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 Sent: Monday, July 27, 2009 4:20 PM
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 Cc: Lee Willis; Steve Griffin; George Cavros; Leon Jacobs; Suzanne Brownless; Jessica Cano; Wade Litchfield; jenglish@fpuc.com; Gary Perko; Teala Milton; Vicki Kaufman; Jeff Curry; Norman Horton; Charles Beck; John McWhirter; Jeremy Susac; Chris Browder; Paul Lewis; Katherine Fleming; Susan Clark; Susan Ritenour; Charlie Guyton; TECO Regulatory Dept.; Roy Young
 Subject: Dkt. 080409 TECO's Prehearing Statement
 Attachments: 080409 Ltr & PreHrg. St..pdf



080409 Ltr & reHrg. St..pdf (.pdf)

Electronic filing

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b. Docket Nos. 080407-EG - 080413-EG
 In re: Commission review of numeric conservation goals

c. The document is being filed on behalf of Tampa Electric Company (Docket No. 080409-EI)

d. There are a total of 11 pages

e. The document attached for electronic filing is Tampa Electric Company's Cover Letter and Prehearing Statement

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DOCUMENT NUMBER-DATE

07686 JUL 27 09

FPSC-COMMISSION CLERK

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July 27, 2009

VIA: ELECTRONIC FILING

Ms. Ann Cole, Director
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Commission review of numeric conservation goals (Tampa Electric Company);
FPSC Docket Nos. 080407-EG – 080413-EG

Dear Ms. Cole:

Enclosed for filing in the above-styled docket is Tampa Electric Company's Prehearing Statement.

By copy of this letter Tampa Electric is forwarding a diskette containing the above Prehearing Statement to Staff of the Florida Public Service Commission.

Sincerely,



James D. Beasley

JDB/pp
Enclosure

cc: All Parties of Record (w/enc.)

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Commission review of numeric conservation goals (Florida Power & Light Company).

DOCKET NO. 080407-EG

In re: Commission review of numeric conservation goals (Progress Energy Florida, Inc.).

DOCKET NO. 080408-EG

In re: Commission review of numeric conservation goals (Tampa Electric Company).

DOCKET NO. 080409-EG

In re: Commission review of numeric conservation goals (Gulf Power Company).

DOCKET NO. 080410-EG

In re: Commission review of numeric conservation goals (Florida Public Utilities Company).

DOCKET NO. 080411-EG

In re: Commission review of numeric conservation goals (Orlando Utilities Commission).

DOCKET NO. 080412-EG

In re: Commission review of numeric conservation goals (JEA).

DOCKET NO. 080413-EG

FILED: July 27, 2009

**TAMPA ELECTRIC COMPANY'S
PREHEARING STATEMENT**

A. APPEARANCES:

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

DOCUMENT NUMBER-DATE

07686 JUL 27 09

FPSC-COMMISSION CLERK

B. WITNESSES:

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
<u>(Direct)</u>		
1. Howard T. Bryant (TECO)	Presentation and support of Tampa Electric Company's proposed DSM Goals for 2010-2019	1,2,3,4,5,6,7,8,9,10, 11,12,13,14,15,16
2. Mike Rufo (TECO)	Presentation and summary of of the methodology, input data, and findings contained in the studies of technical potential and achievable potential for cost-effective energy efficiency and load management for the seven utilities subject to the requirements of the Florida Energy Efficiency and Conservation Act (FEECA), including Tampa Electric Company	1,2

(Rebuttal)

Tampa Electric is still in the process of preparing rebuttal testimony.

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
<u>(HTB-1)</u>	Bryant	Tampa Electric's 2010-2019 Proposed DSM Goals; Comprehensive DSM Measure List; Avoided Cost Data; RIM Economic Potential DSM Measures; TRC Economic Potential DSM Measures; 2010-2019 Achievable Potential for RIM and TRC; 2010-2019 Achievable Potential RIM & TRC Measures; DSM Economic Potential Cost-Effectiveness Sensitivity Analyses; 2010-2019 Bill Impacts of No Incremental DSM, RIM and TRC Portfolios
<u>(MR-1)</u>	Rufo	Recent Studies Conducted by Itron; Result of Achievable Savings Potential in 2019 by the FEECA Utilities; Methodology Explanation

(Rebuttal)

To be Determined by July 30, 2009

D. STATEMENT OF BASIC POSITION

Tampa Electric Company's Statement of Basic Position:

Based on the analysis performed by Tampa Electric for this current DSM goals setting process, the company's reasonably achievable generator level RIM-based DSM goals for the 2010-2019 period are 81.8 MW of summer demand savings, 40.9 MW of winter demand savings, and 201.7 GWH of annual energy savings. These amounts are detailed on an annual basis for both the residential and commercial/industrial sectors in Document No. 1 for Mr. Howard T. Bryant's Exhibit (HTB-1).

