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January 10, 2000

By Facsimile
(850) 413-7118

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
110 Betty Easley Conference Center
Tallahassee, Florida 32399-0850

**Re: Addition of Numeric Conservation Goals and Consideration
Standards of National Energy Policy Act (§ 111) by
Jacksonville Electric Authority - Docket 990720-EG**

Dear Ms. Bayo:

Enclosed please find an original and fifteen (15) copies of JEA's Prehearing Statement and Notice of Filing and Certificate of Service regarding same to be filed in the above-captioned docket. Also enclosed is a diskette of the Prehearing Statement. Please file stamp the enclosed extra copy of this letter and return it to me in the self-addressed, stamped envelope provided to acknowledge receipt and filing. Thank you for your assistance.

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG 3
- LEG _____
- MAS 3
- OPC _____
- RRR _____
- SEC 1
- WAW _____
- OTH _____

Very truly yours,

Michael B. Wedner
Assistant General Counsel

RECEIVED & FILED
FPC-BUREAU OF RECORDS

MBW/sbc
Enclosures

DOCUMENT NUMBER-DATE
00446 JAN 11 8
FPC-BUREAU OF RECORDS

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 990720-EG

**NOTICE OF FILING AND
CERTIFICATE OF SERVICE**

Please take notice that JEA is filing with PSC an original and fifteen (15) copies of its Prehearing Statement. I CERTIFY that copies of the Prehearing Statement have been furnished via U.S. mail this 10th day of January, 2000 to:

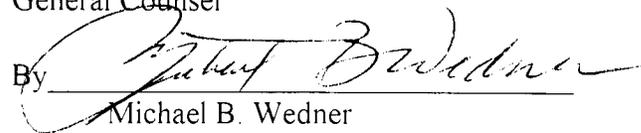
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Attorney for JEA

DOCUMENT NUMBER-DATE

00446 JAN 11 8

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Adoption of Numeric Conservation Goals for JEA.

DOCKET NO.: 990720-EG
FILED: January 10, 2000

Prehearing Statement
JEA

Pursuant to Order No. PSC-99-2133-PCO-EG dated October 28, 1999, JEA files its Prehearing Statement.

a. All Known Witnesses

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
James H. Adams	JEA	1, 2, 3, 4, and 5
Myron R. Rollins	JEA	1, 2, 3, 4, and 5

b. All Known Exhibits

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
JEA	JEA	(JEA-1)	JEA 2000 Demand-Side Management (DSM) Plan
James H. Adams	JEA	(JEA-1) (JHA-1)	Section 6.0 Proposed Numeric Goals
Myron R. Rollins	JEA	(JEA-1)	Sections 1.0,2.0,3.0,4.0,5.0,6.0, Appendix A, Appendix B

DOCUMENT NUMBER-DATE

00446 JAN 11 8

FPSC-RECORDS/REPORTING

c. **JEA Basic Position**

JEA is seeking the adoption of JEA's proposed numeric conservation goals and associated 2000 Demand-Side Management Plan.

In accordance with Rule 25-17.0021, Florida Administrative Code, numeric conservation goals must be established for JEA by the Florida Public Service Commission (PSC). The PSC initiated Docket 990720-EG to implement the requirements of Rule 25-17.0021 for JEA. JEA is required to propose numerical conservation goals for the ten year period 2001-2010. In response to this docket, JEA submitted the proposed numeric conservation goals, associated demand-side management plan and expert testimony to the PSC for approval on November 15, 1999 and is submitting a revised demand-side management plan dated January 10, 2000, incorporating PSC staff comments.

JEA studied numerous demand-side management measures, evaluated the measures using the PSC approved Florida Integrated Resource Evaluator (FIRE) Model and developed goals and a demand-side management plan based on the results. JEA appropriately used the RIM test to determine the cost-effective level of achievable DSM. JEA focused on demand-side alternatives that were the most likely to be cost-effective for a municipal utility in the state of Florida. The measures studied are measures previously tested or found cost-effective by JEA and Florida Power & Light's most cost-effective measure from their 1999 goals. No residential or commercial / industrial measures were found to be cost-effective.

JEA did not expect to find any DSM measures cost-effective based on the previous findings of Kissimmee Utility Authority (Docket No. 980802) and City of Lakeland (Docket No. 990023). Both Need for Power Dockets evaluated dozens of similar measures for DSM and found that no DSM measures were cost-effective. The primary reasons for decreased cost-effectiveness of DSM measures is the lower cost of new generation, greater efficiency of new generation, lower interest rates, and lower fuel costs and fuel price projections. These changes make it much more difficult for DSM to be cost-effective.

JEA has a long history of providing conservation and DSM programs to supply the needs of our customers. The nature of these programs has changed through time in response to our customers' need and the economics of the utility industry. JEA is currently providing several of these programs. Although JEA found no DSM measures to be cost-effective, JEA is proposing the continuation of these DSM measures. These programs include residential educational seminars, residential energy audits, commercial educational seminars, commercial energy audits and community conservation programs. JEA believes these programs continue to meet the overall needs of our customers at this time.

d. **JEA Issues and Positions**

ISSUE 1: Is the planning process and data used by JEA (JEA) in evaluating demand-side measures reasonable?

Position: Yes. The process of the economic comparison between an avoided unit and potential DSM conservation measures is appropriate. JEA has appropriately used the RIM test to determine the cost-effective level of achievable DSM. Data for the avoided unit and potential DSM measures are current, appropriate and reasonable.

ISSUE 2: Do JEA's proposed goals adequately reflect consideration of overlapping measures, rebound effects, free riders, interactions with building codes and appliance efficiency standards, and JEA's latest monitoring and evaluation of conservation programs and measures?

Position: Yes. JEA's proposed goals take into consideration overlapping measures, rebound effects, free riders, interactions with building codes and appliance efficiency standards and the latest monitoring and evaluation of conservation program measures.

ISSUE 3: Are JEA's proposed goals based upon an adequate assessment of the market segments and major end-use categories pursuant to Rule 25-17.0021 (3), Florida Administrative Code?

Position: Yes. JEA screened the most cost-effective measure from FPL's 1999 goals. FPL's measures include all categories pursuant to Rule 25-17.0021(3). If the most cost-effective measure was not cost-effective, then the lesser cost-effective measures would also fail to be cost-effective. Therefore JEA effectively screened all of FPL's measures for cost-effectiveness.

ISSUE 4: What should be JEA's annual residential winter and summer kW and annual residential kWh conservation goals for period 2001-2010?

Position: JEA's annual residential winter and summer kW and kWh conservation goals for the period 2001 – 2010 should be zero as shown in Exhibit JHA-1.

ISSUE 5: What should be JEA's annual commercial/industrial winter and summer kW and annual commercial/industrial kWh conservation goals for period 2001-2010?

Position: JEA's annual commercial / industrial winter and summer kW and kWh conservation goals for the period 2001 – 2010 should be zero as shown in Exhibit JHA-1.

e. **Questions of Law**

None at this time.

f. **Policy Questions**

None at this time.

g. **Stipulated Issues**

None at this time.

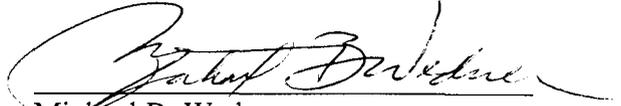
h. **Pending Motions**

None at this time.

i. **Compliance with Order No. PSC-99-2133-PCO-EG**

JEA has complied with all requirements of Order No. PSC-99-2133-PCO-EG.

Respectfully submitted this tenth day of January 2000.



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