

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 160002-EG

ENERGY CONSERVATION COST  
RECOVERY CLAUSE.

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PROCEEDINGS: HEARING

COMMISSIONERS  
PARTICIPATING: CHAIRMAN JULIE I. BROWN  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER ART GRAHAM  
COMMISSIONER RONALD A. BRISÉ  
COMMISSIONER JIMMY PATRONIS

DATE: Wednesday, November 2, 2016

TIME: Commenced at 9:34 a.m.  
Concluded at 9:44 a.m.

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

REPORTED BY: LINDA BOLES, CRR, RPR  
Official FPSC Reporter  
(850) 413-6734

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5 Light Company.

6 JAMES D. BEASLEY, J. JEFFRY WAHLEN and ASHLEY  
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9 Tampa Electric Company.

10 JEFFREY A. STONE, RUSSELL A. BADDERS and  
11 STEVEN R. GRIFFIN, ESQUIRES, Beggs & Lane, P.O. Box  
12 12950, Pensacola, Florida 32591-2950, appearing on  
13 behalf of Gulf Power Company.

14 MATTHEW R. BERNIER, ESQUIRE, 106 East College  
15 Avenue, Suite 800, Tallahassee, Florida 32301-7740; and  
16 DIANNE TRIPLETT, ESQUIRE, 299 First Avenue North, St.  
17 Petersburg, Florida, appearing on behalf of Duke Energy  
18 Florida, Inc.

19 JON C. MOYLE, JR., and KAREN PUTNAL,  
20 ESQUIRES, Moyle Law Firm, P.A., 118 North Gadsden  
21 Street, Tallahassee, Florida 32301, appearing on behalf  
22 of Florida Industrial Power Users Group.

## 1 APPEARANCES:

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4 32301-1839, appearing on behalf of Florida Public  
5 Utilities Company.

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8 Jefferson Street, NW, Eight Floor, West Tower,  
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10 Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate  
11 - White Springs.

12 J.R. KELLY, PUBLIC COUNSEL; CHARLES REHWINKEL;  
13 ERIK L. SAYLER; PATRICIA A. CHRISTENSEN; and STEPHANIE  
14 MORSE, ESQUIRES, Office of Public Counsel, c/o the  
15 Florida Legislature, 111 W. Madison Street, Room 812,  
16 Tallahassee, Florida 32399-1400, appearing on behalf of  
17 the Citizens of the State of Florida.

18 LEE ENG TAN, ESQUIRE, FPSC General Counsel's  
19 Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida  
20 32399-0850, appearing on behalf of the Florida Public  
21 Service Commission Staff.

22 MARY ANNE HELTON, DEPUTY GENERAL COUNSEL,  
23 Advisor to the Florida Public Service Commission, 2540  
24 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.  
25

## I N D E X

## WITNESSES

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**P R O C E E D I N G S**

1  
2           **CHAIRMAN BROWN:** Commissioners, this is -- and  
3 everyone here today, this is the 2016 clause hearing  
4 proceeding. My apologies for starting late. We were  
5 trying to get some technical issues worked out. But  
6 this matter -- we will be addressing dockets 160002, 03,  
7 04, 07, and 01. These are all of the clauses today.  
8 And I'd like to call this hearing formally to order.  
9 I'd like to have staff at this time read the notice.

10           Ms. Tan.

11           **MS. TAN:** By notice issued September 27th,  
12 2016, this time and place was set for a hearing in the  
13 following dockets: Docket No. 160001-EI, 160002-EG,  
14 160003-GU, 160004-GU, and 160007-EI. The purpose of the  
15 hearing was set out in the notice.

16           **CHAIRMAN BROWN:** Thank you. You did a much  
17 better job at that than I did trying to abbreviate them.

18           I'd like to -- there are five dockets, as you  
19 know, that we are going to address today, and we will be  
20 taking appearances all at once today. I know some folks  
21 have replaced other folks and made notices of  
22 appearances. But, please, when you enter your  
23 appearance, declare the dockets that you're entering the  
24 appearance for.

25           Also, I know that after the parties make their

1 appearances, staff will be needing to make theirs. So  
2 we're going to start right now with Florida Power &  
3 Light.

4 **MR. BUTLER:** Thank you, Madam Chair.

5 John Butler appearing on behalf of Florida  
6 Power & Light Company in the 01, 02, and 07 dockets.  
7 I'd also like to enter an appearance for Wade Litchfield  
8 in those three dockets, for Ken Rubin in the 02 docket,  
9 and Maria Moncada in the 01 and 07 dockets. Thank you.

10 **CHAIRMAN BROWN:** Thank you.

11 Duke.

12 **MR. BERNIER:** Good morning, Madam Chair. Matt  
13 Bernier with Duke Energy. I'd like to enter an  
14 appearance in the 01, 02, and 07 dockets. I'd also like  
15 to enter an appearance for Dianne Triplett in those same  
16 three dockets, and for John Burnett in the 01 docket.

17 **CHAIRMAN BROWN:** Thank you.

18 Gulf.

19 **MR. BADDERS:** Good morning. Russell Badders  
20 on behalf of Gulf Power. With me I have Jeffrey A.  
21 Stone, and Steve Griffin is also in this docket in 02,  
22 01, and 07.

23 **CHAIRMAN BROWN:** Thank you.

24 TECO.

25 **MR. BEASLEY:** Good morning, Madam Chair. Jim

1 Beasley in the 01, 02, and 07 dockets on behalf of Tampa  
2 Electric Company. I'd also like to enter an appearance  
3 for J. Jeffry Wahlen and Ashley M. Daniels in the same  
4 dockets.

5 **CHAIRMAN BROWN:** Thank you.

6 Mr. Moyle.

7 **MR. MOYLE:** Good morning.

