

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Adoption of Numeric
Conservation Goals by Florida
Power & Light Company.

DOCKET NO. 971004-EG

In re: Adoption of Numeric
Conservation Goals by Florida
Power Corporation.

DOCKET NO. 971005-EG

In re: Adoption of Numeric
Conservation Goals by Gulf Power
Company.

DOCKET NO. 971006-EG

In re: Adoption of Numeric
Conservation Goals by Tampa
Electric Company.

DOCKET NO. 971007-EG
ORDER NO. PSC-99-1596-PHO-EG
ISSUED: August 16, 1999

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code, a Prehearing Conference was held on August 16, 1999, in Tallahassee, Florida, before Chairman Joe Garcia, as Prehearing Officer.

APPEARANCES:

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On behalf of Florida Power & Light Company (FPL).

JAMES A. MCGEE, ESQUIRE, Post Office Box 14042, St. Petersburg, Florida 33733-4042
On behalf of Florida Power Corporation (FPC).

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On behalf of Gulf Power Company (GULF).

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On behalf of Tampa Electric Company (TECO).

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On behalf of Florida Industrial Power Users Group (FIPUG).

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On behalf of the Commission Staff (STAFF).

PREHEARING ORDER

I. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, Florida Administrative Code, this Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

II. CASE BACKGROUND

Docket Nos. 971004-EG, 971005-EG, 971006-EG, and 971007-EG were opened to implement Rule 25-17.0021, Florida Administrative Code. This rule requires the Commission to establish numeric demand side management (DSM) goals for electric utilities subject to Section 366.82(1), Florida Statutes. The Commission originally established numeric goals by Order No. PSC-94-1313-FOF-EG issued October 25, 1994. Pursuant to the rule, the Commission is required to set goals for each jurisdictional utility at least once every five years.

An Order Establishing Procedure, Order No. PSC-98-0384-PCO-EG, was issued March 10, 1998. Pursuant to this order, Florida Power and Light Company (FPL), Florida Power Corporation (FPC), Gulf Power Company (Gulf), and Tampa Electric Company (TECO) were required to propose numeric goals for the ten year period from 2000-2009. These proposed goals, based upon each utility's most recent planning process, consist of the total, cost-effective winter and summer peak demand (KW) and annual energy (kWh) savings reasonably achievable from DSM for the residential and commercial/industrial classes.

On December 30, 1998, LEAF filed a Motion To Extend Discovery Schedule and Filing Date For LEAF's Testimony and Exhibits. LEAF's Motion did not expressly ask for a continuance of the hearing,

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originally scheduled for May 10-14, 1999, although the extension of time requested by LEAF would suggest a continuance of the hearings. The Commission, in approving LEAF's motion in Order No. PSC-99-0511-PCO-EG, issued March 11, 1999, stated that LEAF had demonstrated good cause for an extension of time to conduct discovery and file its testimony and exhibits. The hearing for the dockets was continued until August 18-20, 1999. An Amended Order Establishing Procedure was issued providing revised due dates.

On May 3, 1999, FPC and LEAF filed a Joint Motion to Approve Stipulation in Docket No. 971005-EG. Order No. PSC-99-1380-FOF-EG, issued July 19, 1999, approved the joint stipulation. Pursuant to the Stipulation, LEAF agreed to withdraw from the docket and take no position on FPC's proposed numeric DSM goals. In return, FPC agreed to investigate and, if feasible, develop various energy-efficiency measures such as low income weatherization assistance, green pricing, and project-specific energy efficiency measures for commercial/industrial customers.

On June 10, 1999, LEAF filed a Motion for Extension of Time to file direct and rebuttal testimony due to LEAF's attempt to reach settlement with the utilities. On June 18, 1999, Order No. PSC-99-1214-PCO-EG was issued granting LEAF's motion.

On June 23, 1999, LEAF filed a Motion to Toll Time for Filing Testimony in Docket No. 971004-EG. The Motion asked that the Commission toll the time for filing testimony in FPL's goals docket "until a reasonable time after the Commission votes on the Joint Motion to Approve the LEAF-FPL stipulation." LEAF's motion was granted by Order No. PSC-99-1262-PCO-EG, issued June 29, 1999.

On June 24, 1999, LEAF filed a Motion to Toll Time for Filing Testimony in Docket No. 971007-EG. The motion was granted, in Order No. PSC-99-1263-PCO-EG, issued June 29, 1999, to allow LEAF and TECO time to attempt to negotiate a settlement.

