposal (1MW)		
Rate	Rate Class Description	# of Accounts
GS-1	General Service Non-Demand	4,153
GS-2	Gen Service Non-Demand 100% LF	1,035
GSD	General Service Demand	9,829
CS	Curtailable General Service	3
IS	Interruptible General Service	108
SS-1	Firm Standby Service	9
SS-2	Interruptible Standby Service	3
SS-3	Curtailable Standby Service	1
Total		15,141

12. If the Commission approves an opt-out provision, please state whether an annual review for each opt-out customer to determine if the customer continues to meet the thresholds suggested by Wal-Mart and FIPUG is required. In your response, what are the company's opinions regarding how to handle a situation in which an opt-out customer fails to meet the expected or projected threshold under the Wal-Mart or FIPUG proposal.

**Answer:**

If the Commission approves an opt-out provision, DEF believes that there will need to be a process in place to review the opt out customers annually to verify that these customers continue to meet the eligibility threshold. The aggregation of accounts proposed by the petitioners will add complexity to this review process. Opt out customers who no longer meet the expected or projected threshold established by the Commission should no longer be allowed to opt out and should be precluded from

participating in the utility DSM programs for a specified period of time. Additionally, because there undoubtedly will be significant time, effort and costs associated with implementing, enrolling, and annually verifying eligibility of customers in an opt out program, customers who opt out should be required to pay a portion of these costs for a specified minimum period, even if they no longer meet the opt out threshold.

13. For each of the following Commission proceedings or company practices, please explain in detail, what specific changes, if any, would be necessary if the Commission approved the opt-out proposals by the petitioners:

- a. **DSM goals setting and annual reporting**

**Answer:**

If the Commission approves the opt-out proposals by the petitioners, significant changes to the goal setting process will be necessary to ensure the integrity of the process and the reasonableness of the resulting goals. In accordance with FEECA (Section 366.82(3), Fla. Stat.), the goals are developed based on the full technical potential of all available efficiency and conservation measures. This includes the efficiency and conservation measures available to the opt out customers. Therefore, in order to develop reasonable goals the technical potential would need to be adjusted to remove the impacts of all efficiency and conservation measures available to the opt out customers. Since the development of the technical potential is not customer specific, the process of determining an appropriate adjustment would be complicated and may not be feasible based on the information available to the utilities. Even if the utilities had the ability to accurately assess which customers plan to opt out over the goals period, the utilities would need to have a methodology to quantify the impacts of the full conservation and

efficiency measures available to those specific opt out customers to determine a reasonable adjustment to the technical potential.

The changes required in the annual reporting will depend on how the opt out is implemented and factored into the goals. If the Commission determines that the goals should be adjusted to account for the impact of the opt out customers and the utilities are required to report their achievements compared to the adjusted goals, then DEF does not anticipate there would be substantive changes to the annual reporting. If the goals are not adjusted and the savings impacts achieved by the opt out customers are counted by the utility toward achievement of the goals, then the changes required for the annual reporting will be more significant. The reporting will have to be modified to include the savings impacts from the opt out customers and processes will need to be implemented to capture and track this information.

**b. ECCR filings and timing of these filings**

**Answer:**

The ECCR filings will be impacted as follows:

**Projection Filing -**

- The kWh's used to set rates for EE programs will need to be adjusted to exclude the projected sales to opt out customers that have notified the utilities of their intention to opt out of the utility's programs during the projected period.
- The administrative costs of the opt out program will have to be separately identified and included in the rates for the opt out customers.
- Separate rates will need to be developed for opt out customers in each rate class.

**Actual/Estimated Filing -**

- The schedules will need to be modified to separately track over (under) recoveries for EE programs in actuals periods.
- The administrative costs of the opt out program will have to be separately identified and allocated directly to the opt out customers.
- The kWh's for EE programs will need to be adjusted to exclude the actual/estimated sales to opt out customers.

**True-up filing**

- The schedules will need to be modified to separately track and report revenues and costs for EE programs.
- The schedules will need to be modified to separately track the administrative costs of the opt out program.
- The over (under) recoveries for EE programs will have to be tracked separately.

**c. Forecasting practices, including load and revenue forecasts**

**Answer:**

The load and revenue forecasts will need to incorporate the impacts of the load and energy reductions from the utility programs in addition to the projected impacts from the opt out customers.

**d. Tracking and monitoring DSM program participation and achievements**

**Answer:**

The changes that will be required for tracking and monitoring DSM program participation and achievements will depend on how the opt out is implemented. DEF does not anticipate that there would be any changes required in tracking and



monitoring program participation and achievements for utility programs except that participation will need to be monitored to ensure that opt out customers do not participate in the EE programs. However, changes would be necessary if there is a requirement for DEF to track the savings impacts from the opt out customers. DEF will have to implement procedures and processes to track these savings.

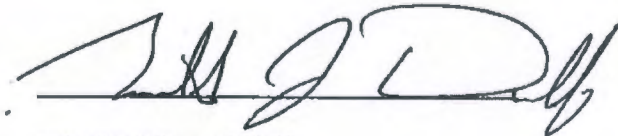
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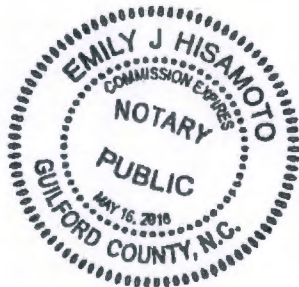
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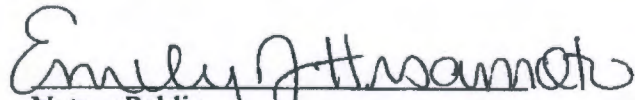
I hereby certify that on this 2nd day of July, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared TIMOTHY J. DUFF, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number(s) 10 through 14 from STAFF'S SECOND SET OF INTERROGATORIES TO DUKE ENERGY FLORIDA, INC. (NOS. 10-14) in Docket No(s). 140226-EI, and that the responses are true and correct based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 2nd day of July, 2015.



TIMOTHY J. DUFF



  
Notary Public  
State of North Carolina, at Large

My Commission Expires:

May 16, 2016

**29**

**TECO's Responses to Staff's  
First Set of Interrogatories  
(Nos. 1-8)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 29  
PARTY: STAFF  
DESCRIPTION: TECO's Responses to Staff's  
First Set of Interrogatories (Nos. 1-8)[Bates  
Nos. 00134-00157]

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

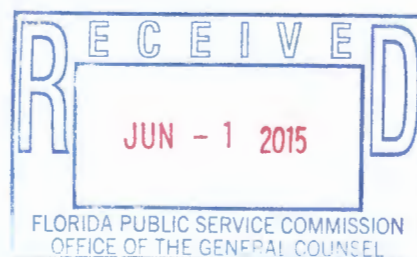
In re: Request to opt-out of cost )  
Recovery for investor-owned electric )  
utility energy efficiency programs by )  
Wal-Mart Stores East, LP and Sam's )  
East, Inc. and Florida Industrial Power )  
User Group. )

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DOCKET NO. 140226-EI  
FILED: JUNE 1, 2015

**TAMPA ELECTRIC COMPANY'S  
ANSWERS TO FIRST SET OF INTERROGATORIES (NOS. 1-8)  
OF  
FLORIDA PUBLIC SERVICE COMMISSION STAFF**

Tampa Electric files this its Answers to Interrogatories (Nos. 1-8) propounded and served on May 11, 2015 by the Florida Public Service Commission Staff.



TAMPA ELECTRIC COMPANY  
DOCKET NO. 140226-EI  
INDEX TO STAFF'S SECOND SET OF INTERROGATORIES (NOS. 1-8)

<u>Number</u>	<u>Witness</u>	<u>Subject</u>	<u>Bates Stamped Page</u>
1	Roche	Please state what internal processes would need to be incorporated by the utility, including billing system changes for TECO to implement either of the opt-out proposals outlined by FIPUG and Walmart?	1
2	Roche	Please provide a one-time and recurring annual estimate of the costs of implementing the internal processes described in Question 1.	3
3	Roche	Please state how the utility would verify energy and demand savings reported by the opt-out customer?	5
4	Roche	Assuming any customer of 1 MW billable demand for any billable period in a year, how many customers on your system would be eligible for the 1 MW opt-out standard?	6
5	Roche	Walmart has proposed that threshold criteria for customers wishing to opt-out of utility sponsored energy efficiency programs be 15 million kWh per year. Please use the chart below to identify the rate class, number of customers in each class, and corresponding total energy sales that would qualify under each scenario by class.	7
6	Roche	Please provide a list and description of energy efficiency programs the utility is proposing as part of its new DSM programs pursuant to Order No. PSC-14-0696-FOF-EU that would be available to those customers that meet the proposed opt-out threshold requirements.	8
7	Roche	Please explain whether or not the utility believes it is appropriate to split ECCR expenditures into energy efficiency programs and demand-side management programs.	18
8	Roche	Please state whether your utility currently offer or plan to offer customized energy efficiency or demand-side management incentives to its larger (commercial and/or industrial) customers that would meet the proposed opt-out threshold proposals of FIPUG and Walmart. If so, please describe the program and provide specific examples of recent	19



		customized incentives under the program.	
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Mark R. Roche  
Administrator, Regulatory Rates.

Tampa Electric Company  
702 N. Franklin Street  
Tampa, Florida 33602

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 140226-EI  
STAFF'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 1  
PAGE 1 OF 2  
FILED: JUNE 1, 2015**

1. Please state what internal processes would need to be incorporated by the utility, including billing system changes for TECO to implement either of the opt-out proposals outlined by FIPUG and Walmart?
- A. Tampa Electric would incur significant amount of time and costs to add and make adjustments to several internal processes to accommodate the mixture of items being proposed.

The internal processes that would be affected by an Opt-Out provision include:

- Addition of a program manager that would oversee, coordinate and manage the opt-out provision internally. The program manager would facilitate adherence by customers to the provision standards and provide reports for participation.
- Programming changes to the customer information and billing system to provide opt-out status indicator on accounts, tracking of customer's participation, triggering mechanism when a customer meets the criteria to opt-out, reviewing and monitoring participation criteria, building reporting mechanisms and maintenance to the billing system.
- Changes to Tampa Electric's forecasting department processes including modifications to forecasting practices, adjustments to revenue forecasts and tracking and monitoring of customer participation in the opt-out provision for reporting purposes.
- Additional work and processes steps for Tampa Electric's Customer Service Department and Energy Management Services ("EMS") Department for checking participation in the opt-out provision prior to answering customer related questions.
- Additional work and process steps for Tampa Electric's Account Management Team in facilitating and explaining the opt-out provision to eligible and non-eligible customers.

The internal processes that would be affected by a Self-Direct provision include:

- Addition of a program manager that will oversee, coordinate and manage the self-direct provision internally. The program manager would facilitate adherence by customers to the provision standards, reconcile and validate the reported demand and energy savings by these customers. Provide routine reports for compliance on a monthly basis and collaborate with necessary departments for the effective management of the provision. The program manager would facilitate the performance of measurement and evaluation ("M&E") of customers implemented energy efficiency measures

**TAMPA ELECTRIC COMPANY  
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INTERROGATORIES  
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PAGE 2 OF 2  
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through an external electrician contractor. The program manager would work with Regulatory Department to perform cost-effectiveness to ensure the project passes the rate impact measure test ("RIM") and does not have a simple payback of less than two years.

- Programming changes to the customer information and billing system to provide self-direct status indicator on accounts, tracking of customer's participation, triggering mechanism when a customer meets the criteria to self-direct, reviewing and monitoring of participation criteria, building reporting mechanisms, and maintenance of the billing system.
- Changes to Tampa Electric's forecasting department processes including modifications to forecasting practices, adjustments to revenue forecasts, and tracking and monitoring of customer participation in the self-direct provision for reporting purposes.
- Additional work and processes steps for Tampa Electric's Customer Service Department and EMS Department for checking participation in the self-direct provision prior to answering questions.
- Additional work and process steps for Tampa Electric's Account Management Team in facilitating and explaining the self-direct provision to eligible and non-eligible customers.

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STAFF'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 2  
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FILED: JUNE 1, 2015

2. Please provide a one-time and recurring annual estimate of the costs of implementing the internal processes described in Question 1.
- A. Tampa Electric would incur the following one-time and recurring costs to implement the internal processes for an Opt-Out or a Self-Direct Provision described in Question 1:

The estimated one-time costs associated with facilitating an **Opt-Out** provision include:

Recruit, hire and train full-time employee:	\$20,000
Implementation marketing and communication:	\$30,000
Programming to billing systems:	\$90,000
Total:	\$140,000

The estimated annual recurring costs associated with facilitating an **Opt-Out** provision include:

Full-time Program Manager:	\$90,000
Account Manager and EMS Support:	\$30,000
Employee annual training:	\$10,000
Marketing and communication:	\$5,000
Maintenance to billing systems:	\$6,000
Total:	\$141,000

The estimated one-time costs associated with facilitating a **Self-Direct** provision include:

Recruit, hire and train full-time employee:	\$20,000
Implementation marketing and communication:	\$50,000
Procure and contract with M&E contractor:	\$3,000
Procure M&E equipment:	\$100,000
Programming billing systems:	\$90,000
Total:	\$263,000



TAMPA ELECTRIC COMPANY  
DOCKET NO. 140226-EI  
STAFF'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 2  
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The estimated annual recurring costs associated with facilitating a **Self-Direct** provision include:

Full-time Program Manager:	\$90,000
Account Manager and EMS Support:	\$50,000
Employee annual training:	\$20,000
M&E contractor:	\$40,000
M&E equipment (calibration and new):	\$20,000
Marketing and communication:	\$10,000
Maintenance billing systems:	\$6,000
Total:	\$236,000



**TAMPA ELECTRIC COMPANY  
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INTERROGATORIES  
INTERROGATORY NO. 3  
PAGE 1 OF 1  
FILED: JUNE 1, 2015**

3. Please state how the utility would verify energy and demand savings reported by the opt-out customer?
  - A. Tampa Electric would utilize a new full-time Program Manager and would work with internal Commercial Energy Analysts and through an externally contracted electrician to perform M&E consistent with the International Performance and Measurement Verification Protocol ("IPMVP") to verify the energy and demand savings reported by a self-direct provision customer. In addition to this in the field M&E verification, the project will also be evaluated through cost-effectiveness techniques approved in the company's previously filed demand Side Management Monitoring and Evaluation Plan, Docket No. 941173-EG. One formidable issue that would require resolution is what will be done and who holds the customer accountable if the customers project(s) did not save as expected or projected, or if the cost-effectiveness of the project does not pass the RIM test or has a simple payback of less than two years. Under an opt-out provision, energy and demand savings would typically not be verified, it is merely attested to.

**TAMPA ELECTRIC COMPANY  
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4. Assuming any customer of 1 MW billable demand for any billable period in a year, how many customers on your system would be eligible for the 1 MW opt-out standard?
  - A. Tampa Electric has 212 commercial and industrial customers that had a 1 MW or greater billable demand for any billable period in the 2014 calendar year. If approved by the Commission under the 1 MW proposed threshold, these 212 customers would be eligible to choose to opt-out.

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 140226-EI  
STAFF'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 5  
PAGE 1 OF 1  
FILED: JUNE 1, 2015**

5. Walmart has proposed that threshold criteria for customers wishing to opt-out of utility sponsored energy efficiency programs be 15 million kWh per year. Please use the chart below to identify the rate class, number of customers in each class, and corresponding total energy sales that would qualify under each scenario by class.

<b>Potential Qualifying Opt-Out Customers (15 Million kWh)</b>		
<b>Rate Class</b>	<b>No. of Customers</b>	<b>Total kWh Sold (2014)</b>

- A. Under the proposed Walmart threshold criteria of 15 million or greater kWh per year for customers wishing to opt-out of utility sponsored energy efficiency programs. Tampa Electric has 47 customers that meet this threshold based upon the individual or aggregated kWh usage in 2014. These 47 customers have 9,957 Tampa Electric accounts which would need to be managed individually if these provisions are approved. The chart below details these Tampa Electric customers by rate class, number of customers in each class and corresponding total 2014 annual energy sales that would qualify under each scenario by class.

<b>Potential Qualifying Opt-Out Customers (&gt;15 Million kWh)</b>		
<b>Rate Class</b>	<b>No. of Customers</b>	<b>Total kWh Sold (2014)</b>
Commercial	41	2,823,394,841
Industrial	2	79,589,616
Commercial/Industrial <sup>1</sup>	4	1,039,914,967
<b>Total:</b>	<b>47</b>	<b>3,942,899,424</b>

Note 1: This group of customers has accounts within both rate classes.



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STAFF'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 6  
PAGE 1 OF 10  
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6. Please provide a list and description of energy efficiency programs the utility is proposing as part of its new DSM programs pursuant to Order No. PSC-14-0696-FOF-EU that would be available to those customers that meet the proposed opt-out threshold requirements.

A. Tampa Electric proposed 24 commercial/industrial programs to be offered as part of the 2015-2024 Demand Side Management ("DSM") Plan that was filed on March 16, 2015. Customers that meet the opt-out or self-direct threshold requirements as proposed by FIPUG and Walmart would be available and eligible for participation in 22 of these programs. Below is the list and further below is the description of these energy efficiency programs:

1. Commercial/Industrial Audit (Free)
2. Comprehensive Commercial/Industrial Audit (Paid)
3. Commercial Ceiling Insulation
4. Commercial Chiller
5. Cogeneration
6. Conservation Value
7. Cool Roof
8. Commercial Cooling
9. Demand Response
10. Commercial Duct Repair
11. Commercial Electronically Commutated Motors (ECM)
12. Industrial Load Management (GSLM 2&3)
13. Lighting Conditioned Space
14. Lighting Non-Conditioned Space
15. Lighting Occupancy Sensors
16. Commercial Load Management (GSLM 1)
17. Refrigeration Anti-condensate Control
18. Standby Generator
19. Thermal Energy Storage
20. Commercial Wall Insulation
21. Commercial Water Heating
22. Conservation Research and Development (R&D)

**Program: Commercial/Industrial Audit (Free)**

A conservation program designed to reduce demand and energy consumption of commercial/industrial facilities by increasing customer awareness of the energy

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use in their facilities. The savings are dependent upon the customer's implementation of conservation measures and practices recommended.

The audit is conducted by a trained commercial energy analyst who will perform at a minimum the following:

1. Identify, note and recommend only those conservation measures and practices that apply to the specific commercial or industrial facility.
2. Encourage customer and organization participation in available conservation programs in which the specific commercial or industrial facility will benefit.
3. Energy usage profiling and benchmarking showing the historical energy usage and forecasted usage with no changes.
4. Identify and communicate to the customer identified no-cost, low-cost and capital cost conservation measures and practices including those that have less than a two-year payback.

Recommendations are tailored to the specific commercial or industrial facility based upon the replacement of less efficient equipment and systems or modifications to operations to enhance the customer's overall efficiency. Recommendations are primarily standardized and encourage the customer to implement measures that, if cost-effective, move the customer beyond the efficiency level typically installed in the marketplace.

**Program: Comprehensive Commercial/Industrial Audit (Paid)**

A conservation program designed to reduce demand and energy consumption of commercial/industrial facilities by increasing customer awareness of the energy use in their facilities. The paid audit will involve monitoring specific equipment within a customer's facility to determine its electric usage with respect to the volume of use and time of operation. Based on the results, Tampa Electric will recommend conservation measure or practice changes to save energy and/or demand within the facility. The savings are dependent upon the customer's implementation of conservation measures and practices recommended.

The audit is conducted by a trained commercial energy analyst who will perform the following at a minimum:



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1. Identify, note and recommend only those conservation measures and practices that apply to the specific commercial or industrial facility.
2. Encourage customer and organization participation in available conservation programs in which the specific commercial or industrial facility will benefit.
3. Energy usage profiling and benchmarking showing the historical energy usage and forecasted usage with no changes.
4. Set up energy and demand monitoring equipment on requested equipment.
5. Identify and communicate to the customer identified no-cost, low-cost and capital cost conservation measures and practices including those that have less than a two-year payback.
6. Provide a measurement and verification report showing the current usage and identifying the potential for energy and demand savings for the recommended conservation measures or practices recommended.

Recommendations are tailored to the specific commercial or industrial facility based upon the replacement of less efficient equipment and systems or modifications to operations to enhance the customer's overall efficiency. Recommendations are primarily standardized and encourage the customer to implement measures that, if cost-effective, move the customer beyond the efficiency level typically installed in the marketplace.

**Program: Commercial Ceiling Insulation**

The Commercial Ceiling Insulation Program is designed to encourage commercial/industrial customers to make cost-effective improvements to existing facilities. The goal is to offer customer rebates for installing ceiling insulation to help reduce their energy consumption and demand while reducing Tampa Electric's weather sensitive peak demand. Ceiling insulation is designed to reduce demand and energy by decreasing the load on commercial/industrial air conditioning and heating equipment. Qualifying structures are eligible for a rebate based upon the total square footage of insulation installed over conditioned space. Certificates for participation will be issued through energy audits or by direct evaluation of the existing building envelope.

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**Program: Commercial Chiller**

The Commercial Chiller Program is designed to encourage commercial/industrial customers to make cost-effective improvements to existing facilities and processes. The goal is to offer customer rebates for installing high efficiency electric water-cooled chillers and electric air-cooled chillers that exceed Florida's Building Code and minimum product manufacturing standards in commercial/industrial buildings or processes to help reduce their energy consumption and demand while reducing Tampa Electric's weather sensitive peak demand. High efficiency chillers reduce demand and energy by decreasing the load on air conditioning and heating equipment or process cooling equipment during weather sensitive peak demand times.

**Program: Cogeneration**

Tampa Electric's Cogeneration program is administered by a professional team experienced in working with cogenerators. The group manages functions related to coordination with Qualifying Facilities ("QFs") including negotiations, agreements and informational requests; functions related to governmental, regulatory and legislative bodies; research, development, data acquisition and analysis; economic evaluations of existing and proposed QFs as well as the preparation of Tampa Electric's Annual Twenty-Year Cogeneration Forecast.

The Cogeneration team leads Tampa Electric's involvement with prospective cogeneration projects that may be developed within the company's retail service area. This involvement includes developing and providing interconnection cost estimates, determining appropriate relaying schemes, establishing operation and maintenance procedures and negotiating purchase power and transmission service agreement when appropriate.

**Program: Conservation Value**

The Conservation Value Program is designed to encourage commercial/industrial customers to make cost-effective improvements to existing facilities. This rebate program is designed to recognize those investments in demand shifting or demand reduction measures that reduce Tampa Electric's peak demand.



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INTERROGATORIES  
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Measures funded in this program will not be covered under any other Tampa Electric commercial/industrial conservation programs. Candidates are identified through energy audits or their engineering consultants can submit proposals for funding which offer demand and energy reduction during weather sensitive peak periods helping reduce Tampa Electric's peak demand.

**Program: Cool Roof**

The Cool Roof Program is designed to encourage commercial/industrial customers to make cost-effective improvements to existing facilities. The goal is to offer customer rebates for installing a cool roof system above conditioned spaces to help reduce their energy consumption and demand while reducing Tampa Electric's weather sensitive peak demand. Cool roofs reduce the heat load transferred into a building or facility by reflecting some of the sun's energy which reduces the load on commercial/industrial air conditioning and cooling equipment. Qualifying structures are eligible for a rebate based upon the total square footage of cool roof PVC membrane installed over conditioned space.

**Program: Commercial Cooling**

The Commercial Cooling Program is designed to encourage commercial/industrial customers to make cost-effective improvements to existing facilities. The goal is to offer customer rebates for installing high efficiency heating and cooling systems to help reduce their energy consumption and demand while reducing Tampa Electric's weather sensitive peak demand. High efficiency heating and cooling systems require less demand and energy as compared to standard systems. This program will rebate commercial/industrial customers that install a qualifying air conditioning system.

**Program: Demand Response**

Tampa Electric's Commercial Demand Response is a conservation and load management program intended to help alter the company's system load curve by reducing summer and winter demand peaks. The company will contract for a turn-key program that will induce commercial/industrial customers to reduce their demand for electricity in response to market signals. Reductions will be achieved

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through a mix of emergency backup generation, energy management systems, raising cooling set-points and turning off or dimming lights, signage, etc.

Tampa Electric will contract with a demand response vendor on an as needed basis for additional MW of load reduction. Vendor will market program to potential customers and secure participants. In addition, vendor will audit the customer's facility to identify equipment to be utilized in demand reduction, install automated controls and provide participant with load tracking software for the customer's use. Vendor will pay customers on a dollar per kW – month basis.

**Program: Commercial Duct Repair**

The Commercial Duct Repair Program is designed to encourage commercial/industrial customers to make cost-effective improvements to existing facilities. The goal of this conservation program is to offer rebates for sealing existing facility's duct system to reduce demand and energy by decreasing the load on commercial HVAC equipment. This program eliminates or reduces areas of HVAC air distribution losses by sealing and repairing the ADS.

Customers call Tampa Electric to request appointments for duct repair and a HVAC contractor appointed by Tampa Electric will seal and repair all accessible components of the ADS in the facility. Tampa Electric's rebate is included in the payment to the participating contractor performing ADS repairs.

**Program: Commercial Electronically Commutated Motors (ECM)**

The Commercial ECM Program is designed to encourage commercial/industrial customers to make cost-effective improvements to existing facilities. The goal of this conservation program is to offer rebates for installing electronically commutated motors in existing air conditioning and refrigeration equipment. The program is aimed at reducing energy and the growth of weather sensitive peak demand by encouraging customers to replace current induction motors with high efficiency ECM that exceed minimum product manufacturing standards.

**Program: Industrial Load Management (GSLM 2&3)**



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This is a load management program for large industrial customers with interruptible loads of 500 kW or greater. The program was approved by the FPSC in Docket No. 990037-EI, Order No. PSC-99-1778-FOF-EI, issued September 10, 1999. Assessments for customer participation are conducted every six months.

**Program: Lighting Conditioned Space**

The Lighting Conditioned Space Program is designed to encourage commercial/industrial customers to make cost-effective improvements to existing facilities. The goal is to offer customer rebates for installing energy efficient lighting technology and systems within conditioned space to help reduce their energy consumption and demand and reducing Tampa Electric's peak demand. Tampa Electric will provide a rebate to customers who install qualifying conditioned spaces lighting systems.

**Program: Lighting Non-Conditioned Space**

The Lighting Non-Conditioned Space Program is designed to encourage commercial/industrial customers to make cost-effective improvements to existing facilities. The goal is to offer customer rebates for installing energy efficient outdoor lighting technology and systems or in non-conditioned spaces to help reduce their energy consumption and demand and reducing Tampa Electric's peak demand. Tampa Electric will provide a rebate to customers who install qualifying non-conditioned spaces lighting systems.

**Program: Lighting Occupancy Sensors**

The Lighting Occupancy Sensors Program is designed to encourage commercial/industrial customers to make cost-effective improvements to existing facilities. The goal is to offer customer rebates for installing lighting occupancy sensors to efficiently control lighting systems to help reduce their energy consumption and demand and reducing Tampa Electric's peak demand. Tampa Electric will provide a rebate to customers who install qualifying occupancy sensors for lighting systems.



**Program: Commercial Load Management**

The Commercial Load Management Program is intended to help alter Tampa Electric's system load curve by reducing summer and winter demand peaks. The goal is to offer customer incentives for allowing the installation and control of load management control equipment on specific technologies to reduce Tampa Electric's weather sensitive peak demand. Customers that participate in this program choose whether to have the technology controlled either interrupted for the entire control period or cycled during the control period. Tampa Electric will provide a monthly incentive credit to customers participating in this program.

**Program: Refrigeration Anti-Condensate Control**

The Refrigeration Anti-Condensate Control Program is designed to encourage commercial/industrial customers to make cost-effective improvements to existing facilities. The goal is to offer customer rebates for installing energy efficient anti-condensate control technology for their refrigerated door heaters to help reduce their energy consumption and demand and reducing Tampa Electric's peak demand. Tampa Electric will provide a rebate to customers who install qualifying anti-condensate control systems.

**Program: Standby Generator**

The Standby Generator Program is designed to utilize the emergency generation capacity of commercial/industrial facilities in order to reduce weather sensitive peak demand. Tampa Electric provides the participating customers a 30-minute notice that their generation will be required. This allows customers time to start generators and arrange for orderly transfer of load. Tampa Electric meters and issues monthly credits for that portion of the generator's output that could serve normal building load after the notification time. Normal building load is defined as load (type, amount and time duration) that would have been served by Tampa Electric if the emergency generator did not operate. Under no circumstances will the generator deliver power to Tampa Electric's grid. Under the Environmental Protection Agency's rules, Tampa Electric classifies the Standby Generator Program as a non-emergency program.

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**Program: Thermal Energy Storage**

The Commercial TES Program is designed to encourage commercial/industrial customers to make cost-effective improvements to existing facilities. The goal is to offer customer rebates for installing off-peak air conditioning systems to help reduce their demand while reducing Tampa Electric's weather sensitive peak demand. Tampa Electric will provide a rebate to customers who install qualifying TES systems.

**Program: Commercial Wall Insulation**

The Commercial Wall Insulation Program is designed to encourage commercial/industrial customers to make cost-effective improvements to existing facilities. The goal is to offer customer rebates for installing wall insulation to help reduce their energy consumption and demand while reducing Tampa Electric's weather sensitive peak demand. Wall insulation is designed to reduce demand and energy by decreasing the load on commercial/industrial HVAC equipment. Qualifying structures are eligible for a rebate based upon the total square footage of insulation installed in exterior walls adjacent to conditioned spaces. Certificates for participation will be issued through energy audits or by direct evaluation of the current building envelope.

**Program: Commercial Water Heating**

The Commercial Water Heating Program is designed to encourage commercial/industrial customers to make cost-effective improvements to existing facilities. The goal is to offer customer rebates for installing energy efficient water heating systems to help reduce their energy consumption and demand and reducing Tampa Electric's peak demand. Tampa Electric will provide a rebate to customers who install qualifying water heating systems.

**Program: Conservation Research and Development ("R&D")**

This program is in response to Rule 25-17.001 (5) (f), F.A.C., that requires aggressive R&D projects be "...an ongoing part of the practice of every well

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managed utility's programs." It is also in support of FPSC Order No. 22176 dated November 14, 1989, requiring utilities to "...pursue research, development, and demonstration projects designed to promote energy efficiency and conservation." R&D activity will be conducted on proposed measures to determine the impact to the company and its ratepayers and may occur at customer premises, Tampa Electric facilities or at independent test sites. Tampa Electric will report program progress through the annual ECCR True-Up filing.



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7. Please explain whether or not the utility believes it is appropriate to split ECCR expenditures into energy efficiency programs and demand-side management programs.
- A. Tampa Electric would consider it highly inappropriate to split the ECCR expenditures into energy efficiency program and DSM programs. This would be inappropriate because all DSM programs save demand and energy and to separate them would introduce flaws. An example of this flaw would be introduced whenever cost-effectiveness tests are run. There is a benefit to saving energy and a benefit to saving demand.

Tampa Electric will use the Contracted Credit Value (CCV) for this example to show the inappropriateness of splitting these. The RIM test is used in conjunction with other cost-effectiveness tests and by itself for assisting and setting the amount of incentives. For the CCV credit, the RIM test is used to set the amount based upon obtaining a RIM test value of 1.2. For example, in Tampa Electric's most recent projection filing for the CCV calculation, the RIM score was set at a 1.2 which included inputs of a winter demand savings of 3,095.238 kW, a summer demand savings of 3,119.048 kW and an annual energy savings of 746,190.48 kWh. These inputs led to a resultant CCV of \$8.14 per kW. If another cost-effectiveness set was run which excludes the energy component, the resultant RIM score would drop to a value of 1.122. For the CCV credit determination, the incentive would be lowered to obtain the RIM score of 1.2 and would cause new CCV rate to be lowered to \$7.57. With this new CCV rate the total paid incentive to GSLM 2 and 3 customers would drop by approximately \$1,200,000, from the existing \$16,800,000, by disregarding the energy savings.

Presumably, the GSLM 2 and 3 customers would be exempt from paying in the energy portion to the energy conservation cost recovery clause. Currently this group of customers contributes approximately \$1,700,000 to the ECCR clause, \$800,000 of which is for the energy portion of energy efficiency. So in essence, by this group of customers paying the energy portion, which has value, they actually receive \$400,000 of net benefit incentives by including the energy portion in the cost effectiveness test which is the appropriate recognition of this value. This is just one example of why it would be inappropriate to even consider splitting ECCR expenditures into energy efficiency programs and DSM programs.

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8. Please state whether your utility currently offer or plan to offer customized energy efficiency or demand-side management incentives to its larger (commercial and/or industrial) customers that would meet the proposed opt-out threshold proposals of FIPUG and Walmart. If so, please describe the program and provide specific examples of recent customized incentives under the program.

- A. Tampa Electric has offered the Conservation Value Program since April 1991 in which all commercial and industrial customers are eligible to participate in regardless of demand or kWh annual usage amounts. This program is designed to encourage commercial/industrial customers to make cost-effective improvements to existing facilities. This rebate program is designed to recognize those investments in demand shifting or demand reduction measures that reduce Tampa Electric's peak demand. Measures funded in this program will not be covered under any other Tampa Electric commercial/industrial conservation programs. Candidates are identified through energy audits or their engineering consultants can submit proposals for funding which offer demand and energy reduction during weather sensitive peak periods helping reduce Tampa Electric's peak demand.

Recent examples of customized projects that were paid incentives under this program include: Refrigerated door optimization project, Thermal energy storage projects, and a compressed air optimization project.

The Conservation Value Program has paid \$5,612,569 for qualifying equipment incentives to commercial and industrial facilities that participated in the program from 2011 through 2014.



# A F F I D A V I T

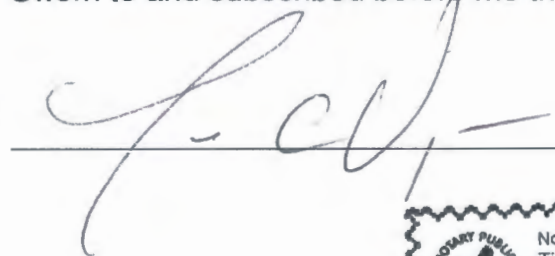
STATE OF FLORIDA           )  
  )  
COUNTY OF HILLSBOROUGH )

Before me the undersigned authority personally appeared Mark Roche who deposed and said that he is Administrator, Regulatory Rates, Tampa Electric Company, and that the individuals listed in Tampa Electric Company's response to Staff's First Set of Interrogatories, (Nos. 1-8) prepared or assisted with the responses to these interrogatories to the best of his information and belief.

Dated at Tampa, Florida this 28 day of May, 2015.

  
\_\_\_\_\_  
MARK R. Roche

Sworn to and subscribed before me this 28<sup>th</sup> day of May, 2015.

  
\_\_\_\_\_



My Commission expires \_\_\_\_\_

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**TECO's Responses to Staff's  
Second Set of Interrogatories  
(Nos. 10-12)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 30  
PARTY: STAFF  
DESCRIPTION: TECO's Responses to Staff's  
Second Set of Interrogatories (Nos. 10-12)  
[Bates Nos. 00158-00172]

**BEFORE THE**  
**FLORIDA PUBLIC SERVICE COMMISSION**

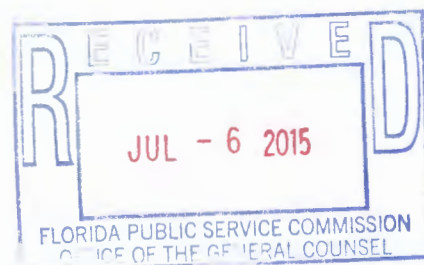
In re: Request to opt-out of cost       )  
Recovery for investor-owned electric   )  
utility energy efficiency programs by   )  
Wal-Mart Stores East, LP and Sam's     )  
East, Inc. and Florida Industrial Power)  
User Group.                               )

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**TAMPA ELECTRIC COMPANY'S**  
**ANSWERS TO SECOND SET OF INTERROGATORIES (NOS. 9-13)**  
**OF**  
**FLORIDA PUBLIC SERVICE COMMISSION STAFF**

Tampa Electric files this its Answers to Interrogatories (Nos. 9-13) propounded and served on June 6, 2015 by the Florida Public Service Commission Staff.



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<u>Number</u>	<u>Witness</u>	<u>Subject</u>	<u>Bates Stamped Page</u>
9	Roche	Please state whether, the utility is aware of a method to calculate the net benefit to individual customers, i.e., opt-out customers, who do not participate in utility-sponsored energy efficiency programs that pass RIM.	1
10	Roche	Please refer to the company's response to staff's first set of interrogatories, Nos. 4 and 5. Use the chart below please provide the rate class, rate class description and number of accounts that would be eligible to opt-out under the Wal-Mart and FIPUG proposals. Please see FPL's response to staff's interrogatories Nos. 4 and 5 for any clarification, if needed. Please clarify whether your response includes the aggregated accounts as proposed by FIPUG and Wal-Mart.	3
11	Roche	If the Commission approves an opt-out provision, please state whether an annual review for each opt-out customer to determine if the customer continues to meet the thresholds suggested by Wal-Mart and FIPUG is required. In your response, what are the company's opinions regarding how to handle a situation in which an opt-out customer fails to meet the expected or projected threshold under the Wal-Mart or FIPUG proposal.	7
12	Roche	For each of the following Commission proceedings or company practices, please explain in detail, what specific changes, if any, would be necessary if the Commission approved the opt-out proposals by the petitioners: <ul style="list-style-type: none"> <li>a. DSM goals setting and annual reporting</li> <li>b. ECCR filings and timing of these filings</li> <li>c. Forecasting practices, including load and revenue forecasts</li> <li>d. Tracking and monitoring DSM program participation and achievements</li> </ul>	8

13	Roche	Please state how potential projects are identified under the company's custom incentive program. In your responses, please state what are the criteria for projects that are approved to receive incentives under this program.	13
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Mark R. Roche  
Administrator, Regulatory Rates.

Tampa Electric Company  
702 N. Franklin Street  
Tampa, Florida 33602



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10. Please refer to the company's response to staff's first set of interrogatories, Nos. 4 and 5. Use the chart below please provide the rate class, rate class description and number of accounts that would be eligible to opt-out under the Wal-Mart and FIPUG proposals. Please see FPL's response to staff's interrogatories Nos. 4 and 5 for any clarification, if needed. Please clarify whether your response includes the aggregated accounts as proposed by FIPUG and Wal-Mart.

Potential Qualifying Opt-Out Customers Wal-Mart Proposal (15 Million kWh)		
Rate	Rate Class Description	# of Accounts

Potential Qualifying Opt-Out Customers FIPUG Proposal (1MW)		
Rate	Rate Class Description	# of Accounts

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- A. Referring to the Company's response to Staff's first set of interrogatories, Nos. 4 and 5, the tables below provide the rate class, rate class description and number of accounts that would meet the eligibility requirement to opt-out under the proposed opt-out provisions that Wal-Mart and FIPUG are suggesting.

The table below contains the individual and aggregated number of potential qualifying opt-out accounts that would meet the proposed eligibility of greater than 15 Million kWh. To enable extracting the rate code for this response, Tampa Electric utilized a different system called Avenue than was used for the first set of interrogatories. In the first set of interrogatories, the SAR system report was used to generate the information. The SAR system report views accounts as those connected on a specific day, December 31, 2014. The information presented in the table below represents the Avenue report which views accounts as how many were billed in December 2014. This explains the difference in the prior response of 9,957 accounts and the table below of 10,296 accounts.

Potential Qualifying Opt-Out Customers Wal-Mart Proposal (15 Million kWh)		
Rate	Rate Class Description	# of Accounts
50	Temporary	5
110	Residential Single Family	17
120	Residential Single Multi Family	120
130	Residential Mobile Home	39
170	Residential Other	5
200	General Service	5364
201	General Service Levelized	1
202	General Service Time of Day	1810
290	Lighting Metered	113
340	Interruptible	2
342	Interruptible Time of Day	16
348	Interruptible Standby Time of Day	5
358	Firm Standby Time of Day	5
360	General Service Demand	1010
362	General Service Demand Time of Day	541
364	General Service Demand Optional	415
365	General Service Demand Beneficial	167
468	Lighting	6

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478	Lighting	12
520	Lighting	1
525	Lighting	2
540	Lighting	1
550	Lighting	1
552	Lighting	1
554	Lighting	9
556	Lighting	3
558	Lighting	7
566	Lighting	3
569	Lighting	1
570	Lighting	11
572	Lighting	2
573	Lighting	17
575	Lighting	3
576	Lighting	10
580	Lighting	1
581	Lighting	1
582	Lighting	9
583	Lighting	3
586	Lighting	7
588	Lighting	11
589	Lighting	1
591	Lighting	1
592	Lighting	1
594	Lighting	1
595	Lighting	1
596	Lighting	1
597	Lighting	3
607	Lighting	20
612	Lighting	11
614	Lighting	12
615	Lighting	1
624	Lighting	5
626	Lighting	25
627	Lighting	72



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637	Lighting	14
669	Lighting	1
704	Lighting	2
800	Lighting	16
802	Lighting	38
803	Lighting	98
804	Lighting	70
805	Lighting	63
806	Lighting	52
810	Lighting	6
827	Lighting	1
863	Lighting	1
866	Lighting	1
920	Lighting	21
	<b>Total Accounts</b>	<b>10,296</b>

The table below contains the individual number of potential qualifying opt-out accounts that would meet the proposed eligibility of greater than 1 MW.

<b>Potential Qualifying Opt-Out Customers</b> <b>FIPUG Proposal</b> <b>(1MW)</b>		
<b>Rate</b>	<b>Rate Class Description</b>	<b># of Accounts</b>
340	Interruptible	6
342	Interruptible Time of Day	12
348	Interruptible Standby Time of Day	6
358	Firm Standby Time of Day	5
360	General Service Demand	79
362	General Service Demand Time of Day	103
364	General Service Demand Optional	1
	<b>Total</b>	<b>212</b>

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11. If the Commission approves an opt-out provision, please state whether an annual review for each opt-out customer to determine if the customer continues to meet the thresholds suggested by Wal-Mart and FIPUG is required. In your response, what are the company's opinions regarding how to handle a situation in which an opt-out customer fails to meet the expected or projected threshold under the Wal-Mart or FIPUG proposal.

- A. Tampa Electric recommends against approval of the opt-out provisions suggested by Wal-Mart and FIPUG, or any combination thereof. If the Commission were to approve of an opt-out provision, an annual review would be required for each opt-out customer and that customer's associated accounts. In addition, an analysis will also be required to be run on prior non-eligible customers on an annual basis to determine if there are any new customers that would qualify for this opt-out provision. This new analysis would be required in order to communicate with that customer that they are now eligible for this opt-out provision (i.e.-a way to avoid paying into the ECCR clause is now available to them).

If a prior qualifying opt-out customer under the Wal-Mart and FIPUG proposed thresholds now fails to meet the stated thresholds, Tampa Electric would propose that the customer and that customer's associated accounts be taken off of the opt-out provision.



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12. For each of the following Commission proceedings or company practices, please explain in detail, what specific changes, if any, would be necessary if the Commission approved the opt-out proposals by the petitioners:

- a. DSM goals setting and annual reporting
- b. ECCR filings and timing of these filings
- c. Forecasting practices, including load and revenue forecasts
- d. Tracking and monitoring DSM program participation and achievements

A. Wal-Mart and FIPUG have suggested several provisions, including an opt-out, a self-direct, and in the recent surrebuttal testimony of FIPUG, a blend of other states provisions. If this vague proposal were to be approved, Tampa Electric would look to the Commission's decision for guidance as to the specific changes that would be needed to existing business processes used in the facilitation and management of the Company's DSM programs. Tampa Electric provides as much specificity in answering this question, recognizing that actual changes necessitated by the decision could be different and potentially more impactful depending on what is actually approved.

- a. DSM goals setting and annual reporting

The DSM goal setting process will change by the following:

- The technical potential will be required to be adjusted downward due to estimating which eligible opt-out customers will opt-out during the ten-year goals planning process.
- The demand and energy of measures used for the technical potential will be required to be reduced due to the opt-out eligible customer tendency to elevate the average savings achieved by applicable measures.
- The DSM goals setting order establishing procedure will need to recognize these assumptions and adjustments that need to be made which conflict with the Florida Administrative Code 25-17.0021 Goals of Electric Utilities.
- Bring additional discovery requests and depositions due to the technical potential being decreased which will lower the overall achievable potential and subsequent proposed DSM goals.

