

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Adoption of Numeric)
Conservation Goals and)
Consideration of National Energy)
Policy Act Standards (Section)
111) by:)
)
)

FLORIDA POWER & LIGHT COMPANY) DOCKET NO. 930548-EG
FLORIDA POWER CORPORATION) DOCKET NO. 930549-EG
GULF POWER COMPANY) DOCKET NO. 930550-EG
TAMPA ELECTRIC COMPANY) DOCKET NO. 930551-EG
_____) ORDER NO. PSC-94-0652-PHO-EG
ISSUED: 05/26/94

Pursuant to Notice, a Prehearing Conference was held on May 20, 1994, in Tallahassee, Florida, before Chairman J. Terry Deason, as Prehearing Officer.

APPEARANCES:

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On behalf of Florida Power & Light Company.

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On behalf of Florida Power Corporation.

JEFFREY A. STONE, Esquire, Beggs & Lane, 700 Blount Building, 3 West Garden Street, Post Office Box 12950, Pensacola, Florida 32576-2950
On behalf of Gulf Power Company.

JAMES D. BEASLEY, Esquire, MacFarlane, Ausley, Ferguson & McMullen, Post Office Box 391, Tallahassee, Florida 32302
On behalf of Tampa Electric Company.

DAVID J. RUSS, Assistant General Counsel, 2740 Centerview Drive, Tallahassee, Florida 32399-2100
On behalf of Florida Department of Community Affairs.

ARTHUR PERRY BRUDER, Esquire, United States Department of Energy, 1000 Independence Avenue, S.W., Room 6D-033, Washington, D.C. 20585
On behalf of the United States Department of Energy.

ROSS S. BURNAMAN, Esquire, 1115 North Gadsden Street, Tallahassee, Florida 32303-6237
On behalf of the Legal Environmental Assistance Foundation, Inc. AND Deborah B. Evans.

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On behalf of Florida Solar Energy Industries Association,
Inc.

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On behalf of City Gas Company of Florida.

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On behalf of Peoples Gas System, Inc.

ROBERT SCHEFFEL WRIGHT, Esquire, Landers & Parsons, 310
West College Avenue, Post Office Box 271, Tallahassee,
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On behalf of West Florida Natural Gas Company.

JOHN W. McWHIRTER, JR., Esquire, McWhirter, Reeves,
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VICKI G. KAUFMAN, Esquire, McWhirter, Reeves, McGlothlin,
Davidson & Bakas, 315 South Calhoun Street, Suite 716,
Tallahassee, Florida 32301
On behalf of Florida Industrial Power Users Group.

SUZANNE BROWNLESS, Suzanne Brownless, P.A., 2546
Blairstone Pines Drive, Tallahassee, Florida 32301
On behalf of Competitive Energy Producers Association.

MICHELLE L. HERSHEL, Esquire, Post Office Box 590,
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On behalf of Florida Electric Cooperatives Association.

WILLIAM B. WILLINGHAM, Esquire, Moore, Williams, Bryant,
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Tallahassee, Florida 32302
On behalf of Florida Municipal Electric Association.

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On behalf of the City of Tallahassee.

JAMES HAROLD THOMPSON, Esquire, and J. JEFFRY WAHLEN,
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Office Box 391, Tallahassee, Florida 32302
On behalf of The Center For Energy And Economic
Development.

MICHAEL A. PALECKI, Esquire, and MARY ANNE HELTON,
Esquire, Florida Public Service Commission, 101 East
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On behalf of the Commission Staff.

PRENTICE P. PRUITT, Esquire, Florida Public Service
Commission, 101 East Gaines Street, Tallahassee, Florida
32399-0862
On behalf of the Commissioners.

PREHEARING ORDER

I. CASE BACKGROUND

Docket Nos. 930548-EG, 930549-EG, 930550-EG, and 930551-EG were opened to implement Rules 25-17.001-.005, Florida Administrative Code, for Florida's four largest investor-owned utilities (IOUs). The result of the Section 120.57(1), Florida Statutes, hearing scheduled for these dockets will be the establishment of numeric demand side management (DSM) goals for Florida Power and Light Company (FPL), Florida Power Corporation (FPC), Gulf Power Company (GULF), and Tampa Electric Company (TECO). The numeric demand and energy goals established in these dockets will replace the general non-numeric goals currently in place. Goals will be set for each of these IOUs for each year in the ten-year planning horizon. In addition, the cost-effectiveness of DSM measures shall be determined on a case-by-case basis for each utility, and the Commission will consider implementation of the federal integrated resource planning standard, as defined in the Energy Policy Act of 1992.

II. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 366.093, Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

- 1) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.
- 2) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.
- 3) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not

subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.

- 4) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.
- 5) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Commission Clerk's confidential files.

Post-hearing procedures

Rule 25-22.056(3), Florida Administrative Code, requires each party to file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. The rule also provides that if a party fails to file a post-hearing statement in conformance with the rule, that party shall have waived all issues and may be dismissed from the proceeding.

A party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 60 pages, and shall be filed at the same time. The prehearing officer may modify the page limit for good cause shown. Please see Rule 25-22.056, Florida Administrative Code, for other requirements pertaining to post-hearing filings.

III. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all parties and Staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

IV. ORDER OF WITNESSES

<u>Witness</u>	<u>Appearing For</u>	<u>Issues #</u>
<u>DIRECT</u>		
S.R. Sim	FPL	1, 2, 3, 13, 15, 16, 17, 23, 29, 30
E.G. Hugues	FPL	1, 2, 3, 15, 21, 23, 24, 26, 27, 28, 29, 30, 31, 56, 57
Michael F. Jacob	FPC	
Robert D. Niekum	FPC	
Arthur L. Nordlinger	FPC	
J. T. Kilgore, Jr.	GULF	7, 8, 15, 21, 40-47, 56, 57

<u>Witness</u>	<u>Appearing For</u>	<u>Issues #</u>
John E. Currier	TECO	12, 14, 15, 48, 49, 50, 51, 52, 53, 54, 55, 58, 59
Thomas L. Hernandez	TECO	10, 11, 13, 20
Gerard J. Kordecki	TECO	21
Howard T. Bryant	TECO	10, 11, 12
Dr. Peter S. Fox-Penner* Available only on 6/3.	DOE	
David Dismukes	LEAF	2, 8, 11, 15, 29, 30, 37, 38, 41, 42, 43, 45, 46, 49, 50, 51, 53, 54
Paul Chernick*	LEAF	1-4, 5-21, 24-27, 29 -31, 33-35, 37-39, 41 -43, 45-47, 49-51, 53 -58
*Would like to appear 6/8 or 9; can appear on 6/3 or 6/10.		
Deborah B. Evans	EVANS	All Issues where a position taken.
LeRoy Chavis	FCC	31, 39, 47, 55
Hilda Frazier	FCC	31, 39, 47, 55
M. Jane Nelson	FCC	All
John Stutz* Available 6/4-10.	FCC/LEAF	13-21, 31, 39, 47, 55
William T. Guiney	FlaSEIA	14, 15, 24, 33, 41, 49
Peter Lowenthal	FlaSEIA	14, 15, 24, 33, 41, 49
Linda L. Shelley	DCA	
Rick Dixon	DCA	

<u>Witness</u>	<u>Appearing For</u>	<u>Issues #</u>
Charles Dusseau* Available only on 6/9.	DCA	
Ian Goodman/ Betty Krier	DCA	
Timothy Campbell	DCA	
Hamilton S. Oven	DCA	
Craig McDonald	DCA	
John B. Stark	CITY GAS	1-3, 15, 16-20 23, 27-29, 30
Richard C. Furman	CITY GAS	1-3
Maurey J. Blaylock/ Vernon I. Krutsinger	PEOPLES	1, 2, 3, 4, 6, 10, 12
Michael I. German* Not available 6/9. Would like to appear first on 6/8.	PEOPLES	1, 3, 4, 6, 7, 10
Vernon I. Krutsinger	PEOPLES	2, 5, 11, 23, 27, 32, 35, 48, 51
John L. Seelke, Jr.	PEOPLES	1, 4, 7, 17, 18, 20
McIntyre	WFNG	All Issues
Barry N.P. Huddleston	CEPA	16, 58
Kenneth J. Slater	CEPA	1, 4, 17, 18

REBUTTAL

S.E. Frank* Available only on morning of 6/9.	FPL	1, 2, 21 (Rebutting Stutz)
S.W. Hulett	FPL	1, 2, 15, 21 (Rebutting Fox-Penner, Stutz)

<u>Witness</u>	<u>Appearing For</u>	<u>Issues #</u>
K.M. Davis	FPL	21 (Rebutting Fox-Penner, Stutz)
J.H. Landon	FPL	1, 2, 15, 21, 24, 27, 31 (Rebutting Fox-Penner, Stutz, Chernick, Shelley, Dixon, Frazier, Chavis, McDonald, Oven, Krier, Goodman, Campbell)
E.G. Hugues	FPL	1, 2, 3, 15, 21, 23, 24, 26, 27, 28, 29, 30, 31, 56, 57 (Rebutting Fox-Penner, Stutz, Chernick, Nelson, McDonald, Dismukes, Shelley, Dixon, Chavis, Frazier, Guiney, Krutsinger, German, Lowenthal, Blaylock, Seelke, Stark, Furman)
S.R. Sim	FPL	1, 2, 3, 13, 15, 16, 17, 24, 27, 29, 30, 31 (Rebutting Chernick, Dixon, Frazier, Chavis, Stutz, Shelley, Guiney, Nelson, Lowenthal, Fox-Penner, Slater, McDonald, Seelke)
Michael F. Jacob	FPC	4, 5, 6, 15, 21, 32, 33, 34, 35, 36, 37, 38, 39, 57, 61 (Rebuttal to McDonald, Chernick, Dixon, Chavis, Frazier, Goodman, Krier, Stutz, Fox-Penner)

<u>Witness</u>	<u>Appearing For</u>	<u>Issues #</u>
Arthur L. Nordlinger	FPC	4, 5, 13, 15, 16, 18, 21 (Rebuttal to Nelson)
Robert D. Niekum	FPC	4, 5, 13, 15, 16, 18 (Rebuttal to Seelke)
John H. Chamberlin*	FPC	4, 5, 6, 15, 16, 18, 32, 35, 36, 37, 38 (Rebuttal to Chernick, Fox-Penner, Shelley, Nelson, Stutz, Stutz, Seelke, Krutsinger)
* Available only on 6/9.		
Marc W. Goldsmith*	FPC	4, 5, 6, 15, 32, 35, 36 (Rebuttal to Krutsinger, Blaylock, Seelke, German)
* Would like to appear first on 6/10.		
D.W. Caves	GULF	9, 15, 21, 40-43
R.D. Bushart	GULF	7, 8, 9, 15, 40-47, 57
W. F. Pope*	GULF	7, 13, 16, 19
* Not available afternoon of 6/8.		
C.D. Long*	GULF	13, 16, 19
* Not available 6/6-8.		
J.T. Kilgore, Jr.	GULF	All issues covered by this witness are listed by his name under Direct . Some of the issues listed are not actually addressed until his rebuttal testimony.
T.L. Hernandez	TECO	10, 13, 14, 16, 20 (Rebuttal to Seelke, Fox-Penner, Slater, Stutz, Nelson)

<u>Witness</u>	<u>Appearing For</u>	<u>Issues #</u>
G.J. Kordecki	TECO	10,11,48 (Rebuttal to McDonald, Chernick, Shelley)
J.E. Currier	TECO	51,59 (Rebuttal to Stark, Furman, Blaylock, Krutsinger, German, Seelke, McIntyre)
D.A. Tracy	TECO	51,52,59 (Rebuttal to Blaylock, Krutsinger)
Dr. L.J. Perl	TECO	14,15,16,51,52,59 (Rebuttal to Chernick, McDonald, Stutz, Nelson, Fox-Penner, Stark, Furman, McIntyre, Seelke, German, Blaylock, Krutsinger)
R.L. Schmalensee	CEED	13-16

V. BASIC POSITIONS

FLORIDA POWER & LIGHT COMPANY (FPL): FPL's proposed numeric conservation goals should be approved. FPL's proposed goals were developed using FPL's Integrated Resource Planning process. FPL's proposed goals result in an expansion plan with the lowest rates to its customers. FPL's reasonably achievable conservation goals will defer all FPL capacity needs until 2002, the ninth year of the planning horizon, making any further resource commitment -- supply, additional RIM-based DSM, or TRC-based DSM, or TRC-based DSM -- unnecessary at this time.

The Commission should resist the attempts of various special interest intervenors to establish end-use goals or set-asides. End-use goals are not needed or desirable and would reduce flexibility to achieve overall goals. These attempts by special interest intervenors to set end-use goals are inconsistent with FEECA and Rule 25-17.001, which call for overall goals. The

Commission would need to amend its rule before establishing such goals. A ruling that established end-use goals would result in the Commission making a de facto determination of programs, something not envisioned under FEECA.

FLORIDA POWER CORPORATION (FPC): FPC believes that in setting numeric conservation goals, the Commission should, as the rule mandating this proceeding requires, set overall goals for electric utilities. Mandating specific goals within multiple market segments and end-use categories will hamper implementation of the most cost effective conservation measures.

In assessing measures for incorporation in a utility's integrated resources plan, a utility should use the Participant test and the Rate Impact Measure (RIM) test to determine the beneficial effect of the proposed measures on participants and to ensure no negative impact on rates which would be detrimental to nonparticipants. The Total Resource Cost (TRC) test is inappropriate for use without consideration of the RIM and Participant tests, because a measure evaluated by TRC alone may harm nonparticipants.

FPC urges the Commission to establish "reasonably achievable" goals which are lower than 100% of the maximum achievable level. This is necessary to avoid setting perfect achievement of goals as the only passing score.

FPC's proposed goals are reasonable and are based upon an IRP process which utilized an appropriate mix of cost-effective supply and demand-side alternatives. FPC urges acceptance by the Commission of its proposed goals.

GULF POWER COMPANY (GULF): It is the basic position of Gulf Power Company that the Company's proposed conservation goals present the best estimate of results reasonably achievable in GULF's service area from the implementation of cost-effective conservation and demand-side management programs. GULF uses an integrated resource planning process which appropriately includes consideration of both demand and supply side measures to meet the resource needs of the Company and its customers. Many of the demand side measures evaluated required the use of borrowed data and assumptions, and the results of GULF's study are preliminary pending actual experience in the Company's service area. The Commission should allow great flexibility in establishing numeric conservation goals, and should encourage the use of other methods, such as flexible pricing mechanisms, to ensure economic efficiency in the pursuit of conservation goals.

TAMPA ELECTRIC COMPANY (TECO): The Commission should approve Tampa Electric's proposed numeric demand and energy goals to replace the general non-numeric goals currently in place and find that Tampa Electric's integrated resource planning follows integrated resource planning as defined in the Energy Policy Act of 1992.

DEPARTMENT OF COMMUNITY AFFAIRS (DCA): As a result of these proceedings the Public Service Commission should exercise its existing authority to:

Establish a regular, formalized integrated resource planning (or IRP) process as the appropriate method for selecting resources, including the establishment of conservation goals, for Florida's electric utilities. Additionally, the information gained from this process could also be used to establish a statewide integrated resource planning process similar to the one used by the Wisconsin Public Service Commission.

Describe the policy that should be used in making resource selections through this process and in establishing conservation goals.

Initiate modifications of any existing rules or policies that might be needed to further implement a full IRP process and effectively implement numeric conservation goals that are established.

Set explicit conservation goals for particular end-use market segments.

Set conservation goals for each utility.

Set these goals based on potentialities revealed in the SRC report or data showing greater potential submitted by the utilities.

UNITED STATES DEPARTMENT OF ENERGY (DOE): The Department urges the Florida Public Service Commission to adopt and implement an IRP process in Florida consistent with applicable provisions of EPAct and the Clean Air Act Amendments. The Department recommends that the so-called RIM test not generally be used as a cost-effectiveness test for DSM programs because it can rule out many DSM options that would be cost-effective in minimizing most customers' energy bills. The Department also recommends that steps be taken to reduce disincentives that might exist within the

structure of existing ratemaking processes to utility investments in DSM. Finally, the Department believes that measurement and verification processes and methods should be considered an integral part of the IRP process in Florida.

LEGAL ENVIRONMENTAL ASSISTANCE FOUNDATION, INC. (LEAF): The Commission should set reasonably achievable, cost-effective goals based upon the SRC Final Report Best Practices TRC scenario for energy, adjusted for non-UP/CUE measures; and the Commission should set the summer and winter peak demand goals at the average of the SRC Final Report Best Practices TRC scenario (adjusted for non-UP/CUE measures) and each utility's TRC achievable potential. The Commission should adopt the federal standards for integrated resource planning and revenue neutrality.

DEBORAH B. EVANS (EVANS): The Commission should not set FPL's goals based upon the RIM test, but instead should consider the reasonably achievable, cost-effective goals based upon the SRC Final Report and using the TRC and Societal tests. The Commission should adopt the federal standards for integrated resource planning and revenue neutrality.

FLORIDA CLIENT COUNCIL (FCC): Florida residential customers pay the highest price for energy in the continental United States, due to our almost exclusive reliance on electricity. Low income customers are unable to participate in Florida energy utility conservation programs, although they help pay for them. In order to reduce low income customers' energy costs, the FCC therefore seeks (a) a low income goal administered through the state weatherization program; (b) the adoption of the EPAct standards for integrated resource planning and revenue neutrality, to be implemented through an ordered Commission rule making process; (c) energy conservation goals based upon total resource cost analysis and the most cost efficient program practices, with rate impacts identified through RIM or other means, and accounted for to prevent inequitable rate increases; and (d) energy diversification goals. The analyses currently supplied by the utility companies are insufficient and should either be replaced by the SRC analysis or be resubmitted in accordance with explicit Commission direction on their contents.

FLORIDA SOLAR ENERGY INDUSTRIES ASSOCIATION, INC. (FlaSEIA): It is FlaSEIA's basic position that the Commission should set numeric solar energy goals because solar energy contributes to a cleaner environment, resource diversity, less reliance on imported fuels, and economic development. Setting solar energy goals would clearly promote the objectives of FEECA and other state statutes supporting solar and renewable energy resources.

In addition, the Commission should adopt the integrated resource planning process and revenue neutrality standard envisioned in the Energy Policy Act of 1992. At the heart of integrated resource planning is a substantially broadened consideration of supply-side and demand-side options as compared with traditional planning. IRP goes further in identifying opportunities for solar energy than traditional planning methods.