As a result of the orders extending due dates and tolling time to file testimony, Order No. PSC-99-1361-PCO-EG was issued July 15, 1999. This order extended certain due dates to allow Commission staff and the parties to discuss a negotiated resolution of all issues pending in the dockets.

LEAF ultimately reached separate stipulations with Gulf, FPL, and TECO which were essentially the same as the stipulation reached previously with FPC. Pursuant to all stipulations reached between

LEAF and the utilities, LEAF agreed to withdraw from the goals dockets and take no position on the utilities' proposed numeric DSM goals. Order No. PSC-99-1381-FOF-EG, issued July 19, 1999, approved the stipulation between LEAF and Gulf in Docket No. 971006-EG. Order No. PSC-99-1412-S-EG, issued July 23, 1999, approved the stipulation between LEAF and FPL in Docket No. 971004-EG. Order No. PSC-99-1585-S-EG, issued August 13, 1999, approved the stipulation between LEAF and TECO in Docket No. 971007-EG.

Based on the positions taken by the parties in their prehearing statements, there is no disagreement as to the appropriate numeric conservation goals for any utility. Therefore, the matter will be presented to the Commission as a stipulation.

III. 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.

1. Any party intending to utilize confidential documents at hearing for which no ruling has been made, must be prepared to present their justifications at hearing, so that a ruling can be made at hearing.

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

- a) 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.
- b) 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.
- c) 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.
- d) 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.
- e) 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 Division of Records and Reporting's confidential files.

IV. POST-HEARING PROCEDURES

Each party shall 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. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, Florida Administrative Code, 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 40 pages, and shall be filed at the same time.

V. 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.

VI. ORDER OF WITNESSES

All witness names preceded by an asterisk (*) have been excused from appearing at the hearing.

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
* C. Dennis Brandt	FPL	1, 2
* S. R. Sim	FPL	1, 2
* Michael F. Jacob	FPC	3, 4
* M. D. Neyman	GULF	5, 6
* M. J. McCarthy	GULF	5, 6
* Howard T. Bryant	TECO	7, 8

VII. BASIC POSITIONS

FPL: FPL's proposed DSM goals should be approved as filed.

FPC: FPC's proposed numeric conservation goals for the period 2000 through 2009 are reasonable and should be approved by the Commission.

GULF: It is the basic position of Gulf Power Company that the proposed goals are reasonably achievable for the residential and commercial/industrial classes during the period 2000 through 2009 and that said goals should be approved by the Florida Public Service Commission.

TECO: The Commission should adopt the goals proposed herein by Tampa Electric consistent with the Stipulation entered into by the company and the Legal Environmental Assistance Foundation and approved by the Commission at its July 27, 1999 Agenda Conference.

FIPUG: None.

STAFF: 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.

In 1994, after lengthy hearings, the Commission established numeric goals for the IOUs based on DSM measures which passed the Rate Impact Measure (RIM) test. Intervenors to the prior goals dockets, LEAF and the Department of Community Affairs (DCA), argued that DSM measures which passed the Total Resource Cost (TRC) test alone but fail RIM should be used to establish goals. The Commission found in Order No. PSC-94-1313-FOF-EG, issued October 25, 1994, that:

. . . goals based on measures that pass TRC but not RIM would result in increased rates and would cause customers who do not participate in a utility DSM measure to subsidize customers who do participate. Since the record reflects that the benefits of adopting a TRC goal are minimal, we do not believe that increasing rates, even slightly, is justified.

Order No. PSC-94-1313-FOF-EG also stated the Commission's decision regarding penalties for those utilities who fail to achieve their DSM goals:

Any utility that does not achieve its goal shall be either penalized or have programs prescribed to it in a manner to be determined by this Commission on a case-by-case basis.

The numeric residential and commercial/industrial goals proposed in the instant dockets by FPL, FPC, Gulf, and TECO are reasonable and should be approved by the Commission. The utilities have appropriately used the RIM test to determine the cost-effective level of achievable DSM. The Commission's RIM policy should be continued by approving the RIM-based numeric goals as proposed by the IOUs in the instant dockets.

Overall, the level of each utility's demand and energy goals is lower than the goals approved by the Commission in 1994. The primary reason for decreased numeric goals is that the cost of new generating units has dropped substantially in the last five years. Without a corresponding decrease in the cost of delivering DSM, the result is that fewer DSM programs are cost-effective. In addition, some existing DSM programs are approaching saturation levels. This has reduced the market potential of some DSM measures.