8 **CHAIRMAN BROWN:** Good morning.

9 **MR. MOYLE:** Jon Moyle on behalf of the Florida  
10 Industrial Power Users Group, FIPUG. And I'd also like  
11 to enter an appearance for Karen Putnal.

12 **CHAIRMAN BROWN:** Thank you. And the dockets  
13 that you will be --

14 **MR. MOYLE:** Oh, I'm sorry. 01, 02, and 07.

15 **CHAIRMAN BROWN:** Thank you.

16 **MR. MOYLE:** Thank you.

17 **MS. SPARKMAN:** Good morning. My name is Paula  
18 Sparkman, and I'm here on behalf of Sebring Gas in the  
19 04 docket.

20 **CHAIRMAN BROWN:** Thank you.

21 Good morning.

22 **MR. MUNSON:** Good morning. I'm Greg Munson.  
23 I'm here on behalf of Florida City Gas in the 03 and  
24 04 dockets. Also here on behalf of Florida Public  
25 Utilities in the 01 and 02 dockets; Florida Public



1 Utilities, FPUC-Fort Meade in the 03 docket; Florida  
2 Public Utilities, FPUC-Fort Meade, FPUC-Indiantown  
3 District, Florida Division of Chesapeake Utilities  
4 Corporation in the 04 docket.

5 **CHAIRMAN BROWN:** Very complicated.

6 **MR. MUNSON:** I have notes.

7 **CHAIRMAN BROWN:** Thank you.

8 Good morning.

9 **MR. BREW:** Good morning. James Brew for White  
10 Springs Agricultural Chemical/PCS Phosphate appearing in  
11 the 01, 02, and 07 dockets. And I'd like to make an  
12 appearance for Laura Wynn.

13 **CHAIRMAN BROWN:** Thank you.

14 Good morning, Mr. Wright.

15 **MR. WRIGHT:** Good morning, Madam Chairman,  
16 Commissioners. Robert Scheffel Wright and John T.  
17 LaVia, III, appearing on behalf of the Florida Retail  
18 Federation in the fuel docket, 0001. Thank you.

19 **CHAIRMAN BROWN:** Thank you.

20 Good morning, Ms. Christensen.

21 **MS. CHRISTENSEN:** Good morning. Patricia  
22 Christensen on behalf of the Office of Public Counsel.  
23 I'd also like to put in an appearance for J.R. Kelly,  
24 the Public Counsel; Charles Rehwinkel; Erik Sayler; and  
25 Stephanie Morse in the 01, 02, 03, 04, and 07 dockets.

1           **CHAIRMAN BROWN:** Thank you so much.

2           All right. Back to staff.

3           **MS. TAN:** Lee Eng Tan for the 02 docket, Margo  
4 Leathers and Wesley Taylor for the 03 docket, Kelley  
5 Corbari for the 04 docket, Charles Murphy and Bianca  
6 Lherisson for the 07 docket, and Danijela Janjic and  
7 Suzanne Brownless for the 01 docket.

8           **CHAIRMAN BROWN:** Thank you.

9           **MS. HELTON:** And Mary Anne Helton. I'm here  
10 as your advisor in all of the dockets.

11           **CHAIRMAN BROWN:** Thank you so much. And  
12 before we proceed and go over some preliminary matters,  
13 I just want to thank the Prehearing Officer,  
14 Commissioner Graham. This is his second year handling  
15 the clause dockets. And I know it is no easy task with  
16 all the confidentiality orders and a lot of procedural  
17 matters, so I want to thank you for taking this on, an  
18 additional hearing.

19           This year we have a very streamlined  
20 proceeding before us today, and I want to thank all of  
21 the parties who have participated in this. I really  
22 want to focus on thanking staff. This is a year-long  
23 process, and all the time and energy you've expended in  
24 these dockets, I want to thank you for all of your  
25 dedication to the process.

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The order of the dockets is going to go like this: 02, 03, 04, 07 and 01. So we're going to right now call the -- open up the 02 docket. So the parties who are here for that, we will take that matter up right now. And staff, Ms. Tan, are there any preliminary matters we need to address in the 02 docket?

**MS. TAN:** Yes, Chairman. All the witnesses have been excused and all the parties have waived opening statements. In addition, there are proposed stipulations on all the issues where the parties have stipulated to Issues 1 through 7, with OPC, FIPUG, and PCS taking no position.

**CHAIRMAN BROWN:** Thank you. Let's go to the record first with the prefiled testimony.

**MS. TAN:** Chairman, we ask that the prefiled testimony of all the witnesses identified in Section VI of the Prehearing Order be inserted into the record as though read.

**CHAIRMAN BROWN:** Okay. Seeing no objection, we'll go ahead and enter into -- all of the witnesses identified in Section VI of the Prehearing Order into the record as though read.

**MS. TAN:** Thank you.

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**  
**FLORIDA POWER & LIGHT COMPANY**  
**TESTIMONY OF TERRY J. KEITH**  
**DOCKET NO. 160002-EG**  
**MAY 2, 2016**

**Q. Please state your name, business address, employer and position.**

A. My name is Terry J. Keith and my business address is 9250 West Flagler Street, Miami, Florida, 33174. I am employed by Florida Power & Light Company (“FPL” or “the Company”) as Director, Cost Recovery Clauses, in the Regulatory Affairs Department.

