

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of:

DOCKET NO. 110194-EI

PETITION BY FLORIDA POWER & LIGHT
COMPANY FOR APPROVAL OF AMENDMENT
TO ECONOMIC DEVELOPMENT RIDER RATE
SCHEDULE AND NEW EXISTING FACILITY
ECONOMIC DEVELOPMENT RIDER RATE
SCHEDULE.

PROCEEDINGS: AGENDA CONFERENCE
ITEM NO. 13

COMMISSIONERS
PARTICIPATING: CHAIRMAN ART GRAHAM
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER RONALD A. BRISÉ
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Tuesday, July 26, 2011

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

P R O C E E D I N G S

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2 **CHAIRMAN GRAHAM:** Let's move on to Item
3 Number 13.

4 **MS. DRAPER:** Good morning, Commissioners.
5 This is Elizabeth Draper with staff. Item 13 is
6 FPL's petition for approval of amendment to its
7 existing current Economic Development Rider Tariff
8 and a new Existing Facility Economic Development
9 Rider tariff. We have two parties that are here to
10 speak; Schef Wright representing Wal-Mart, and Scott
11 Goorland representing FPL. Staff is here to answer
12 any questions.

13 **CHAIRMAN GRAHAM:** Mr. Wright.

14 **MR. WRIGHT:** Thank you, Mr. Chairman. I
15 believe Mr. Goorland would like to speak before me.

16 **CHAIRMAN GRAHAM:** Okay.

17 **MR. GOORLAND:** Thank you and good morning,
18 Commissioners. And with me is Renee Deaton
19 (phonetic) from Florida Power and Light, as well.
20 Before you today is a request designed to stimulate
21 economic development in the state of Florida. A
22 request that will lead to benefits for FPL's
23 customers, and will lead to economic benefits in
24 FPL's service territory, and will lead to economic
25 benefits in Florida as a whole.

1 FPL has two proposals in our request. The
2 first is to amend FPL's existing economic
3 development rate rider schedule, and the second is
4 to approve FPL's proposed new existing facility
5 economic development rate rider. Both of these
6 amended economic development riders will provide
7 numerous benefits to business customers in the state
8 as a whole. In combination, the new rate riders can
9 serve as a valuable tool in enhancing economic
10 development in Florida.

11 Now, it's our understanding that Mr.
12 Wright is here to present you an alternative
13 proposal to lower the threshold to 350-kilowatts of
14 our economic development rider, and I'm sure Mr.
15 Wright will speak to that. FPL has worked with Mr.
16 Wright and staff on his request. FPL does not
17 oppose Mr. Wright's request. However, FPL would
18 like to see an approval today in order to start
19 offering the economic development discount as soon
20 as possible. So if there is a potential for the
21 request to delay an approval, FPL would have some
22 concerns about that. Otherwise, FPL does not oppose
23 Mr. Wright's proposal.

24 With that, and with the benefits that
25 these riders can offer to FPL's customers and the

1 state, we support staff's recommendation and we ask
2 that the Commission approve FPL's request. And we
3 remain open to questions.

4 Thank you.

5 **CHAIRMAN GRAHAM:** Mr. Wright.

6 **MR. WRIGHT:** Thank you, Mr. Chairman and
7 Commissioners.

8 I'm Schef Wright. I'm here today
9 representing Wal-Mart Stores, Incorporated. We
10 support the staff's recommendation and FPL's request
11 that the Commission approve FPL's Economic
12 Development Rider and the Existing Facility Economic
13 Development Rider effective today. We also
14 respectfully request that you approve the one
15 modification to the eligibility criteria that
16 Wal-Mart has requested by a letter that we sent to
17 your staff last week. That change is simply to
18 reduce the eligibility threshold for billing demand
19 from 500 kilowatts to 350 kilowatts. We believe
20 that this would further promote the goals of the
21 tariff, which are to create jobs and promote
22 economic development. As I'm sure you know, energy
23 costs are a significant factor in any stores' or any
24 business' expansion and location decisions.
25 Wal-Mart is no different. This would be a

1 significant factor in incentivizing Wal-Mart to
2 locate stores in FPL's service territory, and
3 thereby provide the job creation and economic
4 development benefits of additional Wal-Mart stores
5 in FPL's service area.

6 Although I will say, also, Wal-Mart -- we
7 are only proposing that one change to the demand
8 threshold. Wal-Mart stores employ far more
9 employees than the 10 or 25 employees per 500 kW, so
10 this would be -- to the extent Wal-Mart was able
11 to -- to the extent that Wal-Mart did locate stores
12 as a result of this, it would have significant
13 economic development and job creation benefits.

14 FPL has furnished updated responses to
15 your staff's data request reflecting the --
16 basically answering the staff's data requests for
17 the 350 kW threshold size where they previously
18 answered them for 500. They have also provided
19 updated sample proposed tariff sheets reflecting the
20 350 kW threshold.

21 In summary, we would urge you to approve
22 FPL's proposal effective today with the 350-kilowatt
23 threshold embodied therein. I particularly want to
24 thank the staff for working with us on this, and
25 also thank FPL for working with us on this and not

1 opposing this and kind of being behind it.

2 And, again, I'd like to thank you for your
3 time and consideration. I appreciate it.

4 **CHAIRMAN GRAHAM:** Thank you.

5 Back to the Board, and I actually have
6 several questions on this one. This is well-timed.
7 I'm glad FPL has come forward with this, just
8 because of how tight everything is. I'm trying to
9 figure out the mechanism on how this works.