For the same reasons noted above, the utilities have failed to meet some of the existing numeric goals set in 1994. Utilities had

to modify existing DSM programs, primarily by reducing rebates and incentives to customers, to keep them cost-effective. This resulted in less than forecasted participation in utility DSM programs. Staff does not recommend the Commission penalize a utility for not achieving its 1994 DSM goals. In addition, the threat of a penalty may give a perverse incentive to utilities to pursue DSM that is not cost-effective solely for the sake of achieving their numeric goals. The savings of most DSM measures, with the exception of load management or any other utility controlled measure, are estimated using engineering models. Measuring actual savings is a costly, time consuming exercise which the IOUs attempt on a limited basis. This exercise, however, is not completely precise. Threatening to penalize a utility for not meeting goals based on estimated DSM measure savings is not appropriate.

Rule 25-17.0021(5), Florida Administrative Code, provides for the filing of an annual report detailing the utilities' goal achievement efforts. In this report, utilities are required under the rule to justify variances in excess of 15% of a utility's annual goals.

A. FPL's Evaluation of DSM Measures

FPL evaluated approximately 230 DSM measures for this docket. This list consisted primarily of measures evaluated during the last goals docket. A multi-step evaluation process, including tests for cost-effectiveness, were then performed. Those measures with a RIM and Participant test ratio greater than 1.0 were used to develop the savings potential. All potential DSM measures were evaluated against a base case, supply-side only expansion plan. As a result of FPL's analysis, the savings from 47 DSM measures were summed to arrive at the proposed numeric goals.

B. FPC's Evaluation of DSM Measures

FPC evaluated approximately 120 DSM measures, consisting essentially of the list of measures evaluated in the last goals docket. FPC's evaluation considered the issues and end-use categories specified in Rule 25-17.0021(3), Florida Administrative Code. All potential DSM measures were evaluated against a base case, supply-side only expansion plan for cost-effectiveness using the RIM, TRC, and Participant tests. From this analysis, ten residential and twelve commercial/industrial DSM measures were found to be cost-effective. The seasonal demand and annual energy

savings associated with these cost-effective measures were summed by market segment to arrive at FPC's proposed goals.

C. Gulf's Evaluation of DSM Measures

Gulf evaluated approximately 120 DSM measures for this docket. These evaluated measures consist of the same measures Gulf evaluated in the last goals docket, along with new measures suggested by parties for which Florida-specific data was available. Gulf updated the financial assumptions and the estimated demand and energy savings for these measures where more recent data was available. All potential DSM measures were evaluated alongside supply-side measures in an integrated resource plan (IRP) that minimized total cost. For each of the five residential and six commercial/ industrial DSM measures included in Gulf's IRP, the seasonal demand and annual energy savings were added to arrive at Gulf's proposed goals.

D. TECO'S Evaluation of DSM Measures

TECO evaluated approximately 267 DSM measures which were determined to be potential utility programs in the last goals docket, measures for which it currently offers programs, measures which were designated in the last goals docket as having potential for inclusion in the building code, and measures suggested by parties for which Florida-specific data was available. These measures were then analyzed for cost-effectiveness, and those passing the RIM, TRC, and Participant tests were used in determining TECO's proposed numeric goals.

E. Treatment of Non-Firm Capacity

The treatment of non-firm capacity is an issue in Docket No. 981890-EU, an open docket investigating Peninsular Florida's reserve margins. If the Commission adjusts the amount of allowable non-firm resources for each utility as a result of a decision in the reserve margin docket, a corresponding adjustment in the affected utility's numeric goals should also be made.

VIII. ISSUES AND POSITIONS

Issues preceded by an asterisk (*) have been stipulated.

***ISSUE 1:** What should be FPL's residential winter demand, summer demand, and annual energy conservation goals for the period 2000-2009?

POSITIONS

FPL: FPL's residential goals should be those filed with FPL's petition and shown in Mr. Brandt's prefiled testimony, Document No. 1. They are restated below:

FPL's Residential Goals @ Meter

Year	Summer MW		Winter MW		Energy GWH	
	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
2000	75.5	75.5	91.6	91.6	91.9	91.9
2001	51.0	126.5	47.4	139.0	86.4	178.3
2002	42.9	169.4	31.0	170.0	88.8	267.1
2003	43.3	212.8	30.3	200.4	90.2	357.3
2004	43.8	256.6	29.8	230.1	91.6	448.9
2005	45.4	302.0	30.5	260.6	95.2	544.2
2006	45.0	347.0	28.5	289.0	96.7	640.9
2007	45.6	392.6	28.2	317.2	98.4	739.3
2008	46.7	439.4	28.4	345.7	101.0	840.3
2009	46.6	485.9	26.8	372.4	102.9	943.2

(Brandt, Sim)

FIPUG: No position.