**Q. Please state your education and business experience.**

A. I graduated from North Carolina Agricultural & Technical State University with a Bachelor’s degree in Accounting in 1977. I subsequently earned a Master of Business Administration degree from the University of Wisconsin in 1982. Prior to joining FPL in 1986, I held various accounting positions at Phillips Petroleum Company and later Centel Corporation. At FPL, I held positions of increasing responsibility in the Accounting Department, including various supervision assignments relating to accounting research, financial reporting, development and application of overhead rates, and property accounting. I spent ten years in the Regulatory Affairs Department as Principal Regulatory Coordinator and later as Regulatory Issues Manager primarily responsible for managing and coordinating regulatory accounting and finance dockets. In 2008, I assumed my current

1 position as Director, Cost Recovery Clauses, where I am responsible for  
2 providing direction as to cost recovery through a cost recovery clause and the  
3 overall preparation and filing of all cost recovery clause documents including  
4 testimony and discovery.

5 **Q. Have you previously testified in this or predecessor dockets?**

6 A. Yes.

7 **Q. What is the purpose of your testimony?**

8 A. The purpose of my testimony is to present for Commission review and approval  
9 the schedules supporting the calculation of the Energy Conservation Cost  
10 Recovery (“ECCR”) Clause final net true-up amount for the period January 2015  
11 through December 2015.

12 **Q. Have you prepared or caused to be prepared under your direction,  
13 supervision or control an exhibit in this proceeding?**

14 A. Yes, I am sponsoring Schedules CT-1 and CT-4, and co-sponsoring Schedules  
15 CT-2 and CT-3, in Exhibit AS-1. The specific sections of Schedules CT-2 and  
16 CT-3 that I am sponsoring are identified in the Table of Contents, which is found  
17 in Exhibit AS-1, Page 1 of 1.

18 **Q. What is the source of the data used in calculating the final net true-up amount  
19 for the January 2015 through December 2015 period?**

20 A. Unless otherwise indicated, the data used in calculating the final net true-up amount  
21 were taken from the books and records of FPL. The books and records are kept in  
22 the regular course of the Company’s business in accordance with generally  
23 accepted accounting principles and practices, and in accordance with the applicable

1 provisions of the Uniform System of Accounts as prescribed by this Commission  
2 and directed in Rule 25-17.015, Florida Administrative Code. Pages 4 and 5 of  
3 Schedule CT-2 provide a complete list of all account numbers used for Energy  
4 Conservation Cost Recovery during the period January 2015 through December  
5 2015.

6 **Q. What is the actual end of period true-up amount that FPL is requesting the**  
7 **Commission to approve for the January 2015 through December 2015 period?**

8 A. FPL has calculated and is requesting approval of an over-recovery of \$2,238,163  
9 including interest, as the actual end of period true-up amount for the period January  
10 2015 through December 2015. The calculation of this \$2,238,163 over-recovery is  
11 shown on Schedule CT-3, Page 2 of 3, Line 7 plus Line 8.

12 **Q. What is the final net true-up amount for the January 2015 through December**  
13 **2015 period that FPL is requesting be carried over and included in the**  
14 **January 2017 through December 2017 ECCR factors?**

15 A. FPL has calculated and is requesting approval of an over-recovery of \$11,839,478  
16 as the final net true-up amount for the period January 2015 through December  
17 2015. This final net true-up over-recovery of \$11,839,478 is the difference between  
18 the actual end of period true-up over-recovery of \$2,238,163 and the  
19 actual/estimated true-up under-recovery of \$9,601,315 approved by the  
20 Commission in Order No. PSC-15-0542-FOF-EG, issued November 23, 2015. The  
21 calculation of the \$11,839,478 over-recovery is shown on Schedule CT-1, Page 1 of  
22 1.

1 **Q. Was the calculation of the final net true-up amount for the period January**  
2 **2015 through December 2015 performed consistently with the prior true-up**  
3 **calculations in predecessor ECCR dockets?**

4 A. Yes. FPL's final net true-up was calculated consistent with the methodology set  
5 forth in Schedule 1, Page 2 of 2, attached to Order No. 10093, dated June 19,  
6 1981.

7 **Q. Have you provided a schedule showing the variances between actual and**  
8 **actual/estimated program costs and revenues for the period January 2015**  
9 **through December 2015?**

10 A. Yes. Schedule CT-2, Page 1 of 5, compares actual to actual/estimated program  
11 costs, revenues and interest, resulting in the variance of \$11,839,478.

12 **Q. Please explain the calculation of the \$11,839,478 variance.**

13 A. The difference between 2015 actual and actual/estimated ECCR revenues, net of  
14 revenues taxes of \$1,738,302 (CT-2, Page 1 of 5, Line 12) minus the difference  
15 between 2015 actual and actual/estimated total adjusted program costs of  
16 \$10,102,319 (CT-2, Page 1 of 5, Line 9) results in a variance of \$11,840,622 (CT-  
17 2, Page 1 of 5, Line 13). This \$11,840,622 over-recovery, plus the variance of  
18 \$1,144 in interest (CT-2, Page 1 of 5, Line 14), results in a net over-recovery of  
19 \$11,839,478 (CT-2, Page 1 of 5, Line 18).

20 **Q. Does this conclude your testimony?**

21 A. Yes.

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**  
**FLORIDA POWER & LIGHT COMPANY**  
**TESTIMONY OF TERRY J. KEITH**  
**DOCKET NO. 160002-EG**  
**AUGUST 19, 2016**

**Q. Please state your name, business address, employer and position.**

A. My name is Terry J. Keith and my business address is 9250 West Flagler Street, Miami, Florida, 33174. I am employed by Florida Power & Light Company (“FPL” or “the Company”) as Director, Cost Recovery Clauses, in the Regulatory Affairs Department.