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- Lengthen the hearing for the DSM goals approval due to the introduction of the opt-out within the numeric DSM goals proceeding which would lower the goals, similar to the current discussions on simple payback screening and current economic and efficiency criteria.
- Potentially cause Tampa Electric's stated planned activities for a given year to fail to meet the goals approved by the Commission (i.e.-The DSM plan for that future year does not meet the approved goals due to timing assumptions with the opt-out customers).
- The opt-out provision will most likely introduce the substitution of cost-effective DSM measures for DSM measures that would have been screened out that opt-out customers implement and report annual energy and demand savings for.

The DSM annual reporting process will change by the following:

- The opt-out provision may require changes to FEECA. Through the 30-plus years of DSM history in Florida, the DSM related activities and reporting requirements imposed by the Legislature and the Commission has clear accountability. The opt-out provision will introduce significant complexity in the annual reporting process which will place additional administrative burden and the introduction of inaccuracy in these reports. The increased complexity and potential inaccuracy will come from reviews and follow up with opt-out eligible customers to hopefully measure and evaluate ("M&E") project savings and to normalize these to when Tampa Electric peaks.
- Lengthen the duration of preparing annual reports.
- May require the annual DSM goal achievements to be measured on another time frame other than annual. Depending on the provision adopted, it could make goals to be met or not met for that individual year. From Wal-Mart's and FIPUG's testimony these contributions, if approved and allowed, will be a moving target for when the project is installed assuming it is installed.
- Require another full time employee to facilitate and oversee the opt-out provision including updating eligible customer's records. This resource will also be required to field anticipated questions from non-eligible customers who are close to the opt-out threshold criteria or from non-eligible customers that have made significant improvements in energy efficiency to their commercial facility or residential home.



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- Lengthen the audit process within the DSM docket due to the additional costs incurred and required justification. May require the Commission Auditor to perform site visits to opt-out customers to review and verify project reporting.
- In addition to these changes that will be necessary for Commission reporting, it will also add another level of complexity as Tampa Electric reports energy and demand savings to the Energy Information Administration ("EIA"), the Consortium for Energy Efficiency ("CEE") the American Council for an Energy-Efficient Economy ("ACEEE") and the North American Electric Reliability Corporation ("NERC") for a variety of benchmarking and analysis reports.

**b. ECCR filings and timing of these filings**

The ECCR filings will change by the following:

- Require additional administrative and review time in preparing ECCR filings. The majority of this time will be in reviewing eligible and non-eligible customers along with the associated individual approximate opt-out eligible customer's 10,000 accounts. Additional time will be needed to create and facilitate the necessary applications for the provision for each of the accounts being opted-out.
- Require time to accomplish coordination and understanding of reports from opt-out customers. Tampa Electric would be required to obtain the forecasted measures that each opt-out customer plans to implement enabling the completion of the projection forecast each year.
- Modification of filings to reflect the additional cost that will be recovered from other rate payers. This process change could create more volatility and unplanned variances with overall ECCR expenses, revenues and administrative burden to the process.
- Require additional information to reflect the number of eligible opt-out customers, number of participating opt-out customers, and impacts to the DSM goals as well as the current DSM Plan.
- Require more time in reviewing and verifying the assumptions and calculations of reports received by opt-out customers.
- Modification of filings to show DSM goal and activity impacts from opt-out customers.

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- Adjustments to filings to show impacts to advertising due to the opt-out provision and the resultant loss of some ability to strategically plan and pay for advertising to assist with DSM goal achievement due to project timing and unknowns with opt-out customers.
- Alter the filings to show the attestation of opt-out customers that will be participating in the provision. Depending on what actually is approved the attestation for contribution to the DSM goals will also need to be shown.

The ECCR timing of filings will change by the following:

- Tampa Electric does not expect any timing of ECCR filings to change given an opt-out provision. As outlined above, the duration to complete the filings will be lengthened.

c. Forecasting practices, including load and revenue forecasts.

Tampa Electric load forecasting will change by the following:

- Reduction in the amount of documented DSM participation and the associated energy and demand of actual participation.

Tampa Electric ECCR revenue forecasting will change by the following:

- Estimate the amount of kWh and kW that would be billed to an opt-out customer.
- Calculate the amount of dollars that these opt-out customers will avoid paying into the ECCR clause.
- Reallocate the costs that would not be paid into the ECCR clause by opt-out customers and re-project those costs using the existing allocation method onto the other rate classes.
- Require discovery on the increase in ECCR factors due to now having a smaller population of customers sharing the total costs of conservation.

d. Tracking and monitoring DSM program participation and achievements

Tracking and monitoring DSM program participation will change by the following:

- Change projected participation due to opt-out customer changes.



**TAMPA ELECTRIC COMPANY  
DOCKET NO. 140226-EI  
STAFF'S SECOND SET OF  
INTERROGATORIES  
INTERROGATORY NO. 12  
PAGE 5 OF 5  
FILED: JULY 6, 2015**

- Participation rate projection accuracy will be eroded by not knowing when a participating opt-out customer chooses to not opt-out to participate in one of Tampa Electric commercial/industrial DSM programs or when a current participating opt-out eligible customer chooses to opt-out.

Tracking and monitoring DSM program achievements will change by the following:

- Change average demand and energy achieved from commercial/industrial programs.
- The opt-out provision could potentially lead to missing DSM goals achievement on an annual basis due to the timing of opt-out participation and projects.
- The opt-out provision may lead to the insertion of volatility in cost-effectiveness tests due to opt-out customers influencing average demand and energy contributions. This volatility will be created by the lowering of the average demand and energy savings.
- Tampa Electric will incur increased costs due to time necessary to follow up with opt-out customers regarding the M&E of the project list Wal-Mart and FIPUG propose providing for the substitution of cost-effective DSM contributions toward the DSM goal.
- Tampa Electric will incur increased costs due to M&E time and equipment to monitor, verify and normalize opt-out customer projects. Normalizing the data will be required to determine the actual demand of the project that is coincident with Tampa Electric's peak.
- Tampa Electric will need an additional resource to perform and oversee the tracking and monitoring of the opt-out provision and to stay abreast of those measures that opt-out customers intend on installing.
- The opt-out provision will cause an increase in discovery regarding program achievements.
- The opt-out provision will require more time in reviewing and verifying assumptions, calculations and cost and compiling data internally as well as with each opt-out customer for the final DSM accomplishments report.

# A F F I D A V I T

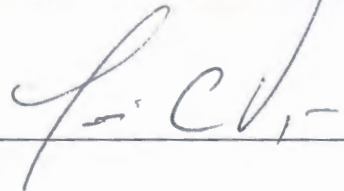
STATE OF FLORIDA           )  
  )  
COUNTY OF HILLSBOROUGH )

Before me the undersigned authority personally appeared Mark Roche who deposed and said that he is Administrator, Regulatory Rates, Tampa Electric Company, and that the individuals listed in Tampa Electric Company's response to Staff's Second Set of Interrogatories, (Nos. 9-13) prepared or assisted with the responses to these interrogatories to the best of his information and belief.

Dated at Tampa, Florida this 2<sup>nd</sup> day of July, 2015.

  
\_\_\_\_\_  
Mark Roche

Sworn to and subscribed before me this 2<sup>nd</sup> day of July, 2015.

  
\_\_\_\_\_



My Commission expires \_\_\_\_\_

**31**

**TECO's Responses to FIPUG's  
First Set of Interrogatories  
(Nos. 1-10)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 31  
PARTY: STAFF  
DESCRIPTION: TECO's Responses to  
FIPUG's First Set of Interrogatories (Nos.  
1-10)[Bates Nos. 00173-00187]

**BEFORE THE**  
**FLORIDA PUBLIC SERVICE COMMISSION**

In re: Request to opt-out of cost       )  
Recovery for investor-owned electric )  
utility energy efficiency programs by )  
Wal-Mart Stores East, LP and Sam's    )  
East, Inc. and Florida Industrial Power)  
User Group.                               )  
\_\_\_\_\_

DOCKET NO. 140226-EI  
FILED: JUNE 8, 2015

**TAMPA ELECTRIC COMPANY'S**  
**ANSWERS TO FIRST SET OF INTERROGATORIES (NOS. 1-10)**  
**OF**  
**FLORIDA INDUSTRIAL POWER USERS GROUP**

Tampa Electric files this its Answers to Interrogatories (Nos. 1-10) propounded and served on May 19, 2015 by the Florida Industrial Power Users Group.



TAMPA ELECTRIC COMPANY  
DOCKET NO. 140226-EI  
INDEX TO STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1-10)

<u>Number</u>	<u>Witness</u>	<u>Subject</u>	<u>Bates Stamped Page</u>
1	Roche	Please explain the statement on page 21, lines 13-18 just how customers that may choose to opt out were initially included in the goal-setting process.	1
2	Roche	Please explain how the conservation efforts of customers that do not participate in utility-sponsored energy efficiency programs are counted in determining whether a utility has met its goals as set by the Commission.	2
3	Roche	Please describe and identify the specific tasks involved and provide any estimate of the costs that would be incurred to accomplish each of the following tasks listed on page 22, lines 9-13:  a. Enrolling customers into an opt-out program. b. Monitoring their status. c. Devising and administering separate billing for opt-out customers. d. Monitoring the amount of costs recovered on an aggregate basis.	3
4	Roche	Does the RIM test determine how conservation costs are allocated by customer class or the amount of conservation costs that are cost-effective?	4
5	Roche	If a conservation program passes the RIM test, does it mean that rates will be lower? Please explain your response.	5
6	Roche	Does the witness believe that a customer's self-directed conservation efforts, to the extent certified by a certified energy manager, cannot be used by the utility in forecasting peak demand and net energy for load. Please explain your response.	6
7	Roche	Please explain the witness's understanding whether the opt-out proposed by FIPUG includes opting out of both energy efficiency and load management programs.	7
8	Roche	Does the analysis presented in Exhibit MRR-2 assume that customers are allowed to opt out of both energy efficiency and load management programs? Please provide documents supporting your response.	8

9	Roche	Referring to page 4, does the witness contend that customers who self-direct their own conservation efforts do not increase the overall energy efficiency in its service area and lowers electric rates for all customers? Please explain your response.	9
10	Roche	Referring to page 8, please explain how the use of the RIM test ensures that there are no inter-class or intra-class subsidies of conservation costs and provide authoritative support for your explanation.	10

Mark R. Roche  
Administrator, Regulatory Rates.

Tampa Electric Company  
702 N. Franklin Street  
Tampa, Florida 33602

**The following questions refer to the testimony of Terry Deason:**

1. Please explain the statement on page 21, lines 13-18 just how customers that may choose to opt out were initially included in the goal-setting process.
  - A. In the process of setting goals, the technical potential is developed. The technical potential takes into account the number of customers and all of the possible energy and demand savings measures and assumes that all measures are adopted regardless of whether it is technically or financially feasible. The statements made on page 21, lines 13-18 delineate that if customers were given the choice to opt-out were now not included (or a portion thereof) in this process would be disruptive to the technical potential and would call into question the appropriateness of the goals. It would also be disruptive because determining the amount of customers to extract from the customer count used in the technical potential would also be put into question.

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 140226-EI  
FIPUG'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 2  
PAGE 1 OF 1  
FILED: JUNE 8, 2015**

- 2.** Please explain how the conservation efforts of customers that do not participate in utility-sponsored energy efficiency programs are counted in determining whether a utility has met its goals as set by the Commission.
- A.** Conservation efforts by customers that that choose not to participate in utility-sponsored energy efficiency programs are not counted toward the accomplishments the utility reports to the Commission.



TAMPA ELECTRIC COMPANY  
DOCKET NO. 140226-EI  
FIPUG'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 3  
PAGE 1 OF 1  
FILED: JUNE 8, 2015

3. Please describe and identify the specific tasks involved and provide any estimate of the costs that would be incurred to accomplish each of the following tasks listed on page 22, lines 9-13:
- a. Enrolling customers into an opt-out program.
  - b. Monitoring their status.
  - c. Devising and administering separate billing for opt-out customers.
  - d. Monitoring the amount of costs recovered on an aggregate basis.
- A. The tasks identified as items "a through d" were provided in testimony to show that there would be incremental costs associated with enabling customers to opt-out of paying conservation costs. There would likely be other areas of incremental costs not specified and no attempt was made to provide an exhaustive list or to provide specific tasks within each category. To do so would require a comprehensive incremental cost study to be undertaken similar to what was done in Docket No. 130223-EI, In re: Petition for approval of optional non-standard meter rider, by Florida Power & Light Company. This cost study was undertaken to identify all of the incremental costs to be charged to customers choosing to opt-out of standard meters. Such an undertaking would be premature at this point in this Docket, given that the conservation opt-out proposal is inconsistent with Commission policy and no decision has been made to deviate from that policy. However, Tampa Electric has provided information to Commission Staff regarding the one-time and recurring costs of implementing the conservation opt-out proposal. See Response No. 2 within Docket 140226-EI Commission Staff's First Set of Interrogatories to Tampa Electric Company.

TAMPA ELECTRIC COMPANY  
DOCKET NO. 140226-EI  
FIPUG'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 4  
PAGE 1 OF 1  
FILED: JUNE 8, 2015

4. Does the RIM test determine how conservation costs are allocated by customer class or the amount of conservation costs that are cost-effective?
  - A. The Rate Impact Measure ("RIM") test is not used in the allocating conservation costs. Tampa Electric uses the cost-effectiveness tests as prescribed by the Commission to determine which programs to propose to be offered as potential DSM programs. These proposed programs along with the projected participation are evaluated to ensure the Commission approved goals can be met. The RIM test is used in conjunction with other cost effectiveness tests and by itself for assisting and setting the amount of incentives which does affect the amount of conservation costs incurred per participant.

TAMPA ELECTRIC COMPANY  
DOCKET NO. 140226-EI  
FIPUG'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 5  
PAGE 1 OF 1  
FILED: JUNE 8, 2015

5. If a conservation program passes the RIM test, does it mean that rates will be lower? Please explain your response.
- A. The RIM test, also called No Losers test means that all customers will receive benefits from the program whether or not they participate in that specific DSM program. The RIM test evaluates the utility's avoided costs versus the cost of administering the program, paying incentives, and lost revenues. A RIM score above 1.0 means there are more benefits to lowering the utility's avoided costs than the costs incurred to administer the program, pay incentives and accounting for the lost sales through reduced customer's bills. Because of this evaluation, a passing RIM score will put the least pressure on rates when compared to all of the other prescribed cost-effectiveness tests.

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 140226-EI  
FIPUG'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 6  
PAGE 1 OF 1  
FILED: JUNE 8, 2015**

- 6.** Does the witness believe that a customer's self-directed conservation efforts, to the extent certified by a certified energy manager, cannot be used by the utility in forecasting peak demand and net energy for load. Please explain your response.
  
- A.** The witness does not believe that customer specific self-directed conservation efforts can be used in forecasting peak demand and net energy for load, as doing so would be inconsistent with Tampa Electric's forecasting model. A more detailed response should be sought from a different witness.



The following questions refer to the rebuttal testimony of Mark Roche:

7. Please explain the witness's understanding whether the opt-out proposed by FIPUG includes opting out of both energy efficiency and load management programs.
- A. FIPUG inconsistently refers to opt-out provisions, self-direct provisions, and separation between energy efficiency and load management programs throughout their testimony. Separating or splitting energy efficiency and load management as the questions asks is technically infeasible because all DSM programs have some energy and demand savings regardless of the category they are placed in.

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 140226-EI  
FIPUG'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 8  
PAGE 1 OF 1  
FILED: JUNE 8, 2015**

- 8.** Does the analysis presented in Exhibit MRR-2 assume that customers are allowed to opt out of both energy efficiency and load management programs? Please provide documents supporting your response.
  
- A.** Tampa Electric answered the question following the assumptions that were directed to be made from the Office of Public Counsel under Docket 140002-EG, OPC's First Set of Interrogatories No.1, filed October 6, 2014 which was delivered to Counsel for FIPUG by electronic mail on that same day.

TAMPA ELECTRIC COMPANY  
DOCKET NO. 140226-EI  
FIPUG'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 9  
PAGE 1 OF 1  
FILED: JUNE 8, 2015

9. Referring to page 4, does the witness contend that customers who self-direct their own conservation efforts do not increase the overall energy efficiency in its service area and lowers electric rates for all customers? Please explain your response.
- A. Tampa Electric supports all customers that implement energy savings projects on their own, whether it is an industrial or a residential customer. If a customer installs their own conservation measure(s) it hopefully will reduce their electric bill but depending on the measure installed it may not have any impact to defer or eliminate the need to expand Tampa Electric's distribution, transmission or generation system.

10. Referring to page 8, please explain how the use of the RIM test ensures that there are no inter-class or intra-class subsidies of conservation costs and provide authoritative support for your explanation.
  - A. Tampa Electric supports the RIM test because it puts the lowest pressure on rates amongst all the cost-effectiveness tests and minimizes inter-class or intra-class subsidies. This minimization is recognized by the Commission in their decision to support the recent numeric goals Order 14-0696-FOF-EU issued December 16, 2014. In the order, the Commission found it appropriate to establish goals for the FEECA Utilities based upon a cost-effectiveness analysis that allows all ratepayers, participants and non-participants, to benefit from the Utilities' demand-side management programs. The Commission required the annual goals be based upon the unconstrained RIM achievable potential to be adopted, as the RIM test eliminates cross-subsidies. Using an unconstrained RIM test allows for maximum participation by customers while keeping rates equitable.



# A F F I D A V I T

STATE OF FLORIDA            )  
  )  
COUNTY OF HILLSBOROUGH )

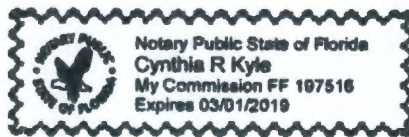
Before me the undersigned authority personally appeared Mark Roche who deposed and said that he is Administrator, Regulatory Rates, Tampa Electric Company, and that the individuals listed in Tampa Electric Company's response to FIPUG's First Set of Interrogatories, (Nos. 1-10) prepared or assisted with the responses to these interrogatories to the best of his information and belief.

Dated at Tampa, Florida this   29   day of May, 2015.



MARK R. Roche

Sworn to and subscribed before me this   29   day of May, 2015.



My Commission expires \_\_\_\_\_

**32**

**GULF's Responses to Staff's  
First Set of Interrogatories  
(Nos. 1-8)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 32  
PARTY: STAFF  
DESCRIPTION: GULF's Responses to Staff's  
First Set of Interrogatories (Nos. 1-8)[Bates  
Nos. 00188-00199]

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request to opt-out of cost recovery for ) Docket No. 140226-EI  
Investor-owned electric utility energy efficiency )  
Programs by Wal-Mart Stores East, LP and Sam's )  
East, Inc. and Florida Industrial Power Users Group.)

GULF POWER COMPANY'S RESPONSES TO  
STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1-8)

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and  
through its undersigned counsel, hereby submits the Company's responses to Staff's  
First Set of Interrogatories (Nos. 1-8) on the following pages.

Respectfully submitted by electronic mail this 1st day of June, 2015.



**JEFFREY A. STONE**

Florida Bar No. 325953

**RUSSELL A. BADDERS**

Florida Bar No. 007455

**STEVEN R. GRIFFIN**

Florida Bar No. 0627569

**BEGGS & LANE**

P. O. Box 12950

Pensacola FL 32591-2950

(850) 432-2451

**Attorneys for Gulf Power Company**

1. Please state what internal processes would need to be incorporated by the utility, including billing system changes for Gulf to implement either of the opt-out proposals outlined by FIPUG and Walmart?

ANSWER:

The Walmart and Florida Industrial Power Users Group (FIPUG) Witnesses suggest that an opt-out provision be offered to qualifying customers on a customer-by-customer basis. Neither these Witnesses nor other filings by proponents of an opt-out provision offer a fully-developed program to implement such a provision. While the specific mechanics of implementing the opt-out provision suggested by these Witnesses would seemingly differ, both proposals would, unquestionably, introduce new, more complex processes. Given continued uncertainty surrounding the precise mechanics of the proposals, this list may not be all inclusive.

First, an opt-out would introduce a new set of enrollment and billing processes including:

- Creation of customer enrollment and qualification processes which would result in the need to acquire a tracking system (i.e., software)
- Creation of enrollment forms (i.e., website changes)
- Creation of communication processes and documentation regarding a customer's opt-out disposition
- Annually, customers would enroll and be qualified. These enrollments would be collected, evaluated and a disposition assigned to each. Depending on the details associated with the requirements, this could be a very laborious process. If customers were allowed to "aggregate" accounts as proposed by the interveners, this process becomes even more complex.
- Customer communication regarding the disposition of their enrollment would be required and potentially at other check points throughout the year/process
- Creation of process to collect verified energy and demand savings from customers.
- Changes to Gulf's customer service and billing system would likely be required to appropriately aggregate and bill opt-out customers
- Gulf personnel involved in these activities would have to be trained

In addition to enrollment and billing processes, Energy Conservation Cost Recovery (ECCR) true-up, audit and projection filing processes and Florida Energy Efficiency and Conservation Act (FEECA) filings would require changes including:



- ECCR schedules would require modifications to account for the removal of energy and demand for opt-out customers in factor calculations
- Both projected (ECCR projection filing) and actual (ECCR true-up filing) energy and demand savings would have to be collected prior to the deadlines for these filings so they could be incorporated
- Gulf's DSM plan is approved once every five years without knowledge of which customer may decide to opt-out in the future. Therefore, impacts of opt-out customers on Gulf program achievements would have to be identified and reported annually in Gulf's FEECA filing.

Many of these tasks are laborious and would require additional labor resources to implement.

Additionally, implementing an opt-out as proposed would potentially impact the entire FEECA process from goal setting to annual reporting. These changes are less clear due to the uncertainty surrounding how a potential opt-out would be implemented. DSM goals are set every five years for the FEECA utilities based on the full (cost-effective) achievable potential. This achievable potential is not customer specific. It is based on cost-effective efficiency technologies. DSM Plans are then designed to meet the goals. Removing large sets of customers from the potential list of participants upsets the design of both the goals and the plan and impacts the utilities' ability to meet the established goals. Modifying these processes also has the potential to add costs and burden to the existing processes.

Finally, if certain customers were to be allowed to opt-out, a process would have to be assumed by an outside party for collecting actual energy and demand savings information and verifying that information. Should Gulf have responsibility for collecting and verifying such information, additional processes would be required, thereby increasing the costs borne by non-opting out customers.

2. Please provide a one-time and recurring annual estimate of the costs of implementing the internal processes described in Question 1.

ANSWER:

The details around how an opt-out could be implemented are numerous. Absent the specific details, Gulf cannot (with any certainty) estimate specific expenses. Therefore, estimates of expenses are provided in ranges based on the information provided by the opt-out proponents, as well as a number of other assumptions. Modifications would certainly be required upon final approval and with the complete set of requirements.

One-Time Expenses (Low Range): \$250,000  
One-Time Expenses (High Range): \$400,000

Ongoing Expenses (Low Range): \$100,000  
Ongoing Expenses (High Range): \$180,000

3. Please state how the utility would verify energy and demand savings reported by the opt-out customer?

ANSWER:

Gulf is not proposing to verify energy and demand savings reported by the opt-out customer. Requiring Gulf to develop a process and methodology to verify energy and demand savings from these opt-out customer(s) would add processes and costs to those described in response to questions 1 and 2. All of these additional costs would ultimately be shouldered by all other customers, who would not be eligible to consider opting out because they cannot meet the proposed threshold to do so.

4. Assuming any customer of 1 MW billable demand for any billable period in a year, how many customers on your system would be eligible for the 1 MW opt-out standard?

ANSWER:

There are currently 88 individual accounts in Gulf Power's service area which would meet the above-referenced threshold. This tally does not include accounts which could be "aggregated" under FIPUG's proposal. Gulf has not endeavored to identify additional accounts which could be aggregated to meet the 1 MW threshold as suggested by FIPUG, as doing so would be a substantial undertaking.



5. Walmart has proposed that threshold criteria for customers wishing to opt-out of utility sponsored energy efficiency programs be 15 million kWh per year. Please use the chart below to identify the rate class, number of customers in each class, and corresponding total energy sales that would qualify under each scenario by class.

Potential Qualifying Opt-Out Customers (15 Million kWh)		
Rate Class	No. of Customers	Total kWh Sold (2014)

ANSWER:

Potential Qualifying Opt-Out Customers (15 Million kWh)		
Rate Class	No. of Customers	Total kWh Sold (2014)
LP/LPT	8	307,964,399
RTP	22	1,150,097,114

Note: For the purposes of this response, Gulf assumes each customer is a separate account. This tally does not include accounts which could be "aggregated" under Walmart's proposal. Gulf has not endeavored to identify additional accounts which could be aggregated to meet the 15 million kWh threshold as suggested by Walmart, as doing so would be a substantial undertaking.

6. Please provide a list and description of energy efficiency programs the utility is proposing as part of its new DSM programs pursuant to Order No. PSC-14-0696-FOF-EU that would be available to those customers that meet the proposed opt-out threshold requirements.

ANSWER:

Customers meeting the proposed opt-out threshold requirements would be eligible for all Commercial/Industrial energy efficiency programs proposed in Gulf's DSM Plan filed pursuant to Order No. PSC-14-0696-FOF-EU. These programs are listed and briefly described below:

**Commercial HVAC Retrocommissioning Program.** The Commercial HVAC Retrocommissioning Program offers basic retrocommissioning at a reduced cost for qualifying installations of existing commercial and industrial customers.

**Commercial Building Efficiency Program.** The Commercial Building Efficiency Program is designed as an umbrella efficiency program for existing commercial and industrial customers to encourage the installation of eligible high-efficiency equipment as a means of reducing energy and demand. Individual measures include geothermal heat pumps, ceiling insulation, and reflective roofing materials.

**Commercial/Industrial Custom Incentive.** The Commercial/Industrial Custom Incentive program is designed to establish the capability and process to offer advanced energy services and energy efficient end-use equipment to Commercial/Industrial customers. Specifically, the types of projects covered under this program would be demand reduction or efficiency improvement retrofits that are beyond the scope of other programs included in this Plan.

7. Please explain whether or not the utility believes it is appropriate to split ECCR expenditures into energy efficiency programs and demand-side management programs.

ANSWER:

Gulf does not agree that it is appropriate to split ECCR expenditures into energy efficiency programs and demand-side management programs. Gulf's disagreement is based upon the fact that the opt-out proponents have drawn an inaccurate distinction. Virtually all of Gulf's DSM programs have both energy and demand savings associated with the measures. The opt-out proponents correctly recognize the benefits of implementing demand response programs but fail to recognize that cost-effective energy efficiency programs also provide benefits to participating and non-participating customers alike.

8. Please state whether your utility currently offer or plan to offer customized energy efficiency or demand-side management incentives to its larger (commercial and/or industrial) customers that would meet the proposed opt-out threshold proposals of FIPUG and Walmart. If so, please describe the program and provide specific examples of recent customized incentives under the program.

ANSWER:

Gulf does currently offer, and proposes to continue offering, a Custom Incentive Program to all Commercial/Industrial customers, including those who would meet the proposed opt-out threshold proposals of Walmart and FIPUG. This program provides potential incentives for unique project opportunities that may be identified in Commercial or Industrial customer settings. This program allows Gulf to provide a customized solution for projects that meet both the program standards and a customer's unique needs.

Recently, Gulf has provided incentives for the following projects under this program:

- 2 school chiller replacements
- 1 hotel chiller replacement
- 1 medical facility heat pipe installation
- 1 industrial plant chiller replacement
- 1 military base chiller optimization



AFFIDAVIT

STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA    )

Docket No. 140226-EI

Before me the undersigned authority, personally appeared Susan D. Ritenour, Corporate Secretary, Treasurer, and Corporate Planning Manager of Gulf Power Company, and who on behalf of said corporation, being first duly sworn, deposes, and says that pursuant to Rule 1.340(a), Florida Rules of Civil Procedure, she verifies that the foregoing answers to the interrogatories are submitted on behalf of said corporation, and that the foregoing constitute true and correct answers to the best of her knowledge, information, and belief based on the information provided by others in the course of business. She is personally known to me.

Susan D. Ritenour  
Susan D. Ritenour  
Corporate Secretary, Treasurer and  
Corporate Planning Manager

Sworn to and subscribed before me this 19<sup>th</sup> day of June, 2015.

Melissa A. Darnes  
Notary Public, State of Florida at Large



MELISSA A. DARNES  
MY COMMISSION # EE 150873  
EXPIRES: December 17, 2015  
Bonded Thru Budget Notary Services

**33**

**GULF's Responses to Staff's  
Second Set of Interrogatories  
(Nos. 10-12)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 33  
PARTY: STAFF  
DESCRIPTION: GULF's Responses to Staff's  
Second Set of Interrogatories(Nos. 10-12)  
[Bates Nos. 00200-00207]

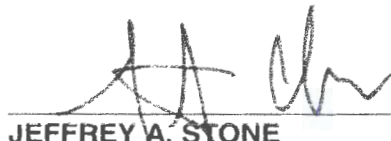
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request to opt-out of cost recovery for                    )  
Investor-owned electric utility energy efficiency                    )  
Programs by Wal-Mart Stores East, LP and Sam's                    )  
East, Inc. and Florida Industrial Power Users Group.)                    Docket No. 140226-EI

GULF POWER COMPANY'S RESPONSES TO  
STAFF'S SECOND SET OF INTERROGATORIES (NOS. 9-13)

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and  
through its undersigned counsel, hereby submits the Company's responses to Staff's  
Second Set of Interrogatories (Nos. 9-13) on the following pages.

Respectfully submitted by electronic mail this 6th day of July, 2015.



**JEFFREY A. STONE**  
Florida Bar No. 325953  
**RUSSELL A. BADDERS**  
Florida Bar No. 007455  
**STEVEN R. GRIFFIN**  
Florida Bar No. 0627569  
**BEGGS & LANE**  
P. O. Box 12950  
Pensacola FL 32591-2950  
(850) 432-2451  
**Attorneys for Gulf Power Company**

10. Please refer to the company's response to staff's first set of interrogatories, Nos. 4 and 5. Use the chart below please provide the rate class, rate class description and number of accounts that would be eligible to opt-out under the Wal-Mart and FIPUG proposals. Please see FPL's response to staff's interrogatories Nos. 4 and 5 for any clarification, if needed. Please clarify whether your response includes the aggregated accounts as proposed by FIPUG and Wal-Mart.

Potential Qualifying Opt-Out Customers Wal-Mart Proposal (15 Million kWh)		
Rate	Rate Class Description	# of Accounts

Potential Qualifying Opt-Out Customers FIPUG Proposal (1MW)		
Rate	Rate Class Description	# of Accounts



ANSWER:

Potential Qualifying Opt-Out Customers Wal-Mart Proposal (15 Million kWh)		
Rate	Rate Class Description	# of Accounts
LPT	LPT, Large Power - TOU	7
LP	LP, Large Power	1
RTP	RTP, Real Time Pricing	22

Note: This tally does not include accounts which could be aggregated under Wal-Mart's proposal.

Potential Qualifying Opt-Out Customers FIPUG Proposal (1MW)		
Rate	Rate Class Description	# of Accounts
LPT	LPT, Large Power - TOU	17
LP	LP, Large Power	9
RTP	RTP, Real Time Pricing	56
SBS	SBS, Standby Service	3

Note: This tally does not include accounts which could be aggregated under FIPUG's proposal.

11. If the Commission approves an opt-out provision, please state whether an annual review for each opt-out customer to determine if the customer continues to meet the thresholds suggested by Wal-Mart and FIPUG is required. In your response, what are the company's opinions regarding how to handle a situation in which an opt-out customer fails to meet the expected or projected threshold under the Wal-Mart or FIPUG proposal.

ANSWER:

Gulf believes that a periodic review of eligibility criteria would be required in order to maintain the integrity of any opt-out mechanism approved by the Commission. Gulf does not have a firm opinion as to whether this review must necessarily be conducted annually, although Gulf does recognize that an annual review would be consistent with other reporting and filing requirements associated with DSM Plans.

If an "opt-out" customer failed to meet the expected or projected threshold under the Walmart or FIPUG proposal, then the utility should not be held accountable for any energy and demand savings projections these customers failed to deliver. In addition, these customers should lose their eligibility to opt-out.

12. For each of the following Commission proceedings or company practices, please explain in detail, what specific changes, if any, would be necessary if the Commission approved the opt-out proposals by the petitioners:
- a. DSM goals setting and annual reporting
  - b. ECCR filings and timing of these filings
  - c. Forecasting practices, including load and revenue forecasts
  - d. Tracking and monitoring DSM program participation and achievements

ANSWER:

- a. Due to uncertainty surrounding how a potential opt-out would be implemented, impacts on the goal setting and annual reporting are not entirely clear. However, it would seem that the long standing goal setting process would have to be modified to some degree. DSM goals, which are set every five years for the FEECA utilities, are based upon the full (cost-effective) achievable potential. This achievable potential is not customer specific. DSM Plans, including participation projections, incentive amounts, marketing strategies, etc., are subsequently designed to meet the established goals. Wal-Mart and FIPUG have suggested that an opt-out program would not increase cost or impact these processes because utilities would "simply" count the savings from those customer projects toward achievement of their goal. This proposition is not as simple as it may appear. Programs build momentum as customer awareness and adoption increases. They are not designed such that they can easily be turned on and off as the number of opt-out customers increases (or decreases) throughout each year of the Plan's implementation. Further, if an opt-out were allowed, annual reporting processes would have to be modified as currently these reports are based upon program participation in approved DSM programs.
- b. ECCR schedules would require modifications to account for the removal of energy and demand for opt-out customers in factor calculations.  
  
Both projected (ECCR projection filing) and actual (ECCR true-up filing) energy and demand savings would have to be collected from opt-out customer prior to deadlines for these filings so they could be appropriately accounted for. This adds more complexity to the process in that utility personnel will be responsible for ensuring that information from opt-out customers is collected in a timely fashion and in the appropriate format for including in these processes.
- c. Gulf is not aware of changes to the Company's current forecasting processes that would be required.



- d. The following processes are expected to require changes if an opt-out scenario were implemented:
- Creation of customer enrollment and qualification processes which would result in the need to acquire a tracking system (i.e., software)
  - Creation of enrollment forms (i.e., website changes)
  - Creation of communication processes and documentation regarding a customer's opt-out disposition
  - Annually, customers would enroll and be qualified. These enrollments would be collected, evaluated and a disposition assigned to each. Depending on the details associated with the requirements, this could be a very laborious process. If customers were allowed to "aggregate" accounts as proposed by Wal-Mart and FIPUG, this process becomes even more complex.
  - Customer communication regarding the disposition of their enrollment would be required and potentially at other check points throughout the year/process
  - Creation of a process to collect verified energy and demand savings from customers
  - Changes to Gulf's customer service and billing system would likely be required to appropriately aggregate and bill opt-out customers
  - Gulf personnel involved in these activities would have to be trained



AFFIDAVIT

STATE OF FLORIDA     )  
                                      )  
COUNTY OF ESCAMBIA    )

Docket No. 140226-EI

Before me the undersigned authority, personally appeared Susan D. Ritenour, Corporate Secretary, Treasurer, and Corporate Planning Manager of Gulf Power Company, and who on behalf of said corporation, being first duly sworn, deposes, and says that pursuant to Rule 1.340(a), Florida Rules of Civil Procedure, she verifies that the foregoing answers to the interrogatories are submitted on behalf of said corporation, and that the foregoing constitute true and correct answers to the best of her knowledge, information, and belief based on the information provided by others in the course of business. She is personally known to me.

*Susan D. Ritenour*  
Susan D. Ritenour  
Corporate Secretary, Treasurer and  
Corporate Planning Manager

Sworn to and subscribed before me this 2<sup>nd</sup> day of July, 2015.

*Melissa A. Darnes*  
Notary Public, State of Florida at Large



MELISSA A. DARNES  
MY COMMISSION # EE 150873  
EXPIRES: December 17, 2015  
Bonded Thru Budget Notary Services

**FPL's Responses to OPC's  
First Set of Interrogatories (Nos. 1-2),  
filed on October 6, 2014 in  
Docket No. 140002-EG**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 34  
PARTY: STAFF  
DESCRIPTION: FPL's Responses to OPC's  
First Set of Interrogatories (Nos. 1-2), filed on  
October 6, 2014 in Docket...

**Q.**

**For the proposals in the pre-filed direct testimony of Jeffrey Pollock and Kenneth Baker, please identify the impact on your residential customers if you allow non-residential customers to "opt-out" of paying the energy efficiency measures support under the energy conservation cost recovery clause on a:**

- a. total revenue requirements basis (i.e. costs that will be shifted to the remaining participants) and,**
- b. on a per 1000 kWh /month basis**

**For purposes of answering this, you should assume and answer separately three hypothetical scenarios whereby the largest (by revenue in each tier) non-residential customers comprising 10%, 20% and 30% of non-residential revenues would be eligible for and take advantage of such an option.**

**A.**

As discussed in FPL's rebuttal testimony, the intervenors' "opt-out" proposals would unfairly shift the recovery of certain prudently-incurred Energy Conservation Cost Recovery ("ECCR") clause costs from "large" business customers, such as the companies they represent, to residential and small business customers and should be rejected. Participating customers' energy and demand benefits accrue to the full general body of customers and it is appropriate that the costs are therefore borne by all customers.

**To perform the calculation for the requested hypothetical scenarios, FPL used the following general assumptions:**

- Data from FPL's 2015 ECCR Projection Filing dated August 27, 2014.
- Opt-Out qualifying rate classes included those that included demand billing determinants (e.g., GSD-1, GSLD-1, GSLD-2, GSLD-3, MET, CILC-1G, CILC-1D, CILC-1T, SST-1D, and SST-1T, etc.) FPL notes that there are also accounts in the GS and GSCU rate classes that may qualify to opt-out through the proposed aggregation. Therefore, the cost estimates are likely somewhat conservative.
- FPL did not use customer-specific data. The intervenors' proposals are partially in conflict regarding the eligibility threshold; with one based on aggregate kWh and the other aggregate kW. This makes it impossible to determine exactly which customers could be eligible or, more importantly, which might desire to opt out and be able to meet criteria for such request to be accepted. Instead, FPL removed 10%, 20% and 30% of projected kWh from rate classes assumed to qualify to opt out.
- Only costs allocated on energy were included. These costs represent approximately one third of the projected 2015 ECCR costs. Allocations for demand-allocated costs were assumed to remain unchanged under the intervenors' proposals.

**Analysis results:**

- a. **Total 2015 revenue requirements shifted to the residential rate classes:**
  - 10% = \$1.4 million
  - 20% = \$2.9 million
  - 30% = \$4.6 million
  - These costs represent a significant portion of FPL's total energy-related ECCR costs (approximately 4.5%, 9.0% and 14.0% respectively).
- b. **Increase in the residential monthly bill (at 1,000 kWh):**
  - 10% = \$0.02
  - 20% = \$0.05
  - 30% = \$0.08
  - This would drive up residential customers' share of FPL's total energy-related ECCR costs from the current 52% to 54%, 57% and 60% respectively.



**Q.** Please describe how your Company's implementation of the RIM test in determining and/or evaluating the cost-effectiveness of conservation measures would be impacted by the proposal(s) contained in the testimony of Pollock and Baker.

**A.** The actual implementation, or application, of the RIM preliminary economic screening test of DSM measures and programs would be unchanged. However, there would be negative impacts for DSM as a resource option as a result of the proposed "opt-out" provision.

This is because one of the key inputs used in the calculation of DSM cost impacts in the RIM test would be changed with the presence of an opt-out. This input is the projection of annual electric rates for the rate class in which participants of a specific DSM program (or measure) reside. This electric rate projection accounts for the base rate plus all applicable clauses including the Energy Conservation Cost Recovery (ECCR) clause (which accounts for DSM-related costs such as incentive payments and administrative costs). The electric rate projection is used in the RIM test to calculate the unrecovered revenue requirements that are projected to result from the kWh and/or kW reduction aspect of each specific DSM program.

The opt-out proposal(s) is designed to allow a customer group(s) to not pay for the ECCR costs of specific DSM programs. This will result in recovering the incentive and administrative costs of specific DSM programs through a reduced number of kWh of sales, thus increasing ECCR clause charges for the remaining customers. Because of these now higher ECCR charges, the projected electric rates for the participating customers' rate class will be increased. In turn, this increases the unrecovered revenue requirements that result from implementing the DSM program.

As a consequence of this, two negative impacts for DSM will occur:

- 1) Decreased cost-effectiveness: Because the benefit side of the specific DSM program's benefit-to-cost calculation would remain unchanged, but the cost side would increase due to higher unrecovered revenue requirements, the benefit-to-cost ratio for the DSM program would decrease. Therefore, the DSM program becomes less cost-effective than it would be without the proposed opt-out provision. DSM programs that were previously marginally cost-effective may now become non-cost-effective.

**Florida Power & Light Company  
Docket No. 140002-EG  
OPC's 1st Set of Interrogatories  
Interrogatory No. 2  
Page 2 of 2**

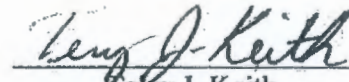
- 2) Decreased DSM Achievable Potential: The incentive amount and/or the administrative cost (including advertising and marketing) for the specific DSM program would need to be lowered in order to return the DSM program to the same level of cost-effectiveness that occurred prior to the opt-out. Although this might address the problem of decreased cost-effectiveness caused by an opt-out, another negative impact occurs. Lower incentive and/or marketing expenditures for the DSM program would result in a lowering of the Achievable Potential for the specific DSM program. In turn, this lowers the total Achievable Potential for the utility's entire DSM portfolio.

**AFFIDAVIT**

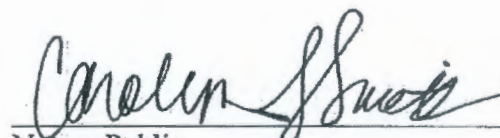
STATE OF FLORIDA )

COUNTY OF MIAMI-DADE )

I hereby certify that on this 29<sup>th</sup> day of September, 2014, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Terry J. Keith, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number 1 from **OPC'S FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 1-2)** in Docket No. 140002-EG, and that the responses are true and correct based on his personal knowledge.

  
Terry J. Keith

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 29<sup>th</sup> day of September, 2014.

  
Notary Public  
State of Florida, at Large

My Commission Expires:




**AFFIDAVIT**

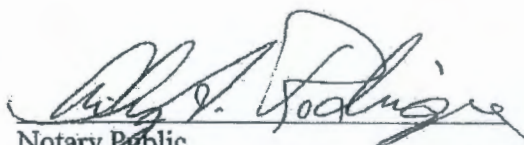
STATE OF FLORIDA )

COUNTY OF MIAMI-DADE )

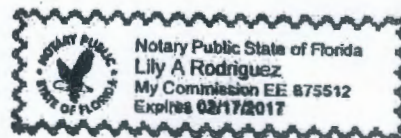
I hereby certify that on this 29<sup>th</sup> day of September, 2014, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Steven R. Sim, who is personally known to me, and he acknowledged before me that he provided the answer to interrogatory number 2 from **OPC'S FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 1-2)** in Docket No. 140002-EG, and that the response is true and correct based on his personal knowledge.

  
Steven R. Sim

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 29<sup>th</sup> day of September, 2014.

  
Notary Public  
State of Florida, at Large

My Commission Expires:





**DEF's Responses to OPC's  
First Set of Interrogatories (Nos. 1-2),  
filed on October 2, 2014 in  
Docket No. 140002-EG**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 35  
PARTY: STAFF  
DESCRIPTION: DEF's Responses to OPC's  
First Set of Interrogatories (Nos. 1-2), filed on

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Energy conservation cost recovery  
clause.

DOCKET NO. 140002-EG

DATED: October 2, 2014

**DUKE ENERGY FLORIDA'S RESPONSE TO  
OPC'S FIRST SET OF INTERROGATORIES (NOS. 1-2)**

Duke Energy Florida, Inc. ("DEF"), responds to OPC's First Set of Interrogatories (Nos. 1-2) as follows:

**GENERAL RESPONSES AND OBJECTIONS**

DEF incorporates and restates its General Responses and Objections to OPC's First Set of Interrogatories (Nos. 1-2), filed on September 29, 2014, as if those responses and objections were fully set forth herein.

**INTERROGATORIES**

1. For the proposals in the pre-filed direct testimony of Jeffrey Pollock and Kenneth Baker, please identify the impact on your residential customers if you allow non-residential customers to "opt-out" of paying the energy efficiency measures support under the energy conservation cost recovery clause on a:
  - a. total revenue requirements basis (i.e. costs that will be shifted to the remaining participants) and,
  - b. on a per 1000 kWh /month basis

For purposes of answering this, you should assume and answer separately three hypothetical scenarios whereby the largest (by revenue in each tier) non-residential

customers comprising 10%, 20% and 30% of non-residential revenues would be eligible for and take advantage of such an option.