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STAFF: The cumulative numeric goals should be:

Year	Summer MW	Winter MW	Annual gWh
2000	75.5	91.6	91.9
2001	126.5	139.0	178.3
2002	169.4	170.0	267.1
2003	212.8	200.4	357.3
2004	256.6	230.1	448.9
2005	302.0	260.6	544.2
2006	347.0	289.0	640.9
2007	392.6	317.2	739.3
2008	439.4	345.7	840.3
2009	485.9	372.4	943.2

***ISSUE 2:** What should be FPL's commercial/industrial winter demand, summer demand, and annual energy conservation goals for the period 2000-2009?

POSITIONS

FPL: FPL's commercial/industrial goals should be those filed with FPL's petition and shown in Mr. Brandt's prefiled testimony, Document No. 1. They are restated below:

FPL's Commercial/Industrial Goals @ Meter

Year	Summer MW		Winter MW		Energy GWH	
	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
2000	46.2	46.2	20.5	20.5	68.5	68.5
2001	27.1	73.3	11.6	32.2	29.1	97.6
2002	26.3	99.6	11.9	44.1	28.8	126.4
2003	27.0	126.6	12.7	56.8	30.7	157.1
2004	27.3	153.8	13.3	70.1	31.7	188.8
2005	27.8	181.6	14.1	84.2	33.8	222.6
2006	25.6	207.2	12.9	97.1	32.2	254.9
2007	25.2	232.4	12.7	109.8	30.9	285.7
2008	24.8	257.2	12.4	122.2	29.6	315.3
2009	21.7	278.8	10.8	133.0	28.1	343.4

(Brandt, Sim)

FIPUG: No position.

STAFF: The cumulative numeric goals should be:

Year	Summer MW	Winter MW	Annual gWh
2000	46.2	20.5	68.5
2001	73.3	32.2	97.6
2002	99.6	44.1	126.4
2003	126.6	56.8	157.1
2004	153.8	70.1	188.8
2005	181.6	84.2	222.6
2006	207.2	97.1	254.9
2007	232.4	109.8	285.7
2008	257.2	122.2	315.3
2009	278.8	133.0	343.4

Florida Power Corporation - 971005-EG

***ISSUE 3:** What should be FPC's residential winter demand, summer demand, and annual energy conservation goals for the period 2000-2009?

POSITIONS

FPC: FPC's residential conservation goals should be as set forth in Exhibit No. _____ (MFJ-1) to the direct testimony of Michael F. Jacob previously filed in this docket and attached hereto as Attachment A. Over the ten year planning period of 2000 through 2009 these residential goals are as follows:

389 MW of winter demand reduction,

125 MW of summer demand reduction,

185 GWh of energy reduction.

(Jacob)

FIPUG: No position.

STAFF: The cumulative numeric goals should be:

Year	Summer MW	Winter MW	Annual gWh
2000	10	30	15
2001	20	64	32
2002	32	102	50
2003	45	142	69
2004	58	185	88
2005	72	229	108
2006	85	271	127
2007	99	312	147
2008	112	352	166
2009	125	389	185

***ISSUE 4:** What should be FPC's commercial/industrial winter demand, summer demand, and annual energy conservation goals for the period 2000-2009?

POSITIONS

FPC: FPC's commercial/industrial conservation goals should be as set forth in Exhibit No. _____ (MFJ-1) to the direct testimony of Michael F. Jacob previously filed in this docket and attached hereto as Attachment A. Over the ten-year planning period of 2000 through 2009 these commercial/industrial goals are as follows:

37 MW of winter demand reduction,

38 MW of summer demand reduction,

19 GWh of energy reduction.

(Jacob)

FIPUG: No position.

STAFF: The cumulative numeric goals should be:

Year	Summer MW	Winter MW	Annual gWh
2000	4	4	2
2001	8	7	4
2002	11	11	6
2003	15	15	8
2004	19	18	10
2005	23	22	12
2006	26	26	13
2007	30	30	15
2008	34	33	17
2009	38	37	19

Gulf Power Company - 971006-EG

***ISSUE 5:** What should be Gulf's residential winter demand, summer demand, and annual energy conservation goals for the period 2000-2009?