**Q. Have you previously testified in this or predecessor dockets?**

A. Yes.

**Q. What is the purpose of your testimony in this proceeding?**

A. The purpose of my testimony is to present the schedules necessary to support the actual/estimated Energy Conservation Cost Recovery (“ECCR”) clause true-up for the period January 2016 through December 2016 and the calculation of the ECCR factors based on the projected ECCR costs for FPL’s Demand Side Management (“DSM”) programs to be incurred during the months of January 2017 through December 2017. My testimony also identifies issues from FPL’s current base rate proceeding (Docket No. 160021-EI) that may impact the ECCR clause beginning in 2017 including the position that FPL’s recovery of energy



1 conservation costs using the 12 CP and 25% cost allocation methodology is  
2 reasonable.

3 **Q. Have you prepared or caused to be prepared under your direction,**  
4 **supervision or control any exhibits in this proceeding?**

5 A. Yes, I am sponsoring Schedules C-1 and C-4, and co-sponsoring Schedules C-2  
6 and C-3, in Exhibit AS-2. The specific sections of Schedules C-2 and C-3 that I  
7 am sponsoring are identified in the Table of Contents, which is found in Exhibit  
8 AS-2, Page 1 of 1. I am also sponsoring Schedule C-1 in Exhibit AS-3.

9 **Q. What is the source of the data used in calculating the 2016 actual/estimated**  
10 **true-up amount?**

11 A. Unless otherwise indicated, the data used in calculating the 2016 actual/estimated  
12 true-up amount was taken from the books and records of FPL. The books and  
13 records are kept in the regular course of the Company's business in accordance with  
14 generally accepted accounting principles and practices, and with the applicable  
15 provisions of the Uniform System of Accounts as prescribed by this Commission  
16 and directed in Rule 25-17.015, Florida Administrative Code.

17 **Q. Please explain the calculation of the ECCR end of period net true-up and**  
18 **actual/estimated true-up amounts for 2016 included in Exhibit AS-2.**

19 A. Schedule C-3, Pages 10 and 11, provide the calculation of the 2016 ECCR end of  
20 period net true-up and actual/estimated true-up amounts. The end of period net  
21 true-up amount to be carried forward to the 2017 ECCR factors is an over-recovery  
22 of \$18,213,554 (Schedule C-3, Page 10, Line 11). This \$18,213,554 over-recovery

1 includes the 2015 final true-up over-recovery of \$11,839,477 (Schedule C-3, Page  
2 10, Line 9a) filed with the Commission on May 2, 2016, and the 2016  
3 actual/estimated true-up over-recovery, including interest, of \$6,374,077, (Schedule  
4 C-3, Page 10, Lines 7 plus 8) for the period January 2016 through December 2016.  
5 The 2016 actual/estimated true-up is based on actual data for the period January  
6 2016 through June 2016 and revised estimates for the period July 2016 through  
7 December 2016.

8 **Q. Have you prepared calculations of the allocation factors for demand and**  
9 **energy?**

10 A. Yes. Schedule C-1, Page 2 in Exhibit AS-2, provides these calculations. The  
11 demand allocation factors are calculated by determining the percentage each rate  
12 class contributes to the monthly system peaks. The energy allocation factors are  
13 calculated by determining the percentage each rate class contributes to total kWh  
14 sales, as adjusted for losses.

15 **Q. Have you prepared calculations of the 2017 ECCR factors by rate class?**

16 A. Yes. Schedule C-1, Page 3 in Exhibit AS-2 provides the calculations of FPL's  
17 2017 ECCR factors being requested.

1 **PENDING BASE RATE CASE ISSUES IMPACTING THE ECCR CLAUSE**

2

3 **Q. Is FPL proposing an adjustment in its current base rate proceeding in Docket**  
4 **160021-EI that impacts the allocation of 2017 ECCR cost projections to**  
5 **customer classes?**

6 A. Yes. As explained in the direct testimony of Renae B. Deaton filed in Docket No.  
7 160021-EI on March 15, 2016, FPL is proposing to utilize a 12 CP and 25% cost  
8 allocation methodology for production plant. Transmission costs classified to  
9 demand, if applicable, would be allocated based on their 12 CP contributions,  
10 adjusted for losses. FPL has also calculated 2017 ECCR factors based on 12 CP  
11 and 1/13<sup>th</sup> cost allocation methodology. These factors are provided in Schedule C-  
12 1 included in Exhibit AS-3.

13 **Q. Is the use of a 12 CP and 25% cost allocation methodology for production**  
14 **plant reasonable?**

15 A. Yes. As explained in the direct testimony of Renae B. Deaton in Docket No.  
16 160021-EI on March 15, 2016, the use of a 12 CP and 25% cost allocation  
17 methodology for production plant is reasonable as it serves to better align costs  
18 and benefits among FPL's customer classes.

19 **Q. Has FPL calculated 2017 ECCR factors based on the proposed change in cost**  
20 **allocation methodology?**

21 A. Yes. Schedule C-1, Pages 1-3 included in Exhibit AS-2 provides the calculation  
22 of FPL's 2017 ECCR factors based on the proposed 12 CP and 25% cost

1 allocation methodology. Per Order No. PSC-93-1845-FOF-EI, FPL is requesting  
2 that the Commission approve these factors for the period January 2017 through  
3 December 2017. In the alternative, FPL requests the Commission to approve the  
4 2017 ECCR factors based on the current 12 CP and 1/13<sup>th</sup> cost allocation  
5 methodology for production plant.

6 **Q. Is FPL proposing an adjustment in its base rate proceeding that impacts the**  
7 **Commercial/Industrial rate classes' 2017 ECCR factors?**

8 A. Yes. As explained in the direct testimony of Tiffany C. Cohen filed in Docket  
9 No. 160021-EI on March 15, 2016 and discussed in the testimony of Anita  
10 Sharma in this docket, FPL is proposing to adjust the rebate levels associated with  
11 the Commercial/Industrial Load Control ("CILC") and Commercial/Industrial  
12 Demand Reduction ("CDR") programs that are currently based on the 2012 Rate  
13 Case Settlement to pre-settlement levels.