**RESPONSE:**

DEF incorporates its objections to this interrogatory, filed September 29, 2014, as though stated herein. Subject to and without waiving those objections, DEF provides the following response:

DEF has not provided a response to the specific hypothetical scenarios that OPC has requested because completing this analysis will require DEF to make a number of assumptions about how an “opt-out” would be structured, what customers would qualify, whether multiple accounts for a particular customer would be aggregated or not, and how the “opt-out” would impact the goals and the program offerings. Generally speaking, however, under a RIM portfolio, allowing non-residential customers to “opt-out” of paying for energy efficiency measures will naturally result in cross-subsidization, because under RIM all customers, both participants and not participants, benefit from programs offered through the Energy Conservation Cost Recovery Clause. Customers who “opt-out” of paying for those programs will still benefit from the lowering of rates, but the costs of the programs will be socialized to all of the other customers. Under these circumstances, even if the goals are reduced and the programs are modified to account for the impacts achieved by opted out customers such that the overall costs are lower, the customers who opt-out will still benefit from whatever demand and energy reductions are achieved and will not pay their share of the costs. As indicated in its rebuttal testimony, DEF does not agree with any opt out proposal that does not keep all customers (including those who have not opted out) whole irrespective of the opting out customers.

2. Please describe how your Company's implementation of the RIM test in determining and/or evaluating the cost-effectiveness of conservation measures would be impacted by the proposal(s) contained in the testimony of Pollock and Baker.

**RESPONSE:**

The proposed DSM Goals submitted by DEF in Docket 130200 are based on cost-effective measures that pass both the RIM and Participant tests. Measures passing these two tests provide benefits greater than costs to both participating and non-participating customers. Under an "opt out" program, all customers will continue to benefit from the avoided capacity and fuel savings provided by particular measures, however, the fixed costs will be distributed across fewer customers and fewer kWh sales which in turn will have a negative impact on RIM cost-effectiveness.



**AFFIDAVIT**

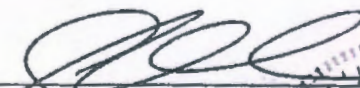
STATE OF NORTH CAROLINA)

COUNTY OF MECKLENBERG)

I hereby certify that on this 25 day of September, 2014, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared TIMOTHY J. DUFF, who is personally known to me, and he/she acknowledged before me that he provided the answers to interrogatory numbers 1 and 2 from OPC'S FIRST SET OF INTERROGATORIES TO DUKE ENERGY FLORIDA (NOS. 1-2) in Docket No. 140002-EG, and that the responses are true and correct based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 25 day of September, 2014.

  
\_\_\_\_\_  
Timothy J. Duff

  
\_\_\_\_\_  
Notary Public  
State of North Carolina, at Large

My Commission Expires:

10.20.18



**36**

**TECO's Responses to OPC's  
First Set of Interrogatories (Nos. 1-2),  
filed on October 6, 2014 in  
Docket No. 140002-EG**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 36  
PARTY: STAFF  
DESCRIPTION: TECO's Responses to OPC's  
First Set of Interrogatories (Nos. 1-2), filed on

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

**In re: Energy Conservation Cost  
Recovery Clause** )  
 )  
 )  
\_\_\_\_\_

**DOCKET NO. 140002-EG  
FILED: OCTOBER 6, 2014**

**TAMPA ELECTRIC COMPANY'S  
ANSWERS TO FIRST SET OF INTERROGATORIES (NOS. 1-2)  
OF THE  
OFFICE OF PUBLIC COUNCIL**

Tampa Electric files its Answers to Interrogatory (Nos. 1-2) propounded  
and served on September 15, 2014 by the Office of Public Council.

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 140002-EG  
INDEX TO OPC'S FIRST SET OF INTERROGATORIES (NOS. 1-2)**

<u>Number</u>	<u>Witness</u>	<u>Subject</u>	<u>Bates Stamped Page</u>
1	Roche	<p>For the proposals in the pre-filed direct testimony of Jeffry Pollock and Kenneth Baker, please identify the impact on your residential customers if you allow non-residential customers to "opt-out" of paying the energy efficiency measures support under the energy conservation cost recovery clause on a:</p> <p>a. total revenue requirements basis (i.e. costs that will be shifted to the remaining participants) and,</p> <p>b. on a per 1 000 kWh /month basis</p> <p>For purposes of answering this, you should assume and answer separately three hypothetical scenarios whereby the largest (by revenue in each tier) non-residential customers comprising 10%, 20% and 30% of non-residential revenues would be eligible for and take advantage of such an option.</p>	1
2	Roche	<p>Please describe how your Company's implementation of the RIM test in determining and/or evaluating the cost-effectiveness of conservation measures would be impacted by the proposal(s) contained in the testimony of Pollock and Baker.</p>	9

Mark Roche  
Administrator, Regulatory Rates  
Tampa Electric Company  
702 N. Franklin Street  
Tampa, FL 33602



**TAMPA ELECTRIC COMPANY  
DOCKET NO. 140002-EG  
OPC'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 1  
PAGE 1 OF 8  
FILED: OCTOBER 6, 2014**

1. For the proposals in the pre-filed direct testimony of Jeffry Pollock and Kenneth Baker, please identify the impact on your residential customers if you allow non-residential customers to "opt-out" of paying the energy efficiency measures support under the energy conservation cost recovery clause on a:
  - a. total revenue requirements basis (i.e. costs that will be shifted to the remaining participants) and,
  - b. on a per 1 000 kWh /month basis

For purposes of answering this, you should assume and answer separately three hypothetical scenarios whereby the largest (by revenue in each tier) non-residential customers comprising 10%, 20% and 30% of non-residential revenues would be eligible for and take advantage of such an option.

- A. The answers for the three hypothetical scenarios are contained within the six charts on the following pages. Each scenario contains two charts. The first chart of each scenario shows the total costs that will be shifted to the other rate classes, including the total cost shift that will occur within the same rate class to customers that do not meet the eligibility due to their size. The second chart shows the impact of each scenario on the cost recovery factors for the 2015 January through December cost recovery period.

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 140002-EG  
OPC'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 1  
PAGE 2 OF 8  
FILED: OCTOBER 6, 2014**

<b>10% Scenario – Dollars Shifted to Remaining Participants</b>			
<b>Rate Schedule</b>	<b>Current 2015 Projection Cost assigned to Rate Class including current period true up</b>	<b>2015 Projection Cost assigned to Rate Class including current period true up with 10% opt-out</b>	<b>Dollars burdened on Rate Class from opt-out or additional burden on Non- Opt-Out Customers in eligible opt-out rate class</b>
RS	\$21,510,169	\$22,300,335	\$790,166
GS and TS	\$2,406,077	\$2,501,058	\$94,981
GSD, SBF Standard	\$14,637,966	\$13,805,171	\$663,692
GSD Optional	\$714,065	\$746,400	\$32,335
IS	\$1,508,610	\$1,404,220	\$83,193
LS1	\$218,753	\$238,456	\$19,703
<b>Total Dollars Shifted</b>			<b>\$1,684,070</b>

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 140002-EG  
OPC'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 1  
PAGE 3 OF 8  
FILED: OCTOBER 6, 2014**

<b>10% Scenario – Impact to Cost Recovery Factors</b>			
<b>Rate Schedule</b>	<b>Current 2015 Projection Cost Recovery Factors (cents/kWh)</b>	<b>2015 Cost Recovery Factors with 10% opt-out (cents/kWh)</b>	<b>Percent change Increase current (10% opt-out)</b>
RS	0.247	0.256	3.64%
GS and TS	0.230	0.239	3.91%
GSD Optional - Secondary	0.200	0.209	4.50%
GSD Optional - Primary	0.198	0.207	4.55%
GSD Optional - Subtransmission	0.196	0.205	4.59%
LS1	0.101	0.110	8.91%
	<b>(Dollars/kW)</b>	<b>(Dollars/kW)</b>	
GSD - Secondary	0.85	0.90	5.88%
GSD - Primary	0.85	0.89	4.71%
GSD - Subtransmission	0.84	0.88	4.76%
SBF - Secondary	0.85	0.90	5.88%
SBF - Primary	0.85	0.89	4.71%
SBF - Subtransmission	0.84	0.88	4.76%
IS - Secondary	0.66	0.68	3.03%
IS - Primary	0.66	0.68	3.03%
IS - Subtransmission	0.65	0.67	3.08%

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 140002-EG  
OPC'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 1  
PAGE 4 OF 8  
FILED: OCTOBER 6, 2014**

<b>20% Scenario – Dollars Shifted to Remaining Participants</b>			
<b>Rate Schedule</b>	<b>Current 2015 Projection Cost assigned to Rate Class including current period true up</b>	<b>2015 Projection Cost assigned to Rate Class including current period true up with 20% opt-out</b>	<b>Dollars burdened on Rate Class from opt-out or additional burden on Non- Opt-Out Customers in eligible opt-out rate class</b>
RS	\$21,510,169	\$23,090,501	\$1,580,332
GS and TS	\$2,406,077	\$2,596,040	\$189,963
GSD, SBF Standard	\$14,637,966	\$12,972,375	\$1,327,384
GSD Optional	\$714,065	\$778,734	\$64,669
IS	\$1,508,610	\$1,299,830	\$166,386
LS1	\$218,753	\$258,160	\$39,407
<b>Total Dollars Shifted</b>			<b>\$3,368,141</b>



**TAMPA ELECTRIC COMPANY  
DOCKET NO. 140002-EG  
OPC'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 1  
PAGE 5 OF 8  
FILED: OCTOBER 6, 2014**

<b>20% Scenario – Impact to Cost Recovery Factors</b>			
<b>Rate Schedule</b>	<b>Current 2015 Projection Cost Recovery Factors (cents/kWh)</b>	<b>2015 Cost Recovery Factors with 20% opt-out (cents/kWh)</b>	<b>Percent change Increase current (20% opt-out)</b>
RS	0.247	0.265	7.29%
GS and TS	0.230	0.248	7.83%
GSD Optional - Secondary	0.200	0.218	9.00%
GSD Optional - Primary	0.198	0.216	9.09%
GSD Optional - Subtransmission	0.196	0.214	9.18%
LS1	0.101	0.119	17.82%
	<b>(Dollars/kW)</b>	<b>(Dollars/kW)</b>	
GSD - Secondary	0.85	0.95	11.76%
GSD - Primary	0.85	0.94	10.59%
GSD - Subtransmission	0.84	0.93	10.71%
SBF - Secondary	0.85	0.95	11.76%
SBF - Primary	0.85	0.94	10.59%
SBF - Subtransmission	0.84	0.93	10.71%
IS - Secondary	0.66	0.71	7.58%
IS - Primary	0.66	0.70	6.06%
IS - Subtransmission	0.65	0.70	7.69%

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 140002-EG  
OPC'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 1  
PAGE 6 OF 8  
FILED: OCTOBER 6, 2014**

<b>30% Scenario – Dollars Shifted to Remaining Participants</b>			
<b>Rate Schedule</b>	<b>Current 2015 Projection Cost assigned to Rate Class including current period true up</b>	<b>2015 Projection Cost assigned to Rate Class including current period true up with 30% opt-out</b>	<b>Dollars burdened on Rate Class from opt-out or additional burden on Non- Opt-Out Customers in eligible opt-out rate class</b>
RS	\$21,510,169	\$23,880,667	\$2,370,498
GS and TS	\$2,406,077	\$2,691,021	\$284,944
GSD, SBF Standard	\$14,637,966	\$12,139,580	\$1,991,076
GSD Optional	\$714,065	\$811,068	\$97,003
IS	\$1,508,610	\$1,195,440	\$249,579
LS1	\$218,753	\$277,864	\$59,111
<b>Total Dollars Shifted</b>			<b>\$5,052,211</b>

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 140002-EG  
OPC'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 1  
PAGE 7 OF 8  
FILED: OCTOBER 6, 2014**

<b>30% Scenario – Impact to Cost Recovery Factors</b>			
<b>Rate Schedule</b>	<b>Current 2015 Projection Cost Recovery Factors (cents/kWh)</b>	<b>2015 Cost Recovery Factors with 30% opt-out (cents/kWh)</b>	<b>Percent change Increase current (30% opt-out)</b>
RS	0.247	0.274	10.93%
GS and TS	0.230	0.257	11.74%
GSD Optional - Secondary	0.200	0.227	13.50%
GSD Optional - Primary	0.198	0.225	13.64%
GSD Optional - Subtransmission	0.196	0.222	13.27%
LS1	0.101	0.128	26.73%
	<b>(Dollars/kW)</b>	<b>(Dollars/kW)</b>	
GSD - Secondary	0.85	1.01	18.82%
GSD - Primary	0.85	1.00	17.65%
GSD - Subtransmission	0.84	0.99	17.86%
SBF - Secondary	0.85	1.01	18.82%
SBF - Primary	0.85	1.00	17.65%
SBF - Subtransmission	0.84	0.99	17.86%
IS - Secondary	0.66	0.75	13.64%
IS - Primary	0.66	0.74	12.12%
IS - Subtransmission	0.65	0.73	12.31%

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 140002-EG  
OPC'S FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 1  
PAGE 8 OF 8  
FILED: OCTOBER 6, 2014**

- B.** The charts below list the monthly impact on a residential customer based upon a 1,000 kWh usage and the opt-out scenario given.

<b>10% Scenario - Impact to 1,000 kWh Usage Residential Customer</b>			
	Using current 2015 Projection Cost Recovery Factors	Using 2015 Cost Recovery Factors with 10% opt-out	Dollar increase over current on 1,000 kWh usage (10% opt-out)
<b>Residential Bill Impacts - based upon 1,000 kWh usage</b>	\$2.47	\$2.56	\$0.09

<b>20% Scenario - Impact to 1,000 kWh Usage Residential Customer</b>			
	Using current 2015 Projection Cost Recovery Factors	Using 2015 Cost Recovery Factors with 20% opt-out	Dollar increase over current on 1,000 kWh usage (20% opt-out)
<b>Residential Bill Impacts - based upon 1,000 kWh usage</b>	\$2.47	\$2.65	\$0.18

<b>30% Scenario - Impact to 1,000 kWh Usage Residential Customer</b>			
	Using current 2015 Projection Cost Recovery Factors	Using 2015 Cost Recovery Factors with 30% opt-out	Dollar increase over current on 1,000 kWh usage (30% opt-out)
<b>Residential Bill Impacts - based upon 1,000 kWh usage</b>	\$2.47	\$2.74	\$0.27



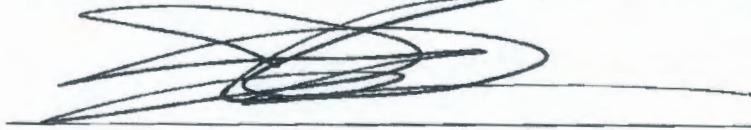
2. Please describe how your Company's implementation of the RIM test in determining and/or evaluating the cost-effectiveness of conservation measures would be impacted by the proposal(s) contained in the testimony of Pollock and Baker.
  - A. The RIM test is the appropriate cost effectiveness test to evaluate the impact of any conservation DSM measure on all customers in a fair and equitable manner. Regardless where the measure is for a commercial or residential customer if the RIM test value for that measure is greater than 1.0, then the measure provides cost-effective benefits to all customers. This includes customers that participate as well as customers that do not participate. Since the benefit of the measure is received by all customers, all customers should bear the cost of delivering the measure into the marketplace. To allow a certain class or group of customers to opt-out of that payment would unduly place the burden of paying for it on all other customers thereby inserting a direct subsidy upon customers that are ineligible for this opt-out provision.

# A F F I D A V I T

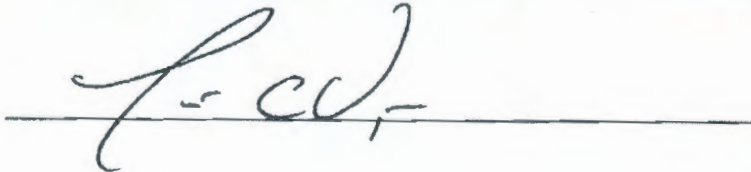
STATE OF FLORIDA       )  
                                  )  
COUNTY OF HILLSBOROUGH )

Before me the undersigned authority personally appeared Mark Roche who deposed and said that he is Administrator, Regulatory Rates, Tampa Electric Company, and that the individuals listed in Tampa Electric Company's response to Citizen's First Set of Interrogatories, (Nos. 1-2) prepared or assisted with the responses to these interrogatories to the best of his information and belief.

Dated at Tampa, Florida this 1<sup>st</sup> day of October, 2014.



Sworn to and subscribed before me this 1<sup>st</sup> day of October 2014.



My Commission expires \_\_\_\_\_



**GULF's Responses to OPC's  
First Set of Interrogatories (Nos. 1-2),  
filed on October 6, 2014 in  
Docket No. 140002-EG**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 37  
PARTY: STAFF  
DESCRIPTION: GULF's Responses to OPC's  
First Set of Interrogatories (Nos. 1-2), filed on

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

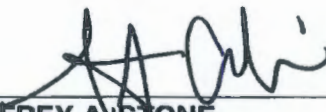
In re: Conservation Cost )  
Recovery Clause )  
\_\_\_\_\_ )

Docket No. 140002-EG

GULF POWER COMPANY'S RESPONSES TO  
CITIZENS' FIRST SET OF INTERROGATORIES (NO. 1)

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and  
through its undersigned counsel, hereby submits the Company's responses to Citizens'  
First Set of Interrogatories (No. 1) on the following pages.

Respectfully submitted by electronic mail this 6th day of October, 2014.



**JEFFREY A. STONE**

Florida Bar No. 325953

**RUSSELL A. BADDERS**

Florida Bar No. 007455

**STEVEN R. GRIFFIN**

Florida Bar No. 0627569

**BEGGS & LANE**

P. O. Box 12950

Pensacola FL 32591-2950

(850) 432-2451

**Attorneys for Gulf Power Company**



1. For the proposals in the pre-filed direct testimony of Jeffrey Pollock and Kenneth Baker, please identify the impact on your residential customers if you allow non-residential customers to "opt-out" of paying the energy efficiency measures support under the energy conservation cost recovery clause on a:
  - a. total revenue requirements basis (i.e. costs that will be shifted to the remaining participants) and,
  - b. on a per 1000 kWh /month basis

For purposes of answering this, you should assume and answer separately three hypothetical scenarios whereby the largest (by revenue in each tier) non-residential customers comprising 10%, 20% and 30% of non-residential revenues would be eligible for and take advantage of such an option.

**ANSWER:**

- a. The table below shows the expenses allocated to each of Gulf's customer classes in the scenarios requested. Additionally, for comparison, Gulf included expenses as they were filed in the projection testimony of Gulf's Witness Jennifer L. Todd, Docket No. 140002-EG. The "Current Expenses" scenario does not assume any opt-out. As can be clearly seen, there is a definite shift of expenses under these scenarios for non-opt-out customers; specifically, to residential and small commercial customers.

In responding to this interrogatory, Gulf followed the assumptions put forth by OPC in three hypothetical scenarios. It is Gulf's position that while these assumptions accurately demonstrate the directional impact of such an opt-out, they do not capture all of the costs that will be incurred, nor do they realistically reflect the complexities associated with calculating the impacts of a customer-by-customer opt-out as proposed by the intervenor witnesses.

	<b>Current Expenses</b>	<b>Scenario 1 – 10%</b>	<b>Scenario 2 – 20%</b>	<b>Scenario 3 – 30%</b>
<b>RS</b>	\$12,997,620	\$13,874,449	\$14,758,721	\$15,698,932
<b>GS</b>	\$721,390	\$770,261	\$819,565	\$872,006
<b>GSD, GSDT, GSTOU</b>	\$6,518,040	\$6,961,535	\$7,409,179	\$7,885,447
<b>LP, LPT</b>	\$2,712,593	\$2,569,948	\$2,433,398	\$1,943,175
<b>PX, PXT, RTP, SBS</b>	\$3,523,636	\$2,273,226	\$1,004,413	\$0
<b>OS – I/II</b>	\$239,630	\$256,373	\$273,323	\$291,387
<b>OS – III</b>	\$103,903	\$111,024	\$118,212	\$125,865

- b. The table below shows the impact of the expense shifts shown in response to 1a above on a typical 1,000 kWh monthly residential bill.

	Current	Scenario 1 – 10%	Scenario 2 – 20%	Scenario 3 – 30%
RS	\$2.50	\$2.67	\$2.84	\$3.03

2. Please describe how your Company's implementation of the RIM test in determining and/or evaluating the cost-effectiveness of conservation measures would be impacted by the proposal(s) contained in the testimony of Pollock and Baker.

**ANSWER:**

DSM expenses based on RIM based goals eliminate the need for a complex opt-out provision because all customers benefit from RIM passing measures whether they participate in the program(s) or not; however, such a provision only affects the recovery of conservation related expenses and would not have any impact on RIM test results for specific measures.

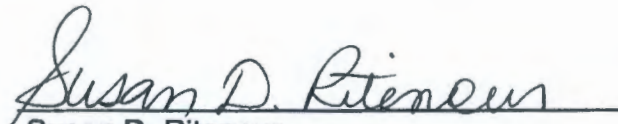


AFFIDAVIT


STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA   )

Docket No. 140002-EG

Before me the undersigned authority, personally appeared Susan D. Ritenour, Corporate Secretary, Treasurer, and Corporate Planning Manager of Gulf Power Company, and who on behalf of said corporation, being first duly sworn, deposes, and says that pursuant to Rule 1.340(a), Florida Rules of Civil Procedure, she verifies that the foregoing answers to the interrogatories are submitted on behalf of said corporation, and that the foregoing constitute true and correct answers to the best of her knowledge, information, and belief based on the information provided by others in the course of business. She is personally known to me.

  
Susan D. Ritenour  
Corporate Secretary, Treasurer and  
Corporate Planning Manager

Sworn to and subscribed before me this 3<sup>rd</sup> day of October, 2014.

  
Notary Public, State of Florida at Large



MELISSA A. DARNES  
MY COMMISSION # EE 150873  
EXPIRES: December 17, 2015  
Bonded Thru Budget Notary Services



EXHIBIT NO. 38

DOCKET NO: 140226-EI

WITNESS:

Kenneth Baker

PARTY:

WALMART

DESCRIPTION:

COMPARISON OF CONTRIBUTION TO UTILITY ENERGY GOALS VS.  
IMPACT ON ECCR REVENUE REQUIREMENTS

DOCUMENTS:

2 SPREADSHEETS COMPARING PERCENTAGE CONTRIBUTIONS TO  
UTILITY ENERGY GOALS VS. PERCENTAGE IMPACT ON ECCR  
REVENUE REQUIREMENTS FOR AN ILLUSTRATIVE LARGE OPT-  
OUT CUSTOMER FOR FPL, DUKE ENERGY FLORIDA, GULF POWER,  
AND TAMPA ELECTRIC

PROFFERED BY:

WALMART

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 38  
PARTY: Wal-Mart  
DESCRIPTION: Baker/Comparison of Goals  
contribution to ECCR Rev Impact

**Comparison of Contribution Towards Utility Goals vs. Impact on ECCR Revenue Requirement**  
**(100,000,000 kWh Annual Usage, 65% Load Factor, Customer Reduces Equal to Utility Goal)**

Utility	2014 Utility	Commission Approved Goals		Customer	Customer	% of Utility	Estimated Cust	Estimated	Estimated	Approved ECCR	Cust Opt Out Impact on	Contribution Towards
	Energy Sales			Annual Usage	EE Savings	Goal Met	ECCR Cost	Part E Portion	Cust Part E	Revenue Requirement	ECCR Revenue Requirement	Utility Goals
	(GWh) (1)	(GWh) (2)	(% of Sales) (3) (2) / (1)	(GWh) (4)	(GWh) (5) (3) x (4)	(%) (6) (5) / (2)	(\$) (7)	(%) (8)	(\$) (9) (7) x (8)	(\$) (10)	(%) (11) (9) / (10)	(%) (12) (6)
Florida Power & Light	104,389	526	0.50%	100	0.5	0.10%	\$ 153,557	33.9%	\$ 52,093	\$ 203,249,585	0.03%	0.10%
Duke Energy Florida	37,274	195	0.52%	100	0.5	0.27%	\$ 141,599	27.2%	\$ 38,504	\$ 89,408,505	0.04%	0.27%
Gulf Power	11,075	84	0.76%	100	0.8	0.90%	\$ 205,056	88.4%	\$ 181,196	\$ 27,717,798	0.65%	0.90%
Tampa Electric	18,526	144	0.78%	100	0.8	0.54%	\$ 180,024	40.1%	\$ 72,247	\$ 42,526,658	0.17%	0.54%

Sources:

(1) FERC Form 1, 2014/Q4, page 304

(2) FEECA Annual Report on Activities Pursuant to the Florida Energy Efficiency & Conservation Act, Table 8

(8) Workpaper 1 (based on Exhibit SWC-3)

(10) Order No. PSC-14-0632-FOF-EG, page 3

**Comparison of Contribution Towards Utility Goals vs. Impact on ECCR Revenue Requirement**  
**(100,000,000 kWh Annual Usage, 65% Load Factor, 1% Customer Usage Reduction Goal)**

Utility	2014 Utility Energy Sales	Commission Approved Goals		Customer Annual Usage	Apply Cust 1% Goal	% of Utility Goal Met	Estimated Cust ECCR Cost	Estimated Part E Portion	Estimated Cust Part E	Approved ECCR Revenue Requirement	Cust Opt-Out Impact on ECCR Revenue Requirement	Contribution Towards Utility Goals
	(GWH) (1)	(GWH) (2)	(% of Sales) (3)	(GWH) (4)	(GWH) (5)	(%) (6)	(\$) (7)	(%) (8)	(\$) (9)	(\$) (10)	(%) (11)	(%) (12)
			(2) / (1)		(4) x 1%	(5) / (2)			(7) x (8)		(9) / (10)	(6)
Florida Power & Light	104,389	526	0.50%	100	1	0.19%	\$ 153,557	33.9%	\$ 52,093	\$ 203,249,585	0.03%	0.19%
Duke Energy Florida	37,274	195	0.52%	100	1	0.51%	\$ 141,599	27.2%	\$ 38,504	\$ 89,408,505	0.04%	0.51%
Gulf Power	11,075	84	0.76%	100	1	1.19%	\$ 205,056	88.4%	\$ 181,196	\$ 27,717,798	0.65%	1.19%
Tampa Electric	18,526	144	0.78%	100	1	0.69%	\$ 180,024	40.1%	\$ 72,247	\$ 42,526,658	0.17%	0.69%

Sources:

(1) FERC Form 1, 2014/Q4, page 304

(2) FEECA Annual Report on Activities Pursuant to the Florida Energy Efficiency & Conservation Act, Table 8

(8) Workpaper 1 (based on Exhibit SWC-3)

(10) Order No. PSC-14-0632-FOF-EG, page 3

# CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 39  
PARTY: Wal-Mart  
DESCRIPTION: Baker/Specific Comparison  
ECCR Revenue



EXHIBIT NO. 40

DOCKET NO: 140226-EI

WITNESS: TIMOTHY DUFF

PARTY: FLORIDA INDUSTRIAL POWER USERS GROUP

DESCRIPTION: DUKE NORTH CAROLINA OPT OUT ELIGIBILITY  
PROGRAM

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 40  
PARTY: FIPUG  
DESCRIPTION: Duke/NC Opt-out



# Energy Efficiency Program Opt-Out Eligibility

## What requirements have been approved to opt out?

The following "opt out" eligibility requirements have been approved by the North Carolina Utilities Commission.

- Any industrial or qualifying large commercial customer\* may notify Duke Energy that it has implemented, or will implement, alternative energy efficiency measures and may elect not to participate in new energy efficiency measures. Any customer that chooses this option will, after the date of notification to the utility, be exempt from the energy efficiency rider established pursuant to this rule.
- At the time Duke Energy petitions for the annual rider, it may be required to provide the Commission with a list of those industrial or large commercial customers that have opted out of participation in the new energy efficiency measures.
- New customers who are eligible will have 60 days after establishing service to notify Duke Energy of their election decision. The opt in/out enrollment period occurs annually from Nov. 1 to Dec. 31. Additionally, any customer that opted out during the annual enrollment window may, at their sole discretion, change their election to opt in during a March opt in window (first five business days of March), recognizing that the rider will be retroactively applied back to January 1st of the calendar year.
- Qualifying customers may participate in the conservation programs (Smart Saver® assessments and Incentives), only the demand-side management programs (PowerShare®), both or neither.
- Any customer that chooses to opt out, but subsequently elects to participate, loses the right to be exempt from payment of the rider.
  - To opt out, qualifying customers must complete the online [provision \(/pdfs/NC-EE-Demand-Side-Management-Decision-Form.pdf\)](/pdfs/NC-EE-Demand-Side-Management-Decision-Form.pdf). Once the form is received, a qualifying customer will be exempt from the costs associated with the "conservation" and/or "demand-side management" components of the energy efficiency rider. However, in doing so, customers forego the opportunity to take advantage of energy efficiency incentives, which can improve the bottom line and lower the cost of doing business.
  - Before submitting a request for exemption from this suite of energy-saving programs, we encourage customers to visit our [energy efficiency programs \(/north-carolina-large-business/energy-efficiency/nclb-energy-efficiency-programs.asp\)](/north-carolina-large-business/energy-efficiency/nclb-energy-efficiency-programs.asp) page.

*\*All customers on an Industrial rate and those commercial customers consuming 1 million kilowatt-hours annually are eligible to opt out.*

[Energy Efficiency and Demand-Side Management Decision Form \(/pdfs/NC-EE-Demand-Side-Management-Decision-Form.pdf\)](/pdfs/NC-EE-Demand-Side-Management-Decision-Form.pdf)

[Energy Efficiency Frequently Asked Questions \(/north-carolina-large-business/energy-efficiency/nclb-opt-out-provision-faq.asp\)](/north-carolina-large-business/energy-efficiency/nclb-opt-out-provision-faq.asp)

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EXHIBIT NO. 41

DOCKET NO: 140226-EI

WITNESS: TIMOTHY DUFF

PARTY: FLORIDA INDUSTRIAL POWER USERS GROUP

DESCRIPTION: DUKE SOUTH CAROLINA OPT OUT ELIGIBILITY  
PROGRAM

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 41  
PARTY: FIPUG  
DESCRIPTION: Duke/SC Opt-out



# Energy Efficiency Opt-In/Opt-Out Provision

## What is the Energy Efficiency Opt-In/Opt-Out Provision?

Duke Energy's energy efficiency (EE) plan is one way we're working to meet rising energy demand by helping our customers conserve energy. The plan encourages the continued development and implementation of energy efficiency conservation programs for our customers. The plan also provides certain customers the ability to opt out of participating in the energy efficiency plan if they have already completed energy efficiency measures on their own, and meet the following eligibility requirements:

## Opt-In/Opt-Out Eligibility

The Public Service Commission of South Carolina has approved the following eligibility requirements:

- Duke Energy eligible accounts in South Carolina may elect to not participate in our energy efficiency and/or demand response programs. In order to opt out, they must notify Duke Energy and certify that the company has performed, at their own expense, an energy audit or analysis within the three-year period preceding the opt-out request. In addition, they must implement or plan to implement the cost-effective energy efficiency measures recommended in that audit or analysis.

To qualify to opt-out in South Carolina, the non-residential customer must:

a. be served under an electric service agreement where the establishment is classified as a "manufacturing industry" by the Standard Industrial Classification Manual published by the United States Government with more than fifty percent (50%) of the electric energy consumption of such establishment being used for its manufacturing processes;

or

b. be an individual general service account with annual consumption of 1,000,000 kWh's or greater in the billing months of the prior calendar year; with this eligibility met for one account, all other accounts billed to the same customer with lesser annual usage located on the same or contiguous properties.

and

c. notify the Company in writing that it elects to opt-out and that the opt-out customer has implemented its own energy management system or has performed or had performed for it an energy audit or analysis within the three year period preceding the opt out request and has implemented or has plans for implementing the cost-effective energy efficiency measures recommended in that audit or analysis.

To make an election of opting out, all eligible customers must fill out the required opt-out form to opt-out of participating in the Duke Energy Carolinas' EE and/or DSM Programs.

Eligible rate schedules to consider the opt-in/out election are I, OPT, HP, PG, MP, LGS, SGS, GB and IT

- The annual enrollment window is Nov. 1 through Dec. 31 of each calendar year.
- Eligible customers who begin new service have (60) days from their meter start date to notify Duke Energy of their election to opt out. Customers may change their elections during the annual enrollment window. Demand response decisions can be made annually. Once a customer opts in to Rider EE Demand-Side Management (DSM) component, the customer will pay the DSM portion of the Rider. If the customer participates in a DSM program, the customer is required to pay the Rider EE DSM cost for three years.
- Customers can opt in or out of Rider EE annually, on an account by account basis as long as the individual account meets eligibility and rate schedule requirements.
- To opt in or out, complete the appropriate form found below. Once the form is submitted, qualifying customers will receive written confirmation of their new election status.
- A decision to opt in to any account(s) after Jan. 1 will include billing of the EE rider charges retroactive to Jan. 1.

Before submitting a request for exemption from this valuable suite of energy-saving programs, we strongly encourage you to contact your Duke Energy Account Manager. By opting out, you forego the opportunity to take advantage of energy efficiency and demand-side management measures, which can improve your bottom line and lower your cost of doing business.

[Energy Efficiency and Demand-Side Management Decision Form \(/pdfs/SC-EE-Demand-Side-Management-Decision-Form.pdf\)](#)

[Energy Efficiency Frequently Asked Questions \(/south-carolina-large-business/energy-efficiency/scib-opt-out-provision-faq.asp\)](#)



EXHIBIT NO. 42

DOCKET NO: 140226-EI

WITNESS: TIMOTHY DUFF

PARTY: FLORIDA INDUSTRIAL POWER USERS GROUP

DESCRIPTION: DUKE INDIANA OPT OUT ELIGIBILITY PROGRAM

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 42  
PARTY: FIPUG  
DESCRIPTION: Duke/Indiana Opt-out



Indiana

[change location](#)[View Mobile](#)[Investors](#)

## Energy Efficiency Program opt-out eligibility

In order for a customer to qualify to opt out from participation in energy efficiency programs under the terms of this tariff, all of the following conditions must be satisfied:

1. A qualifying customer must receive service at a single site constituting more than 1 megawatt of electric capacity
2. A qualifying customer must be able to demonstrate at least one demand meter on its single site has received service of more than 1 megawatt of electric capacity within the previous 12 months, or it must be a new customer who has signed a written demand contract of greater than 1 megawatt for at least one meter on a single site.
3. If a customer has a single site with qualifying load, it may opt out all accounts receiving service at that single site that are billed nonresidential rates, provided all accounts at the single site on a common rate have the same opt-out/opt-in status.
4. A qualifying customer must provide written notice by completing an opt-out form provided by Duke Energy Indiana or by providing written notice to Duke Energy Indiana in substantially the same format as the form provided. A customer who provides written notice to opt out without using the form will be asked to complete the opt-out form in a timely manner consistent with the terms of this tariff. However, the notice date of the customer opt out will be the date of its original notice. The notice must
  - a. Indicate the customer's desire to opt out of energy efficiency programs.
  - b. Provide a listing of all qualifying accounts for each single site the customer intends to opt out.
    - i. A qualifying account is either one that is demonstrated to have received service of more than 1 megawatt of electric capacity at a meter at a single site as outlined above in item 2, or an account located on contiguous property at the same site.
    - ii. At least one qualifying account that was demonstrated to have received service of more than 1 megawatt of electric capacity at the single site must opt out in order for other smaller qualifying accounts at the single site to opt out.
    - iii. All accounts on the same rate as the qualifying account of more than 1 megawatt that opts out will also be required to opt out.
    - iv. Any other qualifying account on a different nonresidential rate may also opt out, but all accounts on the same rate at the single site must also opt out.
  - c. Contain confirmation that the signatory has authority to make that decision for the customer
5. The written notice must be received by Duke Energy Indiana on or before the following dates for the opt out to take effect on the following effective dates

### Notice must be received on or before:

Nov. 15, 2014  
 Nov. 15, 2015  
 Nov. 15, 2016  
 Nov. 15, 2017  
 Nov. 15, 2018

### Effective date of opt out:

Jan. 1, 2015  
 Jan. 1, 2016  
 Jan. 1, 2017  
 Jan. 1, 2018  
 Jan. 1, 2019

Once qualification is determined by Duke Energy Indiana, the utility will not revoke the qualifying customer's qualification at a later date. Qualifying customers do not need to provide additional notice or otherwise demonstrate continued eligibility annually in order to maintain the opt-out status for future energy efficiency program years, except as outlined here for qualifying customers who opted back in and then wished to opt out again.

EXHIBIT NO. 43

DOCKET NO: 140226-EI

WITNESS: TIMOTHY DUFF

PARTY: FLORIDA INDUSTRIAL POWER USERS GROUP

DESCRIPTION: DUKE OHIO OPT OUT ELIGIBILITY PROGRAM

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 43  
PARTY: FIPUG  
DESCRIPTION: Duke/Ohio Opt-out



## Energy Efficiency Opt-Out Provision

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Enhancing our Energy Efficiency programs is one way Duke Energy Ohio is working to meet rising energy demand by helping customers conserve energy. The programs encourage the continued development and implementation of demand response and energy efficiency conservation for our customers. Public Utilities Commission of Ohio (Commission) regulations also provide certain customers the ability to opt out of participating in the Energy Efficiency and Peak Demand Response rider (EE/PDR Rider) if the company has undertaken or will undertake self-directed energy efficiency programs that have resulted or will result in energy savings that equal or exceed the benchmarks set by the state of Ohio.

Business customers who meet one of the following criteria are eligible:

- Energy usage of more than 700,000 kilowatt hours per year; or
- A national account involving multiple facilities in one or more states.

To begin the opt-out process, eligible customers must complete the *Mercantile Customer Application to Commit EE and PDR Programs*, which is available on the Public Utilities Commission of Ohio website at <http://www.puco.ohio.gov/puco/index.cfm/puco-forms/mercantile-customer-application-to-commit-ee-and-pdr-programs/> (<http://www.puco.ohio.gov/puco/index.cfm/puco-forms/mercantile-customer-application-to-commit-ee-and-pdr-programs/>). You may also contact your account manager or [selfdirect@duke-energy.com](mailto:selfdirect@duke-energy.com) (<mailto:selfdirect@duke-energy.com>) for more information. The completed application should be sent to Duke Energy to have an exemption calculation completed. Duke Energy will return the calculation to the customer and the completed application and supporting documentation, as described by the application form, must be filed by the customer with the Commission for approval. While Duke Energy Ohio supports and assists customer applications to the Commission for cash rebates, responsibility for any applications and representations made to the Commission for rider exemption rests solely with the applying customer.

Please note that you may not receive incentives or rebates for energy savings and use those same savings to apply for EE/PDR Rider exemption.

Before submitting a request for exemption from Duke Energy Ohio's energy-saving programs, the Company encourages you to visit the energy efficiency programs page to find out how you can lower your operating costs by identifying and implementing energy-saving opportunities.



EXHIBIT NO. 44

DOCKET NO: 140226-EI

WITNESS: TIMOTHY DUFF

PARTY: FLORIDA INDUSTRIAL POWER USERS GROUP

DESCRIPTION: DIRECT TESTIMONY OF RAIFORD L. SMITH, DUKE  
ENERGY FILED WITH THE SOUTH CAROLINA  
COMMISSION

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 44  
PARTY: FIPUG  
DESCRIPTION: Duke So. Carolina Testimony

**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA**

**DOCKET NO. 2009-226-E**

In the Matter of:

Application of Duke Energy Carolinas,  
LLC for Authority to Adjust and Increase  
Its Electric Rates and Charges

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**DIRECT TESTIMONY OF  
RAIFORD L. SMITH FOR  
DUKE ENERGY CAROLINAS, LLC**

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1 I. INTRODUCTION AND PURPOSE

2 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

3 A. My name is Raiford L. Smith, and my business address is 526 South Church  
4 Street, Charlotte, North Carolina.

5 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

6 A. I am Director, Strategy and Collaboration for Duke Energy Business Services  
7 LLC, a service company affiliate of Duke Energy Carolinas, LLC ("Duke Energy  
8 Carolinas" or the "Company") and am responsible for leading collaborative  
9 efforts on new product development and energy efficiency across all retail  
10 markets served by Duke Energy Corporation ("Duke Energy"), including Duke  
11 Energy Carolinas' service territory.

12 Q. DID YOU PREVIOUSLY FILE DIRECT TESTIMONY IN SUPPORT OF  
13 DUKE ENERGY CAROLINAS' APPLICATION IN THIS DOCKET?

14 A. Yes, I did.

15 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

16 A. The purpose of my rebuttal testimony is to respond to the testimony of South  
17 Carolina Energy Users Committee ("SCEUC") Witness O'Donnell concerning the  
18 Company's proposed opt-out threshold and certification requirement for  
19 exemption from its save-a-watt program. In addition, I respond to Office of  
20 Regulatory Staff ("ORS") Witness Cooney's recommendation that the Company's  
21 proposed opt-out provisions be revisited at a later date.

1       **II.     RESPONSE TO WITNESS O'DONNELL'S CRITICISMS OF THE**  
2                               **COMPANY'S SAVE-A-WATT OPT-OUT PROPOSAL**  
3

4       **Q.     HOW DO YOU RESPOND TO WITNESS O'DONNELL'S CRITICISMS**  
5               **OF THE COMPANY'S PROPOSED OPT-OUT THRESHOLD OF 3500**  
6               **KW?**

7       A.     Witness O'Donnell recommends that the Commission deny the Company's  
8               request to establish an opt-out threshold of 3500kW on the basis of three flawed  
9               conclusions: (1) that the 3500 kW limit is "arbitrary;" (2) that all industrial  
10              customers have already completed their own energy efficiency and demand-side  
11              management programs; and (3) that a higher opt-out threshold in South Carolina  
12              will disadvantage South Carolina manufacturers relative to North Carolina  
13              manufacturers. Mr. O'Donnell's conclusions are simply not correct.

14             First, the selection of the opt-out threshold of 3500 kW is not arbitrary, but  
15             rather reflects a limit previously negotiated and agreed to by SCEUC in the  
16             settlement agreement filed in Docket No. 2007-358-E. Duke Energy Carolinas  
17             continues to believe that this threshold appropriately recognizes the unique  
18             capabilities of the Company's larger commercial and industrial customers to  
19             undertake self-directed energy efficiency initiatives.

20             Furthermore, industrial customers in South Carolina have not exhausted  
21             all possible energy efficiency and demand-side management opportunities.  
22             Instead, they continue to find and pursue energy efficiency as evidenced by their  
23             applications to the AdvanceSC Manufacturing Competiveness Fund. This fund  
24             provides financial assistance to manufacturers in the Company's South Carolina



1 service territory for energy-related efficiency and cost-control projects. Since the  
2 fund's inception in 2003, Duke Energy Carolinas has provided over \$25MM in  
3 funding towards these programs. In fact, in 2009 alone, Duke Energy Carolinas  
4 has already provided over \$6MM towards applications that improve customer  
5 efficiency, productivity, cost control, and reliability. Additionally, the consulting  
6 firm McKinsey reports that less than two (2) percent of United States  
7 manufacturing facilities have an on-site energy manager.<sup>1</sup> Thus, even if  
8 companies wish to pursue energy efficiency programs, they still need external  
9 assistance to identify and implement energy efficiency and demand-side  
10 management-related programs. The same report finds that 40% of end-use  
11 efficiency potential in the United States can be found in manufacturing facilities,  
12 and that manufacturing-based utility customers prioritize efficiency efforts in their  
13 plants when they get outside assistance assistance. Based on such evidence, the  
14 Company believes there will continue to be a robust market for energy efficiency  
15 programs for Duke Energy Carolinas' South Carolina-based manufacturing  
16 customers for the foreseeable future.

17 Finally, South Carolina manufacturers are not disadvantaged by the opt-  
18 out criteria proposed by Duke Energy Carolinas in this proceeding. The  
19 Company's proposed opt-out threshold is both reasonable and consistent with opt-  
20 out eligibility levels in other states, such as Minnesota, which has a 20 MW  
21 threshold, and Indiana, where Duke Energy Indiana, Inc. has proposed a 5 MW

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<sup>1</sup> McKinsey & Company, *Unlocking Energy Efficiency in the U.S. Economy*, at [www.mckinsey.com/USenergyefficiency](http://www.mckinsey.com/USenergyefficiency) (2009).