POSITIONS

GULF: The following table contains the overall goals Gulf deems reasonably achievable for the residential classes during the period 2000 through 2009.

<u>Year</u>	<u>Summer Peak KW Reduction (at Generator)</u>	<u>Winter Peak KW Reduction (at Generator)</u>	<u>Annual MWH Reduction (at Generator)</u>
2000	22,331	26,009	16,719
2001	43,092	50,008	31,770
2002	67,894	78,744	49,753

<u>Year</u>	<u>Summer Peak KW Reduction (at Generator)</u>	<u>Winter Peak KW Reduction (at Generator)</u>	<u>Annual MWH Reduction (at Generator)</u>
2003	89,031	103,234	65,238
2004	107,465	124,603	78,904
2005	123,197	142,850	90,751
2006	135,075	156,606	99,885
2007	146,953	170,363	109,018
2008	154,977	179,628	115,437
2009	163,002	188,894	121,857

FIPUG: No position.

STAFF: The cumulative numeric goals should be:

Year	Summer MW	Winter MW	Annual gWh
2000	22.3	26.0	16.7
2001	43.1	50.0	31.8
2002	67.9	78.7	49.8
2003	89.0	103.2	65.2
2004	107.5	124.6	78.9
2005	123.2	142.9	90.8
2006	135.1	156.6	99.9
2007	147.0	170.4	109.0
2008	155.0	179.6	115.4
2009	163.0	188.9	121.9

***ISSUE 6:** What should be Gulf's commercial/industrial winter demand, summer demand, and annual energy conservation goals for the period 2000-2009?

POSITIONS

GULF: The following table contains the overall goals Gulf deems reasonably achievable for the commercial/industrial classes during the period 2000 through 2009.

<u>Year</u>	<u>Summer Peak KW Reduction (at Generator)</u>	<u>Winter Peak KW Reduction (at Generator)</u>	<u>Annual MWH Reduction (at Generator)</u>
2000	46,069	36,130	2,103
2001	47,395	37,274	4,172
2002	48,718	38,415	6,239
2003	50,041	39,555	8,307
2004	51,365	40,696	10,378
2005	52,689	41,838	12,452
2006	54,014	42,980	14,529
2007	55,340	44,123	16,608
2008	56,666	45,266	18,690
2009	57,993	46,410	20,774

FIPUG: No position.

STAFF: The cumulative numeric goals should be:

Year	Summer MW	Winter MW	Annual gWh
2000	46.0	36.1	2.1
2001	47.4	37.3	4.2
2002	48.7	38.4	6.2

Year	Summer MW	Winter MW	Annual gWh
2003	50.0	39.6	8.3
2004	51.4	40.7	10.4
2005	52.7	41.8	12.5
2006	54.0	43.0	14.5
2007	55.3	44.1	16.6
2008	56.7	45.3	18.7
2009	58.0	46.4	20.8

Tampa Electric Company - 971007-EG

***ISSUE 7:** What should be TECO's residential winter demand, summer demand, and annual energy conservation goals for the period 2000-2009?

POSITIONS

TECO:

**Proposed Residential Goals
2000 - 2009**

Year	Summer Goal (MW)	Winter Goal (MW)	Annual Energy Goal (GWH)
2000	5.8	16.7	10.3
2001	11.1	32.2	20.0
2002	16.1	46.3	29.0
2003	20.7	59.2	37.5
2004	25.0	70.7	45.3
2005	28.8	81.0	52.5
2006	32.2	90.0	59.1
2008	35.3	97.7	65.1
2008	38.0	104.1	70.5
2009	40.3	109.1	75.3

FIPUG: No position.

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STAFF: The cumulative numeric goals should be:

Year	Summer MW	Winter MW	Annual gWh
2000	5.8	16.7	10.3
2001	11.1	32.2	20.0
2002	16.1	46.3	29.0
2003	20.7	59.2	37.5
2004	25.0	70.7	45.3
2005	28.8	81.0	52.5
2006	32.2	90.0	59.1
2007	35.3	97.7	65.1
2008	38.0	104.1	70.5
2009	40.3	109.1	75.3

***ISSUE 8:** What should be TECO's commercial/industrial winter demand, summer demand, and annual energy conservation goals for the period 2000-2009?