14 **Q. Has FPL included this proposed adjustment in the calculation of its 2017**  
15 **ECCR factors?**

16 A. Yes. The rebate levels included in the ECCR cost projections for 2017 are consistent  
17 with FPL's proposal in the rate case proceeding. However, if the Commission's  
18 decision in FPL's rate case proceeding related to the level of rebates is different from  
19 the assumed level in FPL's 2017 ECCR projections, the difference in costs will be  
20 reflected in the true-up process for 2017.

21 **Q. Is FPL proposing any new rate schedules in its current base rate proceeding?**

22 A. Yes. As discussed in the direct testimony of Tiffany C. Cohen filed in Docket  
23 No. 160021-EI on March 15, 2016, FPL is proposing two new lighting rate

1 schedules: Metered Customer-Owned Street Lights (SL-1M) and Metered Traffic  
2 Signals (SL-2M).

3 **Q. Has FPL calculated ECCR factors for the proposed metered lighting rate**  
4 **schedules?**

5 A. Yes. The ECCR factors for the proposed new metered lighting rate schedules are  
6 included in Schedule C-1 in Exhibits AS-2 and AS-3.

7 **Q. Is FPL proposing an adjustment in its base rate proceeding to move costs**  
8 **currently in base rates to the ECCR clause?**

9 A. Yes. As explained in the direct testimony of Kim Ousdahl, filed in Docket No.  
10 160021-EI on March 15, 2016, presently, a small number of approved ECCR  
11 projects classified as in-construction or CWIP remain in base rates. FPL believes  
12 that moving these costs from base rates to the ECCR clause is appropriate in order  
13 to recover all ECCR related costs through the ECCR clause.

14 **Q. Has FPL included this proposed adjustment in the calculation of its 2017**  
15 **ECCR factors?**

16 A. No. FPL has not included this adjustment in the calculation of its 2017 ECCR  
17 factors. Should the Commission approve this adjustment in Docket 160021-EI,  
18 FPL will reflect this adjustment in the true-up process for 2017.

19 **Q. Does this conclude your testimony?**

20 A. Yes.

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                   **FLORIDA POWER & LIGHT COMPANY**

3                   **TESTIMONY OF ANITA SHARMA**

4                   **DOCKET NO. 160002-EG**

5                   **MAY 2, 2016**

6

7   **Q. Please state your name and business address.**

8   A. My name is Anita Sharma and my business address is 9250 West Flagler Street,  
9       Miami, Florida 33174. I am employed by Florida Power and Light Company  
10       (“FPL”) in the Demand Side Management (“DSM”) Department as Manager, Cost  
11       & Performance.

12   **Q. Please describe your educational and professional background and experience.**

13   A. I received a Masters in Economics in 1983 and a Masters in Finance in 2006 from  
14       Florida International University. I began working at FPL in 1985 as an Assistant  
15       Economist and have worked in positions of increasing responsibility in the areas of  
16       economics and energy forecasting. I began in my present position as Manager of  
17       Cost & Performance for DSM programs in March 2009.

18   **Q. Have you previously testified in this or predecessor dockets?**

19   A. Yes.

20   **Q. What is the purpose of your testimony?**

21   A. The purpose of my testimony is to present the actual Energy Conservation Cost  
22       Recovery costs for FPL’s DSM programs for the period January 2015 through  
23       December 2015.

1 **Q. Have you prepared or caused to be prepared under your direction, supervision**  
2 **or control an exhibit in this proceeding?**

3 A. Yes. I am sponsoring Schedules CT-5, CT-6 and Appendix A and co-sponsoring  
4 Schedules CT-2 and CT-3 in Exhibit AS-1. The specific sections of Schedules CT-2  
5 and CT-3 that I am sponsoring are identified in Exhibit AS-1, Page 1 of 1, Table of  
6 Contents.

7 **Q. For the January 2015 through December 2015 period, did FPL seek recovery of**  
8 **any costs for advertising which makes a specific claim of potential energy**  
9 **savings or states appliance efficiency ratings or savings?**

10 A. Yes.

11 **Q. Has FPL complied with Rule 25-17.015(5), Florida Administrative Code, which**  
12 **requires FPL to file all data sources and calculations used to substantiate claims**  
13 **of potential energy savings or which state appliance efficiency ratings or savings**  
14 **that are included in advertisement?**

15 A. Yes. The documentation required by the Rule is included in Appendix A.

16 **Q. Are all costs listed in Schedule CT-2 attributable to Commission-approved**  
17 **DSM programs?**

18 A. Yes.

19 **Q. How did FPL's actual program costs for the January 2015 through December**  
20 **2015 period compare to the actual/estimated costs presented in Docket No.**  
21 **150002-EG, and approved in Order No. PSC-15-0542-FOF-EG?**

22 A. Actual program costs for the period were \$208,643,788. The actual/estimated  
23 program costs were \$218,746,107. Therefore, actual costs were \$10,102,319, or

1 approximately five percent, lower than the actual/estimated costs (see Schedule CT-  
2 2, Page 1 of 5, Line 9). Each program's contribution to the variance is shown on  
3 Schedule CT-2, Page 3 of 5.

4 **Q. Does this conclude your testimony?**

5 A. Yes.



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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**  
**FLORIDA POWER & LIGHT COMPANY**  
**TESTIMONY OF ANITA SHARMA**  
**DOCKET NO. 160002-EG**  
**AUGUST 19, 2016**

**Q. Please state your name, business address, employer and position.**

A. My name is Anita Sharma. My business address is 9250 West Flagler Street, Miami, Florida 33174. I am employed by Florida Power and Light Company (“FPL” or the “Company”) as Manager, DSM Cost & Performance.