1 threshold in a settlement currently pending before the Indiana Utility Regulatory  
2 Commission in Cause No. 43374. As shown in Smith Rebuttal Exhibit 1, many  
3 states do not offer larger customers an opt out option at all. For example,  
4 Maryland, Illinois, Florida, California, New Jersey and Texas do not provide  
5 industrial customers with the option to opt out of utility-sponsored energy  
6 efficiency programs.<sup>2</sup> Duke Energy Carolinas believes the opt-out threshold of  
7 3500 kW previously agreed to by SCEUC continues to be an appropriate and  
8 reasonable threshold.

9 In addition, under the Company's proposal, eligible customers will now be  
10 able to opt in and out of the Company's portfolio of energy efficiency programs  
11 on a vintage year basis. As a result, customers will have the ability to opt out one  
12 year and then participate the next year if there are programs that could benefit its  
13 operations. This flexibility creates substantial advantages for industrial customers  
14 in South Carolina over North Carolina manufacturers, which are required under  
15 the North Carolina rules to pay the rider charge for participating in energy  
16 efficiency and demand-side management programs for five years or the life of the  
17 applicable measure, whichever is longer. Because many businesses have shorter  
18 financial planning horizons than those required by the North Carolina rules, the  
19 opt-out flexibility proposed by the Company in this proceeding is an advantage  
20 for eligible South Carolina customers.

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<sup>2</sup> Anna Chittum and R. Neal Elliott, American Council for An Energy Efficient Economy, *Summer Study on Energy Efficiency in Industry* (July 30, 2009).

1 Q. MR. O'DONNELL ALSO RECOMMENDS THAT ELIGIBLE  
2 CUSTOMERS ONLY BE REQUIRED TO SEND A LETTER TO THE  
3 COMPANY TO PROVIDE NOTICE OF THE CUSTOMER'S INTENT TO  
4 OPT OUT. DO YOU AGREE WITH THIS SUGGESTION?

5 A. No, I do not. Duke Energy Carolinas believes that an opt-out option should only  
6 be available to those large commercial and industrial customers that have certified  
7 that they have implemented or will implement energy-reducing measures  
8 identified in a recent energy analysis. Such an analysis ensures that utility  
9 planning and customers will receive the benefit of implementing all cost-effective  
10 energy efficiency in Duke Energy Carolinas' South Carolina service territory. An  
11 energy audit analysis would identify all cost-effective measures a customer could  
12 undertake in order to reduce its energy consumption and make its business more  
13 economically competitive. Thus, it is in the customer's own financial best  
14 interests to ensure that its analysis covers all applicable cost-effective energy  
15 efficiency measures. The customer's energy analysis and certification should  
16 therefore provide the utility and its customers with certainty that customers who  
17 opt-out are pursuing the implementation of all cost-effective energy efficiency.

18 III. RESPONSE TO ORS WITNESS COONEY

19 Q. HOW DO YOU RESPOND TO WITNESS COONEY'S  
20 RECOMMENDATION THAT THE COMPANY'S OPT-OUT  
21 PROVISIONS BE REVISITED AT A LATER DATE?

22 A. Duke Energy Carolinas does not object to re-evaluating the Company's opt out  
23 criteria at a later date; however, we recommend that the appropriate time to



1 determine how well the opt-out provisions are working and their impact on energy  
2 efficiency program funding is at the end of the Company's four year plan and not  
3 after three years as suggested by Witness Cooney. To the extent the Commission  
4 wishes to require such a re-evaluation, we believe it would be most appropriate to  
5 align the timing of this review with the final evaluation, measurement and  
6 verification proceeding of the Company's plan.

7 **IV. CONCLUSION**

8 **Q. WAS SMITH REBUTTAL EXHIBIT 1 PREPARED BY YOU OR UNDER**  
9 **YOUR SUPERVISION AND DIRECTION?**

10 A. Yes.

11 **Q. DOES THIS CONCLUDE YOUR PRE-FILED REBUTTAL TESTIMONY?**

12 A. Yes, it does.



Smith Rebuttal Exhibit 1

State	Opt-Out	Threshold
California	No	-
Connecticut	No	-
Florida	No	-
Illinois	No	-
Maryland	No	-
Massachusetts	No	-
Nevada	No	1MW (only for self-generation)
New Hampshire	No	-
New Jersey	No	-
Texas	No	-
Vermont	No	-
Colorado	Yes	10GW annual 2MWh demand
Idaho	Yes	Special Contracts Only
Maine	Yes	
Michigan	Yes	
Minnesota	Yes	20MW
Montana	Yes	1MW
New Mexico	Yes	
New York	Yes	
North Carolina	Yes	All industrials, 1 MWh for commercial customers
Ohio	Yes	
Oregon	Yes	8760 MWh
Rhode Island	Yes	
Utah	Yes	1MW, 5,000MWh
Virginia	Yes	
Washington	Yes	
Wisconsin	Yes	1MW
Wyoming	Yes	1MW, 5,000MWh

Source: Anna Chittum and R. Neal Elliott, American Council for An Energy Efficient Economy, *Summer Study on Energy Efficiency in Industry* (July 30, 2009).

EXHIBIT NO. 45

DOCKET NO: 140226-EI

WITNESS: DUFF

PARTY: DUKE ENERGY FLORIDA

DESCRIPTION: BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA,  
DOCKET NO. 2013-298-E, SETTLEMENT SUPPORT TESTIMONY OF  
TIMOTHY J. DUFF FOR DUKE ENERGY CAROLINAS, LLC

DOCUMENTS: BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA,  
DOCKET NO. 2013-298-E, SETTLEMENT SUPPORT TESTIMONY OF  
TIMOTHY J. DUFF FOR DUKE ENERGY CAROLINAS, LLC

PROFFERED BY: WALMART

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 45  
PARTY: Wal-Mart  
DESCRIPTION: SC Opt out testimony

BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

DOCKET NO. 2013-298-E

In the Matter of	)	SETTLEMENT SUPPORT
	)	TESTIMONY OF
Application of Duke Energy Carolinas, LLC	)	TIMOTHY J. DUFF
for Approval of New Cost Recovery Mechanism	)	FOR
and Portfolio of Demand-Side Management and	)	DUKE ENERGY CAROLINAS, LLC
Energy Efficiency Programs	)	

1                                   **I. INTRODUCTION AND PURPOSE**

2   **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3   A. My name is Timothy J. Duff. My business address is 526 South Church Street, Charlotte,  
4       North Carolina 28202.

5   **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6   A. I am employed by Duke Energy Business Services LLC as Director, Customer Planning  
7       and Regulatory Strategy. I am responsible for the development of strategies and policies  
8       related to energy efficiency ("EE"), smart grid and all other retail services for Duke  
9       Energy's utilities, including Duke Energy Carolinas, LLC ("the Company.")

10   **Q. DID YOU PREVIOUSLY SUBMIT DIRECT AND AMENDED APPLICATION**  
11       **SUPPORT TESTIMONY IN THIS PROCEEDING?**

12   A. Yes, I did.

13   **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

14   A. The purpose of my testimony is to support the Settlement Agreement the Company  
15       reached with the Natural Resources Defense Council ("NRDC"), Southern Alliance for  
16       Clean Energy ("SACE"), and the South Carolina Coastal Conservation League ("CCL")  
17       (collectively referred to as the "Environmental Intervenors"); Wal-Mart Stores, East, LP  
18       and Sam's East, Inc. ("Wal-Mart"); and, the South Carolina Office of Regulatory Staff  
19       ("ORS") (collectively with the Company, the "Settling Parties") filed with the  
20       Commission on October 29, 2013 (the "Agreement").

21   **Q. ARE ANY OTHER COMPANY WITNESSES PROVIDING TESTIMONY IN**  
22       **SUPPORT OF THE SETTLEMENT?**

23   A. Yes. Company witness McManeus is providing testimony and exhibits that support the



1 mechanics and calculations of Rider EE under the mechanism as described in the  
2 Amended Application and the Agreement.

3 **II. THE SETTLEMENT**

4 **Q. PLEASE PROVIDE AN OVERVIEW OF THE MAIN PROVISIONS OF THE**  
5 **AGREEMENT.**

6 A. The Agreement supports the Company's Amended Application and provides that the  
7 Company's portfolio of programs should be approved as filed, as well as supports the  
8 cost recovery model included in the Amended Application. Pursuant to the Agreement,  
9 the Company can recover reasonable and prudent costs incurred for the adoption and  
10 implementation of new demand side management ("DSM") and EE programs; net lost  
11 revenues associated with a particular vintage of EE programs for a maximum of three (3)  
12 years or the life of the measure; and a shared savings incentive equal to of 11.5% of the  
13 net benefits achieved through its programs.

14 The Agreement establishes that the Parties shall review the terms and conditions of the  
15 mechanism every four (4) years and shall submit any proposed changes to the  
16 Commission for approval; provided, however, that any Party to this Docket may request  
17 the Commission to initiate such a review, or the Commission may on its own accord  
18 initiate such a review, at any time within the four (4) year period. During the review, the  
19 mechanism shall remain in effect until further order of the Commission revising the terms  
20 of the mechanism or taking such other action as the Commission may deem appropriate.

21 As discussed more fully in the testimony of Company witness Jane Mc Maneus, the  
22 Agreement also requires the Company to apply a billing adjustment factor to the  
23 projected annual revenue requirement underlying the calculation of its annual Rider EE.

1 The Agreement expands the non-residential opt-out eligibility to include commercial  
2 customer accounts with annual consumption of 1,000,000 kWh or greater in the billing  
3 months of the prior calendar year, which is consistent with the opt-out eligibility  
4 requirements that Duke Energy Carolinas employs in North Carolina. Additionally, the  
5 Company will convene a stakeholder group, prior to June 1, 2014, focused on  
6 investigating improving the effectiveness of its non-residential programs, the potential to  
7 study the activities of opted out customers, and the merits of requiring opted-out  
8 customers to submit a report annually to the Company documenting the DSM or EE  
9 measures implemented, and planned to be implemented, as well as the associated demand  
10 or energy savings.

11 Other requirements include the development of a study designed to assess the feasibility  
12 and estimated cost associated with its achievement of Energy Efficiency Goals  
13 established in the settlement agreement entered into with Environmental Intervenors in  
14 Commission Docket Nos. 2011-158-E and 2011-68-E; a meeting with the Environmental  
15 Intervenors and other interested stakeholders to discuss the creation of a low-income  
16 program; and Company consideration and discussion of on-bill repayment ("OBR") and  
17 combined heat and power ("CHP") as part of the Duke Energy Carolinas Energy  
18 Efficiency Collaborative ("Collaborative"), no later than December 31, 2013.

19 **Q. PLEASE EXPLAIN WHY THE COMPANY AGREED TO APPLY A BILLING**  
20 **FACTOR ADJUSTMENT.**

21 A. During the Company's SAW pilot, the Company calculated its Rider based upon 85% of  
22 the projected revenue requirement for each vintage year in order to avoid over collections  
23 from customers. The Company is again bringing a new portfolio of programs to the

1 market. In order to account for the lack of certainty regarding its participation  
2 projections and to mitigate the potential for over collections, the Company is agreeing to  
3 collect only a portion of the projected revenue requirement associated with the new  
4 portfolio. The amount of adjustment applied to the revenue requirement associated with  
5 the new portfolio of programs will phase out over the four years, as the Company's  
6 accuracy in its participation projection improves with experience. Under the Agreement,  
7 the first year of the revenue requirement associated with the new mechanism would be  
8 billed at 75%, the second year at 80%, the third year at 90% and the fourth year at 100%.  
9 Each year, the revenue requirement would include a true-up component of the previous  
10 year to 100% of actual plus an estimate of the current year's revenue requirement.

11 **Q. PLEASE EXPLAIN HOW THE OPT-OUT PROCESS FOR NON-RESIDENTIAL**  
12 **CUSTOMERS HAS BEEN MODIFIED BY THE AGREEMENT.**

13 **A.** Consistent with both its Application and Amended Application, the Agreement supports  
14 the Company's permitting qualifying non-residential customers to opt-out of the DSM  
15 and/or EE portion of Rider EE during annual enrollment periods, which occur from  
16 November 1 to December 31 each year. It also supports the creation of an additional opt-  
17 in window, during the first week of March (5 business days), whereby customers who  
18 have previously opted out may elect to opt-in and participate in EE and/or DSM  
19 programs during the remainder of the vintage year. Any customer choosing to opt-in  
20 during the March window would be back-billed for the rider amount that they would have  
21 paid had they chosen to participate during the November/December enrollment period.  
22 The Agreement also expands opt-out eligibility. Under the new portfolio and recovery  
23 mechanism, in addition to the industrial customers who have been traditionally eligible to



1 opt-out, commercial customers that have accounts with annual consumption of 1,000,000  
2 kWh or greater in the billing months of the prior calendar year, as well as all other  
3 accounts billed to the same customer with lesser annual usage located on the same or  
4 contiguous properties are eligible to opt-out of the DSM/EE Rider. Given the  
5 Commission decision on the mechanism will occur after November 1, 2013, the 2013  
6 opt-out period will be adjusted to allow a 60-day opt-out period.

7 **Q. PLEASE EXPLAIN THE NOTIFICATION REQUIREMENT FOR OPT-OUT**  
8 **CUSTOMERS AGREED TO IN THE AGREEMENT?**

9 A. An eligible customer must notify the Company in writing that it elects to opt-out and that  
10 the customer has implemented its own energy management system or has performed or  
11 had performed for it an energy audit or analysis within the three year period preceding  
12 the opt-out request and has implemented or has plans for implementing the cost-effective  
13 energy efficiency measures recommended in that audit or analysis.

14 **Q. PLEASE EXPLAIN THE PURPOSE OF THE STAKEHOLDER**  
15 **COLLABORATIVE FOCUSED ON IMPROVING THE EFFECTIVENESS ITS**  
16 **NON-RESIDENTIAL PROGRAMS AGREED TO IN THE AGREEMENT.**

17 A. A number of intervenors expressed concern regarding the increasing number of Duke  
18 Energy Carolinas non-residential customers that have opted out of participating in the  
19 Company's EE and DSM offerings. While the Company is continually evaluating its  
20 programs offering to make them more effective and took a number of steps to enhance its  
21 offering in its proposed new portfolio of programs, the Company has agreed to conduct a  
22 stakeholder meeting focused on making its programs more attractive to non-residential



1 customers. The goal is to motivate opted out customers to opt-in and participate in the  
2 programs.

3 **Q. PLEASE DESCRIBE THE STUDY THE COMPANY HAS AGREED TO**  
4 **PERFORM RELATED TO ITS SETTLEMENT AGREEMENT IN**  
5 **COMMISSION DOCKET NOS. 2011-158-E AND 2011-68-E.**

6 A. In a settlement agreement entered into between CCL, SACE, NRDC and Duke Energy  
7 Corporation in Commission Docket Nos. 2011-158-E and 2011-68-E, the Company  
8 agreed to work toward aspirational annual energy savings goals of one percent (1%) of  
9 the previous year's retail electricity sales beginning in 2015 and a cumulative savings  
10 target of seven percent (7%) of retail electricity sales over the five-year time period of  
11 2014-2018. The study agreed to in the Agreement is designed to give parties a better  
12 understanding of what will be required to meet these aspirational goals. Specifically, the  
13 study will identify the DSM and EE programs that are both technically and economically  
14 feasible and are projected to be necessary to demonstrate a good faith effort by the  
15 Company to achieve these agreed upon goals. Further, the study will also estimate the  
16 participation and expected energy and/or capacity savings for each program, as well as  
17 projected annual program costs. A draft of the study will be presented to the  
18 Collaborative for review and comment no later than December 31, 2014. The Company  
19 will file annual status updates on the study in each annual DSM/EE rider proceeding  
20 during the 2015-2019 period.

21 **Q. DOES THE AGREEMENT SUPPORT THE BONUS INCENTIVE PROPOSED IN**  
22 **THE COMPANY'S AMENDED APPLICATION?**

1 A. Yes, to incent the Company to pursue all cost effective EE, the Agreement supports the  
2 Company's ability to receive an additional bonus incentive of \$100,000 if the Company  
3 achieves incremental energy savings of one percent (1%) of the prior year's retail  
4 electricity sales in any year during the five-year period 2014-2018. Pursuant to the  
5 agreement the Company is eligible to receive the bonus incentive each year during the  
6 five-year 2014-2018 period. The Company's achievement will be reported consistent  
7 with its agreed upon protocols related to the evaluation, measurement and verification  
8 process.

9 **Q. PLEASE DESCRIBE THE COMMITMENT MADE IN THE SETTLEMENT**  
10 **AGREEMENT REGARDING A LOW INCOME PILOT PROPOSAL.**

11 A In the course of its settlement discussions, the Company discussed a pay for performance  
12 low-income pilot program that one of its utility affiliates has recently started in Ohio.  
13 This pilot concept intrigued the Parties, so it was agreed that within ninety (90) days of  
14 the Commission's Order in this proceeding, the Company will meet with the  
15 Environmental Intervenors and other interested stakeholders to discuss the creation of a  
16 low-income program to present to the Collaborative for discussion and refinement, and  
17 possibly filing such a low-income program with the Commission.

18 **Q. PLEASE DESCRIBE THE COMMITMENT MADE IN THE SETTLEMENT**  
19 **AGREEMENT REGARDING ON-BILL REPAYMENT AND COMBINED HEAT**  
20 **AND POWER.**

21 A. The Company has agreed to to discuss and consider OBR and CHP as part of the  
22 Collaborative. The discussion and consideration at the Collaborative is to occur no later  
23 than December 31, 2013. The Company further agrees to make a report to the

1 Commission as to the results of the OBR and CHP Collaborative consideration in  
2 connection with its 2014 annual DSM/EE rider docket. To the extent the discussion and  
3 consideration of either OBR or CHP is ongoing, the Company agrees to provide a status  
4 update in connection with its next DSM/EE rider docket, with a report to follow in a  
5 subsequent DSM/EE rider docket.

6 **VI. CONCLUSION**

7 **Q. WHAT IS THE COMPANY SEEKING THE COMMISSION TO APPROVE?**

8 A. Consistent with the Agreement, Duke Energy Carolinas requests that the Commission  
9 approve the new cost recovery mechanism as proposed and the resulting Vintage 2014 of  
10 Rider EE charges (including gross receipts tax and regulatory fee) of 0.2387 cents per  
11 kWh for residential customers, 0.0827 cents per kWh for non-residential customers  
12 participating in Vintage 2014 EE programs, and 0.0743 cents per kWh for non-residential  
13 customers participating in Vintage 2014 DSM programs.

14 Additionally, the Company is requesting that the Commission approve the  
15 proposed portfolio of EE and DSM programs contained in the Company's Application  
16 and Amended Application. The majority of the programs in the Company's current  
17 portfolio were approved by the Commission as a component of the four-year save-a-watt  
18 pilot, which means that their approval will expire on December 31, 2013. This is  
19 problematic, because if the Company does not get approval of its proposed portfolio of  
20 programs and recovery mechanism, it will not have EE and DSM programs to offer its  
21 customers on January 1, 2014.



1   **Q.   WHY IS COMMISSION APPROVAL OF THE COMPANY'S PROPOSED**  
2       **PORTFOLIO AND COST RECOVERY MECHANISM PURSUANT TO THE**  
3       **AGREEMENT IN THE PUBLIC INTEREST?**

4   **A.**   The Company has heard loudly from customers and other stakeholders that they want  
5       Duke Energy Carolinas to do more around EE and DSM. The Company's proposed  
6       portfolio and recovery mechanism, as agreed to and supported by the Parties in the  
7       Agreement, leverages all the progress and strides that have been achieved during the  
8       save-a-watt pilot and attempts to improve upon it by making the recovery and utility  
9       incentive calculation far simpler and more transparent. While simpler and more  
10      transparent, the proposed recovery mechanism, which essentially allows customers to  
11      maintain 88.5% of the net savings achieved through the Company's EE and DSM  
12      programs, still aligns with the tenets of being paid for performance with respect to what  
13      the Company controls and, most importantly, being a good steward of customers' dollars.

14   **Q.   DOES THIS CONCLUDE YOUR PRE-FILED SETTLEMENT SUPPORT**  
15       **TESTIMONY?**

16   **A.**   Yes.



EXHIBIT NO. 46

DOCKET NO: 140226-EI

WITNESS: DUFF

PARTY: DUKE ENERGY FLORIDA

DESCRIPTION: BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA, APPLICATION OF DUKE ENERGY PROGRESS, INC. TO ESTABLISH A NEW COST RECOVERY AND INCENTIVE MECHANISM FOR DEMAND-SIDE MANAGEMENT AND ENERGY EFFICIENCY PROGRAMS, APRIL 29, 2015

DOCUMENTS: DUKE ENERGY PROGRESS'S APPLICATION TO SOUTH CAROLINA PSC FOR DEMAND-SIDE MANAGEMENT AND ENERGY EFFICIENCY PROGRAMS, INCLUDING OPT-OUT OPPORTUNITY FOR CERTAIN COMMERCIAL AND ALL INDUSTRIAL CUSTOMERS

PROFFERED BY: ~~STAFF~~ Walmart

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 46  
PARTY: Wal-Mart  
DESCRIPTION: Duke DSM EE Application



Charles A. Castle  
Associate General Counsel

Duke Energy  
550 South Tryon Street  
Charlotte, NC 28202

Mailing Address:  
DEC45A / P.O. Box 1321  
Charlotte, NC 28201

o: 704.382.4499  
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alex.castle@duke-energy.com

April 29, 2015

**VIA ELECTRONIC FILING**

The Honorable Jocelyn G. Boyd  
Chief Clerk/Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210

**RE: Application of Duke Energy Progress, Inc. to Establish a New Cost  
Recovery and Incentive Mechanism for Demand-Side Management  
and Energy Efficiency Programs  
Docket No. 2015-\_\_-E**

Dear Ms. Boyd:

Pursuant to S.C. Code § 58-37-20 (Supp. 2014) and S.C. Code Regs. 103-819 and 823, enclosed for filing please find the Company's Application to Establish a New Cost Recovery and Incentive Mechanism for Demand-Side Management and Energy Efficiency Programs.

By copy of this letter, the Company is also providing a copy of the Application to the Office of Regulatory Staff.

Very truly yours,

A handwritten signature in black ink, appearing to read "Charles A. Castle", written over a horizontal line.

Charles A. Castle

**Enclosure**

cc: Mr. John Flitter, Office of Regulatory Staff  
Ms. Shannon Hudson, Office of Regulatory Staff  
Ms. Lynda Shafer, Office of Regulatory Staff

**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA**

**DOCKET NO. 2015-\_\_\_\_-E**

In the Matter of:

Application of Duke Energy Progress, Inc. to  
Establish a New Cost Recovery and Incentive  
Mechanism for Demand-Side Management and  
Energy Efficiency Programs

)  
)  
) **APPLICATION OF DUKE**  
) **ENERGY PROGRESS, INC. TO**  
) **ESTABLISH A NEW COST**  
) **RECOVERY AND INCENTIVE**  
) **MECHANISM FOR DEMAND-**  
) **SIDE MANAGEMENT AND**  
) **ENERGY EFFICIENCY**  
) **PROGRAMS**  
)

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Pursuant to S.C. Code § 58-37-20 (Supp. 2014) and S.C. Code Regs. 103-819 and 823 of the Rules of Practice and Procedure of the Public Service Commission of South Carolina ("the Commission"), Duke Energy Progress, Inc. ("DEP", "Duke Energy Progress" or "Company") hereby makes this Application and requests approval to establish a new cost recovery and incentive mechanism ("the Mechanism") for demand-side management ("DSM") and energy efficiency ("EE") programs, to be effective January 1, 2016. In support of this Application, the Company respectfully shows the Commission the following:

**I. NAME, ADDRESS AND DESCRIPTION OF THE COMPANY**

1. The correct name and post office address of the Company is Duke Energy Progress, Inc., 410 S. Wilmington St., Raleigh, North Carolina, 27601.

2. Duke Energy Progress is engaged in the generation, transmission, distribution, and sale of electric energy at retail in the eastern portion of South Carolina and the eastern and western portions of North Carolina. The Company also sells electricity at wholesale to municipal, cooperative and investor-owned electric utilities and its wholesale sales are subject to the jurisdiction of the Federal Energy Regulatory Commission. Duke Energy Progress is a public utility under the laws of South Carolina and is subject to the jurisdiction of the Public Service Commission of South Carolina ("Commission") with respect to its operations in this State. The Company is also authorized to transact business in the State of North Carolina and is a public utility under the laws of that State. Accordingly, its operations in that State are subject to the jurisdiction of the North Carolina Utilities Commission ("NCUC").



## II. NOTICES AND COMMUNICATIONS

3. The attorneys for the Company, to whom all communications and pleadings should be addressed, are:

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and

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## III. DEFINITIONS

4. *Common Costs* are administrative and general, or other, costs that are not attributable or directly assignable to specific DSM or EE Programs but are necessary to design, implement, and operate the Programs collectively.

5. *Incremental Program Costs* are utility-incurred costs directly attributable and expended solely for a specific DSM or EE Program, and include all appropriate capital costs (cost of capital, depreciation expenses, property taxes, and other associated costs found reasonable by the Commission), implementation costs, incentive payments to Program participants, other operations and maintenance costs, EM&V costs, and administrative and general costs incurred specifically for the Program, net of any grants,

tax credits, or other reductions in cost received by the utility from outside parties and specifically related to the Program.

6. *Low-Income Programs or Low-Income Measures* are DSM or EE Programs or DSM or EE Measures provided specifically to low-income customers.

7. *Measure* means, with respect to EE, an "energy efficiency measure," and, with respect to DSM, an activity, initiative, or Program change, implemented on or after January 1, 2009 and is undertaken by an electric power supplier or its customers to reduce electricity use during peak demand periods. DSM includes, but is not limited to, load management, electric system equipment and operating controls, direct load control, and interruptible load.

8. *Measurement Unit* means the basic unit that is used to measure and track the (a) incurred costs; (b) Net Lost Revenues; and (c) kilowatt (kW), kilowatt-hour (kWh), and dollar savings, net of net-gross ("NTG") effects for DSM or EE Measures installed in each Vintage Year. A Measurement Unit may consist of an individual Measure or bundle of Measures. Measurement units will be requested by DEP and established by the Commission for each Program in the Program approval process, and will be subject to modification by the Commission when appropriate. If Measurement Units have not been established for a particular Program, the Measurement Units for that Program will be the individual Measures, unless the Commission determines otherwise.

9. *Measurement Unit's Life* means the estimated number of years that equipment associated with a Measurement Unit will operate if properly maintained, or

activities (services or customer behavior) associated with the Measurement Unit will continue to be cost-effective, unless the Commission determines otherwise.

10. *Net Found Revenues* means any increases in revenues resulting from any new activity by DEP's public utility operations that causes a customer to increase demand or energy consumption net of any activities undertaken by the Company outside of its approved energy efficiency programs that decreases customer demand or energy consumption. The dollar value of Net Found Revenues will be determined in a manner consistent with the determination of the dollar value of Net Lost Revenues provided in Paragraph No. 11 below. In determining which activities produce Net Found Revenues, the "Decision Tree" attached to this Mechanism as Attachment B will be applied.

11. *Net Lost Revenues* means DEP's revenue losses due to new DSM or EE Measures, net of fuel costs and non-fuel variable operating and maintenance expenses avoided at the time of the kilowatt-hour sale(s) lost due to the DSM or EE Measures<sup>1</sup>, or in the case of purchased power, in the applicable billing period incurred by DEP. Portfolio Performance Incentives will not be considered in the calculation of Net Lost Revenues.

12. *Net-to-gross (NTG) factor* means an adjustment factor used to compute the net kW/kWh savings by accounting for behavioral effects, including, but not limited to, free ridership, moral hazard, free drivers, and spillover.

13. *Portfolio Performance Incentive (PPI)* means a utility incentive payment to DEP as a bonus or reward for adopting and implementing new EE or DSM Measures

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<sup>1</sup> Avoided fuel costs would technically be measured at the marginal cost of fuel avoided at the time of the lost kWh sale. However, because fuel costs themselves are subject to true-up, it is administratively easier and results in the same overall revenue requirement outcome to measure fuel costs associated with Net Lost Revenues at the then-current approved prospective fuel and fuel-related cost factor.



and/or Programs. The PPI is based on the sharing of avoided cost savings, net of Program Costs, achieved by those DSM and EE Programs in the aggregate. Such Program Costs will be adjusted as discussed elsewhere in this Mechanism. PPI excludes Net Lost Revenues.

14. *Program* means one or more new DSM or EE Measures with similar objectives that have been consolidated for purposes of delivery, administration, and cost recovery, and that were adopted on or after January 1, 2009, including subsequent changes and modifications.

15. *Program Costs* are costs that are directly attributable or reasonably and appropriately allocable to specific DSM or EE Programs or groups of Programs (for purposes of setting the DSM/EE rider), and include all Incremental Program Costs, and reasonably assigned or allocated administrative and general expenses and other Common Costs, net of any reasonably assigned or allocated grants, tax credits, Program Cost adjustments as discussed elsewhere in this Mechanism, or other reductions in cost received by the utility from outside parties.

16. *Total Resource Cost (TRC) test* means a cost-effectiveness test that measures the net costs of a DSM or EE Program or portfolio as a resource option based on the incremental costs of the Program or portfolio, including both the participants' costs and the utility's costs (excluding incentives paid by the utility to or on behalf of participants). The benefits for the TRC test are the avoided supply costs (i.e., the reduction in generation capacity costs, transmission and distribution capacity costs, and energy costs), valued at marginal cost for the periods when there is a load reduction. The avoided supply costs will be calculated using net Program or



portfolio savings (i.e., savings net of reductions in energy use (NTG impacts) that would have happened even in the absence of the Program). The costs for the TRC test are the incremental Program or portfolio costs paid by the utility and the incremental costs paid by the participants, plus the increased supply costs for any periods in which load is increased. All costs of equipment, installation, operation and maintenance (O&M), removal (less salvage value), and administration, no matter who pays for them, are included in this test. However, Common Costs will not be included in a Program-level TRC test used for program approval purposes, but will be included in a portfolio-level TRC test. Any grants, tax credits, or other reductions in cost received by the utility or participants from outside parties and specifically related to the Program or portfolio, as applicable, are considered a reduction to costs in this test.

17. *Utility Cost Test (UCT)* means a cost-effectiveness test that measures the net costs of a DSM or EE Program or portfolio as a resource option based on the incremental costs incurred by the utility (including incentive costs paid by the utility to or on behalf of participants) and excluding any net costs incurred by the participants. The benefits for the UCT are the avoided supply costs (i.e., the reduction in generation capacity costs, transmission and distribution capacity costs, and energy costs), valued at marginal cost for the periods when there is a load reduction. The avoided supply costs will be calculated using net Program or portfolio savings (i.e., savings net of reductions in energy use (NTG impacts) that would have happened even in the absence of the Program or portfolio). The costs for the UCT are the net Program or portfolio Costs incurred by the utility and the increased supply costs for any period in which load is increased. Utility costs include initial and annual costs, such as the cost of utility

equipment, O&M, installation, Program or portfolio administration, incentives paid to or on behalf of participants, and participant dropout and removal of equipment (less salvage value). However, Common Costs will not be included in a Program-level UCT test used for program approval purposes, but will be included in a portfolio-level UCT test. Any grants, tax credits, or other reductions in cost received by the utility from outside parties and specifically related to the Program are considered a reduction to costs in this test.

18. *Vintage Year* means an identified 12-month period in which a specific DSM or EE Measure is installed for an individual participant or group of participants.

#### **IV. BACKGROUND**

19. The Company's current cost recovery mechanism, approved in Order No. 2009-373, Docket No. 2008-251-E, provides for the recovery of reasonable and prudent costs related to its DSM and EE programs. This mechanism also provides for the recovery of program performance incentives and Net Lost Revenues. In addition, the current mechanism provides standards for existing and proposed DSM and EE programs and the criteria necessary for large commercial and industrial customers to "opt-out" of program participation.

#### **V. PROPOSED NEW MECHANISM**

20. The purpose of this proposed new Mechanism is (1) to allow DEP to recover all reasonable and prudent costs incurred for adopting and implementing DSM and EE Measures and the additional principles set forth below; (2) to establish the terms, conditions, and methodology to be used for the recovery of Net Lost Revenues and a PPI to reward DEP for adopting and implementing DSM and EE Measures and Programs, based on the sharing of dollar savings achieved by those Measures and Programs, if the

Commission deems such recovery and reward appropriate; (3) to provide for an additional incentive to further encourage kilowatt-hour ("kWh") savings achievements; and (4) to establish certain terms, requirements, and guidelines that will govern and/or guide (a) requests by DEP for Commission approval of DSM and EE Programs, (b) Program management and modifications, (c) Evaluation, Measurement, and Verification ("EM&V") of Programs, (d) procedural matters and the general structure of the DSM/EE rider, (e) regulatory reporting requirements, and (f) DEP's Stakeholder Collaborative. For purposes of this Mechanism, the definitions listed below also apply.

21. The principal changes to the Company's current mechanism included within this Application are as follows:

- a. The modification of the Company's application of its EM&V process for its DSM and EE portfolio of programs, as set forth in Attachment A to this Application;
- b. The calculation of Incentives based on DEP's program portfolio, instead of on its specific individual programs;
- c. The application of a uniform incentive rate to DEP's entire portfolio of programs instead of an incentive rate applicable to EE programs and another incentive rate applicable to DSM programs;
- d. The modification of the Company's DSM/EE rate structure and the establishment of specific "opt-in" requirements for "opt-out" eligible customers;
- e. The establishment of a defined method and process for determining "Net Found Revenues," as set forth in Attachment B to this Application; and



- f. The establishment of a formalized process related to the proposed “Stakeholder” Collaborative, providing external review and consultation related to the Company’s existing and future portfolio of DSM and EE programs.

22. Changes in the terms and conditions of this Mechanism will be applied prospectively only, to Vintage Years following any Commission order amending these terms and conditions. With respect to the recovery of reasonable and prudent Program Costs and Net Lost Revenues, except as may be explicitly provided for in the Mechanism, approved Programs and Measures will continue to be subject to the terms and conditions that were in effect when they were approved. With respect to the recovery of Portfolio Performance Incentives, except as may be explicitly provided for in the Mechanism, approved Programs and Measures will continue to be subject to the terms and conditions in effect in the Vintage Year that any applicable Measurement Unit was installed.

**A. Approval of Programs**

23. Under the new mechanism, in evaluating potential DSM/EE Measures and Programs for selection and implementation, DEP will first perform a qualitative measure screening to ensure Measures are:

- (a) Commercially available and sufficiently mature;
- (b) Applicable to the DEP service area demographics and climate; and
- (c) Feasible for a utility DSM/EE Program.



24. DEP will then further screen EE and DSM Measures for cost-effectiveness. For purposes of this screening, estimated incremental EM&V costs attributable to the Measures will be included in the Measures' costs. With the exception of Measures included in a Low-Income Program, or other Program in which PPI incentives are not requested that may potentially be filed with the Commission for approval, an EE or DSM Measure with a TRC test result less than 1.0 will not be considered further, unless the Measure can be bundled into an EE or DSM Program to enhance the overall cost-effectiveness of that Program.

25. With the exception of Low-Income Programs or other programs explicitly identified at the time of the application for their approval, all Programs submitted for approval will have a Program-level TRC and UCT test result greater than 1.00. For purposes of determining these test results, estimated incremental EM&V costs attributable to each Program will be included in the Program costs. DEP will include in its biennial Integrated Resource Plan, revised as applicable in its annual report, certain information regarding the Measures and Programs that it evaluated but rejected.

26. If a Program fails the economic screening in Paragraph 25 above, DEP will determine if certain Measures can be removed from the Program to satisfy the criteria established in Paragraph 25.

27. DEP will provide its Stakeholder Collaborative with information relating to Programs and Measures either currently being considered or planned for future consideration. DEP will also seek suggestions from its Collaborative for additional Programs and Measures for its future consideration.

28. DEP will, in its filings for approval of Measures and Programs, describe the industry-accepted methods to be used to collect and analyze data; measure and analyze Program participation; and evaluate, measure, verify, and validate the energy and peak demand savings. In its filings, DEP will also provide a schedule for reporting the results of this EM&V process to the Commission. The EM&V process description should describe not only the methodologies used to produce the impact estimates utilized, but also any methodologies the Company considered and rejected. Additionally, where known, DEP will identify the independent third party it plans to use for purposes of EM&V, and include an estimate of all third-party costs in its filing. If not known at the time of filing for approval, the information will be provided at the time of DEP's next annual rider filing.

**B. Program Management**

29. In each annual DSM/EE cost recovery filing, DEP proposes to will (a) perform prospective cost-effectiveness test evaluations for each of its approved DSM and EE Programs, (b) perform prospective aggregated portfolio-level cost-effectiveness test evaluations for its approved DSM/EE Programs (including any assigned or allocated administrative and general or other common costs), and (c) include these prospective cost-effectiveness test results in its DSM/EE rider application along with a discussion of whether those results indicate that any of the Programs should be discontinued or modified.

30. DEP will seek to leverage available state and federal funds to operate effective efficiency Programs. Its application for such funds will be transparent with respect to the cost, operation, and profitability of Programs operated with those funds in

a manner consistent with its authorized revenue recovery mechanism. Use of such funds helps offset the participant's project costs and is supplemental to DEP's incentives to participants. As such, these funds will not change the impacts or Program- or portfolio-level cost-effectiveness of DEP's Programs as calculated using the UCT. Further, the amount of avoided costs recognized by the Company will not be reduced if participants also use state or federal funds to offset any portion of their project costs.

**C. Program Modifications**

31. DEP proposes to file any substantial modifications to Commission approved DSM/EE Programs with the Commission for their approval.

**D. Stakeholder Collaborative**

32. DEP proposes to conduct periodic collaborative stakeholder meetings for the purpose of collaborating on new Program ideas, reviewing modifications to existing Programs, ensuring an accurate public understanding of the Programs and funding, reviewing the EM&V process, giving periodic status reports on Program progress, helping to set EM&V priorities, providing recommendations for the submission of applications to revise or extend Programs and rate structures, and guiding efforts to expand cost-effective Programs for low-income customers.

33. The Collaborative should continue to be comprised of a broad spectrum of regional stakeholders that represent a balanced interest in the Company's DSM/EE effort and its impacts, as well as national or regional EE advocates and experts. The collaborative will continue to determine its own rules of operation, including the process for setting the agendas and activities of the group, consistent with these terms. Members agree to participate in the advisory group in good faith consistent with mutually-agreed



upon rules of participation. Meetings are open to additional parties who agree to the participation rules.

34. DEP will provide information related to the development of EE and DSM to stakeholders in a transparent manner. The Company agrees to disclose Program-related data at a level of detail similar to that which it has disclosed in other states or as disclosed by other regulated utilities in the Carolinas. The Company will share all aspects of the development and evaluation of Programs, including the EM&V process.

35. At its discretion, the Company may require confidentiality agreements with members who wish to review confidential data or any calculations that could be used to determine the data. Disclosure of this data would harm DEP competitively and could result in financial harm to its customers. Participation in the advisory group will not preclude any party from participating in any Commission proceedings.

**E. Distribution System Demand Response ("DSDR") Program**

36. The DSDR Program is a DSM/EE Program, pursuant to the Commission's Order No. 2009-374 in Docket No. 2009-190-E, and it is eligible for recovery, through the DSM/EE rider, of reasonable and prudent costs, as well as Net Lost Revenues, subject to the terms and conditions for the recovery of Net Lost Revenues set forth herein. The DSDR Program is not eligible for recovery of a PPI.

37. The rate of return on investment used to determine the DSDR Program capital-related costs included in each annual rider will be based on the then-current capital structure, embedded cost of preferred stock, and embedded cost of debt of the Company (net of appropriate income taxes), and the cost of common equity approved in the Company's then most recent general rate case.



**F. Evaluation, Measurement and Verification**

38. DEP proposes to conduct the EM&V of Programs using a nationally-recognized protocol to ensure that Programs remain cost-effective. Except for DEP's DSDR Program, EM&V of Programs will be conducted by an independent third-party. EM&V of the DSDR Program will be conducted by DEP. EM&V protocol may be modified with approval of the Commission to reflect the evolution of best practices.

39. EM&V will be applied in accordance with the provisions of Attachment A to this Mechanism.

40. EM&V will also include updates of any NTG factors related to previous NTG estimates for Programs and Measures. All of the updated information will be used in evaluating the continued cost-effectiveness of existing Programs and portfolio. Updates to NTG estimates will be applied consistent with the application of EM&V results pursuant to Attachment A to this Mechanism, but updates to NTG estimates will not be applied retrospectively to Measures that have already been installed or Programs that have already been completed. If it becomes apparent during the implementation of a Program that NTG factors are substantially different than anticipated, the Company will file appropriate Program adjustments with the Commission.

**G. Opt-Out Eligibility Requirement for Industrial Customers and  
Certain Commercial Customers**

41. DEP proposes that commercial customers with annual consumption of 1,000,000 kWh or greater in the billing months of the prior calendar year and all industrial customers may elect to not participate in any utility-offered DSM/EE Measures and, after written notification to the utility, will not be subject to the

DSM/EE rider. For purposes of application of this option, a customer is defined to be a metered account billed under a single application of a Company rate tariff. For commercial accounts, once one account meets the opt-out eligibility requirement, all other accounts billed to the same entity with lesser annual usage located on the same or contiguous properties are also eligible to opt-out of the DSM/EE rider. Since these rates are included in the rate tariff charges, customers electing this option will receive a DSM and/or EE Credit on their monthly bill statement.

42. Opt-out eligible customers that have received DSM/EE Program incentives will be subject to the applicable DSM/EE rider billings for a period of no less than 36 months.

43. Eligible non-residential customers may opt out of either or both of the DSM and EE categories of Programs as well as opt back into either or both. If a customer receives Program incentives from a Company DSM or EE Programs, that customer must opt-in for a period of no less than 36 months. A customer receiving Program incentives from a DSM Program will be required to pay the DSM portion of the DSM/EE Rider for a period of not less than 36 months. A customer receiving Program incentives from an EE Program will be required to pay the EE portion of the DSM/EE Rider for a period of not less than 36 months.

#### **H. Procedural Matters and General Structure of Riders**

44. Beginning in DEP's 2015 DSM/EE rider proceeding, the Company proposes that the rate period for the proposed DSM/EE Rider will be the calendar year (i.e., for that proceeding, the period January 1, 2016 through December 31, 2016). Also beginning in DEP's 2015 DSM/EE rider proceeding, the test period used in the

development will be the calendar year (i.e., in that proceeding, January 1 through December 31, 2014).

45. For purposes of measuring the cost-effectiveness of Programs and for calculation of the PPI, a Vintage Year will be equivalent to a calendar year.

46. Beginning with DEP's 2015 DSM/EE rider proceeding, the Company's annual filing date for its DSM/EE rider application, supporting testimony, and Exhibits will be no later than August 1 of each calendar year.

47. If deemed necessary a hearing to consider the proposed DSM/EE riders proposed by DEP will be held not less than 90 days after the filing date of the Company's application, supporting testimony, and Exhibits.

48. The Company's DSM/EE riders will be calculated and charged to customers based on the revenue requirements associated with DSM and EE Programs. Separate DSM/EE rates will be calculated for the Residential customer class, the Non-Residential customer classes, and the Lighting class.

49. One integrated (prospective) DSM/EE rider will be calculated for the Residential class and the Residential portion of the Lighting class, respectively, to be effective each rate period. The integrated Residential and Lighting class DSM/EE rider will include true-ups of estimated DSM/EE costs when actual test period costs become available.

50. Beginning with charges on January 1, 2016, separate DSM and EE billing factors will be available to Non-Residential opt-out-eligible customers. Additionally, the Non-Residential DSM and EE billing factors will be appropriately considered in



each proceeding, so that the factors can be appropriately charged to Non-Residential opt-out eligible customers.

51. For purposes of normalizing or forecasting kWh sales for its annual DSM/EE rider filing, DEP will calculate customer growth, weather normalization, and other applicable adjustments on the basis of the test period and/or rate period for each annual filing, as applicable.

**I. Allocation Methodologies**

52. The Company proposes that:

(a) The Program Costs of an approved DSM or EE Program will be allocated to the South Carolina and North Carolina retail jurisdictions and will only be recovered from those customer classes to which the Program is targeted.

(b) No Program Costs of any approved DSM or EE Program will be allocated to the wholesale jurisdiction.

(c) For EE Programs, the costs of each Program will be allocated based on the annual energy requirements of South Carolina and North Carolina retail customers (at the generator), as reflected in the annual cost of service studies.

(d) For DSM Programs, the aggregated costs of DSM Programs will be allocated based on the annual summer coincident peak demand of South Carolina and North Carolina retail customers, as reflected in the annual cost of service studies.