CITY GAS COMPANY OF FLORIDA (CITY GAS): Natural gas substitution programs can provide economic and energy efficiency benefits to Florida's ratepayers. Natural gas projects are currently operating in Florida and around the nation and can contribute to electric utility conservation programs. However, the potential of such programs has been ignored by the electric utilities in this docket. For example, FPL has filed a gas measures analysis that purports to show that no gas measures are cost-effective. FPL's analysis flies in the face of reality and is based on faulty and unreasonable assumptions which should be rejected by the Commission.

In order to put to rest disputes about inputs to the cost-effectiveness test and whether gas measures pass the appropriate test, City Gas and FPL should engage in three jointly operated commercial/industrial pilot programs per year. Cooperation between the electric and gas utilities will ultimately benefit Florida's ratepayers. These pilot programs will allow the collection of real, empirical data. To facilitate the development of such demonstration projects, the Commission should set a modest natural gas goal.

PEOPLES GAS SYSTEM, INC. (PEOPLES): Natural gas substitutes for electricity provide efficient, cost-effective, and reliable opportunities for achieving electric peak demand and energy reductions. Accordingly, the Commission should establish specific goals for energy conservation through natural gas substitutes for electricity as contemplated by Commission Rule 25-17.0021(3)(g)&(s). Gas DSM measures provide greater reliability in achieving anticipated demand and energy reductions than electric-for-electric DSM measures and other measures that are subject to degradation over time. The electric utilities that are subject to these dockets have not adequately or properly evaluated natural gas substitutes for electricity on a consistent, integrated basis.

WEST FLORIDA NATURAL GAS COMPANY (WFNG): West Florida provides natural gas service in an area that partially overlaps with GULF Power's service area and proposed expansion areas that are served by Florida Power Corporation. While West Florida is most concerned with the natural gas issues that relate to the adoption of conservation goals for these two electric utilities, West Florida

believes that natural gas substitution should be implemented by all four of the electric utilities where such substitution is appropriate.

FLORIDA INDUSTRIAL POWER USERS GROUP (FIPUG): The rate impact (RIM) test should be used by the Commission to set goals. Use of the RIM test provides customers with the lowest rates and ensures that one customer class does not subsidize another.

The Commission should put in place a verification mechanism which will allow it to compare the goals it sets (which are generally based on engineering estimates) with results of measures implemented. While the Commission may approve, in a subsequent phase of this docket, individual conservation programs, it has no procedure to compare the total results of such programs with the goals it sets. Such a procedure is needed to ensure that ratepayers are getting their "money's worth" from conservation programs.

COMPETITIVE ENERGY PRODUCERS ASSOCIATION (CEPA): CEPA supports the adoption of the integrated resource planning (IRP) standard found in §111(d)(19) of the Energy Policy Act of 1992 (EPACT). The implication of this broad definition, if properly implemented utilizing a market-oriented approach, is the contemporaneous, competitive evaluation of all resource options both demand and supply side. DSM programs should be stringently monitored to determine their effectiveness and adjusted accordingly.

With regard specifically to FPL's planning process, CEPA has concluded that: 1) the planning approach does not constitute a valid IRP; 2) the planning approach is neither optimal nor integrated; 3) certain supply alternatives were excluded from consideration; and 4) FPL's process was biased against supply alternatives.

FLORIDA ELECTRIC COOPERATIVES ASSOCIATION (FECA): No position at this time.

FLORIDA MUNICIPAL ELECTRIC ASSOCIATION (FMEA): No position at this time.

JACKSONVILLE ELECTRIC AUTHORITY (JEA): No position at this time.

CITY OF GAINESVILLE, FLORIDA (GAINESVILLE): No position at this time.

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CITY OF TALLAHASSEE (TALLAHASSEE): Tallahassee's basic position is that Florida Power Corporation ("FPC") has used a reasonable process with acceptable data to evaluate demand side management ("DSM") alternatives and that FPC's proposed conservation goals are reasonable. Tallahassee also maintains that the Commission is prohibited from establishing numeric goals for each major end-use category within each market segment. If the Commission finds that it has the legal authority under Rule 25-17.0021, F.A.C., to establish such goals, it should refrain from doing so. Instead, the Commission should set goals only for each market segment served by the utility, and allow the utility the flexibility to target end-uses that can contribute to achievement of each market segment goal.

Tallahassee also notes that it takes "No position" on all issues specific to Docket Nos. 930548-EG (Florida Power & Light Company), 930550-EG (Gulf Power Company) and 930551-EG (Tampa Electric Company) since Tallahassee is not an intervenor in those dockets.

THE CENTER FOR ENERGY AND ECONOMIC DEVELOPMENT (CEED): When evaluating conservation goals, screening conservation programs and resource planning, the Commission should not consider residual and environmental values because doing so is not desirable from an environmental or regulatory policy perspective. The inclusion of environmental values for residual environmental effects has numerous major flaws. Policy matters with regard to the environment are best left to the Legislature. Regulatory policies that incorporate environmental values for facilities under the authority of the Commission will exacerbate rather than reduce environmental externalities and, in the long-run, harm Florida's economy, environment and electric consumers.

STAFF: Overall goals should be set for the Residential class and for the combined Commercial/Industrial class. There would be three numbers established for each year in the utility's ten year planning period, for each class: a summer kW reduction goal; a winter kW reduction goal; and an annual kWh reduction goal. Goals should be based primarily on RIM potential. However, certain selected measures that may have minimal adverse rate impacts but large benefit to cost ratios from a TRC perspective should also be included in calculation of the goals. Lost revenue recovery would be allowed only for programs that fail RIM but pass TRC. No incentives are needed. Staff notes this statement of basic position is preliminary.

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

VI. ISSUES AND POSITIONS

FPL's Methodology/Process

- ISSUE 1: Is the planning process and data used by FPL in evaluating demand side measures reasonable? (Staff)
- FPL: Yes. (Hugues, Sim, Frank, Hulett, Landon)
- FPC: No position.
- GULF: Not at issue for this party.
- TECO: Did not intervene in this docket.
- DCA: No. The avoided costs used in their process do not include the full system cost impacts of DSM programs and supply alternatives. The process also does not consider other societal benefits to Florida's environment and economy from DSM programs. (McDonald, Goodman, Krier, Shelley, Dixon, Campbell, Dusseau, Oven).
- DOE: No position.
- LEAF: No. (Chernick)
- EVANS: No. (Evans)
- FCC: The planning process and data of FPL are not reasonable for the reasons presented in the expert testimony of M. Jane Nelson and other witnesses called by other intervenors to testify on this issue.
- FlaSEIA: Supports LEAF's position on this issue.
- CITY GAS: No. The planning process and data used by FPL in evaluating natural gas substitution measures is not reasonable. FPL has used faulty assumptions and data to attempt to exclude natural gas substitution

from its DSM portfolio. The faulty data includes, but is not limited to, the use of excessive equipment costs as well as the failure to match the benefit period with the cost period in its cost-effectiveness runs. (Stark, Furman)

- PEOPLES:** No. Specifically, FPL's assessment of natural gas measures under Rule 25-17.0021(3)(g)&(s) was inadequate and was not integrated with consideration of other demand-side and supply-side measures.
- WFNG:** No, because FPL has failed to adequately consider natural gas substitution measures.
- FIPUG:** No position.
- CEPA:** No.
- FECA:** No position.
- FMEA:** No position.
- JEA:** No position.
- GAINESVILLE:** No position.
- TALLAHASSEE:** No position.
- CEED:** No position.
- STAFF:** No position at this time.
- ISSUE 2:** What data and analyses are most appropriate for use by the Commission in establishing appropriate numeric conservation goals for FPL? (Peoples)
- FPL:** FPL's proposed numeric goals and the underlying data and analyses in FPL's Technical Market Potential Results Report, FPL's Cost-Effectiveness Goals Results Report, FPL's CUE Measures Evaluations, FPL's Gas Measures Evaluations and the testimony of E.G. Hugues, S.R. Sim, S.E. Frank, S.W. Hulett, K.M. Davis and J.H. Landon. (Hugues, Sim, Frank, Hulett, Davis and Landon)
- FPC:** No position.

- GULF:** Not at issue for this party.
- TECO:** Did not intervene in this docket.
- DCA:** Except for Solar/Renewables and Natural Gas Substitution, the data and analysis developed in DCA's SRC study are appropriate for establishing appropriate numeric conservation goals for FPL. (McDonald).
- DOE:** No position.
- LEAF:** The data and analyses in the May, 1993, SRC Final Report as supplemented by the evidence received into evidence and testimony at the hearing. (Chernick; Dismukes).
- EVANS:** The TRC data and analyses in the May, 1993, SRC Final Report as supplemented by the evidence received into evidence and testimony at the hearing. (Evans).
- FCC:** The data and analysis that should be used by the Commission in setting conservation goals for FPL are presented in the expert testimony of M. Jane Nelson and other witnesses called by other intervenors to testify on this issue. Costs for conservation programs should be allocated to prevent inequitable rate increases.
- FlaSEIA:** The Commission should base its decision on all of the information and data which has been entered into the record at the time of the evidentiary hearing.
- CITY GAS:** As to natural gas substitution measures, FPL should use data and analysis formulated in conjunction with the natural gas industry and based on the results of actual installations. (Stark, Furman)
- PEOPLES:** The analyses of achievable potential demand and energy savings presented by Peoples' witness Krutsinger are most appropriate for establishing goals for natural gas substitution for electricity by FPL in Peoples Gas System's service area.
- WFNG:** Agree with Peoples Gas.

FIPUG: No position.

CEPA: FPL has the modeling capability to prepare an integrated resource plan. In order to do so it would have to make the following fundamental changes in methodology: 1) model demand and supply side options simultaneously on an integrated basis; 2) not "force" units into the plan; and 3) "unbundle" DSM programs whose life was less than the planning horizon. Unless these changes are made, FPL's process is suboptimal.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 3: Are FPL's proposed goals based upon an adequate assessment of the market segments and major end-use categories pursuant to Rule 25-17.0021 (3), F.A.C.? (Staff)

FPL: Yes, FPL's assessment was more than adequate. (Hugues, Sim).

FPC: No position.

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: No. FPL has not adequately assessed, nor proposed individual goals for, the market segments of new construction, low-income, solar and natural gas substitution, nor has its process allowed adequate assessment of major end-use categories. (McDonald, Shelley, Dixon).

DOE: No position.

LEAF: No. (Chernick)

EVANS: No.

FCC: FPL's proposed goals are not based upon an adequate assessment of the market segments and major end-use categories listed in Rule 25-17.0021(3), F.A.C., for the reasons presented in the expert testimony of M. Jane Nelson and other witnesses called by other intervenors to testify on these issues.

FlaSEIA: Supports LEAF's position on this issue.

CITY GAS: No. As discussed in Issue 1, FPL has failed to properly assess the potential for natural gas substitution. Therefore, its goals are not based on an adequate assessment of market segments and end-use categories as applicable to natural gas substitution. (Stark, Furman)

PEOPLES: No. Specifically, FPL's assessment of natural gas measures under Rule 25-17.0021(3)(g)&(s) was inadequate and was not integrated with consideration of other demand-side and supply-side measures.

WFNG: No.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

FPC's Methodology/Process

ISSUE 4: Is the planning process and data used by FPC in evaluating demand side measures reasonable? (Staff)

FPL: No position.

FPC: Yes. FPC's planning process uses an Integrated Resource Planning (IRP) method which complies with the National Energy Policy Act (EPACT) and with Commission Procedural Orders 1 and 4 in this docket. FPC's planning process, upon which its filings are based, relied on supply-side data based upon current analyses of FPC's system and the latest forecast of system energy and demand requirements. Demand-side data incorporates SRC data modified where necessary to be compatible with FPC's service territory. (Jacob, Nordlinger, Niekum)

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: For the present, yes. Although the avoided costs used in their process do not include the full system cost impacts of DSM programs and supply alternatives and they do not consider other societal benefits to Florida's environment and economy from DSM programs, FPC TRC potential seems to provide a reasonable estimation of the achievable potential in their territory. (McDonald, Goodman, Krier, Shelley, Oven.)

DOE: No position.

LEAF: Yes. LEAF has stipulated to the general reasonableness of FPC's planning process except that FPC optimized on the basis of average rates rather than total system cost. (Chernick).

EVANS: Yes.

FCC: The planning process and data of FPC are not reasonable for the reasons presented in the expert testimony of M. Jane Nelson and other witnesses called by other intervenors to testify on this issue.

FlaSEIA: Supports LEAF's position on this issue.

CITY GAS: City Gas has no specific comments on FPC's planning process and data but questions the reliability of a process which finds so little potential for natural gas substitution measures.

PEOPLES: No. Specifically, FPC's assessment of natural gas measures under Rule 25-17.0021(3)(g)&(s) was inadequate and was not integrated with consideration of other demand-side and supply-side measures.

WFNG: No, because FPC has failed to consider natural gas measures.

FIPUG: No position.

CEPA: The planning process used by FPC appears to be reasonable.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: Tallahassee believes, based on the information available to it as a party to this docket, that FPC has used a reasonable process with acceptable data to evaluate DSM alternatives.

CEED: No position.

STAFF: No position at this time.

ISSUE 5: What data and analyses are most appropriate for use by the Commission in establishing appropriate numeric conservation goals for FPC? (Peoples)

FPL: No position.

FPC: The data and analyses contained in FPC's Cost Effectiveness Goal Results Report (CEGRR) filing and its accompanying appendix, as explained through

FPC's prefiled testimony, are the most appropriate data and analyses for use by the Commission in establishing appropriate numeric conservation goals for FPC. (Jacob, Nordlinger, Niekum)

- GULF:** Not at issue for this party.
- TECO:** Did not intervene in this docket.
- DCA:** Except for Solar/Renewables and Natural Gas Substitution, the data and analysis developed in their CEGRR, under the TRC test, are appropriate for establishing appropriate numeric conservation goals for FPC. (McDonald.)
- DOE:** No position.
- LEAF:** LEAF does not contest FPC's data and analyses, however, LEAF contends that FPC's goals should be set based on the TRC test rather than the RIM test.
- EVANS:** FPC's goals should be set based on the TRC test rather than the RIM test.
- FCC:** The data and analysis that should be used by the Commission in setting conservation goals for FPC are presented in the expert testimony of M. Jane Nelson and other witnesses called by other intervenors to testify on this issue. Costs for conservation programs should be allocated to prevent inequitable rate increases.
- FlaSEIA:** The Commission should base its decision on all of the information and data which has been entered into the record at the time of the evidentiary hearing.
- CITY GAS:** City Gas has no specific comments on FPC's data and analyses but questions the reliability of an analysis which finds so little potential for natural gas substitution measures.
- PEOPLES:** The analyses of achievable potential demand and energy savings presented by Peoples' witness Krutsinger are most appropriate for establishing goals for natural gas substitution for electricity by FPC in Peoples Gas System's service area.

- WFNG:** West Florida Natural Gas questions the reliability of FPC's analyses because they result in conclusions indicating relatively little potential for natural gas substitution measures. West Florida believes that the Commission should consider all data and analyses presented in this docket, including FPC's CEGRR and the analyses of potential demand and energy savings from natural gas substitution measures presented by Peoples' witness Krutsinger.
- FIPUG:** No position.
- CEPA:** CEPA has no specific comments on FPC's data and analyses but questions the reliability of analyses which show so few supply side alternatives as cost effective when compared to their demand-side counterparts.
- FECA:** No position.
- FMEA:** No position.
- JEA:** No position.
- GAINESVILLE:** No position.
- TALLAHASSEE:** Tallahassee believes that data and evaluations performed by the individual utility, based on its understanding of the economic and reliability impact of a given set of demand-side measures, should form the basis for any goal setting efforts by the Commission.
- CEED:** No position.
- STAFF:** No position at this time.
- ISSUE 6:** Are FPC's proposed goals based upon an adequate assessment of the market segments and major end-use categories pursuant to Rule 25-17.0021 (3), F.A.C.? (Staff)
- FPL:** No position.

FPC: Yes. FPC considered over 110 different measures within multiple end-use categories, covering residential, commercial and industrial applications for both new and existing structures. (Jacob)

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: No. FPC has neither adequately assessed, nor proposed individual goals for, the market segments of new construction, low-income, solar and natural gas substitution. (McDonald, Goodman, Krier, Shelley.)

DOE: No position.

LEAF: Yes. However, LEAF recommends that FPC's goals be based on TRC rather than RIM potential. (Chernick).

EVANS: Yes. However, EVANS recommends that FPC's goals be based on TRC rather than RIM potential.

FCC: FPC's proposed goals are not based upon an adequate assessment of the market segments and major end-use categories listed in Rule 25-17.0021(3), F.A.C., for the reasons presented in the expert testimony of M. Jane Nelson and other witnesses called by other intervenors to testify on these issues.

FlaSEIA: Supports LEAF's position on this issue.

CITY GAS: City Gas has no specific comments on FPC's proposed goals but questions the reliability of an analysis which finds so little potential for natural gas substitution measures.

PEOPLES: No. Specifically, FPC's assessment of natural gas measures under Rule 25-17.0021(3)(g)&(s) was inadequate and was not integrated with consideration of other demand-side and supply-side measures.

WFNG: No, because FPC has failed to consider natural gas measures.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: Tallahassee believes that FPC's proposed goals are reasonable, based on the information available to Tallahassee as a party to this docket.

CEED: No position.

STAFF: No position at this time.

GULF's Methodology/Process

ISSUE 7: Is the planning process and data used by GULF in evaluating demand side measures reasonable? (Staff)

FPL: No position.

FPC: No position.

GULF: Yes. GULF uses an integrated resource planning process which appropriately includes consideration of both demand and supply side measures. The data regarding specific demand side measures used in GULF's evaluations represents the best information available to the Company given the time constraints of this proceeding. (Kilgore, Pope)

TECO: Did not intervene in this docket.

DCA: No. The avoided costs used in their process do not include the full system cost impacts of DSM programs and supply alternatives. The process also does not consider other societal benefits to Florida's environment and economy from DSM programs. (McDonald, Goodman, Krier, Shelley, Dixon, Campbell, Dusseau, Oven.)

DOE: No position.

LEAF: No. (Chernick)

EVANS: No.

FCC: The planning process and data of GULF are not reasonable for the reasons presented in the expert testimony of M. Jane Nelson and other witnesses called by other intervenors to testify on this issue.

FlaSEIA: Supports LEAF's position on this issue.

