

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**In re: Energy Conservation Cost** )  
**Recovery Clause** )  
\_\_\_\_\_ )

**Docket No. 140002-EG**

**Filed: September 26, 2014**

**FLORIDA POWER & LIGHT COMPANY'S  
PREHEARING STATEMENT**

Pursuant to Order No. PSC-14-0085-PCO-EG, issued February 4, 2014 establishing the prehearing procedure in this docket, Florida Power & Light Company ("FPL") hereby submits its Prehearing Statement.

**I. FPL WITNESSES**

<u>Witness</u>	<u>Subject Matter</u>
Terry J. Keith	Issues 1, 3 & 4
Anita Sharma	Issue 2

**II. EXHIBITS**

<u>Exhibit</u>	<u>Content</u>	<u>Sponsoring Witness</u>
AS-1	Schedules CT-1 and CT-4	T.J. Keith
AS-1	Schedules CT-2 and CT-3	T.J.Keith/A. Sharma
AS-1	Schedules CT-5 and CT-6, Appendix A	A. Sharma
AS-2	Schedule C-1 and C-4	T.J. Keith
AS-2	Schedule C-2 and C-3	T.J. Keith/A. Sharma
AS-2	Schedule C-5	A. Sharma

**III. STATEMENT OF BASIC POSITION**

FPL's proposed Conservation Cost Recovery Factors for the January 2015 through December 2015 recovery period and true-up amounts for the prior periods should be approved.

**IV. ISSUES AND POSITIONS**

**ISSUE 1: What are the final conservation cost recovery true-up amounts for the period January 2013 through December 2013?**

**FPL:** \$1,964,488 over-recovery. (Keith)

**ISSUE 2: What are the total conservation cost recovery amounts to be collected during the period January 2015 through December 2015?**

**FPL:** \$191,357,240 including prior true-up amounts and revenue taxes. (Sharma)

**ISSUE 3: What are the conservation cost recovery factors for the period January 2015 through December 2015?**

**FPL:**

RATE CLASS	Conservation Recovery Factor (\$/kw)	Conservation Recovery Factor (\$/kwh)	RDC (\$/KW)	SDD (\$/KW)
RS1/RTR1	-	0.00189	-	-
GS1/GST1/WIES1	-	0.00175	-	-
GSD1/GSDT1/HLFT1	0.63	-	-	-
OS2	-	0.00167	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2	0.67	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.74	-	-	-
GSLD3/GSLDT3/CS3/CST3	0.75	-	-	-
SST1T	-	-	\$0.08	\$0.04
SST1D1/SST1D2/SST1D3	-	-	\$0.09	\$0.04
CILC D/CILC G	0.81	-	-	-
CILC T	0.80	-	-	-
MET	0.80	-	-	-
OL1/SL1/PL1	-	0.00087	-	-
SL2, GSCU1	-	0.00142	-	-

(Keith)

**ISSUE 4: What should be the effective date of the new conservation cost recovery factors for billing purposes?**

**FPL:** The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2015 through December 2015. Billing cycles may start before January 1, 2015 and the last cycle may be read after December 31, 2015, so that each customer is billed for twelve months

regardless of when the adjustment factor became effective. These charges should continue in effect until modified by subsequent order of this Commission. (Keith)

**IV (A). WAL-MART STORES EAST, LP AND SAM'S EAST, INC.'S PROPOSED ISSUES**

**WALMART'S GENERIC LEGAL ISSUE A: For each utility, what is the appropriate end date for the Commission's approved solar pilot programs?**

**FPL:** The generic legal issue proposed by Walmart addresses the very same point as Issue 11 in Docket No. 130199-EI (FPL's DSM Goals docket) which reads as follows: "Should the Company's existing Solar Pilot Programs be extended and, if so, should any modifications be made to them?" According to the current CASR in Docket No. 130199-EI, Staff's Recommendation is due on November 13, 2014 and the Commission will rule on the issues in that docket, based on the evidence contained in that record, at the November 25, 2014 Agenda Conference with a Final Order due to be filed on December 15, 2014. As a result, Walmart's (proposed) Generic Legal Issue A should not be addressed in this docket.

The Commission approved the solar pilot portions of FPL's revised DSM Plan in Docket No. 100155-EG, Order No. PSC-11-0079-PAA-EG. That DSM Plan proposed 5-year solar rebate pilot programs that would begin in 2010 and terminate in 2014. (For example, on pages 107-112 of FPL's DSM Plan, the detailed program customer participation projections only reflect participation through 2014.) Not coincidentally, that term aligns with the Commission's statutory 5-year term for setting DSM goals. Notwithstanding the delay in approving FPL's solar pilot programs, the Commission approved this portion of FPL's revised DSM Plan without modification. Further, FPL's testimony in Docket No. 130199-EI specifically addressed the impending year-end 2014 expiration date for the solar pilot programs. (Please see pages 7 and 31 of the direct testimony Mr. Koch filed in that docket.) If there was any dispute about the end date for FPL's solar pilot program, it was incumbent upon the parties to Docket No. 130199-EI – including Walmart - to raise the issue in that proceeding.