(e) The allocation factors and inputs used to allocate the estimated rate period costs of DSM and EE Programs will be those drawn from the most recently filed cost of service study at the time the annual cost recovery filing is made. The allocations of costs will be trued up at the time that finalized and trued-up costs for a given test period are



initially passed through the DSM/EE rider, using the most recently filed cost of service study at the time the filing is made (but for no later year than the period being trued up). For subsequent true-ups of that period, the cost of service study used will be the same as that used for the initial true-up.

(f) For purposes of recovery through the DSM/EE rider, the Company's South Carolina retail jurisdictional costs for approved DSM and EE Programs and Measures will be assigned or allocated to South Carolina retail customer classes by directly assigning the South Carolina retail jurisdictional costs to the customer group to which the Program is offered. For the DSDR Program, South Carolina retail jurisdictional amounts will be allocated to customer classes on the basis of annual summer coincident peak demand requirements of each class, drawn from the most recently filed cost of service study at the time the annual cost recovery filing is made (adjusted to exclude the energy requirements of opted-out customers). The process of estimating and truing up the class assignments and allocations will be the same as practiced for jurisdictional allocations.

#### **J. Cost Recovery**

53. Subject to the specific provisions and/or modifications contained set forth in this Application, DEP requests the Commission's approval to recover, through the DSM/EE rider, all reasonable and prudent Program Costs reasonably and appropriately estimated to be incurred in expenses, during the current rate period, for DSM and EE Programs that have been approved by the Commission. Any of DEP's reasonable and prudent non-capital Program Costs, which are intended to produce future benefits, may be deferred and amortized in future DSM/EE rider proceedings. DEP further requests

Commission approval to amortize any costs so deferred over a period of time not to exceed 10 years, unless the Commission determines otherwise.

54. Except for administrative and general expenses (addressed in Paragraph No. 57), DEP requests the Commission allow the Company to earn a rate of return at the overall weighted average net-of-tax rate of return on equity and cost of debt approved in DEP's most recent general rate case on all such unamortized deferred costs (net of income taxes). The return so calculated will be adjusted in any rider calculation to reflect necessary recoveries of income taxes. The Company will accrue a return on Net Lost Revenues or the PPI under the terms of this mechanism.

55. With regard to Program Costs incurred prior to January 1, 2016, DEP requests that such costs be recovered using existing amortization rates, until such time that those deferred costs are recovered, in their entirety, through the DSM/EE cost recovery clause, unless the Parties recommend, and the Commission approves, a different treatment.

56. Beginning in vintage (calendar) year 2016, DEP proposes to recover, subject to approval by the Commission in the annual DSM/EE rider proceedings, Program Costs incurred, without deferral for amortization in future DSM/EE riders, even if Program Costs incurred for the same Program in prior years have been deferred and amortized.

57. To the extent DEP chooses to defer and amortize in future DSM/EE riders the Program Costs for a Program pursuant to Paragraph No. 53 above, non-incremental administrative and general costs reasonably assigned or allocated to, but not directly related to, that Program will be deferred and amortized over a period not to

exceed three years, unless the Commission determines otherwise. DEP proposes that it be allowed to earn a rate of return at the overall weighted average net-of-tax rate of return approved in DEP's most recent general rate case on all such unamortized deferred administrative and general costs (net of income taxes). The return so calculated will be adjusted in any rider calculation to reflect necessary recoveries of income taxes. However, irrespective of the prospective treatment of Program Costs in calendar year 2016 or afterwards, previously deferred administrative and general costs will be recovered using existing amortization rates, until such time that those deferred costs are recovered, in their entirety, through the DSM/EE cost recovery clause, unless the parties recommend, and the Commission approves, a different treatment.

58. The Company's DSM/EE rider will reflect the difference between the reasonable and prudent Program Costs incurred or amortized during the applicable test period and the revenues actually realized during such test period under the DSM/EE rider then in effect.

59. The cost and expense information filed by DEP will be categorized by Measurement Unit or Program, as applicable, and period, consistent with the presentation included in the Company's application.

#### **K. Net Lost Revenues**

60. DEP requests the Commission's approval to recover, through the DSM/EE rider, Net Lost Revenues associated with the implementation of approved DSM and EE Programs, subject to the restrictions set out below.

61. The South Carolina retail kWh sales reductions that result from an approved measurement unit installed in a given Vintage Year will be eligible for use in



calculating Net Lost Revenues eligible for recovery only for the first 36 months after the installation of the Measurement Unit. Thereafter, such kWh sales reductions will not be eligible for calculating recoverable Net Lost Revenues for that or any other Vintage Year.

62. Programs or Measures with the primary purpose of promoting general awareness and education of EE and DSM activities, as well as research and development activities, are ineligible for the recovery of Net Lost Revenues.

63. Notwithstanding the allowance of 36 months' Net Lost Revenues associated with eligible kWh sales reductions, the kWh sales reductions that result from measurement units installed will cease being eligible for use in calculating Net Lost Revenues as of the effective date of (a) a Commission-approved alternative recovery mechanism that accounts for the eligible Net Lost Revenues associated with eligible kWh sales reductions, or (b) the implementation of new rates approved by the Commission in a general rate case or comparable proceeding to the extent the rates set in the general rate case or comparable proceeding are set to explicitly or implicitly recover the Net Lost Revenues associated with those kWh sales reductions.

64. Overall recoverable Net Lost Revenues as measured for the 36-month period identified in paragraph 61 above will be reduced by any increases in Net Found Revenues during the same periods.

65. Recoverable Net Lost Revenues will ultimately be based on kWh sales reductions and kW savings verified by the EM&V process and approved by the Commission. Recoverable Net Lost Revenues will be estimated and trued-up, on a Vintage Year basis, in the following manner:



(a) As part of the DSM/EE rider approved in each annual cost and incentive recovery proceeding, DEP further requests approval to will recover the appropriate and reasonable level of recoverable Net Lost Revenues associated with each applicable program and Vintage Year (subject to the limitations set forth in this Mechanism), estimated to be experienced during the rate period for which the DSM/EE rider is being set.

(b) Net Lost Revenues related to any given program/measure and Vintage Year will be true-up through the DSM/EE rider in subsequent annual cost and incentive recovery proceedings based on the Commission-approved results of the appropriate EM&V studies related to the program/measure and Vintage Year. The true-up will be based on verified savings and will be applied to prospective and past time periods in accordance with the Evaluation, Measurement, and Verification section of this Mechanism.

(c) The true-up will be calculated based on the difference between projected and actual recoverable Net Lost Revenues for each Program and period under consideration, accounting for any differences derived from the completed and reviewed EM&V studies, including: (1) the projected and actual number of installations per Measurement Unit; (2) the projected and actual net kilowatt-hour (kWh) and kilowatt (kW) savings per installation; (3) the projected and actual gross lost revenues per kWh and kW saved; and (4) the projected and actual deductions from gross lost revenues per kWh and kW saved.

(d) The reduction in Net Lost Revenues due to Net Found Revenues will be true-up in a manner consistent with the true-up of Net Lost Revenues.

(e) The combined total of all Vintage Year true-ups calculated in a given year's DSM/EE cost recovery proceeding will be incorporated into the appropriate DSM/EE billing factor.

**L. Portfolio Performance Incentive (PPI)**

66. DEP further requests Commission approval to collect a PPI for its DSM/EE portfolio for each Vintage Year, separable into Residential, Lighting, Non-Residential DSM, Non-Residential EE categories. The PPI will be subject to the restrictions set out below.

67. Programs, Measures, and activities undertaken by DEP with the primary purpose of promoting general awareness of and education about EE and DSM activities, as well as research and development activities, that are not directly associated with a Commission approved EE or DSM Program, will not be included in the portfolio for purposes of the PPI calculation.

68. Low-Income Programs or other programs explicitly approved with expected UCT results less than 1.00 will not be included in the portfolio for purposes of the PPI calculation.

69. The proposed PPI will be based on the net dollar savings of DEP's DSM/EE portfolio, as calculated using the UCT. The South Carolina retail jurisdictional and class portions of the system-basis net dollar savings will be determined in the same manner as utilized to determine the South Carolina retail jurisdictional and class portions of recoverable system costs. The PPI for each Vintage Year will be incorporated into DEP's DSM/EE billing factors, as appropriate.

70. In its annual DSM/EE cost recovery filing, DEP will indicate, for each Program or Measure for which it seeks PPI inclusion, the annual projected and actual utility costs, participant costs, number of Measurement Units installed, per kW and kWh impacts for each Measurement Unit, and per kW and kWh avoided costs for each Measurement Unit, consistent with the UCT, related to the applicable Vintage Year installations that it requests the Commission to approve. The Company requests that upon its review, the Commission make findings based on DEP's annual filing for each Program or Measure which is included in an estimated or trued-up PPI calculation for any given Vintage Year.

71. The Company proposes that the amount of the pre-income-tax PPI initially to be recovered in a Vintage Year for the entire DSM/EE portfolio, excluding Programs not eligible for a PPI, will be equal to 11.75% multiplied by the present value of the estimated net dollar savings associated with the portfolio installed in that Vintage Year, calculated by Program using the UCT (and excluding Low Income Programs). The present value of the estimated net dollar savings will be the difference between the present value of the annual lifetime avoided cost savings for measurement units projected to be installed in that Vintage Year and the present value of the annual lifetime program costs for those measurement units. The annual lifetime avoided cost savings for measurement units installed in the applicable Vintage Year will be calculated by multiplying the number of each specific type of Measurement Unit projected to be installed in that Vintage Year by the most current estimates of each lifetime year's per installation kW and kWh savings and by the most current estimates of each lifetime



year's per kW and kWh avoided costs. In calculating the forecasted initial PPI it will be assumed that projections will be achieved.

72. The proposed PPI for vintage periods subsequent to the approval of this mechanism will be converted into a stream of no more than 10 levelized annual payments, accounting for and incorporating DEP's overall weighted average net-of-tax rate of return approved in DEP's most recent general rate case as the appropriate discount rate. Levelized annual payments applicable to Programs in prior vintage periods will continue until all such amounts are recovered.

73. For the PPI for Vintage Year 2016, DEP proposes that the per kW avoided capacity costs used to calculate avoided cost savings will be the avoided capacity cost rates approved by the Commission for DEP in the most recent biennial avoided cost proceeding as of the date of the filing of the 2015 DSM/EE cost and incentive recovery proceeding. The per kWh avoided energy costs will be those reflected in or underlying the Company's most recently filed integrated resource plan ("IRP").

74. For the PPI for Vintage Years after 2016, the presumptive per kW avoided capacity costs and per kWh avoided energy costs used to calculate avoided cost savings will be those determined pursuant to paragraph 73 above. However, if at the time of initial estimation of the PPI for each vintage year after 2016, either (a) the Company's per kWh avoided energy costs calculated for the purposes of the Company's annual IRP or resource plan update filings have increased or decreased by 20% or more or (b) the Company's per kW avoided capacity costs reflected in the rates approved in the biennial avoided cost proceedings have increased or decreased by 15% or more, the avoided costs (both energy and capacity) will be updated for purposes of the DSM/EE rider proceeding.



75. The per kW avoided transmission and distribution ("T&D") costs used to calculate net savings for a Vintage Year will be based on the study update at least every two years only if the study update results in a 20% change from the prior study's Avoided T&D costs.

76. DEP proposes that, unless it and the Office of Regulatory Staff ("ORS") agree otherwise, the Company will not be allowed to update its avoided capacity costs and avoided energy costs after filing its annual cost and incentive recovery application for purposes of determining the DSM/EE and rider in that proceeding.

77. When DEP files for its annual DSM/EE cost recovery request, it will report all interim measurement and verification data, even if that data is not final, to assist the Commission and the ORS in their review and monitoring of the impacts of the DSM and EE Measures.

78. The PPI for each Vintage Year will ultimately be based on net dollar savings as verified by the EM&V process and approved by the Commission. The PPI for each Vintage Year will be trued-up as follows:

(a) As part of the DSM/EE rider approved in each annual cost and incentive recovery proceeding, DEP will be allowed to recover an appropriately and reasonably estimated PPI (subject to the limitations set forth in this Mechanism) associated with the Vintage Year covered by the rate period in which the DSM/EE rider is to be in effect

(b) The PPI related to any given Vintage Year will be trued-up through the DSM/EE rider in subsequent annual cost and incentive recovery proceedings based on the Commission-approved results of the appropriate EM&V studies related to the program/measure and Vintage Year, as determined pursuant to the EM&V Agreement.

The true-up will be based on verified savings and will be applied to prospective and past time periods in accordance with the Evaluation, Measurement, and Verification section of this Mechanism.

(c) The amount of the PPI ultimately to be recovered for a given Vintage Year will be based on the present value of the actual net dollar savings derived from all Measurement Units installed in that Vintage Year, as associated with each DSM/EE program offered during that year (excluding Low Income Programs), and calculated by DSM/EE program using the UCT. The present value of the actual net dollar savings will be the difference between the present value of the annual lifetime avoided cost savings for measurement units installed in that Vintage Year and the present value of the annual lifetime program costs for those measurement units. The annual lifetime avoided cost savings for Measurement Units installed in the applicable Vintage Year will be calculated by multiplying the number of each specific type of Measurement Unit installed in that Vintage Year by each lifetime year's per installation kW and kWh savings (as verified by the appropriate EM&V study pursuant to the EM&V agreement) and by each lifetime year's per kW and kWh avoided costs as determined when calculating the initially estimated PPI for the Vintage Year. DEP will make all reasonable efforts to ensure that all vintages are fully trued-up within 24 months of the vintage program year.

79. The combined total of all Vintage Year true-ups of the PPI calculated in a given year's DSM/EE cost recovery proceeding will be incorporated into the appropriate DSM/EE billing factor.

80. The PPI for each vintage year will be allocated to DSM and EE programs in proportion to the present value net dollar savings of each program for the vintage year, as calculated pursuant to the method described herein.

**M. Additional Incentive**

81. As further incentive to motivate the Company to aggressively pursue offering available cost-effective EE and DSM Programs, DEP proposes that if it achieves incremental energy savings of 1% of the prior year's DEP system retail electricity sales in any year during the five-year 2015-2019 period, the Company will receive a bonus incentive of \$75,000 for that year. The Company requests the Commission approve this additional incentive and allow DEP to remain eligible to receive the bonus incentive each year during the five-year 2016-2020 period. Verification of this achievement will be obtained through the EM&V process discussed elsewhere in this Mechanism.

**N. Financial Reporting Requirements**

82. Pursuant to the Commission's Order issued September 2, 2011 in Docket No. 2011-181-E, DEP will submit, both to the Commission and the ORS, quarterly reports providing: (1) amounts billed under DEP's DSM/EE rider accompanied by estimates of gross receipts taxes and South Carolina Regulatory Fees; (2) DSM/EE program energy and capacity savings achieved through the end of the reporting period; (3) DEP's anticipated DSM/EE program EM&V schedule; and (4) DEP's System O&M and A&G expenses and amounts allocated to South Carolina.

DEP will continue to submit this report on a quarterly basis until further order of the Commission.



**O. Review Of Mechanism**

83. The Company proposes that the terms and conditions of this Mechanism will be reviewed by the Commission every four years unless otherwise ordered by the Commission. However, any party may request the Commission to initiate such a review at any time within the four year period. The Company will submit any proposed changes to the Mechanism to the Commission for approval at the time of the filing of the Company's annual DSM/EE rider filing. During the time of review, the DEP requests that the Mechanism remain in effect until further order of the Commission revising the terms of the Mechanism or taking such other action as the Commission may deem appropriate.

**P. Term**

84. The Company proposes that this Mechanism will continue until terminated pursuant to Order of the Commission.



## **VI. CONCLUSION AND REQUEST FOR APPROVAL**

WHEREFORE, Duke Energy Progress respectfully requests that pursuant to this Application, and the provisions of S.C. Code § 58-37-20 and S.C. Code Regs. 103- 819 and 823, the Commission approve:

(1) The Company's request to implement the new Mechanism as set forth herein;

(2) The Company's request to recover all reasonable and prudent costs incurred for adopting and implementing DSM and EE Measures and the additional principles related to such recovery set forth herein;

(3) The Company's request to establish the terms, conditions, and methodology to be used for the recovery of Net Lost Revenues and a PPI to reward DEP for adopting and implementing DSM and EE Measures and Programs, based on the sharing of dollar savings achieved by those Measures and Programs, if the Commission deems such recovery and reward appropriate, as set forth herein;

(4) The Company's request to allow it to earn an additional incentive to further encourage kWh savings achievements, as set forth herein;

(5) The Company's proposed terms, requirements, and guidelines that will govern and/or guide (a) requests by DEP for Commission approval of DSM and EE Programs, (b) Program management and modifications, (c) EM&V of Programs, (d) procedural matters and the general structure of the DSM/EE rider, (e) regulatory reporting requirements, and (f) DEP's Stakeholder Collaborative, as set forth herein; and

(6) Any other relief as may be appropriate.

The Company further requests the Commission to allow the proposed new Mechanism to be put into effect without notice and hearing pursuant to S.C. Code § 58-27-870(F) (Supp. 2014). The approval of the proposed Mechanism will not require a determination of the entire rate structure and overall rate of return, and will facilitate an orderly rate administration.

Respectfully submitted this 29th day of April, 2015.



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ATTORNEYS FOR DUKE ENERGY  
PROGRESS, INC.

## **Attachment A**

### **Evaluation, Measurement & Verification Procedures**

Initial EM&V results will be applied retrospectively to program impacts that were based upon estimated impact assumptions derived from industry standards (rather than EM&V results for the program or a similar program offered elsewhere in the Carolinas). For all EE programs without prior EM&V results used as the basis for approval, EM&V results will be applied retrospectively to the beginning of the program offering. For the purposes of the vintage true-ups, these initial EM&V results will be considered actual results for a program until the next EM&V results are received. The new EM&V results will then be considered actual results going forward and applied prospectively for the purposes of truing up vintages from the first day of the month immediately following the month in which the study participation sample for the EM&V was completed. This EM&V will then continue to apply and be considered actual results until it is superseded by new EM&V results, if any.

For all new programs and pilots, the Company will follow a consistent methodology, meaning that initial estimates of impacts will be used until Duke Energy Progress has valid EM&V results, which will then be applied back retrospectively to the beginning of the offering and will be considered actual results until a second EM&V is performed.



## **Attachment B**

### **Net Found Revenues Evaluation**

A "decision tree" will be used to evaluate whether activities that may directly or indirectly result in increases in customer demand or energy consumption should be designated by the Company as producing "found revenues" and either filed with the Commission for a determination of their status or reported to the Commission for consideration at its discretion. The Company will create a list of all Duke Energy Progress activities that may produce found revenues by directly or indirectly resulting in an increase in customer demand or energy consumption within the Company's service territory, followed by the elimination, or "filtering out," of activities that meet certain criteria. More specifically, an activity will be eliminated from the list if it meets one or more of the following criteria (the tree itself should be referred to for the precise language of each filter):

- (1) The increase in customer demand or energy consumption would have occurred regardless of the activity.
- (2) The increase is the result of a new customer account's participation in certain Duke Energy Progress economic development activities that have been found by the Commission not to result in found revenues.
- (3) The activity is conducted at the unsolicited request of a governmental unit for the purposes of growing the economy, creating jobs, or enhancing sustainability in the region.



If an activity is not eliminated for consideration by one of these filters, Duke Energy Progress will then evaluate whether the related increase in customer demand or energy consumption is a direct or proximate result of the activity. If it is determined to be so, the Company will designate the activity as one producing found revenues or submit it to the Commission for determination; if not, the Company may presume that the activity does not produce found revenues but will report it to the Commission as part of its annual DSM/EE cost recovery filing. A visual representation of the "decision tree" process follows on the next page.

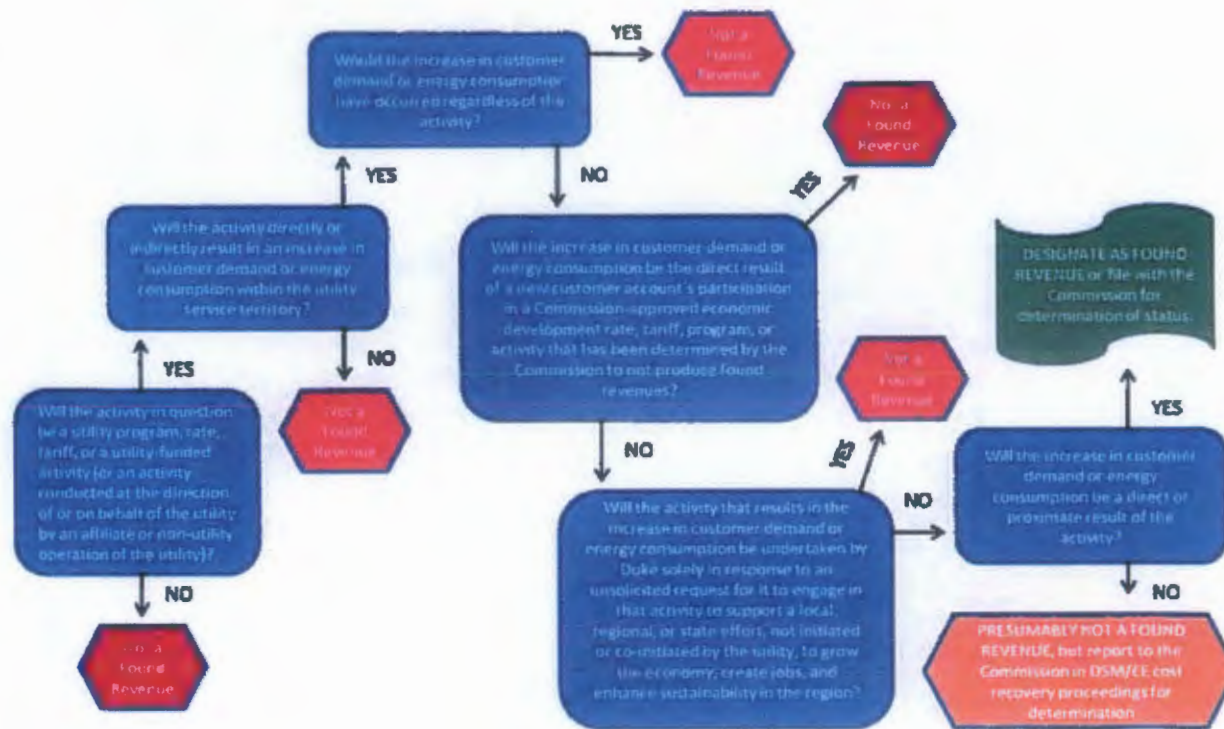


EXHIBIT NO. 47

DOCKET NO: 140226-EI

WITNESS: Duff

PARTY: Duke Energy Florida

DESCRIPTION: Excerpt, Duke Energy 2015 Ten-Year Site Plan

PROFFERED BY: White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate–White Springs

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 47  
PARTY: PCS Phosphate  
DESCRIPTION: Excerpt DEF 2015 TYSP

# **Duke Energy Florida, Inc. Ten-Year Site Plan**

**April 2015**

**2015-2024**

**Submitted to:  
Florida Public Service Commission**





## **GENERAL ASSUMPTIONS**

1. Normal weather conditions for energy sales are assumed over the forecast horizon using a sales-weighted 10-year average of conditions at the St Petersburg, Orlando, and Tallahassee weather stations. For billed kilowatt-hour (kWh) sales projections, the normal weather calculation begins with a historical 10-year average of the billing cycle weighted monthly heating and cooling degree-days. The expected consumption period read dates for each projected billing cycle determines the exact historical dates for developing the ten year average weather condition each month. Each class displays different weather-sensitive base temperatures from which degree day values begin to accumulate. Seasonal peak demand projections are based on a 30-year historical average of system-weighted temperatures at time of seasonal peak at the same three weather stations. The remaining non-seasonal peak months of the year may use less than 30 years if an historical monthly peak occurred due to unusual weather.
2. DEF customer forecast is based upon historical population estimates and produced by the BEBR at the University of Florida (as published in "Florida Population Studies", Bulletin No. 65 March 2014) and provides the basis for the 29 county population forecast used in the development of the DEF customer forecast. National and Florida economic projections produced by Moody's Analytics in their July 2014 forecast, along with EIA 2014 surveys of residential appliance saturation and average appliance efficiency levels provided the basis for development of the DEF energy forecast.
3. Within the DEF service area, the phosphate mining industry is the dominant sector in the industrial sales class. Three major customers accounted for nearly 32 percent of the industrial class MWh sales in 2014. These energy intensive customers mine and process phosphate-based fertilizer products for the global marketplace. The supply and demand (price) for their products are dictated by global conditions that include, but are not limited to, foreign competition, national/international agricultural industry conditions, exchange-rate fluctuations, and international trade pacts. The market price of the raw mined commodity often dictates production levels. Load and energy consumption at the DEF-served mining or chemical processing sites depend heavily on plant operations, which are heavily influenced by these global as well as the local conditions, including environmental regulations. Going forward,

global currency fluctuations and global stockpiles of farm commodities will determine the demand for fertilizers. The DEF forecast calls for a continuation of the depressed level of annual electric energy consumption experienced in 2014 due to a mine shutdown brought about by the merger of two mining customers. Also, the current strength of U.S. Dollar makes all domestic production less price competitive at home and abroad. The forecast does account for one customer's intention to open a new mine later in this decade. A risk to this projection lies in the price of energy, which is a major cost in mining and producing phosphoric fertilizers.

4. DEF supplies load and energy service to wholesale customers on a "full" and "partial" requirement basis. Full requirements (FR) customers demand and energy are assumed to grow at a rate that approximates their historical trend. Contracts for this service include the cities of Chattahoochee, Mt. Dora and Williston. Partial requirements (PR) customers load is assumed to reflect the current contractual obligations reflected by the nature of the stratified load they have contracted for, plus their ability to receive dispatched energy from power marketers any time it is more economical for them to do so. Contracts for PR service included in this forecast are with the Reedy Creek Improvement District (RCID), Seminole Electric Cooperative, Inc. (SECI), and the cities of New Smyrna Beach and Homestead.
5. This forecast assumes that DEF will successfully renew all future franchise agreements.
6. This forecast incorporates demand and energy reductions expected to be realized through currently FPSC approved DSM targets as stated in Docket No. 130200-EI .
7. Expected energy and demand reductions from customer-owned self-service cogeneration facilities are also included in this forecast. DEF will supply the supplemental load of self-service cogeneration customers. While DEF offers "standby" service to all cogeneration customers, the forecast does not assume an unplanned need for power at time of peak.
8. This forecast assumes that the regulatory environment and the obligation to serve our retail customers will continue throughout the forecast horizon. Regarding wholesale customers, the forecast does not plan for generation resources unless a long-term contract is in place. FR



Matthew R. Bernier  
SENIOR COUNSEL  
Duke Energy Florida, Inc.

August 27, 2014

Ms. Carlotta Stauffer, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

RE: Energy Conservation Cost Recovery; Docket No. 140002-EG

Dear Ms. Stauffer:

On behalf of Duke Energy Florida ("DEF"), please find attached for electronic filing in the above referenced docket:

- DEF's Petition for Approval of Conservation Cost Recovery True-Up Calculations, Projected Program Expenditures and Projected Cost Recovery Factors for the Period January through December 2015; and
- 2014 Actual/Estimated True-Up & 2015 Projection Testimony of Tim Duff with Exhibit No. \_\_\_\_ (TJD-1P);

Thank you for your assistance in this matter. Please feel free to call me at (850) 521-1428 should you have any questions concerning this filing.

Sincerely,

/s/ Matthew R. Bernier

Matthew R. Bernier

MRB/at  
Enclosures  
cc: parties of record

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 48  
PARTY: PCS Phosphate  
DESCRIPTION: Duff 8/27/15 direct testimony  
from Docket 140002-EG

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Energy Conservation Cost Recovery  
Clause

Docket No. 140002-EG

Dated: August 27, 2014

**PETITION OF DUKE ENERGY FLORIDA, INC. FOR APPROVAL OF  
CONSERVATION COST RECOVERY TRUE-UP CALCULATIONS, PROJECTED  
PROGRAM EXPENDITURES AND PROJECTED COST RECOVERY FACTORS FOR  
THE PERIOD JANUARY THROUGH DECEMBER 2015**

Duke Energy Florida, Inc. (“DEF” or “the Company”), hereby petitions the Commission for approval of the Company’s conservation cost recovery true-up and cost recovery factors proposed for the period January 2015 through December 2015. In support thereof, the Company says:

1. DEF projects total conservation program costs of \$107,340,446 for the period January 2015 through December 2015.

2. The net true up is an over-recovery of \$23,833,773 which includes the final conservation over-recovery of \$1,379,080 for the period January 2013 through December 2013 that was reported in DEF’s schedule CT-1 filed May 2, 2014, and the actual/estimated true-up over-recovery for January 2014 through December 2014 of \$22,454,693.

3. The total recoverable conservation costs including prior period over or under recoveries to be recovered during the January 2015 through December 2015 billing period are \$83,532,978.

4. Based upon the required true-up and projected expenditures, DEF has calculated the required conservation cost recovery factors for the period January through December 2015 as follows:



**2015 ECCR Billing Factors**

	<b>Secondary</b>	<b>Primary</b>	<b>Transmission</b>
<b><u>Retail Rate Schedule</u></b>	<b><u>Voltage</u></b>	<b><u>Voltage</u></b>	<b><u>Voltage</u></b>
Residential (Cents/kWh)	.254	N/A	N/A
General-Service-Non-Demand (Cents/kWh)	.215	.213	.211
General Service 100% Load Factor (Cents/kWh)	.163	N/A	N/A
General Service Demand (\$/kW)	.73	.72	.72
Curtaillable (\$/kW)	.54	.53	.53
Interruptible (\$/kW)	.65	.64	.64
Standby Monthly (\$/kW)	.072	.071	.071
Standby Daily (\$/kW)	.034	.034	.033
Lighting (Cents/kWh)	.081	N/A	N/A

WHEREFORE, Duke Energy Florida, Inc., respectfully requests the Commission's approval of the Company's prior period conservation cost recovery true-up calculations, projected program expenditures and projected conservation cost recovery charges to be collected during the January 2015 through December 2015 billing period.

RESPECTFULLY SUBMITTED this 27th day of August, 2014.

By:           /s/ Matthew R. Bernier          

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JOHN T. BURNETT  
Deputy General Counsel – Florida  
MATTHEW R. BERNIER  
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## **CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of DEF's petition and testimony in Docket No. 140002-EG has been electronically filed with the Clerk and the parties on this 27<sup>th</sup> day of August, 2014.

\_\_\_\_\_  
/s/ Matthew R. Bernier

Matthew R. Bernier

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<p>Aleida Socarras/Cheryl Martin Florida Public Utilities Company 1641 Worthington Rd., Suite 220 West Palm Beach, FL 33409 <a href="mailto:cyoung@fpuc.com">cyoung@fpuc.com</a></p>	<p>Robert Scheffel Wright/John T. La Via Gardner Law Firm 1300 Thomaswood Drive Tallahassee, FL 32308 <a href="mailto:schef@gbwlegal.com">schef@gbwlegal.com</a> <a href="mailto:jlavia@gbwlegal.com">jlavia@gbwlegal.com</a></p>
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**DUKE ENERGY FLORIDA  
DOCKET No. 140002-EG  
DIRECT TESTIMONY OF**

**TIMOTHY J. DUFF  
WITH RESPECT TO 2014 ACTUAL/ESTIMATED  
AND 2015 PROJECTED COSTS**

**August 27, 2014**

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

**A.** My name is Timothy J. Duff. My business address is 550 South Tryon Street, Charlotte, North Carolina 28202.

**Q. Have you previously filed Direct Testimony in this proceeding?**

**A.** No, but on May 22, 2014, I adopted the direct testimony of Helena Guthrie, which was filed with the Florida Public Service Commission ("FPSC" or the "Commission") on behalf of Duke Energy Florida, Inc. ("DEF" or the "Company") on May 2, 2014.

**Q. Please tell us your position with Duke Energy and describe your duties and responsibilities in that position.**

**A.** I am the General Manager, Customer Regulatory Strategy and Analytics. Serving in this capacity, I am responsible for the development of strategies and policies related to energy efficiency and all other retail products and services. I also oversee the analytics functions associated with evaluating and tracking the performance of Duke Energy's retail products and services.



1  
2 **Q. Please summarize your educational background and employment experience.**

3 A. I graduated from Michigan State University with a Bachelor of Arts in Political  
4 Economics and a Bachelor of Arts in Business Administration, and received a Master  
5 of Business Administration degree from the Stephen M. Ross School of Business at  
6 the University of Michigan. I started my career with Ford Motor Company and  
7 worked in a variety of roles within the company's financial organization, including  
8 Operations Financial Analyst and Budget Rent-A-Car Account Controller. In 2001, I  
9 joined Cinergy where I was responsible for providing business and financial support to  
10 plant operating staff. I then joined Cinergy's Rates Department where I provided  
11 revenue requirement analytics and general rate support for the company's transfer of  
12 three generating plants. Additionally, I had experience in the Environmental Strategy  
13 Department and the Regulatory and Legislative Strategy Department. After Cinergy  
14 merged with Duke Energy Corporation ("Duke Energy") in 2006, I served as  
15 Managing Director, Federal Regulatory Policy. In this role, I was primarily  
16 responsible for developing and advocating Duke Energy's policy positions with the  
17 Federal Energy Regulatory Commission. I became General Manager, Energy  
18 Efficiency & Smart Grid Policy and Collaboration in 2010, was named General  
19 Manager, Retail Customer and Regulatory Strategy in 2011, and assumed my current  
20 position of General Manager, Customer Regulatory Strategy and Analytics in 2013.

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

22 A. The purpose of my testimony is to describe the components and costs of the Company's  
23 Demand-Side Management ("DSM") Plan. I will detail the projected costs for  
24 implementing each program in that plan, explain how these costs are presented in my

1 attached exhibit, and show the resulting Energy Conservation Cost Recovery (“ECCR”)  
2 factors for customer billings in 2015.

3  
4 **Q. Do you have any Exhibits to your testimony?**

5 A. Yes, Exhibit No. \_\_\_\_\_ (TJD-1P) consists of Schedules C-1 through C-5, which support  
6 DEF’s ECCR calculations for the 2014 actual/estimated period and the 2015 projection  
7 period.

8  
9 **Q. For what currently approved programs does DEF seek recovery?**

10 A. DEF is seeking to recover those costs allowed pursuant to Rule 25-17.015, F.A.C., for  
11 each of the following Commission-approved conservation programs, as well as for  
12 Conservation Program Administration (those common administration expenses not  
13 specifically linked to an individual program).<sup>1</sup>

- 14 • Home Energy Check
- 15 • Home Energy Improvement
- 16 • Residential New Construction
- 17 • Neighborhood Energy Saver
- 18 • Low-Income Weatherization Assistance
- 19 • Energy Management (Residential & Commercial)
- 20 • Business Energy Check
- 21 • Better Business
- 22 • Commercial/Industrial New Construction

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<sup>1</sup> DEF is seeking recovery of the 2014 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 2015 costs associated with those projects.

- Innovation Incentive
- Standby Generation
- Interruptible Service
- Curtailable Service
- Solar Water Heating For Low Income Residential Customers
- Solar Water Heating With Energy Management
- Residential Solar Photovoltaic
- Commercial Solar Photovoltaic
- Photovoltaic for Schools
- Research and Demonstration
- Technology Development
- Qualifying Facility

**Q. What is included in your Exhibit?**

A. Exhibit No. \_\_ (TJD-1P) consists of Schedules C-1 through C-5. Schedule C-1 provides the calculation of the cost recovery factors for 2015 by rate class. Schedule C-2 provides annual and monthly conservation program cost estimates for the 2015 projection period for each conservation program, as well as for common administration expenses. Additionally, Schedule C-2 presents program costs by specific category (i.e., payroll, materials, incentives, etc.) and includes a schedule of estimated capital investments, depreciation and return for the projection period.

Schedule C-3 contains a detailed breakdown of conservation program costs by specific category and by month for the period of January through July 2014 (actual) and August through December 2014 (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 2014 actual/estimated period.

Schedule C-4 projects ECCR revenues during the 2015 projection period. Schedule C-5 presents a brief description of each program, as well as a summary of progress and projected expenditures for each program for which DEF seeks cost recovery through the ECCR clause.

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

A. Yes. Schedule C-2, Page 1 of 9, Line 37, shows total program costs, net of the prior period over-recovery, of \$83,532,978 for the 2015 projection period. The following table presents DEF's proposed ECCR billing factors, by retail rate class and voltage level for calendar year 2015, as contained in Schedule C-1, Page 2 of 2.

**2015 ECCR Billing Factors**

	Secondary	Primary	Transmission
<b><u>Retail Rate Schedule</u></b>	<b><u>Voltage</u></b>	<b><u>Voltage</u></b>	<b><u>Voltage</u></b>
Residential (Cents/kWh)	.254	N/A	N/A
General-Service-Non-Demand (Cents/kWh)	.215	.213	.211
General Service 100% Load Factor (Cents/kWh)	.163	N/A	N/A
General Service Demand (\$/kW)	.73	.72	.72
Curtable (\$/kW)	.54	.53	.53
Interruptible (\$/kW)	.65	.64	.64
Standby Monthly (\$/kW)	.072	.071	.071
Standby Daily (\$/kW)	.034	.034	.033
Lighting (Cents/kWh)	.081	N/A	N/A



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

2     A. Yes.

**DUKE ENERGY FLORIDA**  
Energy Conservation Cost Recovery Clause (ECCR)  
Calculation of the Energy & Demand Allocation % by Rate Class  
**JANUARY 2015 - DECEMBER 2015**

DOCKET NO. 140002-EG  
DUKE ENERGY FLORIDA  
TIMOTHY J. DUFF  
EXHIBIT NO. \_\_\_\_\_ (TJD-1P)  
SCHEDULE C - 1  
PAGE 1 OF 2

Rate Class	(1) Average 12CP Load Factor at Meter (%)	(2) Sales at Meter (mWh)	(3) Avg 12 CP at Meter (MW) (2)/(8760hrsx(1))	(4) Delivery Efficiency Factor	(5) Sales at Source (Generation) (mWh) (2)/(4)	(6) Avg 12 CP at Source (MW) (3)/(4)	(7) Annual Average Demand (5)/(8760hrs)	(8) Annual Average Demand Allocator (%)	(9) 12 CP Allocator (%)	(10) 12CP & 1/13 AD Demand Allocator (%)
<b>Residential</b>										
<b>RS-1, RST-1, RSL-1, RSL-2, RSS-1</b>										
Secondary	0.519	19,390,958	4,265.27	0.9360703	20,715,280	4,556.57	2,364.76	51.561%	62.055%	61.248%
<b>General Service Non-Demand</b>										
<b>GS-1, GST-1</b>										
Secondary	0.652	1,264,199	221.31	0.9360703	1,350,539	236.42	154.17	3.362%	3.220%	3.231%
Primary	0.652	4,428	0.78	0.9751266	4,541	0.79	0.52	0.011%	0.011%	0.011%
Transmission	0.652	3,817	0.67	0.9851266	3,875	0.68	0.44	0.010%	0.009%	0.009%
								3.382%	3.240%	3.251%
<b>General Service</b>										
<b>GS-2</b> Secondary	1.000	147,708	16.86	0.9360703	157,796	18.01	18.01	0.393%	0.245%	0.257%
<b>General Service Demand</b>										
<b>GSD-1, GSDT-1</b>										
Secondary	0.774	12,149,615	1,791.89	0.9360703	12,979,383	1,914.27	1,481.66	32.306%	26.070%	26.550%
Primary	0.774	2,327,827	343.32	0.9751266	2,387,205	352.08	272.51	5.942%	4.795%	4.883%
Transmission	0.774	0	0.00	0.9851266	0	0.00	0.00	0.000%	0.000%	0.000%
<b>SS-1</b> Primary	1.483	5,483	0.42	0.9751266	5,623	0.43	0.64	0.014%	0.006%	0.007%
Transm Del/ Transm Mtr	1.483	5,846	0.45	0.9851266	5,934	0.46	0.68	0.015%	0.006%	0.007%
Transm Del/ Primary Mtr	1.483	1,964	0.15	0.9751266	2,014	0.16	0.23	0.005%	0.002%	0.002%
								38.282%	30.879%	31.449%
<b>Curtable</b>										
<b>CS-1, CST-1, CS-2, CST-2, SS-3</b>										
Secondary	1.186	0	0.00	0.9360703	0	0.00	0.00	0.000%	0.000%	0.000%
Primary	1.186	35,094	3.38	0.9751266	35,989	3.46	4.11	0.090%	0.047%	0.050%
<b>SS-3</b> Primary	0.814	1,013	0.14	0.9751266	1,039	0.15	0.12	0.003%	0.002%	0.002%
								0.092%	0.049%	0.052%
<b>Interruptible</b>										
<b>IS-1, IST-1, IS-2, IST-2</b>										
Secondary	0.963	89,325	10.59	0.9360703	95,426	11.31	10.89	0.238%	0.154%	0.161%
Sec Del/Primary Mtr	0.963	4,383	0.52	0.9751266	4,495	0.53	0.51	0.011%	0.007%	0.008%
Primary Del / Primary Mtr	0.963	1,257,770	149.13	0.9751266	1,289,853	152.93	147.24	3.210%	2.083%	2.170%
Primary Del / Transm Mtr	0.963	20,318	2.41	0.9851266	20,625	2.45	2.35	0.051%	0.033%	0.035%
Transm Del/ Transm Mtr	0.963	269,380	31.94	0.9851266	273,447	32.42	31.22	0.681%	0.442%	0.460%
Transm Del/ Primary Mtr	0.963	333,314	39.52	0.9751266	341,816	40.53	39.02	0.851%	0.552%	0.575%
<b>SS-2</b> Primary	0.859	38,315	5.09	0.9751266	39,292	5.22	4.49	0.098%	0.071%	0.073%
Transm Del/ Transm Mtr	0.859	41,744	5.55	0.9851266	42,374	5.63	4.84	0.105%	0.077%	0.079%
Transm Del/ Primary Mtr	0.859	4,059	0.54	0.9751266	4,163	0.55	0.48	0.010%	0.008%	0.008%
								5.256%	3.426%	3.567%
<b>Lighting</b>										
<b>LS-1</b> (Secondary)	6.141	389,030	7.23	0.9360703	415,599	7.73	47.44	1.034%	0.105%	0.177%
		37,785,590	6,897.15		40,176,306	7,342.78	4,586.34	100.000%	100.000%	100.000%

Notes: (1) Average 12CP load factor based on load research study filed July 31, 2012 (FPSC Rule 25-6.0437 (7))  
(2) Projected kWh sales for the period January 2014 to December 2015  
(3) Column 2 / (8,760 hours x Column 1)  
(4) Based on system average line loss analysis for 2013  
(5) Column 2 / Column 4

(6) Column 3 / Column 4  
(7) Column 5 / 8,760 hours  
(8) Column 5/ Total Column 5  
(9) Column 6/ Total Column 6  
(10) Column 8 x 1/13 + Column 9 x 12/13

DUKE ENERGY FLORIDA  
Energy Conservation Cost Recovery Clause (ECCR)  
Calculation of Energy Conservation Cost Recovery Clause Rate Factors by Rate Class  
JANUARY 2015 - DECEMBER 2015

DOCKET NO. 140002-EG  
DUKE ENERGY FLORIDA  
TIMOTHY J. DUFF  
EXHIBIT NO. \_\_\_\_\_ (TJD-1P)  
SCHEDULE C - 1  
PAGE 2 OF 2

