

Ruth Nettles

090002-EG

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Subject: Docket No. 090002-EG
Attachments: FIPUG Prehearing Statement 10.14.09.pdf

In accordance with the electronic filing procedures of the Florida Public Service Commission, the following filing is made:

- a. The name, address, telephone number and email for the person responsible for the filing is:

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- b. This filing is made in Docket No. 090002-EG, In re: Energy conservation cost recovery clause.
- c. The document is filed on behalf of Florida Industrial Power Users Group.
- d. The total pages in the document are 6 pages.
- e. The attached document is FIPUG's Prehearing Statement.

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DOCUMENT NUMBER-DATE

10559 OCT 14 3

10/14/2009

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Energy Conservation Cost)
Recovery Clause)
_____)

DOCKET NO. 090002-EG

FILED: October 14, 2009

**THE FLORIDA INDUSTRIAL POWER USERS GROUP'S
PREHEARING STATEMENT**

The Florida Industrial Power Users Group (FIPUG) hereby files its Prehearing Statement in compliance with PSC-09-0184-PCO-EG, as amended by Order No. PSC-09-0663-PCO-EG, establishing the prehearing procedure in this docket.

A. APPEARANCES:

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On Behalf of the Florida Industrial Power Users Group

B. WITNESSES:

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Jeffrey Pollock	Interruptible credit, CILC rate design, ECCR rate design	7-14

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
JP-1	Pollock	PEF Cost-Effectiveness of Interruptible Load Rate Impact Measurement (RIM) Test

DOCUMENT NUMBER - DATE

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FPSC-COMMISSION CLERK

JP-2

Pollock

Bary Type Coincidence
Factor Versus Load Factor
Curves

JP-3

Pollock

FPL Derivation of Rider
CDR Credit

D. STATEMENT OF BASIC POSITION:

FIPUG has raised issues in this proceeding regarding the value which should be assigned to PEF's interruptible credit and FPL's CDR rider because, though FIPUG raised these issues in the pending rate cases, it is not clear if these issues will be decided in those cases.

PEF's interruptible credit should be increased to \$10.49 per kW based on PEF's own cost-effectiveness analysis. This analysis shows that the general body of rate payers would benefit by paying \$10.49 per kW of capacity rather than building new capacity.

FPL's CDR credit should be increased to at least \$5.50/kW. This value is based on FPL's most recent standard offer contract filing. It is conservative because it is based on the completion of FPL's nuclear units, which have considerable risk of delay.

For both PEF and FPL, customers should have the option to lock the credit in for 3 years. This is consistent with the Commission's decision in the Tampa Electric rate case.

Last, the ECCR factors should be revised to recover conservation costs on a demand basis. This is consistent with cost causation because the majority of conservation costs are demand related.

E. STATEMENT OF ISSUES AND POSITIONS

GENERIC CONSERVATION COST RECOVERY ISSUES

ISSUE 1: What are the final conservation cost recovery true-up amounts for the period January 2008 through December 2008?

POSITION: *No position at this time.*

ISSUE 2: What are the actual/estimated conservation cost recovery true-up amounts for the period January 2009 through December 2009?

POSITION: *No position at this time.*

ISSUE 3: What are total conservation cost recovery amounts to be collected during the period January 2010 through December 2010?

POSITION: *No position at this time.*

ISSUE 4: What are the conservation cost recovery factors for the period January 2010 through December 2010?

POSITION: *No position at this time.*

ISSUE 5: What should be the effective date of the new conservation cost recovery factors for billing purposes?

POSITION: *No position at this time.*

ISSUE 6: Should FPL's and PEF's conservation program costs be recovered on a demand basis?

POSITION: *Yes. An increasing amount of conservation program costs are demand based and therefore costs should be recovered on that basis.*

COMPANY-SPECIFIC CONSERVATION COST RECOVERY ISSUES

PROGRESS ENERGY FLORIDA

ISSUE 7: What is the Interruptible Demand Credit for PEF for the period January 2010 through December 2010?

POSITION: *PEF's own analysis shows that the credit for interruptible customers should be \$10.49 per kW-month of capacity.*

ISSUE 8: Should the Interruptible Demand Credit be load factor adjusted?

POSITION: *No. The customer should be paid the full credit based on the amount of load available for curtailment. PEF's proposed adjustment is invalid because it assumes that load factor and coincidence factor are the same but they are not; because PEF has not provided any data supporting a load factor adjustment; and because the factor unfairly penalizes interruptible customers relative to PEF's generation resources.*

ISSUE 9: Should the value of interruptible power be reflected in the credits applicable to PEF stand-by customers?

POSITION: *Yes.*

ISSUE 10: Should customers have the option to lock in PEF's IS credits for at least 3 years?
[issue reworded]

POSITION: *Yes. This gives the customer some stability for planning purposes and is consistent with the Commission's decision in the Tampa Electric rate case.*

FLORIDA POWER & LIGHT

ISSUE 11: Has FPL appropriately reflected the cost of its CILC program?

POSITION: *No. FPL has understated the cost of the CILC program by requiring CILC customers to absorb \$22.6 million (42.5%) of its cost.*

ISSUE 12: What is the appropriate value for FPL's Commercial Industrial Demand Reduction Rider (CDR)?

POSITION: *The CDR credit should be increased to at least \$5.50 per kW to reflect the current value of interruptible capacity.*

ISSUE 13: Should the value of interruptible power be reflected in the credits applicable to FPL's stand-by customers?

POSITION: *Yes.*

ISSUE 14: Should the customers have the option to lock in the CDR credits for at least 3 years? [issue reworded]

POSITION: *Yes. This gives the customer some stability for planning purposes and is consistent with the Commission's decision in the Tampa Electric rate case.*

F. STIPULATED ISSUES:

FIPUG: None at this time.

G. PENDING MOTIONS:

FIPUG: Motion to Compel FPL, filed October 5, 2009.

H. PENDING REQUEST OR CLAIMS FOR CONFIDENTIALITY:

FIPUG: None at this time.

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

FIPUG: None at this time.

J. REQUIREMENTS THAT CANNOT BE COMPLIED WITH:

FIPUG: None at this time.

K. OTHER:

FIPUG: None at this time.

s/ Vicki Gordon Kaufman

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CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the Florida Power Industrial Users Group's Prehearing Statement was served by electronic mail this 14th day of October, 2009 to the following:

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