CITY GAS: City Gas has no specific comments on GULF's planning process and data but questions the reliability of an analysis which finds no potential for natural gas substitution measures.

PEOPLES: No. Specifically, GULF's assessment of natural gas measures under Rule 25-17.0021(3)(g)&(s) was inadequate and was not integrated with consideration of other demand-side and supply-side measures.

WFNG: No, because GULF has failed to consider natural gas measures.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

- ISSUE 8:** What data and analyses are most appropriate for use by the Commission in establishing appropriate numeric conservation goals for GULF? (Peoples)
- FPL:** No position.
- FPC:** No position.
- GULF:** The data and analysis utilized by GULF in preparing its Cost Effectiveness Goals Results Report. This data and analysis represents the best, and most realistic, information available for application in GULF's service area, and should be utilized by the Commission in establishing the Company's numeric conservation goals. (Kilgore)
- TECO:** Did not intervene in this docket.
- DCA:** Except for Solar/Renewables and Natural Gas Substitution, the data and analysis developed in DCA's SRC study are appropriate for establishing appropriate numeric conservation goals for GULF. (McDonald, Goodman, Krier, Shelley, Dixon, Campbell, Dusseau, Oven.)
- DOE:** No position.
- LEAF:** The data and analyses in the May, 1993, SRC Final Report as supplemented by the evidence received into evidence and testimony at the hearing. (Chernick; Dismukes).
- EVANS:** The data and analyses in the May, 1993, SRC Final Report as supplemented by the evidence received into evidence and testimony at the hearing.
- FCC:** The data and analysis that should be used by the Commission in setting conservation goals for GULF are presented in the expert testimony of M. Jane Nelson and other witnesses called by other intervenors to testify on this issue. Costs for conservation programs should be allocated to prevent inequitable rate increases.
- FlaSEIA:** The Commission should base its decision on all of the information and data which has been entered into the record at the time of the evidentiary hearing.

CITY GAS: City Gas has no specific comments on GULF's data and analyses but questions the reliability of an analysis which finds no potential for natural gas substitution measures.

PEOPLES: Agree with West Florida Natural Gas.

WFNG: West Florida Natural Gas questions the reliability of GULF's analyses because they indicate basically no potential for natural gas substitution measures. West Florida tentatively believes that the Commission should consider all evidence introduced into the record of this proceeding, including particularly the SRC final report.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 9: Are GULF's proposed goals based upon an adequate assessment of the market segments and major end-use categories pursuant to Rule 25-17.0021 (3), F.A.C.? (Staff)

FPL: No position.

FPC: No position.

GULF: Yes. (Kilgore)

TECO: Did not intervene in this docket.

DCA: No. GULF has not adequately assessed, nor proposed individual goals for, the market segments of new construction, low-income, solar and natural gas substitution, nor has its process allowed adequate assessment of major end-use categories. (McDonald, Shelley.)

DOE: No position.

LEAF: No. (Chernick).

EVANS: No.

FCC: GULF's proposed goals are not based upon an adequate assessment of the market segments and major end-use categories listed in Rule 25-17.0021(3), F.A.C., for the reasons presented in the expert testimony of M. Jane Nelson and other witnesses called by other intervenors to testify on these issues.

FlaSEIA: Supports LEAF's position on this issue.

CITY GAS: City Gas has no specific comments on GULF's proposed goals but questions the reliability of an analysis which finds no potential for natural gas substitution measures.

PEOPLES: No. Specifically, GULF's assessment of natural gas measures under Rule 25-17.0021(3)(g)&(s) was inadequate and was not integrated with consideration of other demand-side and supply-side measures.

WFNG: No, because GULF has failed to consider natural gas measures.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.
CEED: No position.
STAFF: No position at this time.

TECO's Methodology/Process

ISSUE 10: Is the planning process and data used by TECO in evaluating demand side measures reasonable? (Staff)

FPL: No position.

FPC: No position.

GULF: Not at issue for this party.

TECO: Tampa Electric used the data prescribed in each one of the Commission's procedural orders and that data is clearly adequate. It follows that the planning process and data used by Tampa Electric in evaluating demand side measures was reasonable. (Bryant; Hernandez)

DCA: No. The avoided costs used in their process do not include the full system cost impacts of DSM programs and supply alternatives. The process also does not consider other societal benefits to Florida's environment and economy from DSM programs. (McDonald, Goodman, Krier, Shelley, Dixon, Campbell, Dusseau, Oven.)

DOE: No position.

LEAF: No. (Chernick)

EVANS: No.

FCC: The planning process and data of TECO are not reasonable for the reasons presented in the expert testimony of M. Jane Nelson and other witnesses called by other intervenors to testify on this issue.

FlaSEIA: Supports LEAF's position on this issue.

CITY GAS: City Gas has no specific comments on TECO's planning process and data but questions the reliability of process which finds no potential for natural gas substitution measures.

PEOPLES: No. Specifically, TECO's assessment of natural gas measures under Rule 25-17.0021(3)(g)&(s) was inadequate and was not integrated with consideration of other demand-side and supply-side measures.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 11: What data and analyses are most appropriate for use by the Commission in establishing appropriate numeric conservation goals for TECO? (Peoples)

FPL: No position.

FPC: No position.

GULF: Not at issue for this party.

TECO: The data and analyses used by Tampa Electric. (Bryant; Hernandez)

DCA: Except for Solar/Renewables and Natural Gas Substitution, the data and analysis developed in DCA's SRC study are appropriate for establishing

appropriate numeric conservation goals for TECO.
(McDonald, Goodman, Krier, Shelley, Dixon,
Campbell, Dusseau, Oven.)

DOE: No position.

LEAF: The data and analyses in the May, 1993, SRC Final Report as supplemented by the evidence received into evidence and testimony at the hearing. (Chernick; Dismukes).

EVANS: The data and analyses in the May, 1993, SRC Final Report as supplemented by the evidence received into evidence and testimony at the hearing.

FCC: The data and analysis that should be used by the Commission in setting conservation goals for TECO are presented in the expert testimony of M. Jane Nelson and other witnesses called by other intervenors to testify on this issue. Costs for conservation programs should be allocated to prevent inequitable rate increases.

FlaSEIA: The Commission should base its decision on all of the information and data which has been entered into the record at the time of the evidentiary hearing.

CITY GAS: City Gas has no specific comments on TECO's data and analyses but questions the reliability of an analysis which finds no potential for natural gas substitution measures.

PEOPLES: The analyses of achievable potential demand and energy savings presented by Peoples' witness Krutsinger are most appropriate for establishing goals for natural gas substitution for electricity by TECO in Peoples Gas system's service area.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 12: Are TECO's proposed goals based upon an adequate assessment of the market segments and major end-use categories pursuant to Rule 25-17.0021 (3), F.A.C.? (Staff)

FPL: No position.

FPC: No position.

GULF: Not at issue for this party.

TECO: Yes. (Bryant; Carrier)

DCA: No. TECO has not adequately assessed, nor proposed individual goals for, the market segments of new construction, low-income, solar and natural gas substitution, nor has its process allowed adequate assessment of major end-use categories. (McDonald, Shelley.)

DOE: No position.

LEAF: No. (Chernick).

EVANS: No.

FCC: TECO's proposed goals are not based upon an adequate assessment of the market segments and major end-use categories listed in Rule 25-17.0021(3), F.A.C., for the reasons presented in the expert testimony of M. Jane Nelson and other witnesses called by other intervenors to testify on these issues.

FlaSEIA: Supports LEAF's position on this issue.

CITY GAS: City Gas has no specific comments on TECO's proposed goals but questions the reliability of an analysis which finds no potential for natural gas substitution measures.

PEOPLES: No. Specifically, TECO's assessment of natural gas measures under Rule 25-17.0021(3)(g)&(s) was inadequate and was not integrated with consideration of other demand-side and supply-side measures.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

Generic Methodology/Process

ISSUE 13: What is the appropriate definition of avoided cost to be used in the evaluation of demand-side management measures and the establishment of numeric conservation goals?

FPL: "Avoided cost" to be used in the evaluation of DSM measures should be any quantifiable costs the DSM would avoid or defer. It could be a new utility power plant, a repowered utility power plant, a power purchase from another utility, a Qualifying Facility or a non-utility generator, or even other DSM options. In FPL's analyses, avoided costs were appropriately determined using (1) a single avoided unit and applicable system costs for screening

purposes, and (2) a series of power plant additions with applicable system costs in the integration analysis. (Sim)

FPC:

The term "avoided cost" already includes or can be construed to include repowering and new utility generation. The term should not be expanded to include purchased power or third party generation projects since such projects are themselves developed to avoid utility supply-side measures. Transmission and distribution projects are extremely dependent on the discrete geographical areas of the grid affected and should not be considered except as collateral costs of specific supply-side projects. Early retirement does not "avoid" costs, but merely removes an existing unit with out avoiding fixed costs. DSM affecting early retirements would have to offset enormous undepreciated capital costs, decommissioning costs, etc. Early retirement increases the need for generation necessitating review of all demand and supply-side options through the IRP process.

GULF:

The cost that the utility would otherwise incur for capacity and energy in the absence of the demand side measures. In the context of GULF's integrated resource planning process generally, and this proceeding specifically, GULF has quantified and used the avoided cost of its next avoidable generating unit additions as the basis for evaluating demand side management measures and the establishment of numeric conservation goals. The relative cost-effectiveness of alternatives such as "power purchases" and "third party generation" can best be determined by a comparison between the cost of those alternatives and the utility's avoided cost of its own generation additions. GULF currently considers other future supply options in its process of integrated resource planning. If such alternatives are demonstrated to be less costly than GULF's own incremental unit cost, they will be selected and will become GULF's avoided cost standard. (Pope, Long)

TECO:

"Avoided cost" for use in evaluation of DSM measures and the establishment of numeric conservation goals would be that cost which the utility could reasonably expect to have to incur in

the form of some other supply-side or demand-side resource in the absence of the DSM measure(s) under consideration. (Hernandez)

DCA:

Yes. The benefits of DSM programs should include all avoidable fixed and variable cost changes in all components of the utility generation, transmission, and distribution system. Changes in the timing, magnitude, and fuel choice for all affected future resources must be explicitly considered. (McDonald, Goodman, Krier, Shelley, Dixon, Campbell, Dusseau, Oven.)

DOE:

Calculated avoided costs should include energy savings as well as capacity savings, including transmission and distribution, and should reflect avoided base load facilities as well as peaking units where appropriate. To the extent practicable, avoided cost analysis should consider the effects of adding an incremental resource on the types, size, and timing of a stream of planned resource additions.

LEAF:

Avoided costs for DSM measure screening should include avoidable costs of generating capacity (demand and energy related) including purchases, capital recovery and O & M costs; transmission capacity including capital recovery and O & M costs; distribution capacity including capital recovery and O & M costs; fuel and other variable generation energy costs; compliance with environmental regulations; lines losses in T & D system; and quantifiable externalities. (Chernick, Stutz, Evans).

EVANS:

Avoided costs for DSM measure screening should include avoidable costs of generating capacity (demand and energy related) including purchases, capital recovery and O & M costs; transmission capacity including capital recovery and O & M costs; distribution capacity including capital recovery and O & M costs; fuel and other variable generation energy costs; compliance with environmental regulations; lines losses in T & D system; and quantifiable externalities. (Chernick, Stutz, Evans).

- FCC:** All relevant avoided costs have to be accounted for in order for least-cost resource planning to be possible. These avoided costs include all future supply options, including but not limited to repowering, early retirement, transmission and distribution improvements, power purchases, and new utility or third party generation. The "avoided unit" standard is insufficient for these proceedings.
- FlaSEIA:** Yes.
- CITY GAS:** No position.
- PEOPLES:** Avoided cost should encompass all future supply options, including avoided utility-constructed generating units, repowering projects, power purchases, transmission and distribution improvements, and other supply-side measures.
- WFNG:** Avoided cost should encompass all future supply options, including avoided utility-constructed generating units, repowering projects, power purchases, transmission and distribution improvements, and other supply-side measures.
- FIPUG:** No position.
- CEPA:** Agree with DOE.
- FECA:** No position.
- FMEA:** No position.
- JEA:** No position.
- GAINESVILLE:** No position.
- TALLAHASSEE:** Tallahassee believes that the "avoided unit" costs used in DSM evaluations should encompass the actual capital expenses for the selected supply-side resource, including any transmission and distribution investment that can be shown to be directly attributable to the selected resource.
- CEED:** In general, the consideration by this Commission of residual and environmental values in the goals setting process, in screening conservation programs

or in resource planning is not a desirable environmental or regulatory policy. (Schmalensee) [Intervention is subject to an objection.]

STAFF: No position at this time.

ISSUE 14: ISSUE DELETED.

ISSUE 15: What cost-effectiveness test, cost-effectiveness criteria, or other criteria should the Commission use to set DSM goals? (Staff)

FPL: In establishing DSM goals, the Commission should only rely upon the reasonably achievable potential of DSM measures cost-effective under the Rate Impact Measure (RIM) Test and the Participants Test. Measures which pass RIM are cost-effective to nonparticipants and minimize rates for all customers. Measures which pass the Participants Test are cost-effective to the participating customers. Measures which pass the Total Resource Cost (TRC) test but not the RIM Test are not cost-effective to non-participants who, for most any given measure, far exceed participants. Therefore, the RIM and Participants Tests should be used to set DSM goals. (Sim, Hugues, Hulett and Landon)

FPC: In setting DSM goals, the Commission should consider programs that passed the RIM and Participant tests (which, by definition also pass TRC).

Only the Participant and RIM tests can assure cost effective conservation measures which do not also harm non-participants. Use of TRC alone inhibits competition. (Jacob, Nordlinger)

GULF: The Commission should utilize the Rate Impact Measure (RIM) test for cost-effectiveness. While neither the RIM test nor the Total Resource Cost (TRC) test provide conclusive cost-effectiveness results under all market conditions, of these two tests, the RIM test is more likely to yield the correct result under a wider variety of market conditions. (Kilgore, Caves, Bushart)

- TECO:** Rate Impact Measurement ("RIM") test. (Currier)
- DCA:** An expanded version of the TRC test, as defined in Issue 14, should be used to set conservation goals. Reliance on the RIM test is inappropriate, except when it is applied to a utilities' entire DSM portfolio and then only to assist in program design, not overall goal setting. (McDonald, Goodman, Shelley, Oven.)
- DOE:** The Department believes that the RIM test generally should not be used as a cost-effectiveness test for DSM programs, because it can rule out many DSM options that would be cost-effective in minimizing customers' energy bills. Other tests such as the total resource cost test or the societal cost test typically are more appropriate for determining the cost-effectiveness of DSM programs.
- LEAF:** The Commission should consider: all costs and benefits of determining reasonably achievable, cost-effective potential, increased end-use efficiency, and resource conservation, all within the context of State Energy Policy and the Legislative intent stated in Section 366.81, Fla. Stat. The Societal Test variation of the Total Resource Cost (TRC) test should be the primary indicia of the cost-effectiveness. If the Commission declines to consider external costs and benefits, then the TRC is the appropriate cost-effectiveness test. (Chernick, Dismukes, Stutz, Evans).
- EVANS:** The Commission should consider: all costs and benefits of determining reasonably achievable, cost-effective potential, increased end-use efficiency, and resource conservation, all within the context of State Energy Policy and the Legislative intent stated in Section 366.81, Fla. Stat. The Societal Test variation of the Total Resource Cost (TRC) test should be the primary indicia of the cost-effectiveness. If the Commission declines to consider external costs and benefits, then the TRC is the appropriate cost-effectiveness test. (Chernick, Dismukes, Stutz, Evans).

- FCC:** The Commission should adopt the integrated resource planning standard set forth in EPAct and implement the standard through the commencement of an integrated resource planning rule making proceeding. The utilities' planning processes do not meet the federal standard of IRP for the reasons presented in the expert testimony of M. Jane Nelson and Linda Shelley.
- FlaSEIA:** The Commission should use the TRC test except when those measures are explicitly promoted by statute, like solar. In instances where certain resources, like solar energy, have been explicitly promoted by the Legislature, the Commission should focus on life-cycle costs to the consumer as its standard for cost-effectiveness (Guiney).
- CITY GAS:** The Commission should use the RIM test to set DSM goals. (Stark)
- PEOPLES:** The Commission should consider all cost-effectiveness tests, including the Participant Test, the Rate Impact Test, the Total Resource Cost Test, and the Societal Benefit-Cost Test, without prescreening.
- WFNG:** Agree with Peoples Gas.
- FIPUG:** The Commission should apply the FIM test to set DSM goals.
- CEPA:** The Commission should use the Rate Impact Measurement (RIM) test.
- FECA:** No position.
- FMEA:** No position.
- JEA:** No position.
- GAINESVILLE:** No position.
- TALLAHASSEE:** No position.

CEED: In general, the consideration by this Commission of residual and environmental values in the goals setting process, in screening conservation programs or in resource planning is not a desirable environmental or regulatory policy. (Schmalensee) [Intervention is subject to an objection.]

STAFF: Staff's preliminary position is that the Commission should set goals primarily on the RIM potential; however, the savings potential of any measures that pass TRC only that have a large benefit-to-cost ratio and a minimal rate impact may also be added to the goals.

Energy Policy Act

ISSUE 16: Should the Commission implement the Integrated Resource Planning standard set forth in the Public Utilities Regulatory Policy Act (PURPA) as amended by the Energy Policy Act of 1992? If so, what would the effect of implementing the standard be? (Staff)

FPL: Not at this time. At the present time, there is no apparent need to implement the IRP standard, even if the Commission could adopt the standard outside of a rulemaking proceeding. The Commission should continue to review the planning process and plans of regulated utilities to ensure that the plans are reasonably well-suited to the purpose for which they are developed, for example, the establishment of DSM goals. It is not clear how adoption of the federal standard would aid the Commission or regulated utilities in the continued development and refinement of IRP to which the utilities are already committed. It is clear that adoption of the standard would lead to continuing regulatory controversy since the definitions of terms within the standard are vague and subject to broad interpretation. If rigidly applied, the standard could limit utility planning flexibility at a time of increasing uncertainty. The statute also requires a consideration of the implementation of the standard on small businesses, and it is not at all clear what impact the standard would have on small business. (Sim)

FPC:

No. It is unnecessary, since the Commission already has adequate authority to require reasonable and prudent utility planning processes. Furthermore, not adopting the federal standard will maintain the Commission's ability to continually refine this process over time. (Nordlinger, Niekum)

GULF:

Resolution of this issue is not necessary at this time. GULF's system integrated resource planning process already incorporates the elements of the federal standard (i.e., evaluation of new generating capacity, power purchases, energy conservation and efficiency, cogeneration, etc., and consideration of system operation features such as diversity, reliability, dispatchability and other risk factors). These elements were incorporated into the planning process as a prudent utility practice without a specific regulatory mandate. Before the Commission makes broad policy determinations such as that set forth in the context of this issue, it should first make a specific determination that the added benefits of such a policy determination outweigh any potential costs. The implementation/adoption of the federal standard as a regulatory mandate would unnecessarily restrict the flexibility to adopt/implement more meaningful standards in a timely manner in the future as circumstances warrant. Furthermore, to the extent that implementation of the federal standard could be interpreted to mean that GULF or other electric utilities would have to change from their current integrated resource planning process, given the limited opportunity in the context of this proceeding to explore the ramifications of such a change, would amount to an arbitrary change. There simply has been no showing that such a mandate would bring sufficient added benefits to warrant any additional costs. (Pope)

TECO:

Tampa Electric does not understand the intent of this issue. Without a definition of whether Tampa Electric's plan meets the standard referred to in Issue 16, there is no way to determine what the effect would be or whether the standard should even be adopted. This depends on how the standard is interpreted.