The conclusions reached by the National Resources Defense Council ("NRDC"), the Southern Alliance for Clean Energy ("SACE") and GDS Associates, Inc. ("GDS") in this proceeding do not give effect to Florida law and applicable rules of the Commission. Their recommended DSM goals are vastly overstated and, if adopted, would have a monumental negative impact on Tampa Electric's rates and charges from the perspective of the customers it serves.

E. STATEMENT OF ISSUES AND POSITIONS

ISSUE 1: Did the Company provide an adequate assessment of the full technical potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems, pursuant to Section 366.82(3), F.S.?

TECO: Yes. Through the work of a collaborative team comprised of Florida Power and Light Company, Progress Energy Florida, Inc., Tampa Electric Company, Gulf Power Company, Florida Public Utilities, Jacksonville Electric Authority, Orlando Utilities Commission (collectively "FEECA utilities"), SACE/NRDC and Itron, Tampa Electric provided an adequate assessment of the full technical potential pursuant to the Section 366.82(3), F.S. (Rufo, Bryant)

ISSUE 2: Did the Company provide an adequate assessment of the achievable potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems?

TECO: Yes. Through a rigorous and comprehensive evaluation process aimed at providing the highest Rate Impact Measure (“RIM”)-based cost-effective level of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems, Tampa Electric conducted and has provided an adequate assessment of DSM achievable potential. (Rufo, Bryant)

ISSUE 3: Do the Company's proposed goals adequately reflect the costs and benefits to customers participating in the measure, pursuant to Section 366.82(3)(a), F.S.?

TECO: Yes. Tampa Electric utilized the Participants’ test as delineated in Rule 25-17.008, F.A.C., to adequately reflect the costs and benefits to customers participating in a DSM measure thereby adhering to the requirement of Section 366.82(3)(a), F.S. (Bryant)

ISSUE 4: Do the Company's proposed goals adequately reflect the costs and benefits to the general body of ratepayers as a whole, including utility incentives and participant contributions, pursuant to Section 366.82(3)(b), F.S.?

TECO: Yes. Tampa Electric utilized the cost-effectiveness methodologies as delineated in Rule 25-17.008, F.A.C., to adequately reflect the costs and benefits to the general body of ratepayers as a whole, including utility incentives and participant contributions. (Bryant)

ISSUE 5: Do the Company's proposed goals adequately reflect the costs imposed by state and federal regulations on the emission of greenhouse gases, pursuant to Section 366.82(3)(d), F.S.?

TECO: Yes. Tampa Electric utilized a mid-range cost of CO₂ taken from recently proposed national carbon legislation throughout its DSM goals evaluation process. This is consistent with need determination practice where the cost of CO₂ is integral to the analysis and puts demand-side evaluations on a more level playing field with supply-side options. (Bryant)

ISSUE 6: Should the Commission establish incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems?

TECO: No, not in this proceeding. If the Commission deems utility incentives to be appropriate, the evaluation and potential establishment should be conducted in a separate proceeding. (Bryant)

ISSUE 7: What cost-effectiveness test or tests should the Commission use to set goals, pursuant to Section 366.82, F.S.?

TECO: The Commission should use the RIM test in conjunction with the Participants' test to establish DSM goals. These tests allow the accomplishment of significant

DSM development without placing undue upward pressure on rates or causing cross-subsidization among participants and non-participants. (Bryant)

ISSUE 8: What residential summer and winter megawatt (MW) and annual Gigawatt-hour (GWh) goals should be established for the period 2010-2019?

