

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request to opt-out of cost recovery for investor-owned electric utility energy efficiency programs by Wal-Mart Stores East, LP and Sam's East, Inc. and Florida Industrial Power Users Group. _____

Docket No. 140226-EI

Filed: June 22, 2015

**DUKE ENERGY FLORIDA, INC.'S
PREHEARING STATEMENT**

Duke Energy Florida, Inc. ("DEF"), pursuant to the Order Establishing Procedure in this proceeding, Order No. PSC-15-0149-PCO-EI dated April 1, 2015, hereby submits its Prehearing Statement:

A. Known Witnesses

DEF intends to offer the rebuttal testimony of:

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Timothy J. Duff	Addresses the direct testimony of witness Jeffry Pollock on behalf of FIPUG and witnesses Kenneth E. Baker & Steve W. Chriss on behalf Walmart Stores East, LP and Sam's East, Inc.	1, 2, 3

DEF intends to offer the surrebuttal testimony of:

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Timothy J. Duff	Addresses the hypothetical example Proposed by FIPUG in its October 1, 2014 Prehearing statement in Docket 140002-EG.	2

B. Exhibits

1. Rebuttal Testimony Exhibits

None.

2. Surrebuttal Testimony Exhibits

None.

C. Statement of Basic Position

Because DEF's goals have been set using the Rate Impact Measure ("RIM") test, there is no need for the Commission to allow any customers to opt out of paying for DEF's Energy Efficiency program costs. However, if the Commission determines that it should implement an opt out policy, that policy should have clear guidelines to ensure that all parties, including the utility and those remaining customers, are not harmed by the policy. Those guidelines are explained in DEF's positions below, as well as in Mr. Duff's testimony filed in this proceeding.

D. DEF'S Statement of Issues and Position:

ISSUE 1: Should the Commission require the utilities to separate their Energy Conservation Cost Recovery expenditures into two categories, one for Energy Efficiency programs and the other for Demand Side Management programs?

DEF: No, separating the expenditures in this way is not necessary. However, if the Commission intends to implement an opt-out policy that only applies to Energy Efficiency programs, DEF would be able to separate the charges with little difficulty. (Duff)

ISSUE 2: 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?

DEF: No. Because DEF's goals are set based on programs that are cost-effective under the RIM test, all customers, both participants and non-participants, will benefit from all Energy Efficiency programs. It is therefore not necessary to permit certain customers to opt out of paying for the Energy Efficiency program costs. (Duff)

ISSUE 3: If the Commission allows pro-active customers to opt out of participating in, and paying for, a utility's Energy Efficiency's programs, what criteria should the Commission apply in determining whether customers who wish to opt out are eligible to do so.

DEF: There must be clear and well-vetted guidelines and requirements to ensure the overall opt out process is fair to all parties. Any opt out policy should be designed so that no one is harmed by any customer opting out of paying for their share of the particular charges. The utility must be able to account for the lost energy savings from an opt out customer and use those savings toward meeting its goal. There must also be a process to ensure that opt out customers have installed the measures they claim to have installed. When measuring the usage that a customer must meet to be eligible to opt out, the usage at separate locations (even if owned by the same customer) should not be aggregated for purposes of meeting the threshold. In addition, the usage eligibility should be measured based on kilowatt hours rather than megawatts. Finally, the administrative costs incurred by the utility to determine customer eligibility and ensure standards are met should be borne by the customer opting out, and not by the remaining customers who have not or cannot opt out. (Duff)

E. Stipulated Issues

DEF does not have any stipulated issues at this time.

F. Pending Motions

DEF is not aware of any pending motions at this time.

G. Requests for Confidentiality

DEF does not have any pending requests for confidential classification.

H. Requirements of Order

DEF believes that this prehearing statement complies with all the requirements of the Order Establishing Procedure.

I. Objections to Qualifications

DEF has no objection to the qualifications of any expert witnesses in this proceeding at this time, subject to further discovery in this matter.

J. Requirements of Prehearing Order that cannot be met.

None.

RESPECTFULLY SUBMITTED this 22nd day of June, 2015.

By: */s/ Dianne M. Triplett*

DIANNE M. TRIPLETT
Associate General Counsel
MATTHEW R. BERNIER
Senior Counsel
Duke Energy Florida, Inc.
299 First Avenue North
St. Petersburg, FL 33701-3324
Telephone: (727) 820-4692
Facsimile: (727) 820-5249
E-Mail: dianne.triplett@duke-energy.com
matthew.bernier@duke-energy.com

Attorneys for DUKE ENERGY FLORIDA

Duke Energy Florida, Inc.

Docket No.: 140226

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail this 22nd day of June, 2015 to all parties of record as indicated below.

/s/ Dianne M. Triplett

Attorney

Lee Eng Tan, Senior Attorney
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
ltan@psc.state.fl.us

Beth Keating
Gunster Law Firm
215 South Monroe Street, Suite 601
Tallahassee, FL 32301
bkeating@gunster.com

Jeffrey A. Stone /Russell A. Badders / Steven R. Griffin
Beggs & Lane
Post Office Box 12950
Pensacola, FL 32591-2950
jas@beggslane.com
rab@beggslane.com
srg@beggslane.com

Jessica A. Cano
Florida Power & Light Company
700 Universe Blvd.
Juno Beach, FL 33408-0420
jessica.cano@fpl.com

Robert Scheffel Wright /John T. La Via, III
Gardner Law Firm
1300 Thomaswood Drive
Tallahassee, FL 32308
schef@gbwlegal.com
jlavia@gbwlegal.com

Cheryl Martin / Aleida Socarras
Florida Public Utilities Company
cheryl_martin@chpk.com
asocarras@chpk.com

Robert L. McGee, Jr.
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780
rilmcgee@southernco.com
lrddy@southernco.com

James Beasley / J. Wahlen / Ashley Daniels
Ausley Law Firm
P.O. Box 391
Tallahassee, FL 32302
jbeasley@ausley.com
jwahlen@ausley.com
adaniels@ausley.com

Kenneth Hoffman, V.P., Regulatory Relations
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, FL 32301-1858
ken.hoffman@fpl.com

Ms. Paula K. Brown
Manager, Regulatory Coordination
Tampa Electric Company
P.O. Box 111
Tampa, FL 33601
regdept@tecoenergy.com

Wal-Mart Stores East, LP and Sam's East, Inc.
Kenneth E. Baker
Energy Department
20001 SE 10th Street
Bentonville, AR 72716-0550
ken.baker@wal-mart.com

Jon C. Moyle, Jr.
Moyle Law Firm
118 North Gadsden Street
Tallahassee, FL 32301
jmoyle@moylelaw.com

James W. Brew / Owen J. Kopon
Stone Mattheis Xenopoulos & Brew, PC
1025 Thomas Jefferson Street, NW
Eighth Floor, West Tower
Washington, DC 20007-5201
jbrew@smxblaw.com
ojk@smxblaw.com

George Cavros
Southern Alliance for Clean Energy
120 East Oakland Park Blvd., Suite 105
Fort Lauderdale, FL 33334
george@cavros-law.com

Charles J. Rehwinkel / Patricia A. Christensen
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400
rehwinkel.charles@leg.state.fl.us
christensen.patty@leg.state.fl.us