Additionally, the Energy Conservation Cost Recovery clause is the regulatory mechanism utilized by the utilities to obtain cost recovery for programs approved in the DSM proceedings. It is not the docket where goals, plans or programs are approved, modified or amended. All such issues are considered in other dockets, such as FPL's DSM Goals docket, Docket No. 130199-EI. Accordingly, it would be inappropriate to expand the scope of this cost recovery clause docket to insert an issue that clearly is subsumed but was never raised in the DSM Goals proceeding.

In the event the Commission determines that notwithstanding these facts the proposed issue is appropriately included in this docket, FPL's existing Solar Pilot

Programs should be allowed to expire at the end of 2014 consistent with the program terms as presented by FPL in Docket No. 130199-EI. (Koch)

**WALMART'S ISSUE 4A: Should the Commission require the utilities to separate their Energy Conservation Cost Recovery expenditures into two categories, one for the Energy Efficiency programs and the other for Demand Side Management programs?**

**FPL:** In the event the Commission determines that Walmart's Issue 4A is an appropriate issue to be decided in these proceedings, the Commission should not require the utilities to separate their Energy Conservation Cost Recovery expenditures into two categories, one for the Energy Efficiency programs and the other for Demand Side Management programs. FPL assumes that Wal-Mart intends the term "Demand Side Management" to refer to load-management type programs. As outlined in the rebuttal testimony of FPL witnesses Thomas Koch and Renae Deaton, FPL's approved ECCR programs have both energy and demand-reduction impacts, regardless of whether they are characterized as "energy efficiency" or "load management." Moreover, for programs that pass the RIM cost-effectiveness test and whose planned implementation level is based on FPL's resource planning process, there are benefits to the general body of non-participating customers regardless of the characterization. Accordingly, distinguishing between "energy efficiency" and "load management" programs in the ECCR docket would serve no relevant purpose nor would it provide a meaningful basis for determining costs that "eligible" opt out customers should be allowed to avoid and pass on to other customers. (Koch, Deaton)

**WALMART'S ISSUE 4B: Should the Commission allow pro-active non-residential customers who implement their own energy efficiency programs and meet certain other criteria to opt out of the utility's Energy Efficiency programs and not be required to pay the cost recovery charges for the utility's Energy Efficiency programs approved by the Commission pursuant to Section 366.82, Florida Statutes?**

**FPL:** In the event the Commission determines that Walmart's Issue 4B is an appropriate issue to be decided in these proceedings, it is FPL's position that the Commission should not allow non-residential customers who implement their own energy efficiency programs and meet certain other criteria to opt out of the utility's Energy Efficiency programs and not be required to pay the cost recovery charges for the utility's Energy Efficiency programs approved by the Commission pursuant to Section 366.82, Florida Statutes. As outlined in the rebuttal testimony of FPL witnesses Thomas Koch and Renae Deaton, the opt-out proposals generally described in the testimony of Walmart's witnesses and FIPUG's witness, with the end result of shifting the recovery of prudently incurred ECCR clause costs for approved DSM programs from "large" business customers to

smaller business and residential customers, is inconsistent with sound regulatory policy and should be rejected. (Koch, Deaton)

**WALMART'S ISSUE 4C: If the Commission allows pro-active customers to opt out of participating in, and paying for, a utility's Energy Efficiency programs, what criteria should the Commission apply in determining whether customers who wish to opt out are eligible to do so?**

**FPL:** In the event the Commission determines that Walmart's Issue 4C is an appropriate issue to be decided in these proceedings, there is insufficient evidence in the record to identify any appropriate criteria which the Commission could apply to determine whether customers who wish to opt out would be eligible to do so. More to the point, as outlined in the rebuttal testimony of FPL witnesses Thomas Koch and Renae Deaton, the opt-out proposals generally described in the testimony of Walmart's witnesses and FIPUG's witness, with the end result of shifting the recovery of prudently incurred ECCR clause costs for approved DSM programs from "large" business customers to smaller business and residential customers, is inconsistent with sound regulatory policy and should be rejected. (Koch, Deaton)

**V. STIPULATED ISSUES**

None at this time.

**VI. PENDING MOTIONS**

FPL has no pending motions or other matters upon which it seeks action other than its pending petitions for approval.

**VII. PENDING REQUEST FOR CONFIDENTIALITY**

Florida Power and Light Company's request for confidential classification of materials provided pursuant to Audit No.14-017-4-1, DN 03218-14 dated July 11, 2014.

**VIII. OBJECTIONS TO A WITNESS' QUALIFICATION AS AN EXPERT**

None at this time.

**IX. REQUIREMENTS OF THE PREHEARING ORDER THAT CANNOT BE MET**

FPL believes it has complied with all the requirements regarding prehearing procedures.

Respectfully submitted this 26<sup>th</sup> day of September, 2014.

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**CERTIFICATE OF SERVICE**  
**Docket No. 140002-EG**

I **HEREBY CERTIFY** that a true and correct copy of the foregoing Prehearing Statement has been served by electronic mail this 26<sup>th</sup> day of September 2014, to the following:

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