Rate Class	(1) mWh Sales at Source Energy Allocator (%)	(2) 12CP & 1/13 AD Demand Allocator (%)	(3) Energy- Related Costs (\$)	(4) Production Demand Costs (\$)	(5) Total Energy Conservation Costs (\$)	(6) Projected Effective Sales at Meter Level (mWh)	(7) Billing KW Load Factor (%)	(8) Projected Effective KW at Meter Level (kW)	(9) Energy Conservation Cost Recovery (\$/kW-month)	(10) (cents/kWh)
<b>Residential</b>										
<b>RS-1, RST-1, RSL-1, RSL-2, RSS-1</b>										
Secondary	51.561%	61.248%	\$ 10,112,194	\$39,150,107	\$49,262,301	19,390,958				0.254
<b>General Service Non-Demand</b>										
<b>GS-1, GST-1</b>										
Secondary						1,264,199				0.215
Primary						4,384				0.213
Transmission						3,741				0.211
<b>TOTAL GS</b>	<b>3.382%</b>	<b>3.251%</b>	<b>\$ 663,375</b>	<b>\$2,077,964</b>	<b>\$2,741,339</b>	<b>1,272,323</b>				
<b>General Service</b>										
<b>GS-2</b> Secondary	0.393%	0.257%	\$ 77,028	\$164,059	\$241,088	147,708				0.163
<b>General Service Demand</b>										
<b>GSD-1, GSDT-1, SS-1*</b>										
Secondary						12,149,615			0.73	
Primary						2,311,921			0.72	
Transmission						5,729			0.72	
<b>TOTAL GSD</b>	<b>38.282%</b>	<b>31.449%</b>	<b>\$ 7,507,847</b>	<b>\$20,102,189</b>	<b>\$27,610,037</b>	<b>14,467,265</b>	<b>52.30%</b>	<b>37,893,254</b>		
<b>Curtailable</b>										
<b>CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3*</b>										
Secondary						-			0.54	
Primary						35,746			0.53	
Transmission						-			0.53	
<b>TOTAL CS</b>	<b>0.092%</b>	<b>0.052%</b>	<b>\$ 18,075</b>	<b>\$33,531</b>	<b>\$51,606</b>	<b>35,746</b>	<b>51.50%</b>	<b>95,082</b>		
<b>Interruptible</b>										
<b>IS-1, IST-1, IS-2, IST-2, SS-2*</b>										
Secondary						89,325			0.65	
Primary						1,621,463			0.64	
Transmission						324,813			0.64	
<b>TOTAL IS</b>	<b>5.256%</b>	<b>3.567%</b>	<b>\$ 1,030,727</b>	<b>\$2,280,062</b>	<b>\$3,310,789</b>	<b>2,035,601</b>	<b>54.80%</b>	<b>5,088,493</b>		
<b>Lighting</b>										
<b>LS-1</b> Secondary	1.034%	0.177%	\$ 202,875	\$112,943	\$315,818	389,030				0.081
	100.000%	100.000%	\$19,612,123	\$63,920,854	\$83,532,978	37,738,631				0.221

Notes:

- (1)

From Schedule C-1 1P, Column 8
- (2)

From Schedule C-1 1P, Column 10
- (3)

Column 1 x Total Energy Dollars, C-2 Page 1, line 33
- (4)

Column 2 x Total Demand Dollars, C-2 Page 1, line 35
- (5)

Column 3 + Column 4
- (6)

kWh sales at effective secondary voltage
- (7)

Class Billing kW Load Factor
- (8)

Column 6 x 1000 / 8760 / Column 7 x 12
- (9)

Column 5/ Column 8
- (10)

Column 5 x 100/ Column 6 x 1,000

*Calculation of Standby Service kW Charges:			
	ECCR Cost	Effective kW	\$/kW
Total GSD, CS, IS	\$30,972,432	43,076,828	0.72
<b>SS-1, 2, 3 - \$/kW-mo</b>	Secondary	Primary	Trans
Monthly - \$0.72/kW * 10%	0.072	0.071	0.071
Daily - \$0.72/kW / 21	0.034	0.034	0.033

**DUKE ENERGY FLORIDA**  
**ESTIMATED CONSERVATION PROGRAM COSTS**  
**JANUARY 2015 - DECEMBER 2015**

**DOCKET NO. 140002-EG**  
**DUKE ENERGY FLORIDA**  
**TIMOTHY J. DUFF**  
**EXHIBIT NO. \_\_\_\_\_ (TJD-1P)**  
**SCHEDULE C-2**  
**PAGE 1 OF 9**

LINE NO.	PROGRAM TITLE Demand (D) or Energy (E)	12 MONTH TOTAL
1	BETTER BUSINESS (20015937) (E)	\$ 2,589,093
2	RESIDENTIAL NEW CONSTRUCT (20015933) (E)	\$ 4,091,111
3	HOME ENERGY IMPROVEMENT (20015934) (E)	\$ 4,685,944
4	C/I NEW CONSTRUCTION (20015938) (E)	\$ 1,054,121
5	HOME ENERGY CHECK (20015932) (E)	\$ 6,329,865
6	LOW INCOME (20021329) (E)	\$ 270,814
7	SOLAR WATER HEATING WITH EM (20084920) (E)	\$ -
8	RENEWABLE ENERGY SAVER (20060744) (E)	\$ 0
9	NEIGHBORHOOD ENERGY SAVER (20060745)(E)	\$ 1,150,571
10	BUSINESS ENERGY CHECK (20015936) (E)	\$ 661,610
11	CONSERVATION PROGRAM ADMIN (20015935) (E)	\$ 3,427,317
12	CONSERVATION PROGRAM ADMIN (20015935) (D)	\$ 380,521
13	QUALIFYING FACILITY (20025062) (E)	\$ 1,024,496
14	INNOVATION INCENTIVE (20015940) (E)	\$ 306,594
15	TECHNOLOGY DEVELOPMENT (20015939) (E)	\$ 800,377
16	STANDBY GENERATION (20021332) (D)	\$ 5,999,097
17	INTERRUPTIBLE SERVICE (20015941) (D)	\$ 30,993,402
18	CURTAILABLE SERVICE (20015942) (D)	\$ 1,286,968
19	RES ENERGY MANGMNT-ADMIN (20015943) (D)	\$ 41,748,546
20	COM ENERGY MANGMNT-ADMIN (20015944) (D)	\$ 540,000
21	RESIDENTIAL SOLAR PHOTOVOLTAIC (20084918) (E)	\$ -
22	SOLAR WATER HEAT LOW INCOME RES CUST (20084921) (E)	\$ -
23	COMMERCIAL SOLAR PHOTOVOLTAIC (20084919) (E)	\$ -
24	PHOTOVOLTAIC FOR SCHOOLS PILOT (20084917) (E)	\$ -
25	RESEARCH AND DEMONSTRATION (20084922) (E)	\$ -
26		
27	NET PROGRAM COSTS	<u>\$ 107,340,446</u>

28					
29	<u>SUMMARY OF DEMAND &amp; ENERGY</u>				
30		12 Months	Prior Period True-Up	Total Costs	Revenue
31		Total	Under(Over) Recovery	with True - up	Expansion
32					Factor
33	ENERGY	\$ 26,391,913	\$ (6,785,965)	\$ 19,605,948	1.000315
34					
35	DEMAND	80,948,534	(17,047,808)	63,900,726	1.000315
36					
37	TOTAL	<u>\$ 107,340,446</u>	<u>\$ (23,833,773)</u>	<u>\$ 83,506,673</u>	<u>\$ 83,532,978</u>



DUKE ENERGY FLORIDA  
ESTIMATED CONSERVATION PROGRAM COSTS  
JANUARY 2015 - DECEMBER 2015

DOCKET NO. 140002-EG  
DUKE ENERGY FLORIDA  
TIMOTHY J. DUFF  
EXHIBIT NO. \_\_\_\_\_ (TJD-1P)  
SCHEDULE C-2  
PAGE 2 OF 9

LINE NO.	PROGRAM TITLE Demand (D) or Energy (E)	ESTIMATED												
		Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	TOTAL
1	BETTER BUSINESS (20015937) (E)	\$214,106	\$213,901	\$215,818	\$217,566	\$215,811	\$215,807	\$215,802	\$215,798	\$217,547	\$215,791	\$215,647	\$215,503	\$2,589,093
2	RESIDENTIAL NEW CONSTRUCT (20015933) (E)	176,147	176,147	239,020	241,650	330,613	330,613	452,737	452,737	455,367	452,737	452,737	330,610	4,091,111
3	HOME ENERGY IMPROVEMENT (20015934) (E)	273,776	273,508	318,716	324,465	382,807	382,807	468,262	468,262	474,011	468,262	468,262	382,807	4,685,944
4	C/I NEW CONSTRUCTION (20015938) (E)	82,371	85,121	88,587	93,089	88,587	88,587	85,837	91,337	93,089	91,337	85,837	80,337	1,054,121
5	HOME ENERGY CHECK (20015932) (E)	517,204	517,193	524,559	545,483	524,692	525,298	525,441	526,184	546,802	526,164	524,883	525,958	6,329,865
6	LOW INCOME (20021329) (E)	26,607	21,982	19,722	19,722	24,722	25,222	25,222	25,722	19,722	19,722	22,722	19,722	270,814
7	SOLAR WATER HEATING WITH EM (20084920) (E)	0	0	0	0	0	0	0	0	0	0	0	0	0
8	RENEWABLE ENERGY SAVER (20060744) (E)	0	0	0	0	0	0	0	0	0	0	0	0	0
9	NEIGHBORHOOD ENERGY SAVER (20060745) (E)	92,449	92,449	101,837	102,355	92,881	101,837	110,795	110,795	102,355	92,881	83,924	66,009	1,150,571
10	BUSINESS ENERGY CHECK (20015936) (E)	44,432	43,872	44,590	44,206	42,918	77,759	43,998	108,988	44,155	77,716	43,956	45,022	661,610
11	CONSERVATION PROGRAM ADMIN (20015935) (E)	282,468	282,464	286,780	288,984	285,811	285,166	285,614	285,614	288,414	285,614	285,101	285,288	3,427,317
12	CONSERVATION PROGRAM ADMIN (20015935) (D)	31,325	31,325	31,805	32,051	31,703	31,685	31,735	31,735	32,046	31,735	31,678	31,699	380,521
13	QUALIFYING FACILITY (20025062) (E)	85,375	85,375	85,375	85,375	85,375	85,375	85,375	85,375	85,375	85,375	85,375	85,375	1,024,496
14	INNOVATION INCENTIVE (20015940) (E)	25,536	25,536	25,552	25,552	25,552	25,552	25,552	25,552	25,552	25,552	25,552	25,552	306,594
15	TECHNOLOGY DEVELOPMENT (20015939) (E)	34,598	34,502	34,394	98,963	98,961	98,958	34,375	34,375	34,375	98,958	98,958	98,958	800,377
16	STANDBY GENERATION (20021332) (D)	497,362	497,742	498,629	499,105	499,378	500,648	500,116	500,482	500,945	501,205	501,565	501,920	5,999,097
17	INTERRUPTIBLE SERVICE (20015941) (D)	2,582,141	2,582,253	2,582,522	2,582,685	2,582,793	2,582,772	2,582,881	2,582,989	2,582,964	2,583,072	2,583,180	2,583,154	30,993,402
18	CURTAILABLE SERVICE (20015942) (D)	107,247	107,247	107,247	107,247	107,247	107,247	107,247	107,247	107,247	107,247	107,247	107,247	1,286,968
19	RES ENERGY MANGMNT-ADMIN (20015943) (D)	3,461,740	3,465,966	3,500,613	3,461,011	3,466,000	3,513,480	3,529,304	3,542,194	3,533,404	3,468,683	3,402,779	3,403,370	41,748,546
20	COM ENERGY MANGMNT-ADMIN (20015944) (D)	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	540,000
21	RESIDENTIAL SOLAR PHOTOVOLTAIC (20084918) (E)	0	0	0	0	0	0	0	0	0	0	0	0	0
22	SOLAR WATER HEAT LOW INCOME RES CUST (20084921) (I	0	0	0	0	0	0	0	0	0	0	0	0	0
23	COMMERCIAL SOLAR PHOTOVOLTAIC (20084919) (E)	0	0	0	0	0	0	0	0	0	0	0	0	0
24	PHOTOVOLTAIC FOR SCHOOLS PILOT (20084917) (E)	0	0	0	0	0	0	0	0	0	0	0	0	0
25	RESEARCH AND DEMONSTRATION (20084922) (E)	0	0	0	0	0	0	0	0	0	0	0	0	0
26														
27	NET PROGRAM COSTS	\$8,579,885	\$8,581,583	\$8,750,767	\$8,814,509	\$8,930,852	\$9,023,814	\$9,155,293	\$9,240,386	\$9,188,370	\$9,177,052	\$9,064,403	\$8,833,531	\$107,340,446
28														
29														
30	SUMMARY OF DEMAND & ENERGY													
31														
32	ENERGY	\$1,855,070	\$1,852,051	\$1,984,951	\$2,087,411	\$2,198,731	\$2,242,982	\$2,359,010	\$2,430,739	\$2,386,764	\$2,440,109	\$2,392,954	\$2,161,142	\$26,391,913
33														
34	DEMAND	6,724,815	6,729,533	6,765,816	6,727,099	6,732,121	6,780,832	6,796,283	6,809,647	6,801,606	6,736,942	6,671,449	6,672,390	80,948,534
35														
36	TOTAL	\$8,579,885	\$8,581,583	\$8,750,767	\$8,814,509	\$8,930,852	\$9,023,814	\$9,155,293	\$9,240,386	\$9,188,370	\$9,177,052	\$9,064,403	\$8,833,531	\$107,340,446

**DUKE ENERGY FLORIDA**  
**ESTIMATED CONSERVATION PROGRAM COSTS**  
**JANUARY 2015 - DECEMBER 2015**

**DOCKET NO. 140002-EG**  
**DUKE ENERGY FLORIDA**  
**TIMOTHY J. DUFF**  
**EXHIBIT NO. \_\_\_\_\_ (TJD-1P)**  
**SCHEDULE C-2**  
**PAGE 3 OF 9**

LINE NO.	PROGRAM TITLE Demand (D) or Energy (E)	DEPRECIATION, AMORTIZATION &RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	PROGRAM REVENUES (CREDITS)	TOTAL
1	BETTER BUSINESS (20015937) (E)	\$5,609	\$1,017,767	\$0	\$114,975	\$105,600	\$1,257,180	\$0	\$87,962	\$0	\$2,589,093
2	RESIDENTIAL NEW CONSTRUCT (20015933) (E)	0	946,078	0	22,000	53,000	3,053,100	\$0	16,933	0	4,091,111
3	HOME ENERGY IMPROVEMENT (20015934) (E)	269	1,301,514	3,000	13,000	1,200,000	2,136,375	\$0	31,786	0	4,685,944
4	C/I NEW CONSTRUCTION (20015938) (E)	0	377,447	0	16,929	79,200	550,000	\$0	30,545	0	1,054,121
5	HOME ENERGY CHECK (20015932) (E)	20,933	3,907,838	445,893	25,464	1,907,232	0	\$0	22,505	0	6,329,865
6	LOW INCOME (20021329) (E)	0	124,539	0	0	34,625	99,996	\$0	11,654	0	270,814
7	SOLAR WATER HEATING WITH EM (20084920) (E)	0	0	0	0	0	0	\$0	0	0	0
8	RENEWABLE ENERGY SAVER (20060744) (E)	0	0	0	0	0	0	\$0	0	0	0
9	NEIGHBORHOOD ENERGY SAVER (20060745) (E)	0	226,403	0	324,399	0	577,471	\$0	22,298	0	1,150,571
10	BUSINESS ENERGY CHECK (20015936) (E)	18,479	362,884	18,531	150,450	79,200	0	\$0	32,066	0	661,610
11	CONSERVATION PROGRAM ADMIN (20015935) (E)	2,630	2,558,223	71,793	288,411	141,469	0	\$0	364,791	0	3,427,317
12	CONSERVATION PROGRAM ADMIN (20015935) (D)	0	284,247	7,977	32,046	15,719	0	\$0	40,532	0	380,521
13	QUALIFYING FACILITY (20025062) (E)	0	978,310	6,298	39,888	0	0	\$0	0	0	1,024,496
14	INNOVATION INCENTIVE (20015940) (E)	0	47,930	0	84,647	0	171,000	\$0	3,017	0	306,594
15	TECHNOLOGY DEVELOPMENT (20015939) (E)	377	300,000	200,000	275,000	0	0	\$0	25,000	0	800,377
16	STANDBY GENERATION (20021332) (D)	120,083	263,924	927	0	0	5,591,388	\$4,200	18,575	0	5,999,097
17	INTERRUPTIBLE SERVICE (20015941) (D)	40,662	123,484	0	0	0	30,816,456	\$4,200	8,600	0	30,993,402
18	CURTAILABLE SERVICE (20015942) (D)	0	0	0	0	0	1,286,968	\$0	0	0	1,286,968
19	RES ENERGY MANGMNT-ADMIN (20015943) (D)	14,413,322	1,817,060	23,794	1,344,416	939,780	22,149,396	\$4,200	1,056,578	0	41,748,546
20	COM ENERGY MANGMNT-ADMIN (20015944) (D)	0	0	0	0	0	540,000	\$0	0	0	540,000
21	RESIDENTIAL SOLAR PHOTOVOLTAIC (20084918) (E)	0	0	0	0	0	0	\$0	0	0	0
22	SOLAR WATER HEAT LOW INCOME RES CUST (20084921) (E)	0	0	0	0	0	0	\$0	0	0	0
23	COMMERCIAL SOLAR PHOTOVOLTAIC (20084919) (E)	0	0	0	0	0	0	\$0	0	0	0
24	PHOTOVOLTAIC FOR SCHOOLS PILOT (20084917) (E)	0	0	0	0	0	0	\$0	0	0	0
25	RESEARCH AND DEMONSTRATION (20084922) (E)	0	0	0	0	0	0	\$0	0	0	0
26											
27											
28	NET PROGRAM COSTS	\$14,622,363	\$14,637,648	\$778,213	\$2,731,625	\$4,555,825	\$68,229,330	\$12,600	\$1,772,842	\$0	\$107,340,446
29											
30											
31	<u>SUMMARY OF DEMAND &amp; ENERGY</u>										
32											
33	ENERGY	\$48,296	\$12,148,933	\$745,515	\$1,355,164	\$3,600,326	\$7,845,122	\$0	\$648,557	\$0	\$26,391,913
34											
35	DEMAND	14,574,067	2,488,715	32,698	1,376,461	955,499	60,384,208	12,600	1,124,285	0	80,948,534
36											
37	TOTAL	\$14,622,363	\$14,637,648	\$778,213	\$2,731,625	\$4,555,825	\$68,229,330	\$12,600	\$1,772,842	\$0	\$107,340,446

DUKE ENERGY FLORIDA  
SCHEDULE OF ESTIMATED CAPITAL INVESTMENTS, DEPRECIATION & RETURN  
JANUARY 2015 - DECEMBER 2015

DOCKET NO. 140002-EG  
DUKE ENERGY FLORIDA  
TIMOTHY J. DUFF  
EXHIBIT NO. \_\_\_\_\_ (TJD-1P)  
SCHEDULE C-2  
PAGE 4 OF 9

LINE NO.	PROGRAM TITLE	BEGINNING BALANCE	ESTIMATED												TOTAL
			Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	
1	<b>BETTER BUSINESS (20015937) (E)</b>														
2	INVESTMENT		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0
3	RETIREMENTS		24,059	0	0	0	0	0	0	0	0	0	16,976	0	41,035
4	DEPRECIATION BASE		39,825	27,796	27,796	27,796	27,796	27,796	27,796	27,796	27,796	27,796	19,308	10,820	
5															
6	DEPRECIATION EXPENSE (20% rate)		664	463	463	463	463	463	463	463	463	463	322	180	5,333
7															
8	CUMULATIVE INVESTMENT	51,855	27,796	27,796	27,796	27,796	27,796	27,796	27,796	27,796	27,796	27,796	10,820	10,820	10,820
9	LESS: ACC. DEPRECIATION	46,217	22,822	23,285	23,748	24,211	24,674	25,137	25,600	26,063	26,526	26,989	10,335	10,515	10,515
10	NET INVESTMENT	5,638	4,974	4,511	4,048	3,585	3,122	2,659	2,196	1,733	1,270	807	485	305	305
11	AVERAGE INVESTMENT		5,306	4,742	4,279	3,816	3,353	2,890	2,427	1,964	1,501	1,038	646	395	
12	RETURN ON AVERAGE INVESTMENT		31	28	25	22	20	17	14	11	9	6	4	3	190
13															
14	RETURN REQUIREMENTS		45	41	36	32	29	25	20	16	13	9	6	4	276
15															
16	PROGRAM TOTAL		\$ 709	\$ 504	\$ 499	\$ 495	\$ 492	\$ 488	\$ 483	\$ 479	\$ 476	\$ 472	\$ 328	\$ 184	\$5,609
17															
18	<b>HOME ENERGY IMPROVEMENT (20015934) (E)</b>														
19	INVESTMENT		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0
20	RETIREMENTS		28,783	0	0	0	0	0	0	0	0	0	0	0	28,783
21	DEPRECIATION BASE		14,392	0	0	0	0	0	0	0	0	0	0	0	
22															
23	DEPRECIATION EXPENSE (20% rate)		267	0	0	0	0	0	0	0	0	0	0	0	267
24															
25	CUMULATIVE INVESTMENT	28,783	0	0	0	0	0	0	0	0	0	0	0	0	0
26	LESS: ACC. DEPRECIATION	28,517	0	0	0	0	0	0	0	0	0	0	0	0	0
27	NET INVESTMENT	267	0	0	0	0	0	0	0	0	0	0	0	0	-
28	AVERAGE INVESTMENT		133	0	0	0	0	0	0	0	0	0	0	0	
29	RETURN ON AVERAGE INVESTMENT		1	0	0	0	0	0	0	0	0	0	0	0	1
30															
31	RETURN REQUIREMENTS		2	0	0	0	0	0	0	0	0	0	0	0	2
32															
33	PROGRAM TOTAL		\$ 269	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$269
34															
35	<b>HOME ENERGY CHECK (20015932) (E)</b>														
36	INVESTMENT		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0
37	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
38	DEPRECIATION BASE		72,394	72,394	72,394	72,394	72,394	72,394	72,394	72,394	72,394	72,394	72,394	72,394	
39															
40	DEPRECIATION EXPENSE (20% rate)		1,207	1,207	1,207	1,207	1,207	1,207	1,207	1,207	1,207	1,207	1,207	1,207	14,484
41															
42	CUMULATIVE INVESTMENT	72,394	72,394	72,394	72,394	72,394	72,394	72,394	72,394	72,394	72,394	72,394	72,394	72,394	72,394
43	LESS: ACC. DEPRECIATION	2,414	3,621	4,828	6,035	7,242	8,449	9,656	10,863	12,070	13,277	14,484	15,691	16,898	16,898
44	NET INVESTMENT	69,980	68,773	67,566	66,359	65,152	63,945	62,738	61,531	60,324	59,117	57,910	56,703	55,496	55,496
45	AVERAGE INVESTMENT		69,377	68,170	66,963	65,756	64,549	63,342	62,135	60,928	59,721	58,514	57,307	56,100	
46	RETURN ON AVERAGE INVESTMENT		410	403	395	388	381	374	367	360	353	346	339	331	4,447
47															
48	RETURN REQUIREMENTS		595	584	573	563	552	542	532	522	512	502	492	480	6,449
49															
50	PROGRAM TOTAL		\$ 1,802	\$ 1,791	\$ 1,780	\$ 1,770	\$ 1,759	\$ 1,749	\$ 1,739	\$ 1,729	\$ 1,719	\$ 1,709	\$ 1,699	\$ 1,687	\$20,933

NOTES:  
RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 7.08% BASED ON MAY 2014 EARNING SURVEILLANCE REPORT PER ORDER PSC-12-0425.  
- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%

DUKE ENERGY FLORIDA  
SCHEDULE OF ESTIMATED CAPITAL INVESTMENTS, DEPRECIATION & RETURN  
JANUARY 2015 - DECEMBER 2015

DOCKET NO. 140002-EG  
DUKE ENERGY FLORIDA  
TIMOTHY J. DUFF  
EXHIBIT NO. \_\_\_\_\_ (TJD-1P)  
SCHEDULE C-2  
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LINE NO.	PROGRAM TITLE	BEGINNING BALANCE	ESTIMATED												TOTAL
			Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	
1	<b>BUSINESS ENERGY CHECK (20015936) (E)</b>														
2	INVESTMENT		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0
3	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	3,085	3,085
4	DEPRECIATION BASE		72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	70,957	
5															
6	DEPRECIATION EXPENSE (20% rate)		1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,183	14,471
7															
8	CUMULATIVE INVESTMENT	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	69,415	69,415
9	LESS: ACC. DEPRECIATION	26,194	27,402	28,610	29,818	31,026	32,234	33,442	34,650	35,858	37,066	38,274	39,482	37,580	37,580
10	NET INVESTMENT	46,305	45,097	43,889	42,681	41,473	40,265	39,057	37,849	36,641	35,433	34,225	33,017	31,834	31,834
11	AVERAGE INVESTMENT		45,701	44,493	43,285	42,077	40,869	39,661	38,453	37,245	36,037	34,829	33,621	32,426	
12	RETURN ON AVERAGE INVESTMENT		269	262	255	248	241	234	227	220	213	205	198	191	2,763
13															
14	RETURN REQUIREMENTS		390	380	370	360	350	340	329	319	309	297	287	277	4,008
15															
16	PROGRAM TOTAL		\$ 1,598	\$ 1,588	\$ 1,578	\$ 1,568	\$ 1,558	\$ 1,548	\$ 1,537	\$ 1,527	\$ 1,517	\$ 1,505	\$ 1,495	\$ 1,460	\$18,479
17															
18	<b>CONSERVATION PROGRAM ADMIN (20015935) (E)</b>														
19	INVESTMENT		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0
20	RETIREMENTS		0	0	0	0	31,365	0	0	0	0	0	0	0	31,365
21	DEPRECIATION BASE		31,366	31,366	31,366	31,366	15,683	-	-	-	-	-	-	-	
22															
23	DEPRECIATION EXPENSE (20% rate)		523	523	523	523	484	0	0	0	0	0	0	0	2,576
24															
25	CUMULATIVE INVESTMENT	31,366	31,366	31,366	31,366	31,366	-	-	-	-	-	-	-	-	-
26	LESS: ACC. DEPRECIATION	28,790	29,313	29,836	30,359	30,882	-	-	-	-	-	-	-	-	-
27	NET INVESTMENT	2,576	2,053	1,530	1,007	484	-	-	-	-	-	-	-	-	-
28	AVERAGE INVESTMENT		2,314	1,791	1,268	745	242	-	-	-	-	-	-	-	
29	RETURN ON AVERAGE INVESTMENT		14	11	7	4	1	-	-	-	-	-	-	-	37
30															
31	RETURN REQUIREMENTS		20	16	10	6	2	-	-	-	-	-	-	-	54
32															
33	PROGRAM TOTAL		\$ 543	\$ 539	\$ 533	\$ 529	\$ 486	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$2,630
34															
35	<b>TECH DEVELOPMENT (20015939) (E)</b>														
36	INVESTMENT		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0
37	RETIREMENTS		0	11,311	1,630	0	305	0	0	0	0	0	0	0	13,247
38	DEPRECIATION BASE		13,247	7,591	1,120	305	153	0	0	0	0	0	0	0	
39															
40	DEPRECIATION EXPENSE (20% rate)		221	127	19	5	3	0	0	0	0	0	0	0	375
41															
42	CUMULATIVE INVESTMENT	13,247	13,247	1,936	305	305	0	0	0	0	0	0	0	0	0
43	LESS: ACC. DEPRECIATION	12,848	13,069	1,885	273	278	0	0	0	0	0	0	0	0	-
44	NET INVESTMENT	399	178	51	32	27	0	0	0	0	0	0	0	0	0
45	AVERAGE INVESTMENT		289	115	42	30	14	0	0	0	0	0	0	0	
46	RETURN ON AVERAGE INVESTMENT		1	0	0	0	0	0	0	0	0	0	0	0	1
47															
48	RETURN REQUIREMENTS		2	0	0	0	0	0	0	0	0	0	0	0	2
49															
50	PROGRAM TOTAL		\$ 223	\$ 127	\$ 19	\$ 5	\$ 3	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$377

NOTES:

RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 7.08% BASED ON MAY 2014 EARNING SURVEILLANCE REPORT PER ORDER PSC-12-0425.

- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%



DUKE ENERGY FLORIDA  
SCHEDULE OF ESTIMATED CAPITAL INVESTMENTS, DEPRECIATION & RETURN  
JANUARY 2015 - DECEMBER 2015

DOCKET NO. 140002-EG  
DUKE ENERGY FLORIDA  
TIMOTHY J. DUFF  
EXHIBIT NO. \_\_\_\_\_ (TJD-1P)  
SCHEDULE C-2  
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LINE NO.	PROGRAM TITLE	BEGINNING BALANCE	ESTIMATED												TOTAL
			Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	
1	STANDBY GENERATION (20021332) (D)														
2	INVESTMENT		\$ 17,330	\$ 17,330	\$ 17,330	\$ 17,330	\$ 17,330	\$ 17,330	\$ 17,330	\$ 17,330	\$ 17,330	\$ 17,330	\$ 17,330	\$ 17,330	\$207,960
3	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
4	DEPRECIATION BASE		389,189	406,519	423,849	441,179	458,509	475,839	493,169	510,499	527,829	545,159	562,489	579,819	
5															
6	DEPRECIATION EXPENSE (20% rate)		6,486	6,775	7,064	7,353	7,642	7,931	8,219	8,508	8,797	9,086	9,375	9,664	96,900
7															
8	CUMULATIVE INVESTMENT	380,524	397,854	415,184	432,514	449,844	467,174	484,504	501,834	519,164	536,494	553,824	571,154	588,484	588,484
9	LESS: ACC. DEPRECIATION	213,781	220,267	227,042	234,106	241,459	249,101	257,032	265,251	273,759	282,556	291,642	301,017	310,681	310,681
10	NET INVESTMENT	166,743	177,587	188,142	198,408	208,385	218,073	227,472	236,583	245,405	253,938	262,182	270,137	277,803	277,803
11	AVERAGE INVESTMENT		172,165	182,865	193,275	203,397	213,229	222,773	232,028	240,994	249,672	258,060	266,160	273,970	
12	RETURN ON AVERAGE INVESTMENT		1,016	1,079	1,140	1,200	1,258	1,314	1,369	1,422	1,473	1,522	1,571	1,617	15,981
13															
14	RETURN REQUIREMENTS		1,474	1,565	1,654	1,741	1,825	1,906	1,986	2,063	2,137	2,208	2,279	2,345	23,183
15															
16	PROGRAM TOTAL		\$ 7,960	\$ 8,340	\$ 8,718	\$ 9,094	\$ 9,467	\$ 9,837	\$ 10,205	\$ 10,571	\$ 10,934	\$ 11,294	\$ 11,654	\$ 12,009	\$120,083
17															
18	INTERRUPTIBLE SERVICE (20015941) (D)														
19	INVESTMENT		\$ 10,500	\$ 0	\$ 0	\$ 10,500	\$ 0	\$ 0	\$ 10,500	\$ 0	\$ 0	\$ 10,500	\$ 0	\$ 0	\$42,000
20	RETIREMENTS		0	0	(6,097)	0	0	0	0	0	0	0	0	0	(6,097)
21	DEPRECIATION BASE		137,122	142,372	145,421	153,719	158,969	158,969	164,219	169,469	169,469	174,719	179,969	179,969	
22															
23	DEPRECIATION EXPENSE (20% rate)		2,285	2,373	2,424	2,562	2,649	2,649	2,737	2,824	2,824	2,912	2,999	2,999	32,237
24															
25	CUMULATIVE INVESTMENT	131,872	142,372	142,372	148,469	158,969	158,969	158,969	169,469	169,469	169,469	179,969	179,969	179,969	179,969
26	LESS: ACC. DEPRECIATION	58,967	61,252	63,625	72,146	74,708	77,357	80,006	82,743	85,567	88,391	91,303	94,302	97,301	97,301
27	NET INVESTMENT	72,905	81,120	78,747	76,323	84,261	81,612	78,963	86,726	83,902	81,078	88,666	85,667	82,668	82,668
28	AVERAGE INVESTMENT		77,012	79,933	77,535	80,292	82,936	80,287	82,844	85,314	82,490	84,872	87,166	84,167	
29	RETURN ON AVERAGE INVESTMENT		454	471	457	474	489	474	489	503	486	500	514	496	5,807
30															
31	RETURN REQUIREMENTS		659	683	663	688	709	688	709	730	705	725	746	720	8,425
32															
33	PROGRAM TOTAL		\$ 2,944	\$ 3,056	\$ 3,087	\$ 3,250	\$ 3,358	\$ 3,337	\$ 3,446	\$ 3,554	\$ 3,529	\$ 3,637	\$ 3,745	\$ 3,719	\$40,662
34															
35	PHOTOVOLTAIC FOR SCHOOLS PILOT (20084917) (E)														
36	INVESTMENT		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0
37	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
38	DEPRECIATION BASE		0	0	0	0	0	0	0	0	0	0	0	0	
39															
40	DEPRECIATION EXPENSE (20% rate)		0	0	0	0	0	0	0	0	0	0	0	0	-
41															
42	CUMULATIVE INVESTMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
43	LESS: ACC. DEPRECIATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0
44	NET INVESTMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	AVERAGE INVESTMENT		0	0	0	0	0	0	0	0	0	0	0	0	
46	RETURN ON AVERAGE INVESTMENT		0	0	0	0	0	0	0	0	0	0	0	0	0
47															
48	RETURN REQUIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
49															
50	PROGRAM TOTAL		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0

NOTES:  
RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 7.08% BASED ON MAY 2014 EARNING SURVEILLANCE REPORT PER ORDER PSC-12-0425.  
- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%

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LINE NO.	PROGRAM TITLE	BEGINNING BALANCE	ESTIMATED												TOTAL
			Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	
1	RESIDENTIAL ENERGY MANAGEMENT - SUMMARY (ITEMIZED BELOW)														
2	EXPENDITURES BOOKED DIRECTLY TO PLANT		\$ 1,192,225	\$ 906,052	\$ 972,013	\$ 1,266,481	\$ 895,630	\$ 999,267	\$ 1,083,379	\$ 1,549,234	\$ 641,554	\$ 550,420	\$ 417,620	\$ 417,620	\$10,891,493
3	RETIREMENTS		98,656	116,714	120,805	176,597	153,708	121,741	216,004	262,314	320,058	115,125	276,163	155,402	2,133,287
4	INVESTMENTS BOOKED TO CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
5	CLOSINGS TO PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0
6	DEPRECIATION BASE		57,109,362	58,050,816	58,871,089	59,841,634	60,757,537	61,567,261	62,439,711	63,516,859	64,321,065	64,699,461	64,987,837	65,189,674	
7															
8	DEPRECIATION EXPENSE (itemized below)		609,217	624,908	638,579	654,755	670,020	683,515	698,056	716,009	729,412	735,718	740,525	743,889	8,244,603
9															
10	CUMULATIVE PLANT INVEST.	\$ 56,562,577	57,656,146	58,445,485	59,296,692	60,386,576	61,128,498	62,006,024	62,873,399	64,160,318	64,481,813	64,917,109	65,058,565	65,320,784	65,320,784
11	LESS: ACC. DEPRECIATION	\$ 10,692,717	11,203,278	11,711,473	12,229,246	12,707,404	13,223,716	13,785,490	14,267,542	14,721,237	15,130,591	15,751,184	16,215,546	16,804,033	16,804,033
12	CUMULATIVE CWIP INVEST.	\$ 12,009,305	12,009,305	12,009,305	12,009,305	12,009,305	12,009,305	12,009,305	12,009,305	12,009,305	12,009,305	12,009,305	12,009,305	12,009,305	12,009,305
13	NET PLANT INVESTMENT	\$ 57,879,165	58,462,173	58,743,317	59,076,751	59,688,477	59,914,087	60,229,839	60,615,161	61,448,386	61,360,527	61,175,229	60,852,324	60,526,055	60,526,055
14	AVERAGE INVESTMENT		58,170,669	58,602,745	58,910,034	59,382,614	59,801,282	60,071,963	60,422,500	61,031,774	61,404,457	61,267,878	61,013,777	60,689,190	
15	RETURN ON AVG. INVEST.		343,206	345,756	347,569	350,358	352,827	354,424	356,493	360,089	362,285	361,481	359,981	358,069	4,252,538
16															
17	RETURN REQUIREMENTS		497,854	501,552	504,182	508,228	511,809	514,127	517,128	522,344	525,531	524,363	522,187	519,414	\$6,168,719
18															
19	PROGRAM TOTAL		\$ 1,107,071	\$ 1,126,460	\$ 1,142,761	\$ 1,162,983	\$ 1,181,829	\$ 1,197,642	\$ 1,215,184	\$ 1,238,353	\$ 1,254,943	\$ 1,260,081	\$ 1,262,712	\$ 1,263,303	\$ 14,413,322
20															
21	RESIDENTIAL ENERGY MANAGEMENT - NGDR HARDWARE FOR ODS, LMS, APPDEV. ALSO INCLUDES NGDR TELECOM. (D)														
22	EXPENDITURES BOOKED DIRECTLY TO PLANT		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0
23	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
24	INVESTMENTS BOOKED TO CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
25	CLOSINGS TO PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0
26	DEPRECIATION BASE		13,423,657	13,423,657	13,423,657	13,423,657	13,423,657	13,423,657	13,423,657	13,423,657	13,423,657	13,423,657	13,423,657	13,423,657	
27															
28	DEPRECIATION EXPENSE		143,727	143,727	143,727	143,727	143,727	143,727	143,727	143,727	143,727	143,727	143,727	143,727	1,724,724
29															
30	CUMULATIVE PLANT INVEST.	13,423,657	13,423,657	13,423,657	13,423,657	13,423,657	13,423,657	13,423,657	13,423,657	13,423,657	13,423,657	13,423,657	13,423,657	13,423,657	13,423,657
31	LESS: ACC. DEPRECIATION	1,643,714	1,787,441	1,931,168	2,074,895	2,218,622	2,362,349	2,506,076	2,649,803	2,793,530	2,937,257	3,080,984	3,224,711	3,368,438	3,368,438
32	CUMULATIVE CWIP INVEST.	3,647,239	3,647,239	3,647,239	3,647,239	3,647,239	3,647,239	3,647,239	3,647,239	3,647,239	3,647,239	3,647,239	3,647,239	3,647,239	3,647,239
33	NET PLANT INVESTMENT	15,427,183	15,283,456	15,139,729	14,996,002	14,852,275	14,708,548	14,564,821	14,421,094	14,277,367	14,133,640	13,989,913	13,846,186	13,702,459	13,702,459
34	AVERAGE INVESTMENT		15,355,319	15,211,592	15,067,865	14,924,138	14,780,411	14,636,684	14,492,957	14,349,230	14,205,503	14,061,776	13,918,049	13,774,322	
35	RETURN ON AVG. INVEST.		90,597	89,748	88,901	88,052	87,205	86,356	85,508	84,661	83,812	82,965	82,116	81,269	1,031,190
36															
37	RETURN REQUIREMENTS		131,420	130,188	128,959	127,728	126,499	125,268	124,038	122,809	121,578	120,349	119,117	117,888	\$1,495,841
38															
39	PROGRAM TOTAL		\$ 275,147	\$ 273,915	\$ 272,686	\$ 271,455	\$ 270,226	\$ 268,995	\$ 267,765	\$ 266,536	\$ 265,305	\$ 264,076	\$ 262,844	\$ 261,615	\$ 3,220,565

NOTES:

RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 7.08% BASED ON MAY 2014 EARNING SURVEILLANCE REPORT PER ORDER PSC-12-0425.

- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%

- DEPRECIATION EXPENSE IN LINE 28 IS CALCULATED USING A BLENDED RATE.