**Q. Have you previously filed testimony in this or a predecessor docket?**

A. Yes.

**Q. What is the purpose of your testimony?**

A. The purpose of my testimony is to submit for Commission review and approval the projected Energy Conservation Cost Recovery (“ECCR”) costs for FPL’s Demand-Side Management (“DSM”) programs to be incurred by FPL during January through December 2017 and the actual/estimated ECCR costs for January through December 2016.

**Q. Are you sponsoring an exhibit in this proceeding?**

A. Yes. I am sponsoring Exhibit AS-2, Schedule C-5 and co-sponsoring Schedules C-2 and C-3. The specific sections of Schedules C-2 and C-3 that I am sponsoring are shown on the Table of Contents (Exhibit AS-2, Page 1).

1 **Q. Are all of the costs listed in these exhibits reasonable, prudent and attributable to**  
2 **programs approved by the Commission?**

3 A. Yes. The 2017 projections and 2016 actual/estimated costs are based on the programs  
4 from FPL's DSM Plan approved by the Commission in Docket 150085-EG. The  
5 2016 actual costs also include some residual carryover costs associated with certain  
6 programs from FPL's previously-approved DSM Plan that were discontinued in the  
7 current DSM Plan.

8 **Q. Please describe the methods used to derive the program costs for which FPL**  
9 **seeks recovery.**

10 A. The actual costs for the months of January through June 2016 came from the books  
11 and records of FPL. The books and records are kept in the regular course of FPL's  
12 business in accordance with generally accepted accounting principles and practices  
13 and with the applicable provisions of the Uniform System of Accounts as prescribed  
14 by this Commission and directed in Rule 25-17.015, Florida Administrative Code.

15  
16 Costs for the months of July through December 2016 and January through December  
17 2017 are projections compiled from detailed month-by-month analyses for each  
18 program which were prepared by the relevant departments within FPL. The  
19 projections have been created in accordance with FPL's standard budgeting and on-  
20 going cost justification processes.

21 **Q. What are the 2016 actual/estimated costs FPL is requesting the Commission to**  
22 **approve?**

1 A. FPL is requesting approval of \$164,120,161 as the actual/estimated costs for the period  
2 January through December 2016 as shown on Exhibit AS-2, Schedule C-3, page 9, line  
3 20.

4 **Q. What are the 2017 costs FPL is requesting the Commission to approve?**

5 A. FPL is requesting approval of \$126,553,204 for recovery during the period of January  
6 through December 2017 as shown on Exhibit AS-2, Schedule C-1, Page 1, Line 8.  
7 This includes projected costs for January through December 2017 of \$144,733,515 as  
8 shown on Exhibit AS-2, Schedule C-1, Page 1, Line 1 as well as prior and current  
9 period over recoveries, interest and applicable revenue taxes.

10 **Q. Do FPL's 2017 costs reflect the incentives included in the rate case proceeding,**  
11 **Docket No. 160021-EI, for the Commercial/Industrial Demand Reduction**  
12 **("CDR") and Commercial/Industrial Load Control ("CILC") programs ?**

13 A. Yes. The incentives are consistent with FPL's proposal in Docket No. 160021-EI.  
14 However, if the Commission's decision in FPL's rate case proceeding related to the  
15 level of rebates is different from the assumed level in FPL's 2017 ECCR projections,  
16 the difference in costs will be reflected in the true-up process for 2017.

17 **Q. Does this conclude your testimony?**

18 A. Yes.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 160002-EG:  
ENERGY CONSERVATION COST RECOVERY CLAUSE

Direct Testimony (Final True Up) of  
CURTIS D. YOUNG

On Behalf of Florida Public Utilities Company

1 **Q. Please state your name and business address.**

2 A. My name is Curtis D. Young. My business address is 1641 Worthington Road,  
3 Suite 220 West Palm Beach, Florida 33409.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Florida Public Utilities Company as a Senior Regulatory  
6 Analyst.

7 **Q. Can you please provide a brief overview of your educational and  
8 employment background?**

9 A. I graduated from Pace University in 1982 with a BBA in Accounting. I have  
10 been employed by FPUC since 2001. During my employment at FPUC, I have  
11 performed various accounting and analytical functions including regulatory  
12 filings, revenue reporting, account analysis, recovery rate reconciliations and  
13 earnings surveillance. I'm also involved in the preparation of special reports and  
14 schedules used internally by division managers for decision making projects.  
15 Additionally, I coordinate the gathering of data for the FPSC audits.

16 **Q. What is the purpose of your testimony at this time?**

17 A. To advise the Commission of the actual over/under recovery of the Conservation  
18 Program costs for the period January 1, 2015 through December 31, 2015 as

1 compared to the true-up amounts previously reported for that period which were  
2 based on six months of actual and six months of estimated data.

3 **Q. Please state the actual amount of over/under recovery of Conservation**  
4 **Program costs for the Consolidated Electric Divisions of Florida Public**  
5 **Utilities Company for January 1, 2015 through December 31, 2015.**

6 A. The Company under-recovered \$117,309 during that period. This amount is  
7 substantiated on Schedule CT-3, page 2 of 3, Energy Conservation Adjustment.

8 **Q. How does this amount compare with the estimated true-up amount which**  
9 **was allowed by the Commission during the November 2015 hearing?**

10 A. The cost recovery factors approved by the Commission in Docket No. 150002-  
11 EG were based upon an anticipated under-recovery of \$203,237 as of December  
12 31, 2015.