DCA:

Yes. Implementation of the federal IRP standard is appropriate. The effect will be that the state will initiate an on-going forum that will proactively plan for Florida's electricity needs in a consistent and regular fashion that fairly balancing the interests of all affected parties. (McDonald, Goodman, Shelley, Dixon, Oven.)

DOE:

The Department supports development and implementation of integrated resource planning in accordance with the provisions of EPAct. This support carries over to the current proceedings in Florida. The Department believes that the provisions of Section 111 of EPAct describe the basic elements of an effective IRP process. However, the specific attributes of an IRP process must be tailored to each state's particular circumstances, and the Department recognizes that the design and implementation of IRP in Florida is properly a matter to be determined by the Florida PSC in cooperation with affected parties. The effects of implementing the IRP standard will, necessarily, depend on the details of the process as developed by parties in Florida.

A variety of approaches have been used to implement IRP in states across the country. While these approaches are consistent with the EPAct standard, they nevertheless can vary significantly from state-to-state in terms of utility filing requirements, frequency of filings, the number of utilities covered, the nature of the proceedings, the type of PUC action taken with respect to plans, and so forth. The impacts of adopting the EPAct standard will vary as a function of the manner in which Florida addresses these specific features and, therefore, it isn't possible to determine, a priori, what the specific impact of adopting the general EPAct standard will be. Generally, however, the Department believes that implementation of an IRP process will yield benefits that are significantly in excess of the costs.

LEAF:

Yes. Utilities would have to change planning processes (e.g. to optimize plans based on lowest system cost rather than lowest average rate). In addition, the Commission would be required to coordinate with the Department of Community

Affairs, utilities and other interested persons to review its existing rules and to determine appropriate rule amendments/enactments to institute State review of utility plans. LEAF has recommended that the Commission and the parties consider LEAF's specific rule proposal. (Chernick, Stutz).

EVANS:

Yes. Utilities would have to change planning processes (e.g. to optimize plans based on lowest system cost rather than lowest average rate). In addition, the Commission would be required to coordinate with the Department of Community Affairs, utilities and other interested persons to review its existing rules and to determine appropriate rule amendments/enactments to institute State review of utility plans. LEAF has recommended that the Commission and the parties consider LEAF's specific rule proposal.

FCC:

The Commission should adopt the integrated resource planning standard set forth in EPAct and implement the standard through the commencement of an integrated resource planning rule making proceeding.

FlaSEIA:

Yes. If the Commission adopts the federal IRP standard, FlaSEIA supports LEAF's proposal to enter into rulemaking.

CITY GAS:

Yes. Electric utilities should be required to perform integrated resource planning to ensure that the optimal mix of alternatives is provided. (Stark)

PEOPLES:

The Commission should not adopt the federal IRP standard at this time. As a matter of sound public policy, Florida's electric utilities should be required to conduct their planning activities within the framework of total integrated energy resource planning, so as to assure that Florida's citizens receive energy services from the most efficient and cost-effective sources.

WFNG:

Agree with Peoples Gas that the Commission should not adopt the federal IRP standard at this time. West Florida Natural Gas also agrees with Peoples Gas that, as a matter of sound public policy,

Florida's electric utilities should be required to conduct their planning activities within the framework of total integrated energy resource planning, so as to assure that Florida's citizens receive energy services from the most efficient and cost-effective sources.

- FIPUG:** No position.
- CEPA:** Yes, the IRP standard set forth in Section 111(d)(19) of EPACT should be adopted by the FPSC. The effect of implementing this IRP standard is highly dependent on the type of IRP adopted. CEPA urges that the FPSC adopt a market-oriented IRP which produces a least cost resource mix that minimizes the net present value of utility's long-term revenue requirements while maintaining an adequate and reliable electric supply. (Huddleston)
- FECA:** No position.
- FMEA:** No position.
- JEA:** No position.
- GAINESVILLE:** No position.
- TALLAHASSEE:** No position.
- CEED:** In general, the consideration by this Commission of residual and environmental values in the goals setting process, in screening conservation programs or in resource planning is not a desirable environmental or regulatory policy. (Schmalensee) [Intervention is subject to an objection.]
- STAFF:** No position at this time.
- ISSUE 17:** If the Commission adopts the federal standard of IRP, did FPL's planning processes used to propose conservation goals meet the federal standard of "IRP"?
- FPL:** Yes. (Sim)
- FPC:** No position.

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: No. FPL's process does not base conservation goals on lowest total system costs and does not include the full range of system costs affected by conservation measures. (McDonald, Goodman, Krier, Shelley, Oven.)

DOE: No position.

LEAF: No. (Chernick, Stutz).

EVANS: No.

FCC: FPL's planning processes do not meet the federal standard of IRP for the reasons presented in the expert testimony of M. Jane Nelson and Linda Shelley.

FlaSEIA: No.

CITY GAS: No. FPL has failed to evaluate the full range of alternatives as required by the National Energy Policy Act. FPL failed to properly evaluate natural gas measures in its planning process. (Stark)

PEOPLES: No. Specifically, FPL's assessment of natural gas measures under Rule 25-17.0021(3)(g)&(s) was inadequate and was not integrated with consideration of other demand-side and supply-side measures. Moreover, FPL's planning evaluations did not appropriately include SO2 compliance costs.

WFNG: No position.

FIPUG: No position.

CEPA: No. FPL's planning processes do not meet the federal standard of IRP because: consideration of supply and demand side programs was not integrated; the process used was not capable of determining the "best" plan; and demand and supply side programs were not treated equally.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 18: If the Commission adopts the federal standard of IRP, did FPC's planning processes used to propose conservation goals meet the federal standard of "IRP"?

FPL: No position.

FPC: Yes. (Jacob, Nordlinger, Niekum)

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: No. FPC's process does not base conservation goals on lowest total system costs and does not include the full range of system costs affected by conservation measures. (McDonald, Goodman, Krier, Shelley, Oven.)

DOE: No position.

LEAF: No. (Chernick, Stutz).

EVANS: No.

FCC: FPC's planning processes do not meet the federal standard of IRP for the reasons presented in the expert testimony of M. Jane Nelson and Linda Shelley.

FlaSEIA: No.

CITY GAS: No. FPC has failed to evaluate the full range of alternatives as required by the National Energy Policy Act. FPC failed to properly evaluate natural gas measures in its planning process. (Stark)

PEOPLES: No. Specifically, FPC's assessment of natural gas measures under Rule 25-17.0021(3)(g)&(s) was inadequate and was not integrated with consideration of other demand-side and supply-side measures. Moreover, FPC's planning evaluations did not appropriately include SO2 compliance costs.

WFNG: No, because FPC has failed to consider natural gas measures.

FIPUG: No position.

CEPA: FPC's planning process appears to meet the federal standard.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 19: If the Commission adopts the federal standard of IRP, did Gulf's planning processes used to propose conservation goals meet the federal standard of "IRP"?

FPL: No position.

FPC: No position.

GULF: Yes. GULF's planning process includes evaluation of new generating capacity, power purchases, energy conservation and efficiency, cogeneration, etc.,

and consideration of system operation features such as diversity, reliability, dispatchability and other risk factors, all as provided under the federal IRP standard. (Pope, Long)

TECO: Did not intervene in this docket.

DCA: No. GULF's process does not base conservation goals on lowest total system costs and does not include the full range of system costs affected by conservation measures. McDonald, Goodman, Krier, Shelley, Oven.

DOE: No position.

LEAF: No. (Chernick, Stutz).

EVANS: No.

FCC: GULF's planning processes do not meet the federal standard of IRP for the reasons presented in the expert testimony of M. Jane Nelson and Linda Shelley.

FlaSEIA: No.

CITY GAS: No. GULF has failed to properly evaluate the full range of alternatives as required by the National Energy Policy Act. GULF failed to evaluate natural gas measures in its planning process. (Stark)

PEOPLES: No.

WFNG: No, because GULF has failed to consider natural gas measures.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 20: If the Commission adopts the federal standard of IRP, did TECO's planning processes used to propose conservation goals meet the federal standard of "IRP"?

FPL: No position.

FPC: No position.

GULF: Not at issue for this party.

TECO: Tampa Electric believes that its planning processes meet the intent of the federal standard of "IRP". (Hernandez)

DCA: No. TECO's process does not base conservation goals on lowest total system costs and does not include the full range of system costs affected by conservation measures. (McDonald, Goodman, Krier, Shelley, Oven.)

DOE: No position.

LEAF: No. (Chernick, Stutz)

EVANS: No.

FCC: TECO's planning processes do not meet the federal standard of IRP for the reasons presented in the expert testimony of M. Jane Nelson and Linda Shelley.

FlaSEIA: No.

CITY GAS: No. TECO has failed to evaluate the full range of alternatives as required by the National Energy Policy Act. TECO failed to properly evaluate natural gas measures in its planning process. (Stark)

PEOPLES: No. Specifically, TECO's assessment of natural gas measures under Rule 25-17.0021(3)(g)&(s) was inadequate and was not integrated with consideration of other demand-side and supply-side measures. Moreover, TECO's planning evaluations did not appropriately include SO2 compliance costs.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 21: Should the Commission implement the Investments In Conservation And Demand Management standard in the Public Utility Regulatory Policy Act as amended by the Energy Policy Act of 1992? If so, what would the effect of implementing the standard be? (Staff)

FPL: Not at this time. The Commission should continue to encourage the development of all cost-effective DSM and may want to consider on a case-by-case basis whether a particular set of circumstances constitutes a disincentive to cost-effective DSM. It is not clear how adoption of the federal standard would aid the Commission or regulated utilities in accomplishing this objective, since the utilities are committed to implementation of cost-effective DSM. Adoption of the standard would lead to a fruitless controversy about whether it requires, as some parties have argued, lost revenue recovery or decoupling. FPL does not believe the standard requires their adoption; nor does it

believe they are necessary to promote cost-effective DSM or in the best interest of utility customers. (Hugues, Hulett, Davis and Landon)

FPC: Yes. Implementing the Investments in Conservation and Demand Management standard in PURPA will remove disincentives to utilities' selection of demand-side measures as alternatives to additional generation. (Jacob, Nordlinger, Niekum)

GULF: Not at this time. As with the federal IRP standard addressed in Issue 16, implementation of the Investments in Conservation and Demand Management standard is premature based on the information gathered to date. The information provided in this docket, however, will provide a starting point for future Commission investigations into this matter. (Kilgore)

TECO: Again, the effect of implementing the standard referred to in this issue would depend upon how the standard is defined. Additionally, the application of any standard should be on the utility's specific need basis. (Kordecki)

DCA: Yes. The Commission must ensure that the financial interests of utilities are fully consistent with the outcomes of the adopted federal IRP process. For DSM resources, this means adoption of regulatory reforms to remove financial disincentives and provide positive financial incentives for successful utility DSM programs. (McDonald, Goodman, Shelley, Dixon.)

DOE: DOE supports implementation of the Investments in Conservation and Demand Management standard in Section 111(a) of EPCRA. Traditional ratemaking procedures can provide a financial disincentive for utilities to undertake DSM programs. First, recovery of DSM program costs may be subject to regulatory lag. Second, to the extent that they are successful, conservation programs reduce utility revenues and, potentially, earnings. Finally, efficiency programs can reduce the need for supply-side investments and thereby reduce ratebase and utility profits relative to a supply-only case.

There are a variety of options available to state regulators in implementing the EPAct Investments in Conservation and Demand Management standard. These include net lost revenue adjustment mechanisms (NLRA), decoupling mechanisms, increasing the frequency of rate cases, various incentive mechanisms, and so forth. The impacts of different options will vary with respect to revenue/rate effects and administrative complexity. It is not possible to fully address the impacts of the EPAct standard without first defining the type(s) of mechanisms being considered. However, the Department believes that implementation of the EPAct standard, through whichever mechanism is deemed appropriate in Florida, will remove strong disincentives for utilities to invest in energy efficiency programs.

LEAF:

Yes. The Commission would be required to review its currently-authorized cost-recovery mechanisms; to institute some form of net "lost revenue recovery" mechanism or decoupling mechanism; and to provide a mechanism to ensure that DSM is as profitable to utilities as are supply-side options. (Stutz, Chernick).

EVANS:

Yes. The Commission would be required to review its currently-authorized cost-recovery mechanisms; to institute some form of net "lost revenue recovery" mechanism or decoupling mechanism; and to provide a mechanism to ensure that DSM is as profitable to utilities as are supply-side options.

FCC:

The Commission should adopt the investments in conservation and demand management set forth in EPAct. The Commission should implement the standard through approving Florida Power Corporation's proposal for revenue decoupling as a means for obtaining Florida specific information to be considered later in deciding whether to initiate rule making to further implement this standard.

FlaSEIA:

Yes. The Commission should require each of the investor owned utilities to file proposals for either revenue decoupling or lost revenues; a DSM incentives plan should be included with these revenue neutrality proposals.

CITY GAS: No position.
PEOPLES: No position.
WFNG: No position.
FIPUG: No position.
CEPA: No position.
FECA: No position.
FMEA: No position.
JEA: No position.
GAINESVILLE: No position.
TALLAHASSEE: No position.
CEED: No position.
STAFF: No position at this time.

Generic Numeric Goals

LEGAL
ISSUE 22: Pursuant to Rule 25-17.0021, F.A.C., and other applicable legal authority, can the Commission set numeric goals for each major end-use category within each market segment?

FPL: No.

FPC: Rule 25-17.0021, F.A.C., empowers the Commission to establish overall goals for the Residential and Commercial/Industrial market segments only. When this Rule was adopted, the Commission limited any inherently broader authority it may have had in this area. Setting detailed goals for each major end-use category would necessarily contradict the Commission's mandate in Rule 25-17.0021.

GULF: No. Rule 25-17.0021, F.A.C. only authorizes the Commission to establish "[o]verall Residential KW and KWH goals and overall Commercial/Industrial KW and KWH goals...". In a proceeding to establish

these goals, conversely, utilities are to assess specific market segments and major end-use categories in deriving their projections of the reasonably achievable cost-effective winter and summer peak demand and annual energy savings. The express mention of one thing in a statute or regulation necessarily excludes that which is not specifically mentioned. Therefore, since the rule requires only utilities to consider certain market segments and major end-use categories, and requires the Commission to establish overall numeric goals (which will reflect the assessment conducted by the utility under the rule), the rule does not authorize the establishment of specific numeric goals for each major end-use category within each market segment. Further, even if the Rule did authorize such specific goals, it would not be prudent from a policy standpoint for the Commission to establish such goals absent specific results from specific markets, technologies, and service areas.

TECO: Presumably the Commission can address this, although Tampa Electric has not fully examined the authority to do so.

DCA: Yes. The Commission has authority under Sections 366.80 to 366.85 to accomplish efficient and cost effective utility regulation, including reducing growth rates and peak demands, overall efficiency and conservation, and conserving expensive resources. The only way this can be done effectively in this process is with goals for each major end use. (Shelley.)

DOE: No position.

LEAF: Yes. Section 366.82 (2), Fla. Stat. directs the Commission to adopt "appropriate" goals to increase the efficiency of energy consumption and to encourage co-generation and "specifically including" goals for peak reduction and energy conservation. The statute is to "liberally construed in order to meet the complex problems" described. Unless specific goals are set for solar energy and renewable energy sources, for example, the Commission will be unable to ensure that utilities implement solar programs, which would

defeat the intent of the Legislature. The same is true about cogeneration in the Commercial/Industrial market segment.

EVANS: Yes. Section 366.82 (2), Fla. Stat. directs the Commission to adopt "appropriate" goals to increase the efficiency of energy consumption and to encourage co-generation and "specifically including" goals for peak reduction and energy conservation. The statute is to "liberally construed in order to meet the complex problems" described. Unless specific goals are set for solar energy and renewable energy sources, for example, the Commission will be unable to ensure that utilities implement solar programs, which would defeat the intent of the Legislature. The same is true about cogeneration in the Commercial/Industrial market segment.

FCC: Yes, it is within the Commission's power to set conservation goals in such a way as to carry out its broader charge and responsibility. This includes the power to set these goals.

FlaSEIA: Yes. FlaSEIA supports LEAF's position on this issue.

CITY GAS: Yes. The Commission has broad authority pursuant to the Florida Energy Efficiency and Conservation Act (FEECA) to require efficient and cost-effective conservation. The setting of end use goals does just that by removing the utilities' ability to ignore specific measures even if they are a superior choice.

PEOPLES: Yes.

WFNG: Yes.

FIPUG: Yes.

CEPA: No position.

FECA: No position.

FMEA: No. Section 366.81, F.S., requires the Commission to "develop and adopt overall goals." Rule 25-17.0021(1), F.A.C., states that the "overall goals"

set by the Commission will be "[o]verall Residential KW and KWH goals and overall Commercial/Industrial KW and KWH goals." In addition, Rule 25-17.0021(3), F.A.C., requires utilities to propose overall goals for annual winter and summer KW savings, and annual KWH savings by customer class. Whereas Rule 25-17.0021(3), F.A.C., requires the utility to propose goals based upon an assessment of several market segments and end-use categories, the Commission has not adopted a rule regarding numerical goals for each major end-use category within each market segment.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: Tallahassee agrees with and adopts the position of the Florida Municipal Electric Association.

CEED: No position.