DUKE ENERGY FLORIDA  
SCHEDULE OF ESTIMATED CAPITAL INVESTMENTS, DEPRECIATION & RETURN  
JANUARY 2015 - DECEMBER 2015

DOCKET NO. 140002-EG  
DUKE ENERGY FLORIDA  
TIMOTHY J. DUFF  
EXHIBIT NO. \_\_\_\_\_ (TJD-1P)  
SCHEDULE C-2  
PAGE 8 OF 9

LINE NO.	PROGRAM TITLE	BEGINNING BALANCE	ESTIMATED												
			Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	TOTAL
1	RESIDENTIAL ENERGY MANAGEMENT - NGDR SOFTWARE FOR ODS, LMS, APPDEV (D)														
2	EXPENDITURES BOOKED DIRECTLY TO PLANT		\$ 774,605	\$ 488,432	\$ 554,393	\$ 848,861	\$ 462,010	\$ 581,647	\$ 665,759	\$ 1,115,614	\$ 223,934	\$ 132,800	\$ 0	\$ 0	\$5,848,053
3	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
4	INVESTMENTS BOOKED TO CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
5	CLOSINGS TO PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0
6	DEPRECIATION BASE		12,975,176	13,606,695	14,128,107	14,829,734	15,485,169	16,006,998	16,630,701	17,521,387	18,191,160	18,369,527	18,435,927	18,435,927	
7															
8	DEPRECIATION EXPENSE (20% rate)		216,253	226,779	235,469	247,163	258,087	266,784	277,179	292,024	303,187	306,159	307,266	307,266	3,243,616
9															
10	CUMULATIVE PLANT INVEST.	12,587,874	13,362,478	13,850,911	14,405,303	15,254,164	15,716,175	16,297,822	16,963,580	18,079,194	18,303,127	18,435,927	18,435,927	18,435,927	18,435,927
11	LESS: ACC. DEPRECIATION	1,621,297	1,837,550	2,064,329	2,299,798	2,546,961	2,805,048	3,071,832	3,349,011	3,641,035	3,944,222	4,250,381	4,557,647	4,864,913	4,864,913
12	CUMULATIVE CWIP INVEST.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	NET PLANT INVESTMENT	10,966,577	11,524,928	11,786,582	12,105,505	12,707,203	12,911,127	13,225,990	13,614,569	14,438,159	14,358,905	14,185,546	13,878,280	13,571,014	13,571,014
14	AVERAGE INVESTMENT		11,245,753	11,655,755	11,946,044	12,406,354	12,809,165	13,068,558	13,420,279	14,026,364	14,398,532	14,272,226	14,031,913	13,724,647	
15	RETURN ON AVG. INVEST.		66,350	68,769	70,481	73,198	75,574	77,104	79,180	82,756	84,951	84,207	82,788	80,976	926,334
16															
17	RETURN REQUIREMENTS		96,247	99,756	102,240	106,181	109,627	111,847	114,858	120,045	123,230	122,150	120,092	117,464	\$1,343,737
18															
19	PROGRAM TOTAL		\$ 312,500	\$ 326,535	\$ 337,709	\$ 353,344	\$ 367,714	\$ 378,631	\$ 392,037	\$ 412,069	\$ 426,417	\$ 428,309	\$ 427,358	\$ 424,730	\$ 4,587,353
20															
21	RESIDENTIAL ENERGY MANAGEMENT - NGDR AMI METERS (D)														
22	EXPENDITURES BOOKED DIRECTLY TO PLANT		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0
23	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
24	INVESTMENTS BOOKED TO CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
25	CLOSINGS TO PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0
26	DEPRECIATION BASE		22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	
27															
28	DEPRECIATION EXPENSE (5.97% rate)		111,743	111,743	111,743	111,743	111,743	111,743	111,743	111,743	111,743	111,743	111,743	111,743	1,340,916
29															
30	CUMULATIVE PLANT INVEST.	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960
31	LESS: ACC. DEPRECIATION	2,513,428	2,625,171	2,736,914	2,848,657	2,960,400	3,072,143	3,183,886	3,295,629	3,407,372	3,519,115	3,630,858	3,742,601	3,854,344	3,854,344
32	CUMULATIVE CWIP INVEST.	0	-	-	-	-	-	-	-	-	-	-	-	-	-
33	NET PLANT INVESTMENT	19,947,532	19,835,789	19,724,046	19,612,303	19,500,560	19,388,817	19,277,074	19,165,331	19,053,588	18,941,845	18,830,102	18,718,359	18,606,616	18,606,616
34	AVERAGE INVESTMENT		19,891,660	19,779,917	19,668,174	19,556,431	19,444,688	19,332,945	19,221,202	19,109,459	18,997,716	18,885,973	18,774,230	18,662,487	
35	RETURN ON AVG. INVEST.		117,360	116,701	116,042	115,383	114,723	114,064	113,405	112,746	112,086	111,427	110,768	110,109	1,364,814
36															
37	RETURN REQUIREMENTS		170,242	169,286	168,330	167,374	166,417	165,461	164,505	163,549	162,592	161,636	160,680	159,724	\$1,979,796
38															
39	PROGRAM TOTAL		\$ 281,985	\$ 281,029	\$ 280,073	\$ 279,117	\$ 278,160	\$ 277,204	\$ 276,248	\$ 275,292	\$ 274,335	\$ 273,379	\$ 272,423	\$ 271,467	\$ 3,320,712

NOTES:  
RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 7.08% BASED ON MAY 2014 EARNING SURVEILLANCE REPORT PER ORDER PSC-12-0425.  
- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%

DUKE ENERGY FLORIDA  
SCHEDULE OF ESTIMATED CAPITAL INVESTMENTS, DEPRECIATION & RETURN  
JANUARY 2015 - DECEMBER 2015

DOCKET NO. 140002-EG  
DUKE ENERGY FLORIDA  
TIMOTHY J. DUFF  
EXHIBIT NO. \_\_\_\_\_ (TJD-1P)  
SCHEDULE C-2  
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LINE NO.	PROGRAM TITLE	BEGINNING BALANCE	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	TOTAL
1	RESIDENTIAL ENERGY MANAGEMENT - NON-NGDR RESIDENTIAL PROJECTS (D)														
2	EXPENDITURES BOOKED DIRECTLY TO PLANT		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0
3	RETIREMENTS		33,316	34,571	0	0	0	0	0	0	0	0	0	0	67,887
4	INVESTMENTS BOOKED TO CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
5	CLOSINGS TO PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0
6	DEPRECIATION BASE		153,635	119,692	102,406	102,406	102,406	102,406	102,406	102,406	102,406	102,406	102,406	102,406	
7															
8	DEPRECIATION EXPENSE (20% rate)		2,561	1,995	1,707	1,707	1,707	1,707	1,707	1,707	1,707	1,707	1,707	1,707	21,626
9															
10	CUMULATIVE PLANT INVEST.	170,293	136,977	102,406	102,406	102,406	102,406	102,406	102,406	102,406	102,406	102,406	102,406	102,406	102,406
11	LESS: ACC. AMORT.	122,676	91,921	59,345	61,052	62,759	64,466	66,173	67,880	69,587	71,294	73,001	74,708	76,415	76,415
12	CUMULATIVE CWIP INVEST.	0	-	-	-	-	-	-	-	-	-	-	-	-	0
13	NET PLANT INVESTMENT	47,617	45,056	43,061	41,354	39,647	37,940	36,233	34,526	32,819	31,112	29,405	27,698	25,991	25,991
14	AVERAGE INVESTMENT		46,337	44,059	42,208	40,501	38,794	37,087	35,380	33,673	31,966	30,259	28,552	26,845	
15	RETURN ON AVG. INVEST.		273	260	249	239	229	219	209	199	188	178	169	159	2,571
16															
17	RETURN REQUIREMENTS		396	377	361	346	332	318	303	289	273	258	245	231	3,729
18															
19	PROGRAM TOTAL		\$ 2,957	\$ 2,372	\$ 2,068	\$ 2,053	\$ 2,039	\$ 2,025	\$ 2,010	\$ 1,996	\$ 1,980	\$ 1,965	\$ 1,952	\$ 1,938	\$25,355
20															
21	RESIDENTIAL ENERGY MANAGEMENT - LOAD MANAGEMENT SWITCHES (9080120) (D)														
22	EXPENDITURES BOOKED DIRECTLY TO PLANT		\$ 417,620	\$ 417,620	\$ 417,620	\$ 417,620	\$ 433,620	\$ 417,620	\$ 417,620	\$ 433,620	\$ 417,620	\$ 417,620	\$ 417,620	\$ 417,620	\$5,043,440
23	RETIREMENTS		65,340	82,143	120,805	176,597	153,708	121,741	216,004	262,314	320,058	115,125	276,163	155,402	2,065,400
24	INVESTMENTS BOOKED TO CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
25	CLOSINGS TO PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0
26	AMORTIZATION BASE		8,095,934	8,439,812	8,755,959	9,024,877	9,285,345	9,573,240	9,821,987	10,008,449	10,142,882	10,342,911	10,564,887	10,766,724	
27															
28	AMORTIZATION EXPENSE (20% rate)		134,933	140,664	145,933	150,415	154,756	159,554	163,700	166,808	169,048	172,382	176,082	179,446	1,913,721
29															
30	CUMULATIVE PLANT INVEST.	7,919,793	8,272,074	8,607,551	8,904,366	9,145,389	9,425,301	9,721,179	9,922,795	10,094,102	10,191,663	10,494,158	10,635,615	10,897,834	10,897,834
31	LESS: ACC. AMORT.	4,791,602	4,861,195	4,919,717	4,944,844	4,918,662	4,919,710	4,957,523	4,905,219	4,809,713	4,658,703	4,715,960	4,615,879	4,639,923	4,639,923
32	CUMULATIVE CWIP INVEST.	8,362,065	8,362,065	8,362,065	8,362,065	8,362,065	8,362,065	8,362,065	8,362,065	8,362,065	8,362,065	8,362,065	8,362,065	8,362,065	8,362,065
33	NET PLANT INVESTMENT	11,490,257	11,772,944	12,049,900	12,321,587	12,588,792	12,867,656	13,125,722	13,379,642	13,646,454	13,895,026	14,140,264	14,381,802	14,619,976	14,619,976
34	AVERAGE INVESTMENT		11,631,600	11,911,422	12,185,743	12,455,189	12,728,224	12,996,689	13,252,682	13,513,048	13,770,740	14,017,645	14,261,033	14,500,889	
35	RETURN ON AVG. INVEST.		68,626	70,278	71,896	73,486	75,096	76,681	78,191	79,727	81,248	82,704	84,140	85,556	927,629
36															
37	RETURN REQUIREMENTS		99,549	101,945	104,292	106,599	108,934	111,233	113,424	115,652	117,858	119,970	122,053	124,107	1,345,616
38															
39	PROGRAM TOTAL		\$ 234,482	\$ 242,609	\$ 250,225	\$ 257,014	\$ 263,690	\$ 270,787	\$ 277,124	\$ 282,460	\$ 286,906	\$ 292,352	\$ 298,135	\$ 303,553	\$3,259,337
40															
41	SUMMARY OF DEMAND & ENERGY:														
42															
43	ENERGY		5,144	4,549	4,409	4,367	4,298	3,785	3,759	3,735	3,712	3,686	3,522	3,331	48,296
44	DEMAND		1,117,975	1,137,856	1,154,566	1,175,327	1,194,654	1,210,816	1,228,835	1,252,478	1,269,406	1,275,012	1,278,111	1,279,031	14,574,067
45	TOTAL DEPRECIATION AND RETURN		1,123,119	1,142,405	1,158,975	1,179,694	1,198,952	1,214,601	1,232,594	1,256,213	1,273,118	1,278,698	1,281,633	1,282,362	14,622,363

NOTES:

RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 7.08% BASED ON MAY 2014 EARNING SURVEILLANCE REPORT PER ORDER PSC-12-0425.

- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%



DUKE ENERGY FLORIDA  
CONSERVATION PROGRAM COSTS  
JANUARY through JULY, 2014 ACTUAL  
AUGUST through DECEMBER, 2014 ESTIMATED

DOCKET NO. 140002-EG  
DUKE ENERGY FLORIDA  
TIMOTHY J. DUFF  
EXHIBIT NO. \_\_\_\_\_ (TJD-1P)  
SCHEDULE C - 3  
PAGE 1 OF 12

LINE NO.	PROGRAM TITLE	DEPRECIATION AMORTIZATION & RETURN	OPERATING AND MAINTENANCE COSTS							PROGRAM REVENUES (CREDITS)	TOTAL
			PAYROLL & BENEFITS	VEHICLES	OUTSIDE SERVICES	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OTHER		
1	BETTER BUSINESS										
2	A. ACTUAL	\$6,833	\$568,382	\$0	\$37,297	-\$147	\$16,982	\$653,661	\$11,273	\$0	\$1,294,281
3	B. ESTIMATED	4,653	413,666	0	106,547	0	17,324	634,912	13,109	0	1,190,210
4											
5	C. TOTAL	11,486	982,048	0	143,844	-147	34,306	1,288,573	24,382	0	2,484,491
6											
7	RESIDENTIAL NEW CONSTRUCTION										
8	A. ACTUAL	\$0	\$476,259	\$0	\$14,342	\$2,374	\$51,511	\$2,572,864	\$22,315	\$0	\$3,139,664
9	B. ESTIMATED	0	327,842	0	8,171	1,500	7,446	994,190	16,558	0	1,355,707
10											
11	C. TOTAL	0	804,101	0	22,513	3,874	58,957	3,567,054	38,872	0	4,495,371
12											
13	HOME ENERGY IMPROVEMENT										
14	A. ACTUAL	\$5,304	\$691,056	\$0	\$9,412	\$1,789	\$407,622	\$1,878,915	\$24,391	\$0	\$3,018,489
15	B. ESTIMATED	2,461	504,709	0	4,462	1,300	701,381	972,163	14,103	0	2,200,580
16											
17	C. TOTAL	7,765	1,195,765	0	13,874	3,089	1,109,003	2,851,078	38,495	0	5,219,069
18											
19	C/I NEW CONSTRUCTION										
20	A. ACTUAL	\$0	\$246,418	\$0	\$11,541	\$0	\$5,818	\$138,855	\$4,662	\$0	\$407,294
21	B. ESTIMATED	0	190,428	0	101,211	0	5,246	244,222	7,543	0	548,651
22											
23	C. TOTAL	0	436,846	0	112,753	0	11,064	383,077	12,205	0	955,945
24											
25	HOME ENERGY CHECK										
26	A. ACTUAL	\$0	\$1,980,895	\$0	\$37,971	\$83,870	-\$59,965	\$0	\$74,399	\$0	\$2,117,171
27	B. ESTIMATED	3,943	1,397,380	0	25,439	104,104	1,981,965	0	50,279	0	3,563,110
28											
29	C. TOTAL	3,943	3,378,274	0	63,410	187,975	1,922,000	0	124,678	0	5,680,281
30											
31	LOW INCOME										
32	A. ACTUAL	\$0	\$78,906	\$0	\$687	\$0	\$15,515	\$34,029	\$4,891	\$0	\$134,028
33	B. ESTIMATED	0	56,754	0	700	0	15,000	65,928	4,609	0	142,991
34											
35	C. TOTAL	0	135,659	0	1,387	0	30,515	99,957	9,500	0	277,019

DUKE ENERGY FLORIDA  
CONSERVATION PROGRAM COSTS  
JANUARY through JULY, 2014 ACTUAL  
AUGUST through DECEMBER, 2014 ESTIMATED

DOCKET NO. 140002-EG  
DUKE ENERGY FLORIDA  
TIMOTHY J. DUFF  
EXHIBIT NO. \_\_\_\_\_ (TJD-1P)  
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LINE NO.	PROGRAM TITLE	DEPRECIATION AMORTIZATION & RETURN	OPERATING AND MAINTENANCE COSTS						PROGRAM REVENUES (CREDITS)	TOTAL
			PAYROLL & BENEFITS	VEHICLES	OUTSIDE SERVICES	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OTHER	
1	RENEWABLE ENERGY SAVER									
2	A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	B. ESTIMATED	0	0	0	0	0	0	0	0	0
4										
5	C. TOTAL	0	0	0	0	0	0	0	0	0
6										
7	NEIGHBORHOOD ENERGY SAVER									
8	A. ACTUAL	\$0	\$134,645	\$0	\$587	\$7,307	\$71,014	\$589,970	\$24,155	\$827,679
9	B. ESTIMATED	0	101,472	0	4,943	27,330	1	361,030	7,048	501,823
10										
11	C. TOTAL	0	236,118	0	5,530	34,637	71,015	951,000	31,203	1,329,501
12										
13	BUSINESS ENERGY CHECK									
14	A. ACTUAL	\$11,888	\$259,970	\$0	\$53,616	\$2,913	\$15,958	\$0	\$23,223	\$367,566
15	B. ESTIMATED	8,151	197,968	0	81,980	2,080	20,928	0	19,368	330,474
16										
17	C. TOTAL	20,039	457,938	0	135,595	4,993	36,885	0	42,590	698,040
18										
19	QUALIFYING FACILITY									
20	A. ACTUAL	\$0	\$1,115,186	\$0	\$35,253	\$46,607	\$0	\$0	\$10,401	\$1,207,448
21	B. ESTIMATED	0	-135,500	0	5,000	-40,424	0	0	14,550	-156,374
22										
23	C. TOTAL	0	979,686	0	40,253	6,183	0	0	24,951	1,051,074
24										
25	INNOVATION INCENTIVE									
26	A. ACTUAL	\$0	\$15,372	\$0	\$52	\$0	\$0	\$14,614	\$0	\$30,038
27	B. ESTIMATED	0	9,737	0	11,948	0	0	25,386	0	47,071
28										
29	C. TOTAL	0	25,109	0	12,000	0	0	40,000	0	77,109
30										
31	TECHNOLOGY DEVELOPMENT									
32	A. ACTUAL	\$1,685	\$71,088	\$0	\$23,075	\$101	\$0	\$0	\$8,540	\$104,488
33	B. ESTIMATED	1,146	334,182	0	269,244	33,355	0	0	59,072	696,998
34										
35	C. TOTAL	2,831	405,269	0	292,318	33,456	0	0	67,612	801,486

DUKE ENERGY FLORIDA  
CONSERVATION PROGRAM COSTS  
JANUARY through JULY, 2014 ACTUAL  
AUGUST through DECEMBER, 2014 ESTIMATED

DOCKET NO. 140002-EG  
DUKE ENERGY FLORIDA  
TIMOTHY J. DUFF  
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LINE NO.	PROGRAM TITLE	DEPRECIATION AMORTIZATION & RETURN	OPERATING AND MAINTENANCE COSTS							PROGRAM REVENUES (CREDITS)	TOTAL
			PAYROLL & BENEFITS	VEHICLES	OUTSIDE SERVICES	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OTHER		
1	STANDBY GENERATION										
2	A. ACTUAL	\$65,747	\$118,168	\$0	\$20,628	\$58,734	\$0	\$3,193,558	\$12,161	\$0	\$3,468,997
3	B. ESTIMATED	39,307	78,368	0	7,790	46,944	0	2,271,380	6,404	0	2,450,193
4											
5	C. TOTAL	105,054	196,536	0	28,418	105,678	0	5,464,939	18,565	0	5,919,190
6											
7	INTERRUPT LOAD MANAGEMENT										
8	A. ACTUAL	\$16,644	\$54,595	\$51	\$5,848	\$20	\$0	\$15,762,037	\$2,698	\$0	\$15,841,892
9	B. ESTIMATED	11,661	39,206	51	4,178	20	0	11,591,467	2,143	0	11,648,725
10											
11	C. TOTAL	28,305	93,801	103	10,025	40	0	27,353,504	4,840	0	27,490,617
12											
13	CURTAIL LOAD MANAGEMENT										
14	A. ACTUAL	\$0	\$0	\$0	-\$36,166	\$0	\$172	\$698,960	\$0	\$0	\$662,966
15	B. ESTIMATED	0	0	0	0	0	-172	473,072	0	0	472,900
16											
17	C. TOTAL	0	0	0	-36,166	0	0	1,172,032	0	0	1,135,866
18											
19	RESIDENTIAL ENERGY MANAGEMENT INC. NGDR & LOAD MANAGEMENT SWITCHES										
20	A. ACTUAL	\$6,778,144	\$1,585,085	\$2,307	\$1,904,504	\$564,636	\$25,649	\$12,335,860	\$59,373	\$0	\$23,255,558
21	B. ESTIMATED	5,028,823	612,484	-2,251	1,332,092	18,056	18,320	8,638,308	236,236	0	15,882,069
22											
23	C. TOTAL	11,806,967	2,197,569	56	3,236,596	582,692	43,969	20,974,168	295,609	0	39,137,627
24											
25	COMMERCIAL LOAD MANAGEMENT										
26	A. ACTUAL	\$0	\$223	\$0	\$1,050	\$0	\$0	\$279,502	\$0	\$0	\$280,775
27	B. ESTIMATED	0	223	0	1,050	0	0	227,312	0	0	228,585
28											
29	C. TOTAL	0	446	0	2,100	0	0	506,814	0	0	509,360
30											
31	CONSERVATION PROGRAM ADMIN										
32	A. ACTUAL	\$4,227	\$1,815,991	\$81,825	\$360,726	\$42,307	\$208,309	\$1,163	\$225,586	\$0	\$2,740,133
33	B. ESTIMATED	2,781	1,688,657	55,305	344,711	30,464	140,004	-1,163	207,862	0	2,468,622
34											
35	C. TOTAL	7,008	3,504,648	137,131	705,437	72,771	348,313	0	433,448	0	5,208,755

DUKE ENERGY FLORIDA  
CONSERVATION PROGRAM COSTS  
JANUARY through JULY, 2014 ACTUAL  
AUGUST through DECEMBER, 2014 ESTIMATED

DOCKET NO. 140002-EG  
DUKE ENERGY FLORIDA  
TIMOTHY J. DUFF  
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LINE NO.	PROGRAM TITLE	DEPRECIATION AMORTIZATION & RETURN	OPERATING AND MAINTENANCE COSTS							PROGRAM REVENUES (CREDITS)	TOTAL
			PAYROLL & BENEFITS	VEHICLES	OUTSIDE SERVICES	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OTHER		
1	SOLAR WATER HEATING WITH EM										
2	A. ACTUAL	\$0	\$12,729	\$0	\$37	\$0	\$916	\$73,875	\$741	\$0	\$88,299
3	B. ESTIMATED	0	\$8,419	\$0	\$37	\$0	-\$916	\$64,513	\$741	0	72,795
4											
5	C. TOTAL	0	21,148	0	74	0	0	138,388	1,482	0	161,093
6											
7	RESIDENTIAL SOLAR PHOTOVOLTAIC										
8	A. ACTUAL	\$0	\$48,633	\$0	\$981	\$0	\$274	\$1,691,689	\$10,446	\$0	\$1,752,024
9	B. ESTIMATED	0	34,178	0	798	0	275	208,311	8,707	0	252,269
10											
11	C. TOTAL	0	82,812	0	1,779	0	549	1,900,001	19,153	0	2,004,293
12											
13	SOLAR WATER HEAT LOW INCOME RES										
14	A. ACTUAL	\$0	\$4,517	\$0	\$0	\$0	\$0	\$22,101	\$741	\$0	\$27,359
15	B. ESTIMATED	0	2,935	0	0	0	0	85,443	741	0	89,119
16											
17	C. TOTAL	0	7,452	0	0	0	0	107,544	1,482	0	116,478
18											
19	COMMERCIAL SOLAR PHOTOVOLTAIC										
20	A. ACTUAL	\$0	\$6,259	\$0	\$92	\$0	\$0	\$841,243	\$840	\$0	\$848,434
21	B. ESTIMATED	0	4,166	0	10	0	0	458,758	840	0	463,773
22											
23	C. TOTAL	0	10,424	0	102	0	0	1,300,001	1,680	0	1,312,207
24											
25	PHOTOVOLTAIC FOR SCHOOLS										
26	A. ACTUAL	\$0	\$8,318	\$0	\$1,863	\$2,405	\$1,000	\$888,565	\$749	\$0	\$902,899
27	B. ESTIMATED	0	5,294	0	1,863	2,405	1,000	1,611,435	750	0	1,622,747
28											
29	C. TOTAL	0	13,612	0	3,726	4,810	2,000	2,500,000	1,499	0	2,525,646
30											
31	RESEARCH AND DEMONSTRATION										
32	A. ACTUAL	\$0	\$8,399	\$0	\$1,260	\$33,697	\$0	\$0	\$0	\$0	\$43,357
33	B. ESTIMATED	0	7,859	0	268,141	0	0	0	0	0	276,000
34											
35	C. TOTAL	0	16,258	0	269,401	33,697	0	0	0	0	319,357
36											
37	TOTAL ALL PROGRAMS	\$11,993,398	\$15,181,518	\$137,289	\$5,064,970	\$1,073,747	\$3,668,576	\$70,598,130	\$1,192,248	\$0	\$108,909,877



**DUKE ENERGY FLORIDA**  
**SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN**  
**FOR THE PERIOD JANUARY 2014 THROUGH DECEMBER 2014**

**DOCKET NO. 140002-EG**  
**DUKE ENERGY FLORIDA**  
**TIMOTHY J. DUFF**  
**EXHIBIT NO. \_\_\_\_\_ (TJD-1P)**  
**SCHEDULE C-3**  
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LINE NO.	BEGINNING BALANCE	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	TOTAL
1	<b>BETTER BUSINESS (20015937) (E)</b>													
2	INVESTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	RETIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
4	DEPRECIATION BASE	51,855	51,855	51,855	51,855	51,855	51,855	51,855	51,855	51,855	51,855	51,855	51,855	
5														
6	DEPRECIATION EXPENSE (20% rate)	864	864	864	864	864	864	864	864	864	864	864	864	10,368
7														
8	CUMM. NET INVEST	51,855	51,855	51,855	51,855	51,855	51,855	51,855	51,855	51,855	51,855	51,855	51,855	51,855
9	LESS: ACC. NET DEPR	35,849	36,713	37,577	38,441	39,305	40,169	41,033	41,897	42,761	43,625	44,489	45,353	46,217
10	NET INVESTMENT	16,006	15,142	14,278	13,414	12,550	11,686	10,822	9,958	9,094	8,230	7,366	6,502	5,638
11	AVERAGE INVESTMENT		15,574	14,710	13,846	12,982	12,118	11,254	10,390	9,526	8,662	7,798	6,934	6,070
12	RETURN ON AVG INVEST		94	89	84	78	73	68	61	56	51	46	41	36
13														777
14	RETURN REQUIREMENTS		135	127	120	112	104	98	89	81	74	67	59	52
15														1,118
16	PROGRAM TOTAL		\$999	\$991	\$984	\$976	\$968	\$962	\$953	\$945	\$938	\$931	\$923	\$916
17														\$11,486
18	<b>HOME ENERGY IMPROVEMENT (20015934) (E)</b>													
19	INVESTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	RETIREMENTS	0	0	0	12,614	12,227	0	0	0	0	0	0	0	24,841
21	DEPRECIATION BASE	53,624	53,624	53,624	47,317	34,897	28,783	28,783	28,783	28,783	28,783	28,783	28,783	
22														
23	DEPRECIATION EXPENSE (20% rate)		894	894	894	789	582	480	480	480	480	480	480	7,413
24														
25	CUMM. NET INVEST	53,624	53,624	53,624	41,010	28,783	28,783	28,783	28,783	28,783	28,783	28,783	28,783	28,783
26	LESS: ACC. NET DEPR	45,945	46,839	47,733	48,627	36,802	25,157	25,637	26,117	26,597	27,077	27,557	28,037	28,517
27	NET INVESTMENT	7,680	6,786	5,892	4,998	4,209	3,627	3,147	2,667	2,187	1,707	1,227	747	267
28	AVERAGE INVESTMENT		7,233	6,339	5,445	4,603	3,918	3,387	2,907	2,427	1,947	1,467	987	507
29	RETURN ON AVG INVEST		44	38	33	28	23	20	17	14	11	8	6	3
30														245
31	RETURN REQUIREMENTS		63	54	47	40	33	29	25	20	16	12	9	4
32														352
33	PROGRAM TOTAL		\$957	\$948	\$941	\$829	\$615	\$509	\$505	\$500	\$496	\$492	\$489	\$484
34														\$7,765
35	<b>HOME ENERGY CHECK (20015932) (E)</b>													
36	INVESTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$72,394	\$0	\$0	\$72,394
37	RETIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
38	DEPRECIATION BASE	0	0	0	0	0	0	0	0	0	36,197	72,394	72,394	
39														
40	DEPRECIATION EXPENSE (20% rate)		0	0	0	0	0	0	0	0	0	1,207	1,207	2,414
41														
42	CUMM. NET INVEST	0	0	0	0	0	0	0	0	0	72,394	72,394	72,394	72,394
43	LESS: ACC. NET DEPR	0	0	0	0	0	0	0	0	0	0	1,207	2,414	2,414
44	NET INVESTMENT	0	0	0	0	0	0	0	0	0	72,394	71,187	69,980	69,980
45	AVERAGE INVESTMENT		0	0	0	0	0	0	0	0	36,197	71,791	70,584	
46	RETURN ON AVG INVEST		0	0	0	0	0	0	0	0	213	424	417	1,054
47														
48	RETURN REQUIREMENTS		0	0	0	0	0	0	0	0	309	615	605	1,529
49														
50	PROGRAM TOTAL		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$309	\$1,822	\$1,812	\$3,943

**NOTES:**

- JAN-JUN RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 7.25% BASED ON MAY 2013 EARNING SURVEILLANCE REPORT PER ORDER PSC-12-0425.
- JUL-DEC RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 7.08% BASED ON MAY 2014 EARNING SURVEILLANCE REPORT PER ORDER PSC-12-0425.
- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%

**DUKE ENERGY FLORIDA**  
**SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN**  
**FOR THE PERIOD JANUARY 2014 THROUGH DECEMBER 2014**

**DOCKET NO. 140002-EG**  
**DUKE ENERGY FLORIDA**  
**TIMOTHY J. DUFF**  
**EXHIBIT NO. \_\_\_\_\_ (TJD-1P)**  
**SCHEDULE C-3**  
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LINE NO.	BEGINNING BALANCE	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	TOTAL
1	<b>BUSINESS ENERGY CHECK (20015936) (E)</b>													
2	INVESTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	RETIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
4	DEPRECIATION BASE	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	
5														
6	DEPRECIATION EXPENSE (20% rate)	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	14,496
7														
8	CUMM. NET INVEST	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499	72,499
9	LESS: ACC. NET DEPR	11,698	12,906	14,114	15,322	16,530	17,738	18,946	20,154	21,362	22,570	23,778	24,986	26,194
10	NET INVESTMENT	60,801	59,593	58,385	57,177	55,969	54,761	53,553	52,345	51,137	49,929	48,721	47,513	46,305
11	AVERAGE INVESTMENT		60,197	58,989	57,781	56,573	55,365	54,157	52,949	51,741	50,533	49,325	48,117	46,909
12	RETURN ON AVG INVEST		364	357	349	342	335	328	312	305	298	291	284	277
13														3,842
14	RETURN REQUIREMENTS		522	511	500	490	480	470	453	443	432	422	412	402
15														5,537
16	PROGRAM TOTAL		\$1,730	\$1,719	\$1,708	\$1,698	\$1,688	\$1,678	\$1,661	\$1,651	\$1,640	\$1,630	\$1,620	\$1,610
17														\$20,033
18	<b>ENERGY CONSERVATION ADMIN (20015935) (E)</b>													
19	INVESTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	RETIREMENTS	\$0	\$0	\$0	\$2,394	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	2,394
21	DEPRECIATION BASE	33,760	33,760	33,760	32,563	31,366	31,366	31,366	31,366	31,366	31,366	31,366	31,366	31,366
22														
23	DEPRECIATION EXPENSE (20% rate)	563	563	563	543	523	523	523	523	523	523	523	523	6,416
24														
25	CUMM. NET INVEST	33,760	33,760	33,760	31,366	31,366	31,366	31,366	31,366	31,366	31,366	31,366	31,366	31,366
26	LESS: ACC. NET DEPR	24,768	25,331	25,894	26,457	24,606	25,129	25,652	26,175	26,698	27,221	27,744	28,267	28,790
27	NET INVESTMENT	8,992	8,429	7,866	7,303	6,760	6,237	5,714	5,191	4,668	4,145	3,622	3,099	2,576
28	AVERAGE INVESTMENT		8,710	8,147	7,584	7,031	6,498	5,975	5,452	4,929	4,406	3,883	3,360	2,837
29	RETURN ON AVG INVEST		52	49	46	42	39	36	32	29	26	22	20	17
30														410
31	RETURN REQUIREMENTS		75	70	66	60	56	52	46	42	38	32	29	25
32														591
33	PROGRAM TOTAL		\$638	\$633	\$629	\$603	\$579	\$575	\$569	\$565	\$561	\$555	\$552	\$548
34														\$7,007
35	<b>TECHNOLOGY DEVELOPMENT (20015939) (E)</b>													
36	INVESTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37	RETIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
38	DEPRECIATION BASE	13,247	13,247	13,247	13,247	13,247	13,247	13,247	13,247	13,247	13,247	13,247	13,247	13,247
39														
40	DEPRECIATION EXPENSE (20% rate)	221	221	221	221	221	221	221	221	221	221	221	221	2,652
41														
42	CUMM. NET INVEST	13,247	13,247	13,247	13,247	13,247	13,247	13,247	13,247	13,247	13,247	13,247	13,247	13,247
43	LESS: ACC. NET DEPR	10,196	10,417	10,638	10,859	11,080	11,301	11,522	11,743	11,964	12,185	12,406	12,627	12,848
44	NET INVESTMENT	3,051	2,830	2,609	2,388	2,167	1,946	1,725	1,504	1,283	1,062	841	620	399
45	AVERAGE INVESTMENT		2,941	2,720	2,499	2,278	2,057	1,836	1,615	1,394	1,173	952	731	510
46	RETURN ON AVG INVEST		18	16	15	13	13	11	10	8	7	6	4	3
47														124
48	RETURN REQUIREMENTS		26	23	21	19	19	16	14	12	10	9	6	4
49														179
50	PROGRAM TOTAL		\$247	\$244	\$242	\$240	\$240	\$237	\$235	\$233	\$231	\$230	\$227	\$225
														\$2,831

**NOTES:**

- JAN-JUN RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 7.25% BASED ON MAY 2013 EARNING SURVEILLANCE REPORT PER ORDER PSC-12-0425.
- JUL-DEC RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 7.08% BASED ON MAY 2014 EARNING SURVEILLANCE REPORT PER ORDER PSC-12-0425.
- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%

**DUKE ENERGY FLORIDA**  
**SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN**  
**FOR THE PERIOD JANUARY 2014 THROUGH DECEMBER 2014**

**DOCKET NO. 140002-EG**  
**DUKE ENERGY FLORIDA**  
**TIMOTHY J. DUFF**  
**EXHIBIT NO. \_\_\_\_\_ (TJD-1P)**  
**SCHEDULE C-3**  
**PAGE 7 OF 12**

LINE NO.	BEGINNING BALANCE	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	TOTAL
1	<b>STANDBY GENERATION (20021332) (D)</b>													
2	INVESTMENTS	\$0	\$35,171	\$0	\$0	\$0	\$0	\$0	\$0	\$13,420	\$0	\$13,421	\$0	\$62,012
3	RETIREMENTS	0	0	0	0	0	0	0	88,691	28,123	910	0	0	117,723
4	DEPRECIATION BASE	436,235	453,821	471,406	471,406	471,406	471,406	471,406	427,061	375,364	367,558	373,813	380,524	
5														
6	DEPRECIATION EXPENSE (20% rate)	7,271	7,564	7,857	7,857	7,857	7,857	7,857	7,118	6,256	6,126	6,230	6,342	86,192
7														
8	CUMM. NET INVEST	436,235	436,235	471,406	471,406	471,406	471,406	471,406	382,715	368,013	367,103	380,524	380,524	380,524
9	LESS: ACC. NET DEPR	245,312	252,583	260,147	268,004	275,861	283,718	299,432	217,859	195,992	201,209	207,439	213,781	213,781
10	NET INVESTMENT	190,923	183,652	211,259	203,402	195,545	187,688	179,831	164,856	172,020	165,894	173,085	166,743	166,743
11	AVERAGE INVESTMENT		187,287	197,456	207,331	199,474	191,617	183,760	168,415	168,438	168,957	169,490	169,914	
12	RETURN ON AVG INVEST		1,131	1,193	1,253	1,205	1,157	1,111	1,038	994	997	1,000	1,002	13,075
13														
14	RETURN REQUIREMENTS		1,621	1,710	1,796	1,727	1,658	1,592	1,506	1,442	1,442	1,446	1,451	18,845
15														
16	PROGRAM TOTAL		\$8,892	\$9,274	\$9,653	\$9,584	\$9,515	\$9,449	\$9,363	\$8,560	\$7,698	\$7,572	\$7,681	\$105,037
17														
18	<b>INTERRUPTIBLE SERVICE (20015941) (D)</b>													
19	INVESTMENTS	\$0	\$7,153	\$0	\$0	\$0	\$0	\$0	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$59,653
20	RETIREMENTS	0	0	0	67,559	0	496	0	0	6,008	0	0	6,629	80,693
21	DEPRECIATION BASE	152,912	156,488	160,065	126,285	92,505	92,257	92,009	97,259	104,755	112,251	122,751	129,937	
22														
23	DEPRECIATION EXPENSE (20% rate)	2,549	2,608	2,668	2,105	1,542	1,538	1,533	1,621	1,746	1,871	2,046	2,166	23,993
24														
25	CUMM. NET INVEST	152,912	152,912	160,065	160,065	92,505	92,505	92,009	102,509	107,001	117,501	128,001	131,872	131,872
26	LESS: ACC. NET DEPR	115,667	118,216	120,824	123,492	58,038	59,580	60,622	62,155	59,513	61,384	63,430	58,967	58,967
27	NET INVESTMENT	37,245	34,696	39,241	36,573	34,468	32,926	31,388	29,855	38,734	47,488	56,117	64,571	72,905
28	AVERAGE INVESTMENT		35,970	36,968	37,907	35,520	33,697	32,157	34,294	43,111	51,802	60,344	68,738	
29	RETURN ON AVG INVEST		217	223	229	215	203	194	202	255	305	356	406	2,986
30														
31	RETURN REQUIREMENTS		311	320	328	308	291	278	263	293	370	443	516	4,310
32														
33	PROGRAM TOTAL		\$2,860	\$2,928	\$2,996	\$2,413	\$1,833	\$1,816	\$1,796	\$1,914	\$2,116	\$2,314	\$2,562	\$28,303
34														
35	<b>PHOTOVOLTAIC FOR SCHOOLS PILOT (20084917) (E)</b>													
36	INVESTMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37	RETIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
38	DEPRECIATION BASE	0	0	0	0	0	0	0	0	0	0	0	0	
39														
40	DEPRECIATION EXPENSE (20% rate)	0	0	0	0	0	0	0	0	0	0	0	0	0
41														
42	CUMULATIVE INVESTMENT	0	0	0	0	0	0	0	0	0	0	0	0	0
43	LESS: ACC. DEPRECIATION	0	0	0	0	0	0	0	0	0	0	0	0	0
44	NET INVESTMENT	0	0	0	0	0	0	0	0	0	0	0	0	0
45	AVERAGE INVESTMENT		0	0	0	0	0	0	0	0	0	0	0	
46	RETURN ON AVERAGE INVESTMENT		0	0	0	0	0	0	0	0	0	0	0	0
47														
48	RETURN REQUIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0
49														
50	PROGRAM TOTAL		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**NOTES:**

- JAN-JUN RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 7.25% BASED ON MAY 2013 EARNING SURVEILLANCE REPORT PER ORDER PSC-12-0425.
- JUL-DEC RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 7.08% BASED ON MAY 2014 EARNING SURVEILLANCE REPORT PER ORDER PSC-12-0425.
- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%

**DUKE ENERGY FLORIDA**  
**SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN**  
**FOR THE PERIOD JANUARY 2014 THROUGH DECEMBER 2014**

**DOCKET NO. 140002-EG**  
**DUKE ENERGY FLORIDA**  
**TIMOTHY J. DUFF**  
**EXHIBIT NO. \_\_\_\_\_ (TJD-1P)**  
**SCHEDULE C-3**  
**PAGE 8 OF 12**

LINE NO.		BEGINNING BALANCE	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	TOTAL
1	RESIDENTIAL ENERGY MANAGEMENT - SUMMARY (ITEMIZED BELOW)														
2	EXPENDITURES BOOKED DIRECTLY TO PLANT		\$2,523,978	\$1,516,627	\$271,535	\$398,152	(\$156,701)	\$56,868	\$21,178	\$180,053	\$180,053	\$180,053	\$531,820	\$506,523	\$6,210,139
3	RETIREMENTS		\$585,774	\$451,377	\$839,558	\$572,340	\$828,390	\$595,823	\$527,188	\$432,254	\$317,512	\$276,226	\$101,901	\$117,345	5,645,690
4	INVESTMENTS BOOKED TO CWIP		\$485,153	\$362,578	\$905,033	\$356,826	\$174,544	\$286,953	\$608,132	\$372,904	\$317,808	\$662,590	\$0	\$0	4,532,520
5	CLOSINGS TO PLANT		\$1,234,769	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,443,927	\$0	8,678,696
6	DEPRECIATION BASE		\$48,905,917	\$51,025,028	\$51,273,642	\$50,902,538	\$50,322,897	\$49,560,874	\$49,038,394	\$48,659,288	\$48,464,457	\$48,347,641	\$52,236,477	\$56,367,989	
7															
8	DEPRECIATION EXPENSE (itemized below)		\$488,763	\$512,650	\$521,561	\$515,928	\$506,290	\$493,548	\$484,831	\$478,511	\$475,263	\$473,317	\$533,066	\$596,860	6,080,588
9															
10	CUMULATIVE PLANT INVEST.	\$47,319,432	\$50,492,404	\$51,557,654	\$50,989,631	\$50,815,443	\$49,830,352	\$49,291,397	\$48,785,387	\$48,533,186	\$48,395,727	\$48,299,553	\$56,173,399	\$56,562,577	56,562,577
11	LESS: ACC. NET DEPR	\$10,257,818	\$10,160,807	\$10,222,080	\$9,904,083	\$9,847,671	\$9,525,570	\$9,423,296	\$9,380,939	\$9,427,196	\$9,584,947	\$9,782,037	\$10,213,202	\$10,692,717	10,692,717
12	CUMULATIVE CWIP INVEST.	\$16,155,480	\$15,405,864	\$15,768,442	\$16,673,475	\$17,030,301	\$17,204,845	\$17,491,798	\$18,099,930	\$18,472,834	\$18,790,641	\$19,453,231	\$12,009,305	\$12,009,305	12,009,305
13	NET PLANT INVESTMENT	\$53,217,093	\$55,737,461	\$57,104,016	\$57,759,023	\$57,998,073	\$57,509,626	\$57,359,900	\$57,504,378	\$57,578,824	\$57,601,421	\$57,970,747	\$57,969,502	\$57,879,165	57,879,165
14	AVERAGE INVESTMENT		\$54,477,277	\$56,420,739	\$57,431,520	\$57,878,548	\$57,753,850	\$57,434,763	\$57,432,139	\$57,541,601	\$57,590,123	\$57,786,084	\$57,970,124	\$57,924,333	
15	RETURN ON AVG INVEST		\$329,134	\$340,877	\$346,986	\$349,685	\$348,930	\$347,004	\$338,848	\$339,497	\$339,782	\$340,937	\$342,023	\$341,753	4,105,456
16															
17	RETURN REQUIREMENTS		\$471,684	\$488,512	\$497,267	\$501,136	\$500,053	\$497,293	\$491,531	\$492,473	\$492,888	\$494,562	\$496,137	\$495,746	5,919,282
18															
19	PROGRAM TOTAL		\$960,447	\$1,001,162	\$1,018,828	\$1,017,064	\$1,006,343	\$990,841	\$976,362	\$970,984	\$968,151	\$967,879	\$1,029,203	\$1,092,606	\$11,999,870
20															
21	RESIDENTIAL ENERGY MANAGEMENT - NGDR HARDWARE FOR ODS, LMS, APPDEV. ALSO INCLUDES NGDR TELECOM. (D)														
22	EXPENDITURES BOOKED DIRECTLY TO PLANT		\$2,581,787	\$1,402,512	(\$259,009)	(\$30,287)	\$0	\$867	\$54	\$0	\$0	\$0	\$0	\$0	\$3,695,924
23	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
24	INVESTMENTS BOOKED TO CWIP		263,247	131,479	529,653	(82,513)	61,027	119,520	212,886	0	0	0	0	0	1,235,298
25	CLOSINGS TO PLANT		1,234,769	0	0	0	0	0	0	0	0	0	2,131,720	0	3,366,488
26	DEPRECIATION BASE		8,269,523	10,879,057	11,450,809	11,306,161	11,291,017	11,291,451	11,291,911	11,291,938	11,291,938	11,291,938	12,357,798	13,423,657	
27															
28	DEPRECIATION EXPENSE		74,928	106,020	120,221	118,497	118,317	118,322	118,328	118,328	118,328	118,328	131,028	143,727	1,404,372
29															
30	CUMULATIVE PLANT INVEST.	6,361,245	10,177,801	11,580,314	11,321,304	11,291,017	11,291,017	11,291,884	11,291,938	11,291,938	11,291,938	11,291,938	13,423,657	13,423,657	13,423,657
31	LESS: ACC. NET DEPR	239,342	314,270	420,290	540,511	659,008	777,325	895,647	1,013,975	1,132,303	1,250,631	1,368,959	1,499,987	1,643,714	1,643,714
32	CUMULATIVE CWIP INVEST.	5,778,429	4,806,908	4,938,386	5,468,039	5,385,526	5,446,553	5,566,073	5,778,959	5,778,959	5,778,959	5,778,959	3,647,239	3,647,239	3,647,239
33	NET PLANT INVESTMENT	11,900,333	14,670,439	16,098,410	16,248,832	16,017,535	15,960,245	15,962,310	16,056,922	15,938,594	15,820,266	15,701,938	15,570,910	15,427,183	15,427,183
34	AVERAGE INVESTMENT		13,285,386	15,384,424	16,173,621	16,133,184	15,988,890	15,961,278	16,009,616	15,997,758	15,879,430	15,761,102	15,636,424	15,499,046	
35	RETURN ON AVG INVEST		80,266	92,948	97,717	97,472	96,600	96,433	94,457	94,386	93,688	92,990	92,255	91,444	1,120,656
36															
37	RETURN REQUIREMENTS		115,030	133,204	140,039	139,688	138,438	138,199	137,019	136,916	135,904	134,891	133,825	132,648	1,615,801
38															
39	PROGRAM TOTAL		\$189,958	\$239,224	\$260,260	\$258,185	\$256,755	\$256,521	\$255,347	\$255,244	\$254,232	\$253,219	\$264,853	\$276,375	\$3,020,173

**NOTES:**

- JAN-JUN RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 7.25% BASED ON MAY 2013 EARNING SURVEILLANCE REPORT PER ORDER PSC-12-0425.
- JUL-DEC RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 7.08% BASED ON MAY 2014 EARNING SURVEILLANCE REPORT PER ORDER PSC-12-0425.
- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%
- INCLUDED IN JANUARY AND APRIL LINE 32 ARE ADJUSTMENTS FOR PROJECT RECLASSIFICATIONS. DEPRECIATION EXPENSE IN LINE 28 IS CALCULATED USING A BLENDED RATE.