10 Let me ask you a hypothetical. A company
11 comes along and wants to open their business, and
12 they are going to hit the 350 kW, and they are going
13 to hire the ten employees, but they still have to
14 build the facility and they have to get a zoning
15 change on the land, but they know that they need
16 this 20 percent reduction for the pro forma to work.
17 So they come to you and they fill out the
18 application. Do they now secure their spot in line,
19 and they will get that 20 percent?

20 **MR. GOORLAND:** Mr. Chairman, no, the rate
21 rider would be available on a first-come/first-serve
22 basis based on when they were ready to actually take
23 the energy. And we think that that is most fair
24 that we prioritize customers by when they are ready
25 to take the energy. For customers that come forward

1 and take that, we think that that is the most fair
2 compared to having a queue where customers may
3 ultimately take the energy at some future point or
4 may not and thereby hold the queue space.

5 That said, we do believe there is
6 sufficient head room under the cap to allow for a
7 very large number of customers and should probably
8 cover all of the contingencies that would be
9 encompassed. As an example, at the proposed
10 kilowatt level that Mr. Wright has proposed, the
11 350-kilowatt level, for each one million available
12 to customers, that would be available to 100
13 customers who take just at 350, which is a
14 significant leap from the prior program.

15 In addition, if we were to get that type
16 of oversubscription, even if that cap were reached,
17 we actually think that's a pretty good thing. We
18 think it's a great signal, and we would put them in
19 a queue for the next year's available slot. And,
20 you know, if we do reach that amount, FPL could
21 always come back with a request to raise the cap of
22 the program.

23 **CHAIRMAN GRAHAM:** I'm glad you said that,
24 because it sounds like if there is 100 per million
25 and we are doing 3 million, so that's 300, which is

1 quite significant. My own fear was that we were
2 going to get several people jumping out there and
3 basically blocking spots, and basically not doing
4 what the purpose of this job is, but I appreciate
5 it. Now, that's actually -- I take it that's
6 actually a policy, the way you guys have it, that
7 that's the way it works.

8 **MR. GOORLAND:** Well, the policy is with
9 the internal queue. A lot of the rest of that, you
10 know, the caps and the numbers would be set up by
11 the rate rider itself.

12 **CHAIRMAN GRAHAM:** Okay. Well, that one
13 answer solves the five questions that I had.

14 **MR. GOORLAND:** Well, I'm glad. Thank you.

15 **CHAIRMAN GRAHAM:** All right. Any other
16 discussion?

17 Commissioner Balbis.

18 **COMMISSIONER BALBIS:** Thank you, Mr.
19 Chairman.

20 And with this item coming up, and the
21 discussions I've had with staff, one of the things
22 that I had staff put together was a list of other
23 economic development rates approved for the
24 utilities. And hopefully the Commissioners have
25 received this, but if not, I'm sure they'll make it

1 available.

2 One thing I did note, and Staff can
3 confirm this, is there are several other programs
4 that are out there that other utilities have that,
5 you know, have a similar purpose. Specifically, a
6 commercial/industrial service rider or tariff that
7 allows a little more flexibility to the utilities.
8 And I just want to make the comment that hopefully
9 staff will continue to work with the utilities on
10 these and other such programs to bring it forward to
11 us for consideration. But I just wanted to point
12 that out for everyone out there that there are other
13 tariffs out there with a similar purpose in mind,
14 and hopefully FPL will work with staff on looking
15 for ways to stimulate the economy. That's all I
16 had.

17 **CHAIRMAN GRAHAM:** Any other discussion?
18 Commissioner Edgar.

19 **COMMISSIONER EDGAR:** Thank you, Mr.
20 Chairman.

21 I would move the staff recommendation with
22 the change of adjusting the threshold from 500 to
23 350 as discussed.

24 **CHAIRMAN GRAHAM:** Any further discussion?
25 It has been moved and seconded. All in

1 favor say aye.

2 (Affirmative vote.)

3 **CHAIRMAN GRAHAM:** Any opposed?

4 By your action you have approved Item
5 Number 13 with the FPL change from 500 to 350.

6 **MR. GOORLAND:** Thank you.

7 **CHAIRMAN GRAHAM:** Thank you very much.

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1 STATE OF FLORIDA)

2 : CERTIFICATE OF REPORTER

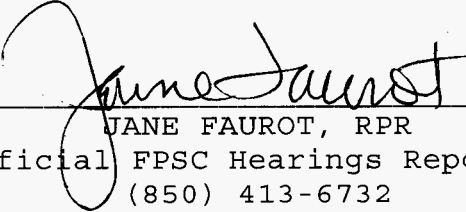
3 COUNTY OF LEON)

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5 I, JANE FAUROT, RPR, Chief, Hearing Reporter
6 Services Section, FPSC Division of Commission Clerk, do
7 hereby certify that the foregoing proceeding was heard
8 at the time and place herein stated.

9 IT IS FURTHER CERTIFIED that I
10 stenographically reported the said proceedings; that
11 the same has been transcribed under my direct
12 supervision; and that this transcript constitutes a
13 true transcription of my notes of said proceedings.

14 I FURTHER CERTIFY that I am not a relative,
15 employee, attorney or counsel of any of the parties,
16 nor am I a relative or employee of any of the parties'
17 attorney or counsel connected with the action, nor am I
18 financially interested in the action.

19 DATED THIS 29th day of July, 2011.

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JANE FAUROT, RPR
Official FPSC Hearings Reporter
(850) 413-6732