STAFF: Staff's preliminary position is that while Rule 25-17.0021, Florida Administrative Code, states the Commission shall set overall residential KW and KWH goals and overall commercial/industrial KW and KWH goals, there is no strict prohibition in the rule which precludes the Commission from considering individual goals for an end-use category.

FPL's Numeric Goals

ISSUE 23: If numeric goals should be set for each major end-use category within each market segment, what should FPL's goals be?

FPL: Numeric goals should not be set for any end uses. If such goals are set, they should be no greater individually than the reasonably achievable potential end uses shown in E.G. Hugues' Document No. 2 and in total should not exceed the resources needed to meet FPL's reliability criteria. (Hugues, Sim)

FPC: No position.

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: We believe that goals should be set in residential/commercial totals and for several key market segments where public policy supports: New construction, low income residential, solar/renewables and natural gas substitution. (Goodman, Dixon, Shelley.)

DOE: No position.

LEAF: Consistent with LEAF's recommendations on overall goals, the Commission should set specific goals for low income customers consistent with the Florida Client Council's recommendations, solar energy goals consistent with the Florida Solar Energy Industry Association's recommendations, and natural gas substitution consistent with Peoples Gas Company's recommendations.

EVANS: FPL's goals should be set at the SRC Final Report Best Practices TRC scenario, adjusted to reflect costs and benefits under the Societal Test for all costs and benefits that are reasonably quantified and the Commission should set specific goals for low income customers consistent with the Florida Client Council's recommendations, solar energy goals consistent with the Florida Solar Energy Industry Association's recommendations, and natural gas substitution consistent with Peoples Gas Company's recommendations. (Evans).

FCC: FPL's goals should be consistent with the SRC study's best practices scenario under total resource cost analysis. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: No position.

CITY GAS: For natural gas, FPL's annual goal should be 5 MW per year for non-cogeneration projects. (Stark)

PEOPLES: The Commission should recognize that natural gas substitutes for electricity are not an end use such as those identified in Rule 25-17.0021(3)(a-d)&(i-

q). Rather, natural gas substitutes comprise a range of end use energy options. FPL's Gas DSM goals, with respect to customers served by both FPL and Peoples, should be a cumulative total of 55 MW of summer/winter peak electric demand reduction and associated electric energy reductions.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 24: Pursuant to the decision in issue 22, should the Commission set goals for residential and commercial/industrial winter and summer KW, and residential and commercial/industrial annual KWH solar energy and renewable energy sources during the period 1994-2003 pursuant to Rule 25-17.0021(3), F.A.C., and if so, what should FPL's goals be? (Staff)

FPL: No, to do so would be inconsistent with FEECA and Rule 25-17.0021. Moreover, FPL's analysis shows no solar or renewable measure that is cost-effective to non-participants (RIM) and participating customers (Participants). FPL should not be required to achieve goals that cannot be met with measures cost-effective under both the RIM and Participants Tests. (Hugues, Sim and Landon)

FPC: No position.

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: Yes. No position at this time on the specifics of the goals. (Goodman.)

DOE: No position.

LEAF: Yes. Until better information is developed through program design work, the Commission should set goals as recommended by the Florida Solar Energy Industries Association, Inc. (FlaSEIA). (Chernick).

EVANS: Yes. Until better information is developed through program design work, the Commission should set goals as recommended by the Florida Solar Energy Industries Association, Inc. (FlaSEIA). (Chernick).

FCC: The Commission should set energy conservation goals for solar and renewable energy sources in order to encourage the diversification, and reduce the price of Florida's residential energy. FPL's goals should be set in accordance with the expert intervenor testimony presented on this issue. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: Yes. FlaSEIA has recommended aggressive solar energy goals for FPL that would require 311,974 mWh in cumulative savings. Alternatively, FlaSEIA has proposed moderate solar energy goals of 187,185 mWh and base-case solar energy goals of 124,790 mWh (Guiney, Lowenthal).

CITY GAS: No position.

PEOPLES: No position.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 25: **ISSUE DELETED.**

ISSUE 26: Pursuant to the decision in issue 22, should the Commission set goals for residential and commercial/industrial winter and summer KW, and residential and commercial/industrial annual KWH new construction goals during the period 1994-2003 pursuant to Rule 25-17.0021, F.A.C., and if so, what should FPL's goals be? (DCA)

FPL: Goals should be set for the Residential and Commercial/Industrial market segments. There is no need for new construction goals separate from existing construction within these market segments. (Hugues)

FPC: No position.

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: Yes. See SRC "best practices" scenario using the TRC test. (McDonald.)

DOE: No position.

LEAF: Yes. until better information is developed through program design work, the Commission should set goals which reflect the need to acquire "lost opportunity" resources. (Chernick).

EVANS: Yes. until better information is developed through program design work, the Commission should set goals which reflect the need to acquire "lost opportunity" resources. (Chernick).

FCC: The Commission should set separate goals where it appears that cross-subsidization of utility conservation programs would otherwise result, or where there are strong societal interests in a particular sector having a conservation goal. FPL's should be consistent with the SRC study's best practices scenario under total resource cost analysis. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: Yes. No position on goals levels at this time.

CITY GAS: No position.

PEOPLES: Yes. The Commission should set sector-specific and seasonal goals. No position as to the levels of the goals.

WFNG: Yes. No position as to the levels of the goals.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 27: Pursuant to the decision in issue 22, should the Commission set goals for residential and commercial/industrial winter and summer KW, and residential and commercial/industrial annual KWH natural gas substitutes for electricity during the period 1994-2003 pursuant to Rule 25-17.0021(3), F.A.C., and if so, what should FPL's goals be? (Staff)

FPL: No. FEECA and Rule 25-17.0021 both require establishment of overall goals. End use goals are not authorized. To establish end use goals, the Commission would have to amend its rule. Establishment of a natural gas goal would be a de facto Commission approval of a gas program, something it is empowered under FEECA to do only in very limited circumstances not applicable in this case. Further, establishment of a de facto natural gas program through natural gas goals would also compel speech of FPL violative of its First Amendment right to free speech.

No natural gas measure is cost-effective to non-participating customers (passes RIM) and participating customers (passes Participants Test), and FPL should not be expected to achieve goals that would require offering programs or measures that are not cost-effective under the RIM and Participants Tests. FPL's conservation programs should be cost-effective to both participants and non-participants, and unless goals are set that are limited to the reasonably achievable potential of such measure, they are unfair. (Sim, Hugues and Landon)

FPC: No position.

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: Yes. We are currently reviewing the data. (McDonald, Goodman, Krier, Shelley, Dixon, Campbell, Dusseau, Oven.)

DOE: No position.

- LEAF:** Yes. Until better information is developed through program design work, the Commission should set goals as recommended by Peoples Gas. (Chernick).
- EVANS:** Yes. Until better information is developed through program design work, the Commission should set goals as recommended by Peoples Gas. (Chernick).
- FCC:** The Commission should set energy conservation goals for natural gas substitutes for electricity in order to encourage the diversification, and reduce the price of Florida's residential energy. FPL's goals should be set in accordance with the expert intervenor testimony presented on this issue. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.
- FlaSEIA:** No position.
- CITY GAS:** Yes. For FPL the natural gas substitution goal should be 5 MW per year for non-cogeneration projects. (Stark)
- PEOPLES:** Yes. The Commission should recognize that natural gas substitutes for electricity are not an end use such as those identified in Rule 25-17.0021(3)(a-d)&(i-q). Rather, natural gas substitutes comprise a range of end use energy options. FPL's Gas DSM goals, with respect to customers served by both FPL and Peoples, should be a cumulative total of 55 MW of summer/winter peak electric demand reduction and associated electric energy reductions.
- WFNG:** Yes. No position as to the levels of the goals.
- FIPUG:** No position.
- CEPA:** No position.
- FECA:** No position.
- FMEA:** No position.
- JEA:** No position.
- GAINESVILLE:** No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 28: Should the Commission direct FPL to implement, in cooperation with natural gas utilities within its service territory, cost-effective market pilot programs involving cost-effective commercial/industrial natural gas technologies? (Peoples/City)

FPL: FPL objects to this issue. The Commission may mandate programs under FEECA only in instances when a utility "has not implemented its programs and is not substantially in compliance with the provisions of its approved plan" Those matters are not at issue in this proceeding nor is the consideration of utility conservation programs; numeric conservation goals are the focus of this case. FPL has made a reasonable offer to City to create a research project to gather necessary research data, but FPL cannot agree to a research effort that does not initially consider whether the research project will benefit the participating customer and the general body of customers. (Hugues)

FPC: No position.

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: No position.

DOE: The issue of whether or not electric utilities should engage in programs which promote the substitution of gas for electricity is extremely complex. Generally, to the extent that fuel substitution offers the potential for economic and energy efficiency gains, DOE supports initiatives to pursue such substitution. However, the Department takes no position a priori on whether specific end uses in FPL's territory are appropriate for fuel switching.

LEAF: No position.

EVANS: No position.

FCC: Yes, the Commission should direct FPL to implement the natural gas pilot programs proposed by the natural gas companies.

FlaSEIA: No position.

CITY GAS: Yes. Such pilot programs will put to rest the on-going debate over the appropriate in-puts to the cost-effectiveness test. It will allow the collection of actual empirical data which will benefit all parties. (Stark)

PEOPLES: Market pilot programs involving cost-effective commercial/industrial natural gas technologies can represent measures by which FPL can implement electric conservation through natural gas substitutes for electricity. Any such measures should be undertaken within the context of an overall plan to achieve the natural gas DSM goals for FPL set forth in Mr. Krutsinger's testimony.

WFNG: Yes.

FIPUG: No position.

CEPA: Currently gas technologies exist that can provide energy to end-users in a less expensive, more efficient manner. The market has provided these technologies and their competitive position in the market place should determine the extent to which these technologies are used.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 29: What should be FPL's annual residential winter and summer KW and annual residential KWh conservation goals during the period 1994-2003 pursuant to Rule 25-17.0021, F.A.C.? (Staff)

FPL: The goals set forth on Mr. Hugues Document No. 1. (Hugues, Sim)

FPC: No position.

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: See SRC "best practices" scenario using the TRC test. (McDonald.)

DOE: No position.

LEAF: FPL's KWh goals should be set at the SRC Final Report Best Practices TRC scenario for energy, adjusted for non-UP/CUE measures; and the Commission should set the summer and winter KW goals at the average of the SRC Final Report Best Practices TRC scenario (adjusted for non-UP/CUE measures) and FPL's TRC achievable potential. (Chernick, Dismukes).

EVANS: FPL's goals should be set at the SRC Final Report Best Practices TRC scenario, adjusted to reflect costs and benefits for the Societal Test for all costs and benefits that are reasonably quantified. (Evans).

FCC: FPL's goals should equal or exceed the SRC study's residential best practices scenario under total resource cost analysis. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: Supports LEAF's position on this issue.

CITY GAS: For each year of the period at issue, FPL's annual conservation goals should include a specific natural gas substitution goal of 5 MW for non-cogeneration projects. (Stark)

PEOPLES: FPL's annual winter and summer kW and kWh conservation goals should include goals for natural gas substitution measures in the residential sector as part of the overall goals recommended by Mr. Krutsinger.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 30: What should be FPL's annual commercial/industrial winter and summer KW and annual commercial/industrial KWh conservation goals during the period 1994-2003 pursuant to Rule 25-17.0021, F.A.C.? (Staff)

FPL: The goals set forth on Mr. Hugues Document No. 1. (Hugues, Sim)

FPC: No position.

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: See SRC "best practices" scenario using the TRC test. (McDonald.)

DOE: No position.

LEAF: FPL's KWh goals should be set at the SRC Final Report Best Practices TRC scenario for energy, adjusted for non-UP/CUE measures; and the Commission should set the summer and winter KW goals at the average of the SRC Final Report Best Practices TRC scenario (adjusted for non-UP/CUE measures) and FPL's TRC achievable potential. (Chernick, Dismukes).

EVANS: FPL's goals should be set at the SRC Final Report Best Practices TRC scenario, adjusted to reflect costs and benefits for the Societal Test for all costs and benefits that are reasonably quantified. (Evans).

FCC: FPL's goals should equal or exceed the SRC study's commercial/industrial best practices scenario under total resource cost analysis. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: Supports LEAF's position on this issue.

CITY GAS: For each year of the period at issue, FPL's annual conservation goals should include a specific natural gas substitution goal of 5 MW for non-co-generation projects. (Stark)

PEOPLES: FPL's annual winter and summer kW and kWh conservation goals should include goals for natural gas substitution measures in the commercial/industrial sector as part of the overall goals recommended by Mr. Krutsinger.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 31: Should a percentage of FPL's residential conservation goals be reserved for low and very low income customers, and, if so, how should the reservation be calculated and implemented? (Staff)

FPL: No. If the Commission establishes RIM-based goals, low and very low income customers will benefit from all DSM performed regardless of whether they participate. These customers would be penalized by TRC-based DSM unless they participated, and even then could pay higher bills unless their participation was sufficient to offset increased rates. (Sim, Hugues and Landon)

FPC: No position.

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: Yes. We are reviewing the testimony of others and conducting independent research to determine the best process and percentage but have reached no final position on this point. (McDonald, Goodman, Krier, Shelley, Dixon, Campbell, Dusseau, Oven.)

DOE: No position.

LEAF: Yes. Pending the development of better information, the Commission should set interim goals as recommended by the Florida Client Council. (Chernick, Stutz).

EVANS: Yes. Pending the development of better information, the Commission should set interim goals as recommended by the Florida Client Council. (Chernick, Stutz).

FCC: Fifteen percent of the residential conservation goals of FPL should be reserved for customers with incomes below 125% of the poverty level. Fifteen percent of FPL's planned residential conservation cost recovery charges should be earmarked for a statewide fund to provide energy conservation programs for these customers. The fund should be administered by the Florida Department of Community Affairs' weatherization program. The program would be designed within the same three month time frame as other utility energy conservation programs are designed.

FlaSEIA: Yes. Supports FCC's position on this issue.

CITY GAS: No position.

PEOPLES: FPL's programs designed to implement its residential conservation goals should be available to all customers on a non-discriminatory basis. As a matter of policy, Peoples Gas does not object to FPL making special efforts to inform low-income customers of available programs nor to a small percentage "set-aside" for such customers, so long as such practices are cost-effective.

WFNG: Agree with Peoples Gas.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

FPC's Numeric Goals

ISSUE 32: If numeric goals should be set for each major end-use category within each market segment, what should FPC's goals be?

FPL: No position.

FPC: As observed in response to Issue 22, FPC believes setting goals for each major end-use category within each market segment is inappropriate. The conservation goals rule, developed after months of debate on whether it should incorporate end-use goals, was finally adopted in a form prescribing the development of overall goals for only two market segments; Residential and Industrial\Commercial. This docket should not be used to revisit the rulemaking process. Breaking a conservation program into too many small programs may result in the misapplication of funds to less efficient or non-cost-effective programs rather than allowing allocation to more effective ones which may be in another end-use category or another market segment. This is contrary to the goal of conservation and avoidance of unnecessary future generation. (Jacob, Nordlinger, Niekum)

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: We believe that goals should be set in residential/commercial totals and for several key market segments where public policy supports: new construction, low income residential, solar/renewables and natural gas substitution. (Goodman, Dixon, Shelley.)

DOE: No position.

LEAF: No position.

EVANS: FPC's goals should be set at the SRC Final Report Best Practices TRC scenario, adjusted to reflect costs and benefits for the Societal Test for all costs and benefits that are reasonably quantified and the Commission should set specific goals for low income customers consistent with the Florida Client Council's recommendations, solar energy goals consistent with the Florida Solar Energy Industry Association's recommendations, and natural gas substitution consistent with Peoples Gas Company's recommendations. (Evans).

FCC: FPC's goals should be consistent with the SRC study's best practices scenario under total resource cost analysis. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: No position.

CITY GAS: No position.

PEOPLES: The Commission should recognize that natural gas substitutes for electricity are not an end use such as those identified in Rule 25-17.0021(3)(a-d)&(i-g). Rather, natural gas substitutes comprise a range of end use energy options. FPC's Gas DSM goals, with respect to customers served by both FPC and Peoples, should be a cumulative total of 25 MW of summer/winter peak electric demand reduction and associated electric energy reductions.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: Tallahassee does not believe that numeric goals should be set for each major end-use within each market segment. Instead, the Commission should set goals for each market segment (residential, commercial, etc.) and allow the individual utility to design a unique set of DSM options which can achieve this goal by taking advantage of the particular mix of end-uses within each market segment.

CEED: No position.

STAFF: No position at this time.

ISSUE 33: Pursuant to the decision in issue 22, should the Commission set goals for residential and commercial/industrial winter and summer KW, and residential and commercial/industrial annual KWH solar energy and renewable energy sources during the period 1994-2003 pursuant to Rule 25-17.0021(3), F.A.C., and if so, what should FPC's goals be? (Staff)

FPL: No position.

FPC: FPC believes that even if the Commission has this authority, it should not exercise it. See position on Issue 32. (Jacob, Niekum, Norilinger)

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: Yes. We are currently reviewing the data but have reached no final position on this point. (McDonald, Shelley, Dixon.)

DOE: No position.

LEAF: No position.

EVANS: Yes. Better information needs to be developed within the next year through program design work; in the interim, the Commission should set goals as recommended by the FlaSEIA.

FCC: The Commission should set energy conservation goals for solar and renewable energy sources in order to encourage the diversification, and reduce the price of Florida's residential energy. FPC's goals should be set in accordance with the expert intervenor testimony presented on this issue. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: Yes. FlaSEIA has recommended aggressive solar energy goals for FPC of 114,077 mWh. In the alternative, FlaSEIA has recommended moderate solar energy goals of 68,446 mWh, and base-case solar energy goals of 45,631 mWh. (Guiney, Lowenthal).

CITY GAS: No position.

PEOPLES: No position.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: See response to Issue 32.

CEED: No position.

STAFF: No position at this time.