**DUKE ENERGY FLORIDA**  
**SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN**  
**FOR THE PERIOD JANUARY 2014 THROUGH DECEMBER 2014**

**DOCKET NO. 140002-EG**  
**DUKE ENERGY FLORIDA**  
**TIMOTHY J. DUFF**  
**EXHIBIT NO. \_\_\_\_\_ (TJD-1P)**  
**SCHEDULE C-3**  
**PAGE 9 OF 12**

LINE NO.	BEGINNING BALANCE	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	TOTAL
1	<b>RESIDENTIAL ENERGY MANAGEMENT - NGDR SOFTWARE FOR ODS, LMS, APPDEV (D)</b>													
2	EXPENDITURES BOOKED DIRECTLY TO PLANT	\$49,149	\$112,633	\$490,000	\$390,878	(\$207,160)	(\$620)	\$0	\$0	\$0	\$0	\$351,767	\$326,470	\$1,513,118
3	RETIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
4	INVESTMENTS BOOKED TO CWIP	266,212	205,276	349,981	433,110	111,551	167,388	395,246	372,904	317,808	662,590	0	0	3,282,065
5	CLOSINGS TO PLANT	0	0	0	0	0	0	0	0	0	0	5,312,208	0	5,312,208
6	DEPRECIATION BASE	5,787,122	5,868,013	6,169,330	6,609,769	6,701,628	6,597,738	6,597,429	6,597,429	6,597,429	6,597,429	9,429,416	12,424,639	
7														
8	DEPRECIATION EXPENSE (20% rate)	96,452	97,800	102,822	110,163	111,694	109,963	109,957	109,957	109,957	109,957	157,157	207,078	1,432,957
9										109,957				
10	CUMULATIVE PLANT INVEST.	5,762,548	5,811,697	5,924,330	6,414,330	6,805,208	6,598,048	6,597,429	6,597,429	6,597,429	6,597,429	12,261,404	12,587,874	12,587,874
11	LESS: ACC. NET DEPR	188,340	284,792	382,592	485,414	595,577	707,271	817,234	927,191	1,037,148	1,147,105	1,414,219	1,621,297	1,621,297
12	CUMULATIVE CWIP INVEST.	2,030,143	2,296,355	2,501,630	2,851,612	3,284,722	3,396,273	3,563,661	3,958,907	4,331,810	4,649,618	5,312,208	0	0
13	NET PLANT INVESTMENT	7,604,351	7,823,260	8,043,368	8,780,528	9,494,353	9,287,050	9,343,855	9,629,144	9,892,091	10,099,942	10,652,574	10,847,185	10,966,577
14	AVERAGE INVESTMENT	7,713,805	7,933,314	8,411,948	9,137,440	9,390,701	9,315,453	9,486,500	9,760,618	9,996,016	10,376,258	10,749,879	10,906,881	
15	RETURN ON AVG INVEST	46,604	47,931	50,822	55,206	56,736	56,281	55,970	57,588	58,976	61,220	63,424	64,350	675,108
16														
17	RETURN REQUIREMENTS	66,789	68,690	72,833	79,116	81,308	80,657	81,190	83,537	85,551	88,806	92,002	93,346	973,825
18														
19	PROGRAM TOTAL	\$163,241	\$166,490	\$175,655	\$189,279	\$193,002	\$190,620	\$191,147	\$193,494	\$195,508	\$198,763	\$249,159	\$300,424	\$2,406,782
20														
21	<b>RESIDENTIAL ENERGY MANAGEMENT - NGDR AMI METERS (D)</b>													
22	EXPENDITURES BOOKED DIRECTLY TO PLANT	(\$128,973)	(\$36,816)	\$20,425	\$2,842	\$5,567	\$1,214	\$70	\$0	\$0	\$0	\$0	\$0	(\$135,671)
23	RETIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
24	INVESTMENTS BOOKED TO CWIP	0	0	0	0	0	0	0	0	0	0	0	0	0
25	CLOSINGS TO PLANT	0	0	0	0	0	0	0	0	0	0	0	0	0
26	DEPRECIATION BASE	22,532,144	22,449,250	22,441,054	22,452,688	22,456,892	22,460,283	22,460,925	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	
27														
28	DEPRECIATION EXPENSE (5.97% rate)	112,097	111,685	111,644	111,702	111,723	111,740	111,743	111,743	111,743	111,743	111,743	111,743	1,341,049
29														
30	CUMULATIVE PLANT INVEST.	22,596,631	22,467,658	22,430,842	22,451,267	22,454,109	22,459,676	22,460,890	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960	22,460,960
31	LESS: ACC. NET DEPR	1,172,379	1,284,476	1,396,161	1,507,805	1,619,507	1,731,230	1,842,970	1,954,713	2,066,456	2,178,199	2,289,942	2,401,685	2,513,428
32	CUMULATIVE CWIP INVEST.	0	0	0	0	0	0	0	0	0	0	0	0	0
33	NET PLANT INVESTMENT	21,424,252	21,183,182	21,034,681	20,943,462	20,834,602	20,728,446	20,617,920	20,506,247	20,394,504	20,282,761	20,171,018	20,059,275	19,947,532
34	AVERAGE INVESTMENT	21,303,717	21,108,931	20,989,071	20,889,032	20,781,524	20,673,183	20,562,083	20,450,375	20,338,632	20,226,889	20,115,146	20,003,403	
35	RETURN ON AVG INVEST	128,710	127,534	126,810	126,205	125,555	124,901	121,316	120,658	119,998	119,338	118,679	118,020	1,477,724
36														
37	RETURN REQUIREMENTS	184,455	182,770	181,732	180,865	179,934	178,996	175,980	175,026	174,069	173,111	172,155	171,199	2,130,292
38														
39	PROGRAM TOTAL	\$296,552	\$294,455	\$293,376	\$292,567	\$291,657	\$290,736	\$287,723	\$286,769	\$285,812	\$284,854	\$283,898	\$282,942	\$3,471,341

**NOTES:**

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**DUKE ENERGY FLORIDA**  
**SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN**  
**FOR THE PERIOD JANUARY 2014 THROUGH DECEMBER 2014**

**DOCKET NO. 140002-EG**  
**DUKE ENERGY FLORIDA**  
**TIMOTHY J. DUFF**  
**EXHIBIT NO. \_\_\_\_\_ (TJD-1P)**  
**SCHEDULE C-3**  
**PAGE 10 OF 12**

LINE NO.	BEGINNING BALANCE	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	TOTAL
1	<b>RESIDENTIAL ENERGY MANAGEMENT - NON-NGDR RESIDENTIAL PROJECTS (D)</b>													
2	EXPENDITURES BOOKED DIRECTLY TO PLANT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	RETIREMENTS	0	0	0	257,943	14,513	48,356	9,292	0	497	0	0	0	330,600
4	INVESTMENTS BOOKED TO CWIP	0	0	0	0	0	0	0	0	0	0	0	0	0
5	CLOSINGS TO PLANT	0	0	0	0	0	0	0	0	0	0	0	0	0
6	DEPRECIATION BASE	500,893	500,893	500,893	371,922	235,694	204,259	175,436	170,790	170,541	170,293	170,293	170,293	
7														
8	DEPRECIATION EXPENSE (20% rate)	8,348	8,348	8,348	6,199	3,928	3,404	2,924	2,847	2,842	2,838	2,838	2,838	55,702
9														
10	CUMULATIVE PLANT INVEST.	500,893	500,893	500,893	242,950	228,437	180,081	170,790	170,790	170,293	170,293	170,293	170,293	170,293
11	LESS: ACC. NET DEPR	397,574	405,922	414,270	422,618	170,874	160,289	108,970	111,817	114,162	117,000	119,838	122,676	122,676
12	CUMULATIVE CWIP INVEST.	0	0	0	0	0	0	0	0	0	0	0	0	0
13	NET PLANT INVESTMENT	103,319	94,971	86,623	78,275	72,076	68,148	64,744	61,820	58,973	56,131	53,293	50,455	47,617
14	AVERAGE INVESTMENT		99,145	90,797	82,449	75,176	70,112	66,446	63,282	60,397	57,552	54,712	51,874	49,036
15	RETURN ON AVG INVEST		599	548	499	454	423	402	373	357	340	323	306	290
16														4,914
17	RETURN REQUIREMENTS		858	785	715	651	606	576	541	518	493	469	444	421
18														7,077
19	PROGRAM TOTAL		\$9,206	\$9,133	\$9,063	\$6,850	\$4,534	\$3,980	\$3,465	\$3,365	\$3,335	\$3,307	\$3,282	\$3,259
20														\$62,779
21	<b>RESIDENTIAL ENERGY MANAGEMENT - LOAD MANAGEMENT SWITCHES (9080120) (D)</b>													
22	EXPENDITURES BOOKED DIRECTLY TO PLANT		\$22,015	\$38,298	\$20,119	\$34,719	\$44,892	\$55,407	\$21,054	\$180,053	\$180,053	\$180,053	\$180,053	\$1,136,768
23	RETIREMENTS		585,774	451,377	839,558	314,397	813,877	547,467	517,896	432,254	317,015	276,226	101,901	5,315,090
24	INVESTMENTS BOOKED TO CWIP		(44,305)	25,824	25,398	6,229	1,966	46	-	-	-	-	-	15,157
25	CLOSINGS TO PLANT		0	0	0	0	0	0	0	0	0	0	0	-
26	AMORTIZATION BASE		11,816,235	11,327,815	10,711,556	10,161,998	9,637,666	9,007,143	8,512,693	8,138,171	7,943,589	7,827,021	7,818,010	7,888,440
27														
28	AMORTIZATION EXPENSE (20% rate)		196,938	188,797	178,526	169,367	160,628	150,119	141,879	135,636	132,393	130,451	130,300	1,846,508
29														
30	CUMULATIVE PLANT INVEST.	12,098,115	11,534,355	11,121,276	10,301,837	10,022,159	9,253,173	8,761,113	8,264,272	8,012,070	7,875,108	7,778,934	7,857,086	7,919,793
31	LESS: ACC. AMORT.	8,260,184	7,871,347	7,608,767	6,947,735	6,802,705	6,149,455	5,752,107	5,376,090	5,079,472	4,894,850	4,749,075	4,777,473	4,791,602
32	CUMULATIVE CWIP INVEST.	8,346,907	8,302,602	8,328,426	8,353,824	8,360,053	8,362,019	8,362,064	8,362,064	8,362,064	8,362,064	8,362,064	8,362,065	8,362,065
33	NET PLANT INVESTMENT	12,184,838	11,965,609	11,840,934	11,707,926	11,579,507	11,465,737	11,371,070	11,250,246	11,294,663	11,342,322	11,391,924	11,441,678	11,490,257
34	AVERAGE INVESTMENT		12,075,224	11,903,272	11,774,430	11,643,716	11,522,622	11,418,404	11,310,658	11,272,454	11,318,492	11,367,123	11,416,801	11,465,967
35	RETURN ON AVG. INVEST.		72,955	71,916	71,138	70,348	69,616	68,987	66,732	66,508	66,780	67,066	67,359	67,649
36														827,054
37	RETURN REQUIREMENTS		104,552	103,063	101,948	100,816	99,767	98,865	96,801	96,476	96,871	97,285	97,711	98,132
38														1,192,287
39	PROGRAM TOTAL		\$301,490	\$291,860	\$280,474	\$270,183	\$260,395	\$248,984	\$238,680	\$232,112	\$229,264	\$227,736	\$228,011	\$229,606
40														\$3,038,795
41	<b><u>SUMMARY OF DEMAND &amp; ENERGY:</u></b>													
42														
43	ENERGY		\$ 4,571	\$ 4,535	\$ 4,504	\$ 4,346	\$ 4,090	\$ 3,961	\$ 3,923	\$ 3,894	\$ 3,866	\$ 4,147	\$ 5,633	\$ 53,065
44	DEMAND		972,199	1,013,364	1,031,477	1,029,061	1,017,691	1,002,106	987,521	981,458	977,965	977,765	1,039,446	12,133,210
45	TOTAL DEPRECIATION AND RETURN		\$ 976,770	\$ 1,017,899	\$ 1,035,981	\$ 1,033,407	\$ 1,021,781	\$ 1,006,067	\$ 991,444	\$ 985,352	\$ 981,831	\$ 981,912	\$ 1,045,079	\$ 12,186,275

NOTES:

- JAN-JUN RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 7.25% BASED ON MAY 2013 EARNING SURVEILLANCE REPORT PER ORDER PSC-12-0425.
- JUL-DEC RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 7.08% BASED ON MAY 2014 EARNING SURVEILLANCE REPORT PER ORDER PSC-12-0425.
- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%

DUKE ENERGY FLORIDA  
ENERGY CONSERVATION ADJUSTMENT  
CALCULATION OF TRUE-UP  
FOR THE PERIOD JANUARY 2014 THROUGH DECEMBER 2014

DOCKET NO. 140002-EG  
DUKE ENERGY FLORIDA  
TIMOTHY J. DUFF  
EXHIBIT NO. \_\_\_\_\_ (TJD-1P)  
SCHEDULE C-3  
PAGE 11 OF 12

LINE NO.	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	TOTAL FOR THE PERIOD
1A BETTER BUSINESS	0	0	0	0	0	0	0	0	0	0	0	0	0
1B HOME ENERGY IMPROVEMENT	0	0	0	0	0	0	0	0	0	0	0	0	0
1C HOME ENERGY CHECK	0	0	0	0	0	0	0	0	0	0	0	0	0
1D SUBTOTAL - FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2 CONSERVATION CLAUSE REVENUES	9,388,696	10,758,987	9,176,623	9,005,697	10,288,310	11,744,971	12,527,785	13,263,802	13,279,650	12,079,040	10,287,569	9,556,708	131,357,839
2A CURRENT PERIOD GRT REFUND	0	0	0	0	0	0	0	0	0	0	0	0	0
3 TOTAL REVENUES	9,388,696	10,758,987	9,176,623	9,005,697	10,288,310	11,744,971	12,527,785	13,263,802	13,279,650	12,079,040	10,287,569	9,556,708	131,357,839
4 PRIOR PERIOD TRUE-UP OVER/(UNDER)	114,923	114,923	114,923	114,923	114,923	114,923	114,923	114,923	114,923	114,923	114,923	114,923	1,379,080
5 CONSERVATION REVENUES APPLICABLE TO PERIOD	9,503,619	10,873,911	9,291,546	9,120,620	10,403,233	11,859,895	12,642,708	13,378,726	13,394,573	12,193,964	10,402,492	9,671,632	132,736,919
6 CONSERVATION EXPENSES (C-3,PAGE 4, LINE 37)	6,672,875	12,252,751	9,524,108	8,079,396	8,689,088	8,339,845	9,002,778	9,234,574	9,231,053	9,231,134	9,294,301	9,357,974	108,909,877
7 TRUE-UP THIS PERIOD (O)/U	(2,830,744)	1,378,841	232,562	(1,041,225)	(1,714,145)	(3,520,050)	(3,639,930)	(4,144,152)	(4,163,520)	(2,962,830)	(1,108,191)	(313,658)	(23,827,042)
8 CURRENT PERIOD INTEREST	(148)	(195)	(142)	(170)	(249)	(351)	(497)	(686)	(888)	(1,061)	(1,157)	(1,187)	(6,731)
9 ADJUSTMENTS PER AUDIT \ RDC Order	0	0	0	0	0	0	0	0	0	0	0	0	0
10 TRUE-UP & INTEREST PROVISIONS BEGINNING OF PERIOD	(1,379,080)	(4,095,049)	(2,601,479)	(2,254,137)	(3,180,608)	(4,780,079)	(8,185,556)	(11,711,060)	(15,740,975)	(19,790,460)	(22,639,427)	(23,633,851)	(1,379,080)
10 A CURRENT PERIOD GRT REFUNDED	0	0	0	0	0	0	0	0	0	0	0	0	0
11 PRIOR TRUE-UP (REFUNDED)/ COLLECTED	114,923	114,923	114,923	114,923	114,923	114,923	114,923	114,923	114,923	114,923	114,923	114,923	1,379,080
12 END OF PERIOD NET TRUE-UP	(4,095,049)	(2,601,479)	(2,254,137)	(3,180,608)	(4,780,079)	(8,185,556)	(11,711,060)	(15,740,975)	(19,790,460)	(22,639,427)	(23,633,851)	(23,833,773)	(23,833,773)

DUKE ENERGY FLORIDA  
CALCULATION OF INTEREST PROVISION  
FOR THE PERIOD JANUARY 2014 THROUGH DECEMBER 2014

DOCKET NO. 140002-EG  
DUKE ENERGY FLORIDA  
TIMOTHY J. DUFF  
EXHIBIT NO. \_\_\_\_\_ (TJD-1P)  
SCHEDULE C-3  
PAGE 12 OF 12

LINE NO.	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	TOTAL FOR THE PERIOD
1 BEGINNING TRUE-UP AMOUNT (C3,PAGE 11, LINE 9 & 10)	(1,379,080)	(4,095,049)	(2,601,479)	(2,254,137)	(3,180,608)	(4,780,079)	(8,185,556)	(11,711,060)	(15,740,975)	(19,790,460)	(22,639,427)	(23,633,851)	
2 ENDING TRUE-UP AMOUNT BEFORE INTEREST	(4,094,901)	(2,601,284)	(2,253,995)	(3,180,438)	(4,779,830)	(8,185,205)	(11,710,563)	(15,740,289)	(19,789,572)	(22,638,366)	(23,632,694)	(23,832,586)	
3 TOTAL BEGINNING & ENDING TRUE-UP	(5,473,980)	(6,696,333)	(4,855,474)	(5,434,575)	(7,960,438)	(12,965,284)	(19,896,120)	(27,451,349)	(35,530,546)	(42,428,825)	(46,272,121)	(47,466,437)	
4 AVERAGE TRUE-UP AMOUNT (50% OF LINE 3)	(2,736,990)	(3,348,167)	(2,427,737)	(2,717,287)	(3,980,219)	(6,482,642)	(9,948,060)	(13,725,674)	(17,765,273)	(21,214,413)	(23,136,061)	(23,733,219)	
5 INTEREST RATE: FIRST DAY REPORTING BUSINESS MONTH	0.06%	0.07%	0.07%	0.07%	0.08%	0.07%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	
6 INTEREST RATE: FIRST DAY SUBSEQUENT BUSINESS MONTH	0.07%	0.07%	0.07%	0.08%	0.07%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	
7 TOTAL (LINE 5 AND LINE 6)	0.13%	0.14%	0.14%	0.15%	0.15%	0.13%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	
8 AVERAGE INTEREST RATE (50% OF LINE 7)	0.065%	0.070%	0.070%	0.075%	0.075%	0.065%	0.060%	0.060%	0.060%	0.060%	0.060%	0.060%	
9 INTEREST PROVISION (LINE 4 * LINE 8) / 12	(148)	(195)	(142)	(170)	(249)	(351)	(497)	(686)	(888)	(1,061)	(1,157)	(1,187)	(6,731)



CALCULATION OF ENERGY CONSERVATION COST RECOVERY (ECCR) REVENUES  
FOR THE PERIOD: JANUARY 2015 THROUGH DECEMBER 2015

MONTH	JURISDICTIONAL MWH SALES	CLAUSE REVENUE NET OF REVENUE TAXES
JANUARY	3,053,112	\$6,722,808
FEBRUARY	2,711,825	\$6,170,823
MARCH	2,630,687	\$5,720,666
APRIL	2,655,086	\$5,810,116
MAY	2,850,829	\$6,179,241
JUNE	3,443,184	\$7,673,151
JULY	3,787,779	\$8,378,749
AUGUST	3,680,235	\$8,135,797
SEPTEMBER	3,748,879	\$8,382,977
OCTOBER	3,503,048	\$7,716,473
NOVEMBER	2,952,686	\$6,499,064
DECEMBER	2,768,240	\$6,019,454
TOTAL	37,785,590	\$83,409,320

### Program Description and Progress

**Program Title:** Home Energy Check

**Program Description:** The Home Energy Check program is a comprehensive residential energy evaluation (audit) program. The program provides Duke Energy Florida, Inc.'s (DEF) residential customers with an analysis of energy consumption and recommendations on energy efficiency improvements. It acts as an educational tool to identify, evaluate, and inform consumers on cost effective energy saving measures including those incentivized through Home Energy Improvement (HEI) Program and those measures with quick paybacks that are not covered by HEI and can easily be done by the customer. The Home Energy Check serves as the foundation of the residential Home Energy Improvement Program. Residential customers can choose from various energy audit types including: a free walk-through, a paid walk-through, an energy rating (Energy Gauge), a mail-in audit, a web-based audit, and a phone assisted audit.

**Program Projections for January 2015 through December 2015:** It is estimated that 35,700 customers will participate in this program during the projection period.

**Program Fiscal Costs for January 2015 through December 2015:** Costs for this program are projected to be \$6,329,865.

**Program Progress Summary:** As of July 31, 2014, there have been 18,645 customers that have participated in this program. The Home Energy Check will continue to inform and motivate consumers on cost effective energy efficiency improvements which result in implementation of energy efficiency measures.

### Program Description and Progress

**Program Title:** Home Energy Improvement

**Program Description:** Home Energy Improvement is an umbrella program for residential customers with existing homes. This program combines thermal envelope efficiency improvements with upgraded equipment and appliances. The Home Energy Improvement program includes incentives for measures such as: duct testing, duct leakage repair, attic insulation, injected wall insulation, replacement windows, window film, reflective roofing, high efficiency heat pump replacing resistance heat, high efficiency heat pump replacing a heat pump, high efficiency A/C replacing A/C with non-electric heat and HVAC commissioning.

**Program Projections for January 2015 through December 2015:** It is estimated that 19,404 completions will be performed in this program during the projection period.

**Program Fiscal Costs for January 2015 through December 2015:** Costs for this program are projected to be \$4,685,944.

**Program Progress Summary:** As of July 31, 2014, there have been 16,503 measure installations that have taken place as a result of this program. This program will continue to be offered to residential customers to provide opportunities for improving the energy efficiency of existing homes.

### Program Description and Progress

**Program Title:** Residential New Construction (Home Advantage)

**Program Description:** The Home Advantage Program promotes energy-efficient construction which exceeds the Florida Energy Code. Information, education, and consultation are provided to homebuilders, contractors, realtors and home buyers on energy-related issues and efficiency measures. This program is designed to encourage single family, multi-family, and manufactured home builders to build more energy efficient homes by encouraging a whole house performance view including the installation of climate effective windows, reflective roof materials, upgraded insulation, energy recovery ventilation, highly efficient HVAC equipment, and HVAC commissioning. Incentives are awarded to the builder based on the level of efficiency they choose including Energy Star Certification process.

**Program Projections for January 2015 through December 2015:** It is estimated that 8,136 homes representing 95 builders will participate in this program during the projection period.

**Program Fiscal Costs for January 2015 through December 2015:** Costs for this program are projected to be \$4,091,111.

**Program Progress Summary:** As of July 31, 2014, there have been 20,098 measure installations that have taken place on 6,007 homes representing 95 builders as a result of this program. This program is tied to the home building industry and hence, overall economic forces will drive the number of homes built and size of the potential market for this program during this period.



## Program Description and Progress

**Program Title:** Neighborhood Energy Saver Program

**Program Description:** The Neighborhood Energy Saver Program was designed to assist low-income families with escalating energy costs. The goal is to implement a comprehensive package of electric conservation measures in the homes of eligible customers. In addition to the installation of these measures, an important component of this program is educating families on energy efficiency techniques and best practices to support the implementation of behavior changes to manage energy use.

**Program Projections January 2015 through December 2015:** It is estimated that 3,000 households will participate in the Neighborhood Energy Saver Program.

**Program Fiscal Costs for January 2015 through December 2015:** Costs for this program are projected to be \$1,150,571.

**Program Progress Summary:** As of July 31, 2014, there have been 21,860 measures implemented on 1,789 households through this program.

### Program Description and Progress

**Program Title:** Low-Income Weatherization Assistance Program

**Program Description:** The program goal is to integrate DEF's DSM program measures with the Florida Department of Economic Opportunity (DEO) and local weatherization providers to deliver energy efficiency measures to low-income families. Through this partnership, DEF will assist local weatherization agencies by providing energy education, energy education materials and financial incentives to weatherize the homes of low-income families.

**Program Projections for January 2015 through December 2015:** It is estimated that 467 households with 1,650 measures will participate in the Low-Income Weatherization Assistance Program.

**Program Fiscal Costs for January 2015 through December 2015:** Costs for this program are projected to be \$270,814.

**Program Progress Summary:** As of July 31, 2014, there have been 594 measures installed through this program. Historically, participation is reduced in the latter part of the year.

### Program Description and Progress

**Program Title:** Energy Management (Residential & Commercial)

**Program Description:** The Energy Management program is a voluntary program that incorporates direct radio control of selected customer equipment to reduce system demand during winter and summer peak capacity periods and/or emergency conditions by temporarily interrupting selected customer appliances for specified periods of time. Customers have a choice of options and receive a credit on their monthly electric bills, depending on the options selected and their monthly kWh usage. The commercial program was closed to new participants as of July 20, 2000.

The current direct load control (DLC) one-way communications and appliance switching infrastructure that allows DEF to shed peak demand is becoming obsolete. Major infrastructure maintenance and system upgrades are necessary to continue to ensure the availability of the existing direct load control capacity and to support additional capacity in the future.

DEF's existing system is a one-way communications (paging) direct load control program with no direct feedback. It provides DEF with about 660 MW of Winter and 330 MW of Summer load reduction. Close to 400,000 customers currently participate in the program requiring over 520,000 control switches, the majority being original analog switches.

DEF is evaluating available two-way communication technologies in order to implement a solution that maintains the existing benefits and allows a smooth transition to future technologies. To support a smooth transition, the Company will continue toward development of a new Load Management System. The completion of the programming for the new Load Management System will provide functionality for future load management technology that the Company plans to implement. This system will also include functionality to support asset management and maintenance.

**Program Projections for January 2015 through December 2015:** During this period we anticipate adding 10,000 new participants to our current portfolio of approximately 400,000 participants contributing over 660 MW of winter and 330 MW of summer load reduction.

### Program Description and Progress

**Program Fiscal Costs for January 2015 through December 2015:** Program costs during this period are projected to be \$42,288,546 to include necessary modifications to ensure the integrity of existing system and future capacity benefits.

**Program Progress Summary:** As of July 31, 2014, there were 395,788 customers participating in the Energy Management program. Through July 31, 2014, a total of 1,626 new participant installations have been completed.



### Program Description and Progress

**Program Title:** Business Energy Check

**Program Description:** The Business Energy Check is an audit for non-residential customers. Several options are available. The free audit provides a no-cost energy audit for non-residential facilities and can be completed at the facility by an auditor, or online by the business customer. The paid audit provides a more thorough energy analysis for non-residential facilities. This program acts as an awareness tool to identify, evaluate, and inform consumers on cost effective energy saving measures for their facility. The Business Energy Check serves as the foundation of the Better Business Program.

**Program Projections for January 2015 through December 2015:** It is estimated that 2,177 customers will participate in this program during the projection period.

**Program Fiscal Costs for January 2015 through December 2015:** Costs for this program are projected to be \$661,610.

**Program Progress Summary:** As of July 31, 2014, there have been 1,560 customers that have participated in this program. The Business Energy Check will continue to inform and motivate non-residential consumers on cost effective energy efficiency improvements which result in implementation of energy efficiency measures.

### Program Description and Progress

**Program Title:** Better Business

**Program Description:** This umbrella efficiency program provides incentives to existing commercial and industrial customers for heating, air conditioning, motors, roof insulation upgrade, duct leakage and repair, window film, demand-control ventilation, lighting, occupancy sensors, green roof, cool roof coating, high efficiency energy recovery ventilation, compressed air, and HVAC optimization.

**Program Projections for January 2015 through December 2015:** It is estimated that 900 measure installations will take place as a result of this program during the projection period.

**Program Fiscal Costs for January 2015 through December 2015:** Costs for this program are projected to be \$2,589,093.

**Program Progress Summary:** As of July 31, 2014, there have been 670 measure installations that have taken place as a result of this program. This program will continue to provide non-residential customers with opportunities for improving the energy efficiency of existing facilities.

### Program Description and Progress

**Program Title:** Commercial/Industrial New Construction

**Program Description:** This umbrella efficiency program provides incentives to new Commercial and Industrial facilities for high efficiency HVAC equipment, high efficiency motors, compressed air, roof insulation, cool roof, green roof, demand-control ventilation, high efficiency energy recovery ventilation, and lighting. This program provides information, education, and advice on energy-related issues and efficiency measures by involvement early in the building's design process.

**Program Projections for January 2015 through December 2015:** It is estimated that 200 measure installations will take place as a result of this program during the projection period.

**Program Fiscal Costs for January 2015 through December 2015:** Costs for this program are projected to be \$1,054,121.

**Program Progress Summary** As of July 31, 2014, there has been 92 measure installations that have taken place as a result of this program. This program is tied to the commercial building industry and hence economic forces will drive the number of commercial facilities built and size of the potential market for this program during this period.

### Program Description and Progress

**Program Title:** Innovation Incentive

**Program Description:** Significant conservation efforts that are not supported by other DEF programs can be encouraged through Innovation Incentive. Major equipment replacement or other actions that substantially reduce DEF peak demand requirements are evaluated to determine their impact on DEF's system. Incentives are provided for customer-specific demand and energy conservation projects on a case-by-case basis. To be eligible, projects must reduce or shift a minimum of 10 kW of peak demand, and must pass the cost-effectiveness analysis. Examples include refrigeration equipment replacement, PTAC chemical cleaning, and heat pipe technology for HVAC units.

**Program Projections for January 2015 through December 2015:** DEF will continue to identify opportunities for customer-specific demand and energy conservation projects that are outside the approved programs.

**Program Fiscal Costs for January 2015 through December 2015:** Costs for this program are projected to be \$306,594.

**Program Progress Summary:** As of July 31, 2014, there have been 9 customers that have participated in this program. This program continues to recognize specialized energy efficiency measures not covered through the company's other DSM programs.



### Program Description and Progress

**Program Title:** Standby Generation

**Program Description:** DEF provides an incentive for customers who, when notified by DEF, voluntarily operate their on-site generation during times of system peak.

**Program Projections for January 2015 through December 2015:** It is estimated that 10 new installations will be completed during the projection period.

**Program Fiscal Costs for January 2015 through December 2015:** Expenses for this program are projected to be \$5,999,097.

**Program Progress Summary:** As of July 31, 2014, there were 253 accounts participating in this program.

### Program Description and Progress

**Program Title:** Interruptible Service

**Program Description:** The Interruptible Service rate is a dispatchable DSM program in which customers contract to allow DEF to switch off electrical service to customers during times of capacity shortages. In return for permitting interruption to their service, the customers receive a monthly credit on their bill based on their monthly peak demand.

**Program Projections for January 2015 through December 2015:** 1 new account is estimated to sign up during the period.

**Program Fiscal Costs for January 2015 through December 2015:** Costs for this program are projected to be \$30,993,402.

**Program Progress Summary:** As of July 31, 2014, this program had 132 accounts participating.

### Program Description and Progress

**Program Title:** Curtailable Service

**Program Description:** The Curtailable Service rate is a dispatchable DSM program in which customers contract to curtail or shut down a portion of their electric load during times of capacity shortages. The curtailment is managed by the customer when notified by DEF. In return for this cooperation, the customer receives a monthly rebate for the curtailable portion of their load.

**Program Projections for January 2015 through December 2015:** 0 new participants are expected during the projection period.

**Program Fiscal Costs for January 2015 through December 2015:** Costs for this program are projected to be \$1,286,968.

**Program Progress Summary:** As of July 31, 2014, this program had 4 accounts participating.

### Program Description and Progress

**Program Title:** Solar Water Heater for Low Income Residential Customers Pilot

**Program Description:** This program is a customer renewable energy measure designed to assist low-income families with energy costs by incorporating solar thermal water heating system in their residence while it is under construction. The solar thermal system will be provided at no cost to the non-profit builders or the residential participants. This program was implemented in 2011, along with a new online application process and will continue to be offered in Duke Energy Florida's service territories through the end of 2014.

**Program Progress Summary:** As of July 31, 2014, there were a total of 12 customer additions to the Solar Water Heater for Low Income Pilot program.

### Program Description and Progress

**Program Title:** Solar Water Heater with Energy Management

**Program Description:** This pilot program encourages residential customers to install a solar thermal water heating system. This program was developed in collaboration with the solar industry. Additionally, the pilot program promotes the installation of renewable energy on energy efficient homes by requiring customers to complete a Home Energy Check before the solar thermal system is installed. To receive the one-time \$550 incentive, the heating, air conditioning, and water heating systems must be on the Energy Management program and the solar thermal system must provide a minimum of 50% of the water heating load. This program was implemented in 2011, along with a new online application process and will continue to be offered in Duke Energy Florida's service territories through the end of 2014.

**Program Progress Summary:** As of July 31, 2014, an additional 144 customers participated in the Solar Water Heater with Energy Management program. Program participation will be governed by the solar industry and economic forces which dictate the number of solar systems installed during this period.



## Program Description and Progress

### **Program Title:** Residential Solar Photovoltaic Pilot

**Program Description:** This pilot program encourages residential customers to install new solar photovoltaic (PV) systems on their home. Additionally, the pilot program promotes the installation of renewable energy on energy efficient homes by requiring customers to complete a Home Energy Check before the PV system is installed. The pilot program design includes an annual reservation process for pre-approval to ensure the incentive funds are available for participation. Participants can receive a rebate up to \$2.00 per Watt of the PV dc power rating up to a \$20,000 maximum for installing a new PV system. This program was implemented in 2011, along with a new online application process and will continue to be offered in Duke Energy Florida's service territories through the end of 2014.

**Program Progress Summary:** As of July 31, 2014, 99 measure completions have taken place as a result of this program. This program is tied to the solar industry. Economic forces will dictate the number of solar systems installed during this period.

### Program Description and Progress

**Program Title:** Commercial Solar Photovoltaic Pilot

**Program Description:** This pilot program encourages commercial customers to install new solar photovoltaic (PV) systems on their facilities. Additionally, the pilot program promotes the installation of renewable energy on energy efficient businesses by requiring customers to complete a Business Energy Check prior to installation. The pilot program design includes an annual reservation process for pre-approval to ensure the incentive funds are available for participation. Participants can receive a rebate up to \$2.00 per Watt of the PV dc power rating for the first 10 kW, \$1.50 per Watt for 11 kW to 50 kW, and \$1.00 per Watt for 51 kW to 100 kW, up to a \$130,000 maximum for installing a new PV system. This program was implemented in 2011, along with a new online application process and will continue to be offered in Duke Energy Florida's service territories through the end of 2014.

**Program Progress Summary:** As of July 31, 2014, 13 measure completions have taken place as a result of this program. This program is tied to the solar industry. Economic forces will dictate the number of solar systems installed during this period.

### Program Description and Progress

**Program Title:** Photovoltaic for Schools Pilot

**Program Description:** This pilot program is designed to promote energy education and provide participating public schools with new solar photovoltaic (PV) systems at no cost to the school. The pilot program will be limited to an annual target of one system with a rating up to 100 kW installed on a post-secondary school and up to ten (10) 10 kW systems with battery backup option installed on schools, preferably those serving as emergency shelters. This program was implemented in 2011, along with a new online application process and will continue to be offered in Duke Energy Florida's service territories through the end of 2014.

**Program Progress Summary:** As of July 31, 2014, DEF has performed 10 measure installations.

## Program Description and Progress

**Program Title:** Research and Demonstration Pilot

**Program Description:** This program's purpose is to research technology and establish R&D initiatives to support the development of renewable energy pilot programs. This program was implemented in 2011 and will continue through the end of 2014.

**Program Progress Summary:** Several research projects achieved significant milestones in 2014; examples include:

- **Flat Plate PV Study:** The flat-plate photovoltaic (PV) performance testing project at the Solar Technology Acceleration Center (SolarTAC) is a multi-year, data-driven effort to provide unbiased field testing of a variety of commercial-scale solar PV systems under different environmental and seasonal conditions. **University of South Florida Renewable Energy Storage Project:** This project will integrate an energy storage system utilizing advanced battery technology in a stationary power system application to address the needs of a renewable energy system at the University of South Florida. The energy storage system will be integrated with a 100 kW PV system at the University of South Florida. The project will demonstrate and optimize the use of energy storage to mitigate the intermittency of solar PV systems and maximize power system value of this distributed energy storage system. This project will also focus on use of customer-owned energy storage systems for aggregated demand response. The energy storage system will be configured to provide back-up power for selected loads and could be included in a future microgrid. Battery degradation, energy storage system losses and other pertinent parameters for the system will be analyzed.
- **Electric Power Research Institute (EPRI) programs:** EPRI has established a growing set of research products that address the cost, performance, reliability, O&M, and other attributes of solar generation technologies. Through the partnership with EPRI, DEF tracks the development of all major solar technology options and gains insights on technology maturity, market trends, major manufacturers, and the likely scale and timeframe of market growth. Participation in the EPRI Program for Integration of

### Program Description and Progress

Distributed Renewables has provided information that has helped DEF prepare for the addition of more renewable distributed energy resources (DER) into the electricity grid. Integration of distributed renewables brings a number of challenges including large numbers of interconnection requests, questions about feeder voltage regulations, hosting capacity, and inverter grid support and grounding options. Collaboration and research through these EPRI programs helps us respond to these challenges.



### Program Description and Progress

**Program Title:** Technology Development

**Program Description:** This program allows DEF to undertake certain development and demonstration projects which provide support for the development of cost-effective demand reduction energy efficiency and alternative energy programs.

**Program Projections for January 2015 through December 2015:** DEF has partnered with various research organizations including, the Florida Solar Energy Center, University of South Florida, and the Electric Power Research Institute to evaluate energy efficiency, energy storage, demand response, and smart-charging technologies. Several research projects associated with these four focus areas will continue and/or launch in 2015:

- EPRI Variable Capacity Heat Pump AC
- Florida Building Automated Energy Efficiency and Demand Response
- Thermal Energy Storage Research
- Renewable SEEDS (alternative energy with storage)
- Smart Appliance Research and Demonstration
- Smart Charging for Electric Transportation
- Electric Power Research Institute (EPRI) programs (energy storage, Intelligrid, Distributed Solar PV Variability, and electric transportation infrastructure)

**Program Fiscal Costs for January 2015 through December 2015:** Costs for this program are projected to be \$800,377.

**Program Progress Summary:** Over the past year some projects have been concluded, such as FSEC High Efficiency Heat Pump Project. Other projects have been designed and will be implemented, such as an EPRI variable capacity heat-pump study, and an automated building demand response project with the University of South Florida. A summary of such accomplishments include:

- EPRI Variable Capacity Heat Pump AC: Heating and cooling is a primary driver of residential load and energy usage. This project was designed to study the improvements in efficiency and peak load reductions from using ultra high-efficiency heat pumps in

### Program Description and Progress

Florida. Based on 2013 and 2014 data analysis from the participant homes, these heat pumps reduced energy use and heat strip use on peak. However, additional improvements in demand reduction may be possible by modifying controls and reducing the rating of the strip heat in these installations. Also, two new technologies will be demonstrated at two additional sites. Data collection and analysis will be performed over a 24 month period.

- Florida Building Automated Energy Efficiency and Demand Response: This project will explore the potential for developing a Florida program for EE and DR improvements through customer energy optimization products. Working with USF, an investigation into available technologies, implementations, and value propositions will be done.
- Thermal Energy Storage Research: This project will define a plan for DEF to research and evaluate the potential impacts of thermal energy storage (TES) options. This project will provide an analysis of TES impacts, ownership, and operation.
- Renewable SEEDS: This project consists of two sites with PV systems integrated with energy storage. Both of these sites are operating well and have demonstrated several smoothing, energy shifting and demand response capabilities. Beginning in 2014, these sites will be monitored, maintained and upgraded to be interfaced with other distributed energy storage system(s) to demonstrate aggregation of distributed energy storage.
- Smart Appliance Research and Demonstrations: These projects will explore the potential for developing a Florida program for utilizing Smart Thermostats, Water Heaters and Pool Pumps to implement customer-focused demand response and energy efficiency.
- Smart charging for electric transportation: Testing will include analysis of residential and public charging, vehicle charging programs, and Electric Vehicle Supply Equipment (EVSE) control technology.
- Distributed Solar PV Variability Project: Twelve pole-mounted arrays were installed, and data collection equipment was attached to four fixed sites; all began transmitting one-second interval data. Data collection continued for a total of 18 months and provided detailed data on the effects of solar variability to the distribution system. The data is being analyzed for both the pole-mounted and fixed sites by EPRI. The data is also being utilized in simulations to determine PV hosting capacity (penetration) for distribution feeders. The communications to these systems will be upgraded and data collection and analysis will continue for an additional 24 months.

### Program Description and Progress

- CEA-2045 Testing Project: The CEA-2045 standard provides for a modular communications interface to residential appliances for demand management. CEA-2045 also provides standard signals for DSM to control appliances. Duke Energy Florida, with EPRI, will be testing CEA-2045 thermostats, heat pump water heaters, electric water heaters, pool pump/timers, and EVSE. The functionality of these devices is being verified under lab conditions and field demonstrations for program development.

In addition to the projects noted, we will continue to pursue other promising new technology projects and participate in industry research that support our technology roadmap and the pursuit of cost-effective demand reduction, energy efficiency, and alternative energy programs.

### Program Description and Progress

**Program Title:** Qualifying Facility

**Program Description:** For this program, power is purchased from qualifying cogeneration and small power production facilities, including renewables.

**Program Projections for January 2015 through December 2015:** Duke Energy Florida will continue to meet with Qualified Facility (QF) developers interested in providing renewable resources within our service territory. Project and avoided cost discussions with renewable and combined heat and power developers who are also exploring distributed generation options remain constant as the technologies advance, the market changes, and the associated policies are refined. As the number of potential QFs that engage Duke Energy Florida increase, more in depth research and analytics will be required to support good faith QF purchased power negotiations and contract structures. Duke Energy Florida will monitor the existing QF contracts under development for construction milestones, financing status, permitting, transmission studies and agreements, insurance and Performance Security. Duke Energy Florida will continue to prudently administer all executed and in-service QF contracts for compliance. For 2015, Duke Energy Florida will also manage the most recent QF portfolio changes that include 60 MW of biomass electric generation that began commercial operation May 20, 2014, as well as the transition from the Lake County Resource Recovery PPA for 12.8 MW that expired June 30, 2014 to the executed As-Available Contract Tariff that began July 1, 2014.

**Program Fiscal Costs for January 2015 through December 2015:** Costs for this program are projected to be \$1,024,496.

**Program Progress Summary:** Duke Energy Florida has approximately 928 MW under contract from Qualifying Facilities. The total firm capacity from cogeneration facilities is 304 MW and the total firm capacity from renewable facilities is 177 MW with 57 MW of renewables delivering energy to the Company on an as-available basis. Finally, approximately 390 MW of Qualified renewables are under development.

EXHIBIT NO. 49

DOCKET NO: 140226-EI

WITNESS: JENNIFER TODD

PARTY: FLORIDA INDUSTRIAL POWER USERS GROUP

DESCRIPTION: RESIDENTIAL CUSTOM INCENTIVE PROGRAM

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 140226-EI EXHIBIT: 49  
PARTY: FIPUG  
DESCRIPTION: Gulf residential customer  
incentive program



### Residential Custom Incentive Program

Program Start Date: 2010

#### Program Description

The Residential Custom Incentive Program is a flexible program designed to increase energy efficiency in the residential rental property sector. The rental sector presents unique challenges for adoption of energy efficiency decisions due to split incentives associated with energy efficiency investments. These split incentives arise when the property owner making the capital investment in energy efficient equipment does not realize the benefits of such investment through bill savings. In most rental agreements, the tenant or renter has responsibility for utility bill payments and thus, realizes the benefits of the energy efficient equipment investment. This situation frequently presents a barrier to adoption of energy efficient decisions, both on the part of the owner and the tenant (renter). It is the objective of this program to offer customized solutions to overcome this barrier.

This program will promote the installation of various energy efficiency measures available through other programs including HVAC, windows, appliances, etc. Depending on the individual circumstances of the rental property, additional incentives may be necessary to overcome the split-incentive barrier. This program may also promote the installation of low cost measures associated with the Community Energy Saver Program by the landlord of multi-family properties. These measures, when provided to the landlord for installation, will benefit the renter and represent one solution to the split-incentive barrier possible with this program. The program may provide other technical assistance services such as project savings evaluation as another means of overcoming this barrier. All projects considered for additional incentives under this program will be evaluated under the Commission's cost-effectiveness procedures. The maximum total incentive offered between this and any other program will be limited to an amount which would produce a customer payback of no less than one year.

The primary administration duties and outreach of the program will be done by Gulf Power resources. A program manager will recruit potential customers to participate in this program and develop customized solutions for each property being evaluated under this program.

Specific eligibility requirements for the program are provided in the Program Participation Standards.

### **Individual Measures**

This program will include availability of all other applicable residential DSM program measures as well as any unique savings opportunities present in a rental property arrangement that may meet the objectives of the program.

### **Program Benefits and Cost Effectiveness**

Due to the customized nature of this program, benefits are determined on a case by case basis.

Each project will be evaluated to ensure cost effectiveness in accordance with Commission requirements.

### **Monitoring and Evaluation**

Gulf Power will monitor and evaluate program performance and progress toward goal achievement on a continual basis. Participating customer information will be recorded in the program reporting and tracking database and will include project scope and date completed.

Any applicable incentives provided under this program will be subject to verification of measures installed and compliance with Program Standards.

### **Participation Projections**

Participation projection of zero recognizes the unique nature and applicability of this program and is not intended to limit participation.

## Residential Custom Incentive

At the Meter						
Year	Per Customer kWh Reduction	Per Customer Winter kW Reduction	Per Customer Summer kW Reduction	Total Annual kWh Reduction	Total Annual Winter kW Reduction	Total Annual Summer kW Reduction
2015	...	...	...	0	0	0
2016	...	...	...	0	0	0
2017	...	...	...	0	0	0
2018	...	...	...	0	0	0
2019	...	...	...	0	0	0
2020	...	...	...	0	0	0
2021	...	...	...	0	0	0
2022	...	...	...	0	0	0
2023	...	...	...	0	0	0
2024	...	...	...	0	0	0

At the Generator						
Year	Per Customer kWh Reduction	Per Customer Winter kW Reduction	Per Customer Summer kW Reduction	Total Annual kWh Reduction	Total Annual Winter kW Reduction	Total Annual Summer kW Reduction
2015	...	...	...	0	0	0
2016	...	...	...	0	0	0
2017	...	...	...	0	0	0
2018	...	...	...	0	0	0
2019	...	...	...	0	0	0
2020	...	...	...	0	0	0
2021	...	...	...	0	0	0
2022	...	...	...	0	0	0
2023	...	...	...	0	0	0
2024	...	...	...	0	0	0

Customers and Participation Rates					
Year	Total Number of Customers	Total Number of Eligible Customers	Annual Number of Program Participants	Cumulative Penetration Level %	Cumulative Number of Program Participants
2015	392,015	390,238	...	...	...
2016	397,625	395,848	...	...	...
2017	404,186	402,409	...	...	...
2018	410,463	408,686	...	...	...
2019	416,121	414,344	...	...	...
2020	421,420	419,643	...	...	...
2021	425,977	424,200	...	...	...
2022	429,938	428,161	...	...	...
2023	433,642	431,865	...	...	...
2024	436,925	435,148	...	...	...