POSITIONS

TECO:

**Proposed Commercial Goals
 2000 - 2009**

Year	Summer Goal (MW)	Winter Goal (MW)	Annual Energy Goal (GWH)
2000	3.5	1.5	12.9
2001	6.9	3.0	25.7
2002	10.4	4.5	38.6
2003	13.5	5.9	50.3
2004	16.7	7.3	61.9
2005	19.9	8.7	73.6
2006	22.8	10.0	84.1
2008	25.8	11.3	94.5
2008	28.4	12.4	104.9
2009	30.8	13.4	114.1

FIPUG: No position.

STAFF: The cumulative numeric goals should be:

Year	Summer MW	Winter MW	Annual gWh
2000	3.5	1.5	12.9
2001	6.9	3.0	25.7
2002	10.4	4.5	38.6
2003	13.5	5.9	50.3
2004	16.7	7.3	61.9
2005	19.9	8.7	73.6
2006	22.8	10.0	84.1
2007	25.8	11.3	94.5

Year	Summer MW	Winter MW	Annual gWh
2008	28.4	12.4	104.9
2009	30.8	13.4	114.1

IX. EXHIBIT LIST

Witness names preceded by an asterisk (*) have been excused from appearing at the hearing. These exhibits will be entered into the record as though read.

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
<u>Direct</u>			
*Brandt	FPL	_____	Prefiled Exhibit of C. Dennis Brandt, Document Nos. 1 - 15: Presents FPL's DSM goals prior goals performance, achievable potential, m e a s u r e identification process, cost-effectiveness screening, model inputs and sources, and final cost-effectiveness.
		(-)	

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
*Sim	FPL	<u> </u> (-)	Prefiled Exhibit of Dr. S.R. Sim, Document Nos. 1 - 13: Overview of IRP Process, load and energy forecast, fuel forecast, projected resource need, peak load shapes and effect of non-firm load, supply only resource plan, system average levelized rate for supply only plan, competing resource plan, comparison of reserve margins with supply and DSM resource plans, system average levelized rate with DSM plan, comparisons of 1994 and 1998 projections for a CC unit.
*Jacob	FPC	<u> </u> (MFJ - 1)	FPC's Proposed Numeric Conservation Goals
*Jacob	FPC	<u> </u> (MFJ - 2)	FPC's Ten-Year Projection of DSM Savings
*Jacob	FPC	<u> </u> (MFJ - 3)	Details of Conservation Measures Selected

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
*Neyman	GULF	<u> </u> (MDN - 1)	Gulf Power Company R e s i d e n t i a l , Commercial/Industrial goals, comparison of current and proposed goals, and comparison of achieved kW and kWh reductions.
*McCarthy	GULF	<u> </u> (MJM - 1)	Total residential, commercial and industrial goals. R e s i d e n t i a l , commercial and industrial proposed goals and measures.
*Bryant	TECO	<u> </u> (HTB - 1)	Exhibit of Howard T. Bryant

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

X. PROPOSED STIPULATIONS

As to those parties taking positions on the issues identified in this prehearing order, there is no disagreement. FIPUG and LEAF take no positions on the issues identified in this prehearing order. Accordingly, the case will be presented to the Commission for decision.

XI. PENDING MOTIONS

There are no pending motions at this time.

XII. PENDING CONFIDENTIALITY MATTERS

There are no pending confidentiality matters at this time.

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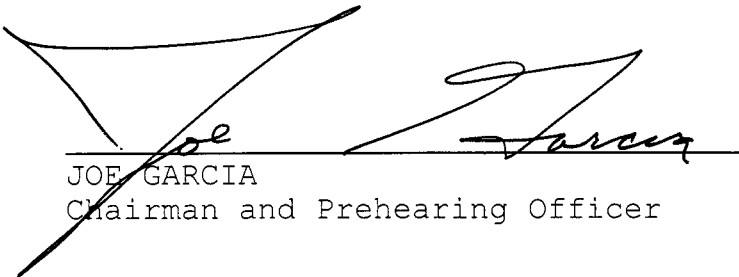
DOCKETS NOS. 971004-EG, 971005-EG, 971006-EG, 971007-EG

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It is therefore,

ORDERED by Chairman Joe Garcia, 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 Joe Garcia, as Prehearing Officer, this 16th day of August, 1999.



JOE GARCIA
Chairman and Prehearing Officer

(S E A L)

RVE

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

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 25-22.0376, Florida Administrative Code, if issued by a Prehearing Officer; (2)

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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 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.