- ISSUE 34:** Pursuant to the decision in issue 22, should the Commission set goals for residential and commercial/industrial winter and summer KW, and residential and commercial/industrial annual KWH new construction goals during the period 1994-2003 pursuant to Rule 25-17.0021, F.A.C., and if so, what should FPC's goals be? (DCA)
- FPL:** No position.
- FPC:** See position on Issue 32. (Jacob, Nordlinger, Niekum)
- GULF:** Not at issue for this party.
- TECO:** Did not intervene in this docket.
- DCA:** Yes. See FPC achievable potential using the TRC test. (McDonald.)
- DOE:** No position.
- LEAF:** No position.
- EVANS:** Yes. Better information needs to be developed within the next year through program design work; in the interim, the Commission should set goals as recommended by the DCA.
- FCC:** The Commission should set separate goals where it appears that cross-subsidization of utility conservation programs would otherwise result, or where there are strong societal interests in a particular sector having a conservation goal. FPC's goals should be consistent with the SRC study's best practices scenario under total resource cost analysis. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.
- FlaSEIA:** Yes. No position on goals level at this time.
- CITY GAS:** No position.
- PEOPLES:** Yes. No position as to the levels of the goals.
- WFNG:** Yes. No position as to the levels of the goals.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: See response to Issue 32.

CEED: No position.

STAFF: No position at this time.

ISSUE 35: Pursuant to the decision in issue 22, should the Commission set goals for residential and commercial/industrial winter and summer KW, and residential and commercial/industrial annual KWH natural gas substitutes for electricity during the period 1994-2003 pursuant to Rule 25-17.0021(3), F.A.C., and if so, what should FPC's goals be? (Staff)

FPL: No position.

FPC: See position on Issue 32. (Jacob, Nordlinger, Niekum)

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: Yes. We are currently reviewing the data but have reached no final position at this point. (McDonald, Shelley, Dixon.)

DOE: No position.

LEAF: No position.

EVANS: Yes. Better information needs to be developed within the next year through program design work, in the interim, the Commission should set goals as recommended by Peoples Gas.

FCC: The Commission should set energy conservation goals for natural gas substitutes for electricity in order to encourage the diversification, and reduce the price of Florida's residential energy. FPC's goals should be set in accordance with the expert intervenor testimony presented on this issue. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: No position.

CITY GAS: Yes.

PEOPLES: Yes. The Commission should recognize that natural gas substitutes for electricity are not an end use such as those identified in Rule 25-17.0021(3)(a-d)&(i-q). Rather, natural gas substitutes comprise a range of end use energy options. FPC's Gas DSM goals, with respect to customers served by both FPC and Peoples, should be a cumulative total of 25 MW of summer/winter peak electric demand reduction and associated electric energy reductions.

WFNG: Yes, there should be goals for natural gas substitution, but no position at this time as to those goals.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: See response to Issue 32.

CEED: No position.

STAFF: No position at this time.

ISSUE 36: Should the Commission direct FPC to implement, in cooperation with natural gas utilities within its service territory, cost-effective market pilot programs involving cost-effective commercial/industrial natural gas technologies? (Peoples/City)

FPL: No position.

FPC: This docket deals with establishment of numerical conservation goals; issues pertaining to development of specific programs are premature. Further, even in the context of a subsequent program development docket, the Commission should refrain from mandating the gas marketing program. The Commission has long recognized that absent extraordinary circumstances it lacks the authority to order specific programs. No such circumstances are present in this case, especially since FPC's First Amendment rights would be affected by forcing it to market a competitors product. Selection of gas over electricity should be a matter of choice for the customer. (Jacob, Nordlinger, Niekum)

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: No position.

DOE: No position.

LEAF: No position.

EVANS: No position.

FCC: Yes, the Commission should direct FPC to implement the natural gas pilot programs proposed by the natural gas companies.

FlaSEIA: No position.

CITY GAS: Yes.

PEOPLES: Market pilot programs involving cost-effective commercial/industrial natural gas technologies can represent measures by which FPC can implement electric conservation through natural gas substitutes for electricity. Any such measures should be undertaken within the context of an overall plan to achieve the natural gas DSM goals for FPC set forth in Mr. Krutsinger's testimony.

WFNG: Yes, as is reflected in Mr. McIntyre's testimony.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: Tallahassee believes that fuel substitution can be a viable DSM alternative. However, requiring FPC to fund the promotion of this alternative without seeking to allocate the cost of promotion and support between the electric and gas utilities is inappropriate. If fuel substitution is to be supported as a conservative measure, its costs should be shared between the two utilities in some relationship to the benefit each derive from the program.

CEED: No position.

STAFF: No position at this time.

ISSUE 37: What should be FPC's annual residential winter and summer KW and annual residential KWh conservation goals during the period 1994-2003 pursuant to Rule 25-17.0021, F.A.C.? (Staff)

FPL: No position.

FPC: FPC's annual residential winter and summer KW and annual residential KWh conservation goals during the period 1994 to 2003 should be those goals included in the testimony of Mr. Michael Jacob in his Exhibit MFJ-1. (Jacob)

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: See FPC achievable potential using the TRC test. (McDonald.)

DOE: No position.

LEAF: FPC's KWh goals should be set at the SRC Final Report Best Practices TRC scenario for energy, adjusted for non-UP/CUE measures; and the Commission should set the summer and winter KW goals at the average of the SRC Final Report Best Practices TRC scenario (adjusted for non-UP/CUE measures) and FPC's TRC achievable potential. (Chernick, Dismukes).

EVANS: FPC's goals should be set at the SRC Final Report Best Practices TRC scenario, adjusted to reflect costs and benefits for the Societal Test for all costs and benefits that are reasonably quantified.

FCC: FPC's goals should equal or exceed the SRC study's residential best practices scenario under total resource cost analysis. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: Supports LEAF's position on this issue.

CITY GAS: No position.

PEOPLES: FPC's annual winter and summer kW and kWh conservation goals should include goals for natural gas substitution measures in the residential sector as part of the overall goals recommended by Mr. Krutsinger.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: Tallahassee supports FPC's proposed goals.

CEED: No position.

STAFF: No position at this time.

ISSUE 38: What should be FPC's annual commercial/industrial winter and summer KW and annual commercial/industrial KWh conservation goals during the period 1994-2003 pursuant to Rule 25-17.0021, F.A.C.? (Staff)

FPL: No position.

FPC: FPC's annual commercial/industrial winter and summer KW and annual commercial/industrial KWh conservation goals should be those goals included in the testimony of Mr. Michael Jacob in his Exhibit MFJ-1. (Jacob)

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: See FPC achievable potential using the TRC test. (McDonald.)

DOE: No position.

LEAF: FPC's KWh goals should be set at the SRC Final Report Best Practices TRC scenario for energy, adjusted for non-UP/CUE measures; and the Commission should set the summer and winter KW goals at the average of the SRC Final Report Best Practices TRC scenario (adjusted for non-UP/CUE measures) and FPC's TRC achievable potential. (Chernick, Dismukes).

EVANS: FPC's goals should be set at the SRC Final Report Best Practices TRC scenario, adjusted to reflect costs and benefits for the Societal Test for all costs and benefits that are reasonably quantified.

FCC: FPC's goals should equal or exceed the SRC study's commercial/industrial best practices scenario under total resource cost analysis. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: Supports LEAF's position on this issue.

CITY GAS: No position.

PEOPLES: FPC's annual winter and summer kW and kWh conservation goals should include goals for natural gas substitution measures in the commercial/industrial sector as part of the overall goals recommended by Mr. Krutsinger.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: Tallahassee supports FPC's proposed goals.

CEED: No position.

STAFF: No position at this time.

ISSUE 39: Should a percentage of FPC's residential conservation goals be reserved for low and very low income customers, and, if so, how should the reservation be calculated and implemented? (Staff)

FPL: No position.

FPC: No. The rule pursuant to which this docket was established addresses setting of overall goals. See position on Issue 32. (Jacob, Nordlinger, Niekum)

GULF: Not at issue for this party.

TECO: Did not intervene in this docket.

DCA: Yes. We are reviewing the testimony of others and conducting independent research to determine the best process and percentage but have reached no final position on this point. (McDonald, Shelley, Dixon.)

DOE: No position.

LEAF: No position.

EVANS: Yes. Adopt position of Florida Client Council on specific goals.

FCC: Fifteen percent of the residential conservation goals of FPC should be reserved for customers with incomes below 125% of the poverty level. Fifteen percent of FPC's planned residential conservation cost recovery charges should be earmarked for a statewide fund to provide energy conservation programs for these customers. The fund should be administered by the Florida Department of Community Affairs' weatherization program. The program would be designed within the same three month time frame as other utility energy conservation programs are designed.

FlaSEIA: Yes. Supports FCC's position on this issue.

CITY GAS: No position.

PEOPLES: FPC's programs designed to implement its residential conservation goals should be available to all customers on a non-discriminatory basis. As a matter of policy, Peoples Gas does not object to FPC making special efforts to inform low-income customers of available programs nor to a small percentage "set-aside" for such customers, so long as such practices are cost-effective.

WFNG: Agree with Peoples Gas.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

GULF's Numeric Goals

ISSUE 40: If numeric goals should be set for each major end-use category within each market segment, what should GULF's goals be?

FPL: No position.

FPC: No position.

GULF: As indicated in the Company's position on Issue 22, GULF does not believe that the Commission should set specific goals for each major end-use category within each market segment. Furthermore, the information available at this time is insufficient to allow for a reasoned determination of what numeric goals would be reasonably achievable on such a specific basis. (Kilgore)

TECO: Did not intervene in this docket.

DCA: We believe that goals should be set in residential/commercial totals and for several key market segments where public policy supports: new construction, low income residential, solar/renewables and natural gas substitution. (McDonald, Shelley, Dixon.)

DOE: No position.

LEAF: Consistent with LEAF's recommendations on overall goals, the Commission should set specific goals for low income customers consistent with the Florida Client Council's recommendations, solar energy goals consistent with the Florida Solar Energy Industry Association's recommendations, and natural gas substitution consistent with the evidence introduced at hearing.

EVANS: Consistent with EVANS's recommendations on overall goals, the Commission should set specific goals for low income customers consistent with the Florida Client Council's recommendations, solar energy goals consistent with the Florida Solar Energy Industry Association's recommendations, and natural gas substitution consistent with the evidence introduced at hearing.

FCC: GULF's goals should be consistent with the SRC study's best practices scenario under total resource cost analysis. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: No position.

CITY GAS: No position.

PEOPLES: No position.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 41: Pursuant to the decision in issue 22, should the Commission set goals for residential and commercial/industrial winter and summer KW, and residential and commercial/industrial annual KWH solar energy and renewable energy sources during the period 1994-2003 pursuant to Rule 25-17.0021(3), F.A.C., and if so, what should GULF's goals be? (Staff)

FPL: No position.

FPC: No position.

GULF: No. Information regarding reasonably achievable and cost effective demand and energy savings from solar energy and renewable energy sources is currently not sufficient to allow for the establishment of specific goals. (Kilgore)

TECO: Did not intervene in this docket.

DCA: Yes. We are currently reviewing the data but have reached no final position on this point. (McDonald, Goodman, Krier, Shelley, Dixon, Campbell, Dusseau, Oven.)

DOE: No position.

LEAF: Yes. Until better information is developed through program design work, the Commission should set goals as recommended by the FlaSEIA. (Chernick).

EVANS: Yes. Until better information is developed through program design work, the Commission should set goals as recommended by the FlaSEIA. (Chernick).

FCC: The Commission should set energy conservation goals for solar and renewable energy sources in order to encourage the diversification, and reduce the price of Florida's residential energy. GULF's goals should be set in accordance with the expert intervenor testimony presented on this issue. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: Yes. FlaSEIA has recommended aggressive solar energy goals for GULF of 28,027 mWh. In the alternative, FlaSEIA has recommended moderate solar energy goals of 16,816 mWh, and base-case solar energy goals of 11,211 mWh. (Guiney, Lowenthal).

CITY GAS: No position.

PEOPLES: No position.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 42: Pursuant to the decision in issue 22, should the Commission set goals for residential and commercial/industrial winter and summer KW, and residential and commercial/industrial annual KWH new construction goals during the period 1994-2003 pursuant to Rule 25-17.0021, F.A.C., and if so, what should GULF's goals be? (DCA)

FPL: No position.

FPC: No position.

GULF: No. See Company's position on Issue 40. (Kilgore)

TECO: Did not intervene in this docket.

DCA: Yes. See SRC "best practices" scenario using the TRC test. (McDonald.)

DOE: No position.

LEAF: Yes. Until better information is developed through program design work, the Commission should set goals which reflect the need to acquire "lost opportunity" resources. (Chernick).

EVANS: Yes. Until better information is developed through program design work, the Commission should set goals which reflect the need to acquire "lost opportunity" resources. (Chernick).

FCC: The Commission should set separate goals where it appears that cross-subsidization of utility conservation programs would otherwise result, or where there are strong societal interests in a particular sector having a conservation goal. GULF's goals should be consistent with the SRC study's best practices scenario under total resource cost analysis. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: Yes. No position on goals levels at this time.

CITY GAS: No position.

PEOPLES: Yes. No position as to the levels of the goals.

WFNG: Yes. No position as to the levels of the goals.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 43: Pursuant to the decision in issue 22, should the Commission set goals for residential and commercial/industrial winter and summer KW, and residential and commercial/industrial annual KWH natural gas substitutes for electricity during the period 1994-2003 pursuant to Rule 25-17.0021(3), F.A.C., and if so, what should GULF's goals be? (Staff)

FPL: No position.

FPC: No position.

GULF: No. GULF's research and investigations have identified no natural gas substitution technologies that would be cost-effective under any market scenario. Accordingly, it would be inappropriate to establish numeric goals for conservation utilizing natural gas substitution. Furthermore, GULF believes electric utilities should not be compelled to actively promote natural gas technologies. GULF will continue to recommend natural gas technologies to our customers when appropriate and cost-effective on a customer specific, case by case basis. (Kilgore)

TECO: Did not intervene in this docket.

DCA: Yes. We are currently reviewing the data but have reached no final position on this issue. (McDonald, Shelley.)

DOE: No position.

LEAF: Yes. Goals should be set consistent with the evidence introduced at hearing. (Chernick, Dismukes).

EVANS: Yes. Goals should be set consistent with the evidence introduced at hearing. (Chernick, Dismukes).

FCC: The Commission should set energy conservation goals for natural gas substitutes for electricity in order to encourage the diversification, and reduce the price of Florida's residential energy. GULF's goals should be set in accordance with the expert intervenor testimony presented on this issue. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: No position.

CITY GAS: Yes.

PEOPLES: Yes. No position at this time as to the appropriate goal for natural gas substitutes for electricity for Gulf Power Company.

WFNG: Yes, there should be goals for natural gas substitution, but no position at this time as to those goals.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 44: Should the Commission direct GULF to implement, in cooperation with natural gas utilities within its service territory, cost-effective market pilot programs involving cost-effective commercial/industrial natural gas technologies? (Peoples/City)

FPL: No position.

FPC: No position.

GULF: No. Given that GULF's extensive evaluations have demonstrated no cost-effective natural gas substitution technologies for implementation, such a mandate at this time would be an unnecessary burden on the Company's limited resources with no corresponding benefit resulting. In addition, for the reasons addressed by the Commission in Docket No. 890737-PU, electric utility promotion of natural gas is inappropriate. GULF will continue to recommend natural gas technologies to our customers when appropriate and cost-effective on a customer specific, case by case basis. (Kilgore)

TECO: Did not intervene in this docket.

DCA: No position.

DOE: No position.

LEAF: No position.

EVANS: No position.

FCC: Yes, the Commission should direct GULF to implement the natural gas pilot programs proposed by the natural gas companies.

FlaSEIA: No position.

CITY GAS: Yes.

PEOPLES: Market pilot programs involving cost-effective commercial/industrial natural gas technologies can represent measures by which GULF can implement electric conservation through natural gas substitutes for electricity. Any such measures should be undertaken within the context of an overall plan to achieve GULF's natural gas DSM goals established by the Commission.

WFNG: Yes, as is reflected in Mr. McIntyre's testimony.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 45: What should be GULF's annual residential winter and summer KW and annual residential KWh conservation goals during the period 1994-2003 pursuant to Rule 25-17.0021, F.A.C.? (Staff)

FPL: No position.

FPC: No position.

GULF: The following table contains the overall goals GULF deems reasonably achievable for the combined residential and commercial/industrial classes during the period (Kilgore):

Year	Summer Peak KW Reduction at Generator	Winter Peak KW Reduction at Generator	Annual MWH Reduction at Generator
1994	90	52	60
1995	9,846	7,348	192
1996	10,550	7,394	724
1997	35,059	48,230	7,339
1998	59,581	89,067	19,657
1999	69,843	91,986	27,872
2000	83,704	95,026	32,425
2001	95,877	98,072	37,332
2002	99,722	100,859	41,126
2003	103,506	103,648	43,919

- TECO:** Did not intervene in this docket.
- DCA:** See SRC "best practices" scenario using the TRC test. (McDonald.)
- DOE:** No position.
- LEAF:** GULF's KWh goals should be set at the SRC Final Report Best Practices TRC scenario for energy, adjusted for non-UP/CUE measures; and the Commission should set the summer and winter KW goals at the average of the SRC Final Report Best Practices TRC scenario (adjusted for non-UP/CUE measures) and GULF's TRC achievable potential. (Chernick, Dismukes).
- EVANS:** GULF's goals should be set at the SRC Final Report Best Practices TRC scenario, adjusted to reflect costs and benefits for the Societal Test for all costs and benefits that are reasonably quantified.
- FCC:** GULF's goals should equal or exceed the SRC study's residential best practices scenario under total resource cost analysis. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: Supports LEAF's position on this issue.

CITY GAS: No position.

PEOPLES: No position.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 46: What should be GULF's annual commercial/industrial winter and summer KW and annual commercial/industrial KWh conservation goals during the period 1994-2003 pursuant to Rule 25-17.0021, F.A.C.? (Staff)

FPL: No position.

FPC: No position.

GULF: See Company's position on Issue 45. (Kilgore)

TECO: Did not intervene in this docket.

DCA: See SRC "best practices" scenario using the TRC test. (McDonald.)

DOE: No position.

LEAF: GULF's KWh goals should be set at the SRC Final Report Best Practices TRC scenario for energy, adjusted for non-UP/CUE measures; and the Commission should set the summer and winter KW goals at the average of the SRC Final Report Best Practices TRC scenario (adjusted for non-UP/CUE measures) and GULF's TRC achievable potential. (Chernick, Dismukes).

EVANS: GULF's goals should be set at the SRC Final Report Best Practices TRC scenario, adjusted to reflect costs and benefits for the Societal Test for all costs and benefits that are reasonably quantified.

FCC: GULF's goals should equal or exceed the SRC study's commercial/industrial best practices scenario under total resource cost analysis. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: Supports LEAF's position on this issue.

CITY GAS: No position.