PROPOSED RESIDENTIAL CONSERVATION GOALS										
(At the Generator)										
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Summer MW	1.4	2.1	2.9	3.5	4.0	4.3	4.3	3.9	3.7	3.2
Winter MW	1.2	1.9	2.4	3.0	3.5	3.5	3.7	3.4	3.1	2.8
Annual GWh	1.9	3.6	5.0	6.3	7.2	7.7	7.9	7.2	6.5	5.7

The cumulative effect of these goals through 2019 would be a summer MW reduction of 33.3 MW, a winter reduction of 28.5 MW and cumulative energy savings of 59.0 GWh. (Bryant)

ISSUE 9: What commercial/industrial summer and winter megawatt (MW) and annual Gigawatt hour (GWh) goals should be established for the period 2010-2019?

PROPOSED COMMERCIAL/INDUSTRIAL CONSERVATION GOALS										
(At the Generator)										
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Summer MW	2.7	3.9	4.3	5.2	5.3	5.5	5.7	5.3	5.5	5.1
Winter MW	0.9	1.0	1.2	1.3	1.2	1.3	1.4	1.4	1.4	1.3
Annual GWh	6.3	9.8	13.0	15.0	16.2	16.9	17.0	16.7	16.2	15.6

The cumulative effect of these goals through 2019 would be a summer MW reduction of 48.5 MW, a winter reduction of 12.4 MW and cumulative energy savings of 142.7 GWh. (Bryant)

ISSUE 10: In addition to the MW and GWh goals established in Issues 8 and 9, should the Commission establish separate goals for demand-side renewable energy systems?

TECO: No. Tampa Electric evaluated demand-side renewable energy systems in its overall DSM goals evaluation process; therefore, no separate goals are necessary. This is consistent with the other FEECA utilities. (Bryant)

ISSUE 11: In addition to the MW and GWh goal established in Issues 8 and 9, should the Commission establish additional goals for efficiency improvement in generation, transmission, and distribution?

TECO: No. Tampa Electric believes the Commission should consider goals for efficiency improvement in generation, transmission, and distribution in a separate proceeding. (Bryant)

ISSUE 12: In addition to the MW and GWh goals established in Issues 8 and 9, should the Commission establish separate goals for residential and commercial/industrial customer participation in utility energy audit programs for the period 2010-2019?

TECO: No. Tampa Electric believes the Commission should not establish separate goals for residential and commercial/industrial customer participation in utility energy audit programs. FEECA utilities are required to offer, promote and perform audits for all customers. Resources utilized to achieve audit performance goals are better allocated to specific programs with greater potential for demand and energy savings. (Bryant)

ISSUE 13: Should this docket be closed?

TECO: Yes. (Bryant)

Additional Issues

ISSUE 14: What action(s), if any, should the Commission take in this proceeding to encourage the efficient use of cogeneration? (FIPUG NEW ISSUE)

TECO: No such action(s) is(are) needed. These consolidated proceedings were commenced to set overall DSM goals for the FEECA utilities and not as scoped proceedings to focus on promoting cogeneration. This is evidenced by the fact that many key participants in cogeneration are not parties to this proceeding. (Bryant)

ISSUE 15: In setting goals, what consideration should the Commission give to the impact on rates? (OUC NEW ISSUE)

TECO: The Commission should give significant consideration to the impact on rates of any goals it sets in this proceeding in order to carry out the intent of Chapter 366, Florida Statutes, including FEECA. The use of the RIM test in conjunction with the Participants test remains the appropriate and best methodology for assuring the selection of optimal DSM goals that do not impose undue upward pressure on rates or cross-subsidizations between DSM measure participants and non-participants. (Bryant)

ISSUE 16: Since the Commission has no rate-setting authority over OUC and JEA, can the Commission establish goals that puts upward pressure on their rates? (OUC NEW ISSUE)

TECO: No position.

F. STIPULATED ISSUES

TECO: None at this time.

G. MOTIONS

TECO: None at this time.

H. PENDING REQUEST OR CLAIMS FOR CONFIDENTIALITY

TECO: None at this time.

I. OBJECTIONS TO A WITNESS'S QUALIFICATION AS AN EXPERT

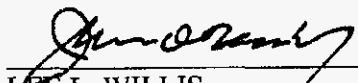
TECO: None at this time.

J. OTHER MATTERS

TECO: None at this time.

DATED this 27th day of July 2009.

Respectfully submitted,



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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Prehearing Statement, filed on behalf of Tampa Electric Company, has been furnished by electronic and U. S. Mail on this 27th day of July 2009 to the following:

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