13 **Q. Have you prepared any exhibits at this time?**

14 A. We have prepared and pre-filled Schedules CT-1, CT-2, CT-3, CT-4, CT-5 and  
15 CT-6 (Composite Exhibit CDY-1).

16 **Q. Does this conclude your testimony?**

17 A. Yes.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 160002-EG: ENERGY CONSERVATION  
COST RECOVERY CLAUSE

DIRECT TESTIMONY OF KIRA I. LAKE

On behalf of

Florida Public Utilities Company ("FPUC")

1 **Q. Please state your name, occupation and business address.**

2 A. My name is Kira Lake. I am the Business Services Manager for Florida Public  
3 Utilities Company. My business address is 450 S. Charles Richard Beall Blvd,  
4 DeBary, Florida 32713.

5 **Q. Describe briefly your background and business experience?**

6 A. I graduated from Embry-Riddle Aeronautical University in 2003 with a Bachelor's  
7 of Science degree in Air Traffic Management and in 2007 with a Masters of  
8 Business Administration degree. I have been employed by FPUC since 2007,  
9 during which time I have served as the manager of the Company's Energy  
10 Conservation department. I have been responsible for establishing and managing  
11 the Company's gas conservation programs as well as ensuring compliance with all  
12 Florida Public Service Commission (FPSC) rules as it pertains to Energy  
13 Conservation programs. I am also involved in the preparation of various  
14 conservation program related regulatory filings.

15 **Q. Are you familiar with the electric conservation programs of the Company and  
16 costs which have been, and are projected to be, incurred?**

17 A. Yes.

18 **Q. What is the purpose of your testimony in this docket?**

19 A. To describe generally the expenditures made and projected to be made in  
20 implementing, promoting, and operating the Company's electric conservation  
21 programs. This will include recoverable costs incurred in January through

DOCKET NO. 160002-EG

1 June 2016 and projections of program costs to be incurred from July through  
2 December 2016. It will also include projected electric conservation costs for  
3 the period January through December 2017, with a calculation of the  
4 Conservation Adjustment Factor to be applied to the Company's consolidated  
5 electric customers' bills during the collection period of January 1, 2017  
6 through December 31, 2017.

7 **Q. Are there any exhibits that you wish to sponsor in this proceeding?**

8 A. Yes. The Company wishes to sponsor as exhibits Schedules C-1, C-2, C-3, C-4, and  
9 C-5, which have been filed with this testimony as Exhibit KIL-1.

10 **Q. Have you prepared summaries of its electric conservation programs and the  
11 costs associated with these programs?**

12 A. Yes. Summaries of the electric conservation programs as approved in Docket No.  
13 150089-EG, the petition for approval of the demand-side management plan, are  
14 contained in Schedule C-5 of Exhibit KIL-1. Included are the Residential Energy  
15 Survey Program, the Residential Heating and Cooling Efficiency Program, the  
16 Commercial Heating and Cooling Efficiency Program, the Commercial Chiller  
17 Upgrade Program, the Electric Conservation Demonstration and Development  
18 Program, the Low Income Energy Outreach Program, the Commercial Reflective  
19 Roof Program and the Commercial Energy Consultation Program.

20 **Q. Have schedules been prepared reflecting the expenditures associated with  
21 FPUC's electric conservation programs for the periods you have mentioned?**

22 A. Yes, Schedule C-3, Pages 1 and 1A of 5, Exhibit KIL-1 shows actual expenses for  
23 the months January through June 2016. Projections for July through December 2016  
24 are also shown on Schedule C-3, Pages 1 and 1A. Projected expenses for the  
25 January through December 2017 period are shown on Schedule C-2, Page 1 of 3 of

## DOCKET NO. 160002-EG

1 Exhibit KIL-1.

2 **Q. Have schedules been prepared that show revenues for the period January**  
3 **through December 2016?**

4 A. Yes. Schedule C-4 shows actual revenues for the months January through June 2016  
5 and projected revenues for July through December 2016 and January through  
6 December 2017.

7 **Q. Which schedules have been included that demonstrate the calculation of**  
8 **FPUC's proposed Conservation Adjustment Factor to be applied during billing**  
9 **periods from January 1, 2017 through December 31, 2017?**

10 A. Schedule C-1 of Exhibit KIL-1 shows these calculations. Net program cost estimates  
11 for the period January 1, 2017 through December 31, 2017 are used. The estimated  
12 true-up amount from Schedule C-3 (Page 4 of 5, Line 11) of Exhibit KIL-1, being an  
13 over-recovery, was added to the total of the projected costs for the twelve-month  
14 period. The total projected recovery amount, including estimated true-up, was then  
15 divided by the projected Retail KWH Sales for the twelve-month period ending  
16 December 31, 2017. The resulting Conservation Adjustment Factor is shown on  
17 Schedule C-1 (Page 1 of 1) of Exhibit KIL-1.

18 **Q. What is the Conservation Adjustment Factor necessary to recover these**  
19 **projected net total costs?**

20 A. The Conservation Adjustment Factor is \$.00100 per KWH.

21 **Q. Have there been any changes in the Conservation filing compared to the**  
22 **prior year?**

23 A. No.

24 **Q. Does this conclude your testimony?**

25 A. Yes.



## 1 GULF POWER COMPANY

2 Before the Florida Public Service Commission  
3 Prepared Direct Testimony and Exhibit of  
4 John N. Floyd  
5 Docket No. 160002-EG  
6 Energy Conservation Cost Recovery Clause  
7 August 19, 2016

8 Q. Will you please state your name, business address, employer and  
9 position?

10 A. My name is John N. Floyd and my business address is One Energy Place,  
11 Pensacola, Florida 32520. I am employed by Gulf Power Company as the  
12 Energy Efficiency and Renewables Manager.

13 Q. Mr. Floyd, please describe your educational background and business  
14 experience.

15 A. I received a Bachelor Degree in Electrical Engineering from Auburn  
16 University in 1985. After serving four years in the U.S. Air Force, I began  
17 my career in the electric utility industry at Gulf Power in 1990 and have  
18 held various positions with the Company in Power Generation, Metering,  
19 Power Delivery and Marketing. In my present position, I am responsible  
20 for the development and implementation of Gulf's customer program  
21 offerings associated with the Company's Demand-Side Management  
22 (DSM) Plan.