PEOPLES: No position.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

- ISSUE 47:** Should a percentage of GULF's residential conservation goals be reserved for low and very low income customers, and, if so, how should the reservation be calculated and implemented? (Staff)
- FPL:** No position.
- FPC:** No position.
- GULF:** No. First, the statutory prohibition against giving any preference or advantage to any person or entity would be violated if GULF were to give low and very low income customers a priority in establishing conservation programs. Second, it would be administratively difficult to establish guidelines governing such a reserve, and many of the decisions which would have to be made in order to establish the reserve are beyond the jurisdiction of the Commission. Finally, if the purpose of establishing numeric conservation goals is to achieve energy and demand savings, there is no reason to target low and very low income customers as opposed to any other energy users. (Kilgore)
- TECO:** Did not intervene in this docket.
- DCA:** Yes. We are reviewing the testimony of others and conducting independent research to determine the best process and percentage but have reached no final position on this issue. (McDonald, Shelley.)
- DOE:** No position.
- LEAF:** Yes. Pending the development of better information, the Commission should set interim goals as recommended by the Florida Client Council. (Chernick, Stutz).
- EVANS:** Yes. Pending the development of better information, the Commission should set interim goals as recommended by the Florida Client Council. (Chernick, Stutz).
- FCC:** Fifteen percent of the residential conservation goals of GULF should be reserved for customers with incomes below 125% of the poverty level. Fifteen percent of GULF's planned residential conservation

cost recovery charges should be earmarked for a statewide fund to provide energy conservation programs for these customers. The fund should be administered by the Florida Department of Community Affairs' weatherization program. The program would be designed within the same three month time frame as other utility energy conservation programs are designed.

FlaSEIA: Yes. Supports FCC's position on this issue.

CITY GAS: No position.

PEOPLES: GULF's programs designed to implement its residential conservation goals should be available to all customers on a non-discriminatory basis. As a matter of policy, Peoples Gas does not object to GULF making special efforts to inform low-income customers of available programs nor to a small percentage "set-aside" for such customers, so long as such practices are cost-effective.

WFNG: Agree with Peoples Gas.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

TECO's Numeric Goals

- ISSUE 48:** If numeric goals should be set for each major end-use category within each market segment, what should TECO's goals be?
- FPL:** No position.
- FPC:** No position.
- GULF:** Not at issue for this party.
- TECO:** Tampa Electric believes the Commission should set overall goals for residential and for commercial/industrial only. (Currier)
- DCA:** We believe that goals should be set in residential/commercial totals and for several key market segments where public policy supports: new construction, low income residential, solar/renewables and natural gas substitution. (McDonald, Shelley, Dixon.)
- DOE:** No position.
- LEAF:** Consistent with LEAF's recommendations on overall goals, the Commission should set specific goals for low income customers consistent with the Florida Client Council's recommendations, solar energy goals consistent with the Florida Solar Energy Industry Association's recommendations, and natural gas substitution consistent with Peoples Gas Company's recommendations.
- EVANS:** Consistent with EVANS's recommendations on overall goals, the Commission should set specific goals for low income customers consistent with the Florida Client Council's recommendations, solar energy goals consistent with the Florida Solar Energy Industry Association's recommendations, and natural gas substitution consistent with Peoples Gas Company's recommendations.
- FCC:** TECO's goals should be consistent with the SRC study's best practices scenario under total resource cost analysis. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: No position.

CITY GAS: No position.

PEOPLES: The Commission should recognize that natural gas substitutes for electricity are not an end use such as those identified in Rule 25-17.0021(3)(a-d)&(i-q). Rather, natural gas substitutes comprise a range of end use energy options. TECO's Gas DSM goals, with respect to customers served by both TECO and Peoples, should be a cumulative total of 25 MW of summer/winter peak electric demand reduction and associated electric energy reductions.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 49: Pursuant to the decision in issue 22, should the Commission set goals for residential and commercial/industrial winter and summer KW, and residential and commercial/industrial annual KWH solar energy and renewable energy sources during the period 1995-2004 pursuant to Rule 25-17.0021(3), F.A.C., and if so, what should TECO's goals be? (Staff)

FPL: No position.

FPC: No position.

GULF: Not at issue for this party.

TECO: The Commission should limit itself to establishing goals for residential and for commercial/industrial only. No specific end-uses should be determined and all goals should be cost-effective. (Currier)

DCA: Yes. We are currently reviewing the data but have no specific position on this issue. (McDonald, Shelley.)

DOE: No position.

LEAF: Yes. Until better information is developed through program design work, the Commission should set goals as recommended by the FlaSEIA. (Chernick).

EVANS: Yes. Until better information is developed through program design work, the Commission should set goals as recommended by the FlaSEIA. (Chernick).

FCC: The Commission should set energy conservation goals for solar and renewable energy sources in order to encourage the diversification, and reduce the price of Florida's residential energy. TECO's goals should be set in accordance with the expert intervenor testimony presented on this issue. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: Yes. FlaSEIA has recommended aggressive solar energy goals for TECO of 43,564 mWh. In the alternative, FlaSEIA has recommended moderate solar energy goals of 26,139 mWh, and base-case solar energy goals of 17,426 mWh. (Guiney, Lowenthal).

CITY GAS: No position.

PEOPLES: No position.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 50: Pursuant to the decision in issue 22, should the Commission set goals for residential and commercial/industrial winter and summer KW, and residential and commercial/industrial annual KWH new construction goals during the period 1995-2004 pursuant to Rule 25-17.0021, F.A.C., and if so, what should TECO's goals be? (DCA)

FPL: No position.

FPC: No position.

GULF: Not at issue for this party.

TECO: The Commission should limit itself to establishing goals for residential and for commercial/industrial only. No specific end-uses should be determined and all goals should be cost-effective. (Currier)

DCA: Yes. (McDonald, Goodman, Krier, Shelley, Dixon, Campbell, Dusseau, Oven.)

DOE: No position.

LEAF: Yes. Until better information is developed through program design work, the Commission should set goals which reflect the need to acquire "lost opportunity" resources. (Chernick).

EVANS: Yes. Until better information is developed through program design work, the Commission should set goals which reflect the need to acquire "lost opportunity" resources. (Chernick).

FCC: The Commission should set separate goals where it appears that cross-subsidization of utility conservation programs would otherwise result, or where there are strong societal interests in a particular sector having a conservation goal. TECO's goals should be consistent with the SRC study's best practices scenario under total resource cost analysis. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: Yes. No position on goals levels at this time.

CITY GAS: No position.

PEOPLES: Yes. No position at to specific goal levels.

WFNG: Yes. No position as to specific goal levels.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 51: Pursuant to the decision in issue 22, should the Commission set goals for residential and commercial/industrial winter and summer KW, and residential and commercial/industrial annual KWH natural gas substitutes for electricity during the period 1995-2004 pursuant to Rule 25-17.0021(3), F.A.C., and if so, what should TECO's goals be? (Staff)

FPL: No position.

- FPC:** No position.
- GULF:** Not at issue for this party.
- TECO:** No. Gas substitution is not a DSM program. (Carrier)
- DCA:** Yes. We are currently reviewing the data and have specific position on this issue. McDonald, Shelley.
- DOE:** No position.
- LEAF:** Yes. Until better information is developed through program design work, the Commission should set goals as recommended by Peoples Gas. (Chernick).
- EVANS:** Yes. Until better information is developed through program design work, the Commission should set goals as recommended by Peoples Gas. (Chernick).
- FCC:** The Commission should set energy conservation goals for natural gas substitutes for electricity in order to encourage the diversification, and reduce the price of Florida's residential energy. TECO's goals should be set in accordance with the expert intervenor testimony presented on this issue. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.
- FlaSEIA:** No position.
- CITY GAS:** Yes.
- PEOPLES:** Yes. The Commission should recognize that natural gas substitutes for electricity are not an end use such as those identified in Rule 25-17.0021(3)(a-d)&(i-q). Rather, natural gas substitutes comprise a range of end use energy options. TECO's Gas DSM goals, with respect to customers served by both TECO and Peoples, should be a cumulative total of 25 MW of summer/winter peak electric demand reduction and associated electric energy reductions.
- WFNG:** Yes. No position as to specific goal levels.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 52: Should the Commission direct TECO to implement, in cooperation with natural gas utilities within its service territory, cost-effective market pilot programs involving cost-effective commercial/industrial natural gas technologies? (Peoples/City)

FPL: No position.

FPC: No position.

GULF: Not at issue for this party.

TECO: No. If certain measures are cost-effective for natural gas ratepayers, then there is no reason to have an R&D program. The natural gas companies ought to implement those on their own. If these are defined as being already cost-effective, there is no reason to perform R&D to determine whether they are. (Currier)

DCA: No position.

DOE: No position.

LEAF: No position.

EVANS: No position.

FCC: Yes, the Commission should direct TECO to implement the natural gas pilot programs proposed by the natural gas companies.

FlaSEIA: No position.

CITY GAS: Yes.

PEOPLES: Market pilot programs involving cost-effective commercial/industrial natural gas technologies can represent measures by which TECO can implement electric conservation through natural gas substitutes for electricity. Any such measures should be undertaken within the context of an overall plan to achieve the natural gas DSM goals for TECO set forth in Mr. Krutsinger's testimony.

WFNG: Yes.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 53: What should be TECO's annual residential winter and summer KW and annual residential KWh conservation goals during the period 1995-2004 pursuant to Rule 25-17.0021, F.A.C.? (Staff)

FPL: No position.

FPC: No position.

GULF: Not at issue for this party.

TECO: As set forth in Amended Document No. 3, page 1 of 1, of Mr. Currier's Exhibit No. (JEC-1). (Currier)

DCA: See SRC "best practices" scenario using the TRC test. (McDonald.)

DOE: No position.

LEAF: TECO's KWh goals should be set at the SRC Final Report Best Practices TRC scenario for energy, adjusted for non-UP/CUE measures; and the Commission should set the summer and winter KW goals at the average of the SRC Final Report Best Practices TRC scenario (adjusted for non-UP/CUE measures) and TECO's TRC achievable potential. (Chernick, Dismukes).

EVANS: TECO's goals should be set at the SRC Final Report Best Practices TRC scenario, adjusted to reflect costs and benefits for the Societal Test for all costs and benefits that are reasonably quantified.

FCC: TECO's goals should equal or exceed the SRC study's residential best practices scenario under total resource cost analysis. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: Supports LEAF's position on this issue.

CITY GAS: No position.

PEOPLES: TECO's annual winter and summer kW and kWh conservation goals should include goals for natural gas substitution measures in the residential sector as part of the overall goals recommended by Mr. Krutsinger.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 54: What should be TECO's annual commercial/industrial winter and summer KW and annual commercial/industrial KWh conservation goals during the period 1995-2004 pursuant to Rule 25-17.0021, F.A.C.? (Staff)

FPL: No position.

FPC: No position.

GULF: Not at issue for this party.

TECO: As set forth in Amended Document No. 3, page 1 of 1, of Mr. Currier's Exhibit No. (JEC-1). (Currier)

DCA: See SRC "best practices" scenario using the TRC test. (McDonald.)

DOE: No position.

LEAF: TECO's KWh goals should be set at the SRC Final Report Best Practices TRC scenario for energy, adjusted for non-UP/CUE measures; and the Commission should set the summer and winter KW goals at the average of the SRC Final Report Best Practices TRC scenario (adjusted for non-UP/CUE measures) and TECO's TRC achievable potential. (Chernick, Dismukes).

EVANS: TECO's goals should be set at the SRC Final Report Best Practices TRC scenario, adjusted to reflect costs and benefits for the Societal Test for all costs and benefits that are reasonably quantified.

FCC: TECO's goals should equal or exceed the SRC study's commercial/industrial best practices scenario under total resource cost analysis. Rate impacts, identified through RIM or other means, should be accounted for to prevent inequitable rate increases.

FlaSEIA: Supports LEAF's position on this issue.

CITY GAS: No position.

PEOPLES: TECO's annual winter and summer kW and kWh conservation goals should include goals for natural gas substitution measures in the commercial/industrial sector as part of the overall goals recommended by Mr. Krutsinger.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 55: Should a percentage of TECO's residential conservation goals be reserved for low and very low income customers, and, if so, how should the reservation be calculated and implemented? (Staff)

FPL: No position.

FPC: No position.

GULF: Not at issue for this party.

- TECO:** No market segment should have individual set asides. All programs must be cost-effective. (Currier)
- DCA:** Yes. We are reviewing the testimony of others and conducting independent research to determine the best process and percentage but have no specific position on these issues. (McDonald, Shelley.)
- DOE:** No position.
- LEAF:** Yes. Pending the development of better information, the Commission should set interim goals as recommended by the Florida Client Council. (Chernick, Stutz).
- EVANS:** Yes. Pending the development of better information, the Commission should set interim goals as recommended by the Florida Client Council. (Chernick, Stutz).
- FCC:** Fifteen percent of the residential conservation goals of FPC should be reserved for customers with incomes below 125% of the poverty level. Fifteen percent of FPC's planned residential conservation cost recovery charges should be earmarked for a statewide fund to provide energy conservation programs for these customers. The fund should be administered by the Florida Department of Community Affairs' weatherization program. The program would be designed within the same three month time frame as other utility energy conservation programs are designed.
- FlaSEIA:** Yes. Supports FCC's position on this issue.
- CITY GAS:** No position.
- PEOPLES:** TECO's programs designed to implement its residential conservation goals should be available to all customers on a non-discriminatory basis. As a matter of policy, Peoples Gas does not object to TECO making special efforts to inform low-income customers of available programs nor to a small percentage "set-aside" for such customers, so long as such practices are cost-effective.
- WFNG:** Agree with Peoples Gas.

FIPUG: No position.
CEPA: No position.
FECA: No position.
FMEA: No position.
JEA: No position.
GAINESVILLE: No position.
TALLAHASSEE: No position.
CEED: No position.
STAFF: No position at this time.

Miscellaneous

ISSUE 56: What type of interaction should the Commission have with DCA on CUE measures and Florida Energy Efficiency Code changes? (Staff)

FPL: The Commission should attempt to be helpful to DCA in modifying the Florida Energy Efficiency Code. Specifically, the Commission should work with DCA to see that CUE measures that pass DCA's cost-effectiveness tests are incorporated into the next Florida Energy Efficiency Code. (Hugues)

FPC: No position.

GULF: The actions of the two agencies regarding conservation measures and energy efficiency should be complementary and not inconsistent. Code issues are primarily within the jurisdiction and control of DCA. It may be helpful for the Commission to provide information it has gathered from utilities regarding cost-effective conservation measures. The Commission and utilities should monitor and provide input into DCA decisions concerning Florida Energy Efficiency Code changes. The ultimate decisions concerning Code changes must be left to DCA. (Kilgore)

TECO: No position.

- DCA:** Considerable potential exists in linking market-based incentive programs with code option measures to accrue net additional energy savings. New energy efficiency options in the marketplace will not been developed with an over-reliance on regulatory standards. The Commission should encourage energy efficiency measures that achieve results beyond code standards. (Goodman, Shelley, Dixon.)
- DOE:** No position.
- LEAF:** In setting goals and in evaluating measures, the Commission and utilities should evaluate separately the new construction and retrofit market segments.
- The Commission should consider DCA's analysis of prospective code changes, and include non-prescriptive code options in the DSM potential. Many measures can be screened and then made a part of a cost-effective new home construction program that can be implemented at a savings to ratepayers and to the citizens of Florida. Utility involvement can help drive the building code toward greater economic efficiency. (Chernick).
- EVANS:** No position.
- FCC:** The Commission should work with the Department of Community Affairs and other interested parties on CUE measures and the Florida Energy Efficiency Code in the manner requested by the Department.
- FlaSEIA:** No position.
- CITY GAS:** No position.
- PEOPLES:** Agree with FPL and Gulf Power that the Commission and utilities should work with and assist DCA in evaluating potential code measures and in promoting the inclusion of cost-effective measures into future versions of the Florida Energy Efficiency Code.

WFNG: Agree with FPL and Gulf Power that the Commission and utilities should work with and assist DCA in evaluating potential code measures and in promoting the inclusion of cost-effective measures into future versions of the Florida Energy Efficiency Code.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: The Commission should provide to the DCA a list of measures that it deems best handled by the state energy code. The Commission should cooperate with the DCA in seeking inclusion of these measures in updates to the code.

CEED: No position.

STAFF: No position at this time.

ISSUE 57: What, if any, is the proper linkage among building code options and utility programs in establishing numeric conservation goals, evaluating demand-side management measures? (DCA)

FPL: FPL objects to the last portion of this issue - "and implementing demand-side management programs." That portion of the issue is beyond the scope of this proceeding. As to the remainder of the issue, if a measure which is a current building code option passes DCA's cost-effectiveness tests, it should be a candidate for inclusion in the prescriptive portion of the Code and should not be a measure considered in establishing numeric goals for utilities. If the code option measure does not pass DCA's cost-effectiveness tests but passes both the Commission's RIM and Participants Tests, it should be evaluated for achievable potential and

the measure's achievable potential should compete against all other measures and resources in the IRP process. Code Option measures that do not pass either the DCA's cost-effectiveness tests or the Commission's RIM and Participants tests should not be considered in establishing goals. (Hugues)

FPC: All CUE measures that have passed the Utility Composite Participant Test should be further evaluated by the Department of Community Affairs (DCA) for possible inclusion in the State Energy Code. This would provide a more cost effective method of implementation than if electric utilities implemented these measures through DSM. (Jacob, Nordlinger)

GULF: CUE Measures that pass the Utility Composite Participant Test should be further evaluated by the DCA for possible inclusion in the State Energy Code. This would provide a more cost-effective method of implementing these measures than implementation through electric utility DSM. (Kilgore)

TECO: All CUE measures that have passed the Utility Composite Participant Test should be further evaluated by the Department of Community Affairs (DCA) for possible inclusion in the State Energy Code. This would provide a more cost-effective method of implementation than if a electric utilities implemented this measures through DSM. (Currier)

DCA: The Commission should encourage utilities to link codes and new construction programs; provide incentives for new and existing code options to exceed minimums and for efficient technologies and practices leading to code updates; sponsor education programs on codes for the building professions and code inspectors; and provide funds to governments for enforcement. (McDonald, Shelley, Dixon.)

DOE: No position.

LEAF: In evaluating measures and in setting goals, the Commission and utilities should evaluate separately the new construction and retrofit market segments. The Commission should consider DCA's analysis of prospective code changes, and include non-prescriptive code options in the DSM potential. Many measures can be screened and then made a part of a cost-effective new home construction program that can be implemented at a savings to ratepayers and to the citizens of Florida. Utility involvement can help drive the building code toward greater economic efficiency. (Chernick).

EVANS: In evaluating measures and in setting goals, the Commission and utilities should evaluate separately the new construction and retrofit market segments. The Commission should consider DCA's analysis of prospective code changes, and include non-prescriptive code options in the DSM potential. Many measures can be screened and then made a part of a cost-effective new home construction program that can be implemented at a savings to ratepayers and to the citizens of Florida. Utility involvement can help drive the building code toward greater economic efficiency. (Chernick).

FCC: Building code provisions relating to energy efficiency and utility DSM programs are complimentary and supplementary. The Commission should work with the Department of Community Affairs and other interested parties on these issues in the manner requested by the Department.

FlaSEIA: No position.

CITY GAS: No position.

PEOPLES: No position.

WFNG: No position.

FIPUG: No position.

CEPA: No position.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: If certain measures are a part of the energy code, their impacts should not be included in the values used to calculate DSM goals, presuming that the utility did not invest in promoting these code requirements. Regulated utilities should not be required to promote measures that rightly belong in the energy code.

CEED: No position.

STAFF: No position at this time.

ISSUE 58: ISSUE DELETED.

ISSUE 59: ISSUE DELETED.

ISSUE 60: ISSUE DELETED.

LEGAL

ISSUE 61: What does "reasonably achievable" mean in Rule 25-17.0021, F.A.C.? (LEAF)

FPL: This term has no legal definition. FPL believes that on its face it means that there is a reasonable prospect that the goals established can be achievable through due diligence. Goals should not be unattainable or even so aggressive that there is not a reasonable prospect that they can be achieved.

FPC: This term does not lend itself to precise definition. At a minimum, it implies that goals should be set at less than the maximum achievable level. "Reasonably achievable" goals therefore would allow a utility the opportunity to exceed as well as fall short of the goal. (Jacob)

- GULF:** "Reasonably achievable" should be interpreted to mean energy savings based on technologies which are available in the marketplace and which have been demonstrated to achieve kw and kwh savings in a cost-effective manner.
- TECO:** Again, the rule adopted by the Commission speaks for itself and Tampa Electric has not attempted to interpret language contained in the rule in connection with any specific factual situation.
- DCA:** Those energy and demand savings that can be acquired by utilities' "best efforts" to develop and implement DSM programs, taking into account a reasonable planning process that includes estimates of overlapping measures, rebound effects, free riders, interactions with building codes and appliance efficiency standards, and the utilities' latest monitoring and evaluation of conservation programs and measures.
- DOE:** No position.
- LEAF:** It means those energy and demand savings that can be acquired by utilities' "best efforts" to develop and implement DSM programs, taking into account a reasonable planning process that includes estimates of overlapping measures, rebound effects, free riders, interactions with building codes and appliance efficiency standards, and the utility's latest monitoring and evaluation of conservation programs and measures.
- EVANS:** It means those energy and demand savings that can be acquired by utilities' "best efforts" to develop and implement DSM programs, taking into account a reasonable planning process that includes estimates of overlapping measures, rebound effects, free riders, interactions with building codes and appliance efficiency standards, and the utility's latest monitoring and evaluation of conservation programs and measures.

FCC: "Reasonably achievable" refers to conservation goals that are consistent with impacts that are deemed to be reasonable. The Commission has a general charge to approve conservation goals that are proposed by any party if the goals satisfy this requirement.

FlaSEIA: No position.

CITY GAS: No position.

PEOPLES: No position.

WFNG: No position.

FIPUG: No position.

CEPA: CEPA would define "reasonably achievable" to be DSM programs which are cost-effective when all demand and supply side alternatives are contemporaneously evaluated.

FECA: No position.

FMEA: No position.

JEA: No position.

GAINESVILLE: No position.

TALLAHASSEE: No position.

CEED: No position.

STAFF: No position at this time.

ISSUE 62: ISSUE DELETED.

VII. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Sim	FPL	<u>(SRS-1)</u>	Cost-Effectiveness Goals Results Report Appendix K (Volumes 1-11)
Sim	FPL	<u>(SRS-2)</u>	Prefiled Exhibit of S.R. Sim, Documents 1-6
Hugues/ Sim	FPL	<u>(EGH/SRS-1)</u>	FPL Cost-Effectiveness Goals Results Report
Hugues/ Sim	FPL	<u>(EGH/SRS-2)</u>	Cost-Effectiveness Goals Results Report Appendices A-J
Hugues/ Sim	FPL	<u>(EGH/SRS-3)</u>	FPL Code/Utility (CUE) Measures Evaluation (Volumes 1-4)
Hugues/ Sim	FPL	<u>(EGH/SRS-4)</u>	FPL Cost-Effectiveness of Gas Measures
Hugues	FPL	<u>(EGH-1)</u>	Florida Power & Light Company, Demand Side Management Technical Market Potential Results Report
Hugues	FPL	<u>(EGH-2)</u>	Prefiled Exhibit of E.G. Hugues, Documents 1-13
Landon	FPL	<u>(JHL-1)</u>	Rebuttal Exhibit of J.H. Landon, Appendices 1 & 2, Documents 1-4
Hugues	FPL	<u>(EGH-3)</u>	Rebuttal Exhibit of E.G. Hugues, Document Nos. 14-20

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Sim	FPL	<u>(SRS-3)</u>	Rebuttal Exhibit of S.R. Sim, Document Nos. 1-4
FPL	LEAF	<u>(LEAF-1)</u>	LEAF Requests for Admissions to FPL No. 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 16, 17, 24, 25, 26, 34, 35.
Jacob	FPC	<u>(MFJ-1)</u>	FPC's Cumulative Conservation Goal Recommendation
Jacob	FPC	<u>(MFJ-2)</u>	Copy of Article from The Electricity Journal, "DSM: Not for Jobs, but on its Merits," by R.M. Solow
Jacob	FPC	<u>(MFJ-3)</u>	Summary section of "An Analysis of 'Employment Impacts of Electric Efficiency in Florida', A Study Prepared by the Goodman Group," by M.W. Butler
Nordlinger	FPC	<u>(ALN-1)</u>	FPC's Integrated Resource Planning Process
Nordlinger	FPC	<u>(ALN-2)</u>	Supply-Side Screening
Nordlinger	FPC	<u>(ALN-3)</u>	Reverse Screening
Nordlinger	FPC	<u>(ALN-4)</u>	1994 Integrated Resource Plan Base Optimal Supply-Side Plan

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Nordlinger	FPC	<u>(ALN-5)</u>	Demand-Side Portfolios
Nordlinger	FPC	<u>(ALN-6)</u>	1994 Integrated Resource Plan
Chamberlin	FPC	<u>(JHC-1)</u>	Resume and list of publications by John H. Chamberlin, Ph.D.
Chamberlin	FPC	<u>(JHC-2)</u>	List of Studies
Goldsmith	FPC	<u>(MWG-1)</u>	List of Selected Publications by Marc W. Goldsmith
Goldsmith	FPC	<u>(MWG-2)</u>	Comparison of Gas Rates Used by City Gas and Peoples' Gas
Goldsmith	FPC	<u>(MWG-3)</u>	Electric Resistance vs. Electric Heat Pump vs. Gas for Hot Water
Kilgore	GULF	<u>(JTK-1)</u>	Measures passing RIM, TRC tests; Gulf Power's Integrated Resource Planning Process; Proposed Conservation Goals
Kilgore	GULF	<u>(JTK-2)</u>	SRC comparison of conservation results for various utilities
Caves	GULF	<u>(DWC-1)</u>	Resume of Douglas W. Caves
Bushart	GULF	<u>(RDB-1)</u>	Copies of various articles from professional journals concerning economic analysis of DSM

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Long	GULF	<u>(CDL-1)</u>	Schematic outline of GULF/Southern integrated resource planning process
Currier	TECO	<u>(JEC-1)</u>	FPSC RIM and TRC Portfolios and Tampa Electric's RIM Portfolio
Bryant	TECO	<u>(HTB-1)</u>	Appendix A-Residential Measures
Bryant	TECO	<u>(HTB-2)</u>	Appendix B-Commercial Measures - RIM Section
Bryant	TECO	<u>(HTB-3)</u>	Appendix C-Commercial Measures - TRC Section
Bryant	TECO	<u>(HTB-4)</u>	Appendix D-Gross Savings Tables and Benefit/Cost Results Tables
Hernandez	TECO	<u>(TLH-2)</u>	Document No. 1 - Type and Size of Planned Units Document No. 2 - Incremental Supply and Demand Side Resources

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Tracy	TECO	<u>(DAT-1)</u>	Document No. 1 - Residential Hydro-Heat Document No. 2 - Residential Gas Water Heater Document No. 3 - Gas Engine Drive Chiller - College Document No. 4 - Gas Engine Drive Chiller - Hospital Document No. 5 - Commission Cost Effectiveness Test (Participant) Residential Hydro-Heat (Double Integrated Appliance) Document No. 6 - Commission Cost Effectiveness Test (Participant) Residential Gas Water Heater
Fox-Penner	DOE	<u>(PSF-1)</u>	<u>DOE Exhibit A</u> , a biography which describes Dr. Fox-Penner's qualifications
Fox-Penner	DOE	<u>(PSF-2)</u>	<u>DOE Exhibit B</u> , a statement of the Federal Executive Agencies' positions on demand-side management issues in proceedings before regulatory commissions.
Dismukes	LEAF	<u>(DED-1)</u>	Composite SRC-IOU Comparison Schedules
Chernick	LEAF	<u>(PC-1)</u>	Resume of Paul Chernick

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Chernick	LEAF	<u>(PC-2)</u>	Summary of Externality Values
Chernick	LEAF	<u>(PC-3)</u>	FPL Plant-Distribution Calculations
Chernick	LEAF	<u>(PC-4)</u>	FPL Transmission Data
Chernick	LEAF	<u>(PC-5)</u>	Comparison of Estimated Savings Potential & Goals
Chernick	LEAF	<u>(PC-6)</u>	LEAF Proposed Goals
Evans	Evans	<u>(DBE-1)</u>	Palm Beach Post article.
Evans	Evans	<u>(DBE-2)</u>	Worth magazine article.
Chavis	FCC	<u>(LRC-1)</u>	Florida Power & Light's answers to FCC's first interrogatories on low income programs
Chavis	FCC	<u>(LRC-2)</u>	Florida Power Corp.'s answers to FCC's first interrogatories on low income programs
Chavis	FCC	<u>(LRC-3)</u>	Gulf Power Co.'s answers to FCC's first interrogatories on low income programs
Chavis	FCC	<u>(LRC-4)</u>	Tampa Electric Co.'s answers to FCC's first interrogatories on low income programs
Chavis	FCC	<u>(LRC-5)</u>	Current FPSC approved conservation programs

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Chavis	FCC	<u>(LRC-6)</u>	FPSC tabulated energy conservation program costs as of April 13, 1994
Frazier	FCC	<u>(HF-1)</u>	Excerpt from DOE, <u>State Energy Price and Expenditure Report 1991</u> (September 1993)
Frazier	FCC	<u>(HF-2)</u>	State weatherization waiting list survey conducted in October, 1993
Nelson	FCC	<u>(MJN-1)</u>	Resume of M. Jane Nelson
Nelson	FCC	<u>(MJN-2)</u>	Comparison of Florida electric utility conservation goals with SRC analysis prepared by David Dismukes
Nelson	FCC	<u>(MJN-3)</u>	LEAF's proposed draft IRP rule for Florida electric utilities
Nelson	FCC	<u>(MJN-4)</u>	Analysis of economic and environmental externalities prepared by Dr. Paul Template
Nelson	FCC	<u>(MJN-5)</u>	Planning process overviews supplied by the electric utilities at the March 3, 1994 staff workshop
Nelson	FCC	<u>(MJN-6)</u>	Florida Power & Light's present value revenue requirements analysis

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<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Nelson	FCC	<u>(MJN-7)</u>	Florida Power & Light's RIM preliminary cost effectiveness screening work sheet
Stutz	FCC/LEAF	<u>(JS-1)</u>	Differences between traditional planning and integrated resource planning
Stutz	FCC/LEAF	<u>(JS-2)</u>	"Optional investing," <u>The Economist</u> , January 8, 1994
Stutz	FCC/LEAF	<u>(JS-3)</u>	Employment growth in Florida and in the United States, 1987-1992, by firm size
Stutz	FCC/LEAF	<u>(JS-4)</u>	Percent of family income spent on natural gas and electricity in the United States, by income
Guiney	FlaSEIA	<u>(WTG-1)</u>	Composite Exhibit on Solar Energy Potential and Proposed Numeric Solar Energy Goals
Shelley	DCA	<u>(LLS-1)</u>	The Wisconsin Public Service Commission
Shelley	DCA	<u>(LLS-2)</u>	The memorandum of understanding between the Department and the Public Service Commission

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Shelley	DCA	<u>(LLS-3)</u>	A letter from L. Benjamin Starrett to Chairman Deason dated January 13, 1994, that provides additional information about the Department's position Conservation/Utility Evaluation (CUE) measures
Dixon	DCA	<u>(RD-1)</u>	Board of Building Codes staff evaluation of CUE measures
Dixon	DCA	<u>(RD-2)</u>	Florida Solar Energy Corp. evaluation of building efficiency standard system
Dixon	DCA	<u>(RD-3)</u>	Report on cooperation between building inspectors and utilities: To be offered by Dixon.
Goodman	DCA	<u>(IG-1)</u>	Goodman Report
Goodman	DCA	<u>(IG-2)</u>	Goodman Resume
Krier	DCA	<u>(BK-1)</u>	Krier Resume
Oven	DCA	<u>(HSO-1)</u>	Report on power plant emissions.
McDonald	DCA	<u>(CM-1)</u>	The Synergic Resources Corp. (SRC) report
Stark	CITY GAS	<u>(JBS-1)</u>	Report On Natural Gas Potential

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<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Stark	CITY GAS	<u>(JBS-2)</u>	Settlement Offer
Furman	CITY GAS	<u>(RCF-1)</u>	Electric Air Conditioning System v. Natural Gas Engine Air Conditioning System
Furman	CITY GAS	<u>(RCF-2)</u>	Monthly Energy Bills
Furman	CITY GAS	<u>(RCF-3)</u>	List of Recent Gas Engine Chiller Installations
Furman	CITY GAS	<u>(RCF-4)</u>	List of Gas-Fired Desiccant Dehumidification Systems
Furman	CITY GAS	<u>(RCF-5)</u>	Diagram Conventional Energy System v. Engine-Generator Cogenerator System
Furman	CITY GAS	<u>(RCF-6)</u>	List of Cogeneration Plants in Florida
Furman	CITY GAS	<u>(RCF-7)</u>	List of Non-Utility Generators in Florida
Blaylock/ Krutsinger	PEOPLES	<u>(WAC/VIK-1)</u>	Participant's Test for Residential Gas Measures
Blaylock/ Krutsinger	PEOPLES	<u>(WAC/VIK-2)</u>	Participant's Test for Commercial and Industrial Gas Measures
German	PEOPLES	<u>(MIG-1)</u>	Natural Gas Technologies Included in Electric Utility DSM
German	PEOPLES	<u>(MIG-2)</u>	EPA Letter to FERC Chairman

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
German	PEOPLES	<u>(MIG-3)</u>	Electric versus Natural Gas Price - Residential Sector
German	PEOPLES	<u>(MIG-4)</u>	U. S. Department of Energy, Notice of Proposed Rulemaking and Public Hearing, Docket No. EE-RM-90-021, Energy Conservation Program for Consumer Products
German	PEOPLES	<u>(MIG-5)</u>	Natural Gas: Can It Play a Major Role in Limiting Greenhouse Warming?
Krutsinger	PEOPLES	<u>(VIK-1)</u>	Summary of Peoples Gas System's Energy Conservation Programs
Krutsinger	PEOPLES	<u>(VIK-2)</u>	Peoples Gas System - Program Status Summary
Krutsinger	PEOPLES	<u>(VIK-3)</u>	Peoples Gas System - Estimated Electric Demand and Energy Savings from Residential Gas Use Revenue Requirements Comparison Example, With and Without Emission Allowance Considerations
Seelke	PEOPLES	<u>(JLS-1)</u>	SO2 Emissions Saving From Replacing an Electric Resistance Water Heater in a Single Family Home.
Seelke	PEOPLES	<u>(JLS-2)</u>	SO2 Emissions Saving From Replacing an Electric Resistance Water Heater in a Single Family Home.
FPC	PEOPLES	<u>(PGS-1)</u>	Evaluation of Natural Gas Measures

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
FPL	PEOPLES	<u>(PGS-2)</u>	Evaluation of Natural Gas Measures
GULF	PEOPLES	<u>(PGS-3)</u>	Evaluation of Natural Gas Measures
TECO	PEOPLES	<u>(PGS-4)</u>	Evaluation of Natural Gas Measures
Slater	CEPA	<u>(KJS-1)</u>	Technical Qualifications and Professional Experience
Schmalensee	CEED	<u>(RLS-1)</u>	Composite Rebuttal Exhibit of Richard L. Schmalensee

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

VIII. PROPOSED STIPULATIONS

The parties have verbally stipulated to the admissibility of the SRC Final Report and appendixes into evidence.

LEAF and FPC have entered into a stipulation pertaining to certain procedural and substantive issues which was filed in Docket No. 930549-EG.

IX. RULINGS

On May 13, 1994, City Gas sent a memorandum to all parties of record stating City Gas intended to present a short video on natural gas cooling technologies prior to Mr. Furman's testimony. On May 16, 1994, TECO filed a motion to exclude the videotape from proffered evidence at the hearing. On May 19, 1994, City Gas responded in opposition to TECO's motion. I rule that the video shall not be shown at the hearing; instead, City Gas can utilize the video as an exhibit, and as such it shall be treated as any other evidence proffered in these dockets. If parties wish to


conduct cross examination concerning the video, they must view it, write down what was said, and then ask their questions at the hearing. Thus, City Gas may proffer the video into evidence, but the videotape may not be presented as testimony during the hearing.

Post-hearing briefs are due July 22, 1994.

It is therefore,

ORDERED by Chairman J. Terry Deason, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Chairman J. Terry Deason, as Prehearing Officer, this 26th day of May, 1994.


J. TERRY DEASON, Chairman and
Prehearing Officer

(S E A L)
MAH:bmi

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for

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reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.