23 Q. Mr. Floyd, for what purpose are you appearing before this Commission  
24 today?

25

1 A. I am testifying before this Commission on behalf of Gulf Power regarding  
2 matters related to the Energy Conservation Cost Recovery Clause and to  
3 answer any questions concerning the calculation of recoverable  
4 conservation costs in this filing. Specifically, I will address projections for  
5 approved programs during the January 2017 through December 2017  
6 recovery period and the anticipated results of those programs during the  
7 current recovery period, January 2016 through December 2016 (6 months  
8 actual, 6 months estimated).

9

10 Q. Have you prepared an exhibit that contains information to which you will  
11 refer in your testimony?

12 A. Yes. My exhibit consists of 6 schedules, each of which was prepared  
13 under my direction, supervision, or review.

14 Counsel: We ask that Mr. Floyd's exhibit  
15 consisting of six schedules be marked as  
16 Exhibit No. \_\_\_\_ (JNF-2).

17

18 Q. Would you summarize for this Commission the deviations resulting from  
19 the actual costs for January 2016 through June 2016 of the current  
20 recovery period?

21 A. Projected expenses for the first six months of the current period were  
22 \$6,714,868 compared to actual expenses of \$6,187,992 for a difference of  
23 \$526,876 or 8% under budget. A detailed summary of all program  
24 expenses is contained in my Schedule C-3, pages 1 and 2 and my  
25 Schedule C-5.

1 Q. Did you project expenses for the period July 2016 through December  
2 2016?

3 A. Yes. A detailed summary of those projections can be found in my  
4 Schedule C-3.

5

6 Q. How do the estimated actual expenses compare to projected expenses  
7 included in the 2016 Projection filing for the period July – December  
8 2016?

9 A. Estimated actual expenses for the period July – December 2016 of  
10 \$6,391,751 are \$257,245 or 4% more than the projected expenses for that  
11 same period of \$6,134,506.

12

13 Q. Audit Finding No. 1 of the 2015 period concerning the Ceiling Insulation  
14 Program required an adjustment of \$107.40. Has this adjustment been  
15 made to the Company records?

16 A. Yes. The adjustment was performed in May 2016 and is reflected in  
17 Schedule C-3. As noted in the Audit Finding, the \$107.40 represents the  
18 amounts exceeding the approved maximum for two incentives that were in  
19 process during the time when the corrective actions were taking place.

20

21 Q. Have there been any other expenses incurred during 2016 relating to prior  
22 programs that were discontinued in the current 2015 DSM Plan?

23 A. Yes. There was an additional \$5,000 of incentives paid February 2016 to  
24 participants in the Solar Thermal Water Heating Pilot Program as reflected  
25 in Schedule C-3. These qualifying participants enrolled and completed the

1 installations before the five year pilot program ended December 31, 2015.  
2 The installation verifications and subsequent incentive payments,  
3 however, occurred in February 2016.  
4

5 Q. Have you provided a description of the program results achieved during  
6 the period January 2016 through June 2016?

7 A. Yes. A detailed summary of year-to-date results for each program is  
8 contained in my Schedule C-5.  
9

10 Q. Would you summarize the conservation program cost projections for the  
11 January 2017 through December 2017 recovery period?

12 A. Yes. Program costs for the projection period are estimated to be  
13 \$13,545,684. These costs are broken down as follows: depreciation,  
14 return on investment and property taxes, \$2,436,261; payroll/benefits,  
15 \$4,635,466; materials/expenses, \$5,131,207; advertising, \$650,000; and  
16 incentives, \$692,750. More detail concerning these projections is  
17 contained in my Schedule C-2.  
18

19 Q. Are the Company's projected expenses for the January 2017 through  
20 December 2017 period reasonable and appropriate for cost recovery?

21 A. Yes. Gulf continually evaluates the resources necessary to deliver its  
22 DSM Plan and all of its components in order to meet the Company's DSM  
23 goals. With the current level of goals, Gulf has carefully considered the  
24 appropriate level of administrative resources necessary to achieve the  
25 goals.

1 Q. What is the basis for Gulf's conservation program cost projections for the  
2 January 2017 through December 2017 recovery period?

3 A. These projections are based on program cost estimates associated with  
4 Gulf's 2015 Demand-Side Management (DSM) Plan which was approved  
5 on August 19, 2015 in Order No. PSC-15-0330-PAA-EG.

6  
7 Q. Would you describe the expected results for your programs during the  
8 January 2017 through December 2017 recovery period?

9 A. Program details, including expected results, for the period January 2017  
10 through December 2017 can be found in my Schedule C-5.

11

12 Q. What is the proposed 2017 factor for Rate Schedule RS and what will be  
13 the charge for a 1,000 kWh monthly bill on Gulf Power's rate schedule  
14 RS?

15 A. The proposed Energy Conservation Cost Recovery factor for Rate  
16 Schedule RS is .16 cents per kWh, which results in a charge of \$1.60 on a  
17 1,000 kWh monthly bill on Gulf Power's rate schedule RS.

18

19 Q. When does Gulf propose to collect these Energy Conservation Cost  
20 Recovery charges?

21 A. The factors will be effective beginning with the first bill group for January  
22 2017 and continue through the last bill group for December 2017.

23

24 Q. Mr. Floyd, does this conclude your testimony?

25 A. Yes, it does.

## 1 GULF POWER COMPANY

2 Before the Florida Public Service Commission  
3 Amended Prepared Direct Testimony and Exhibit of  
4 John N. Floyd  
5 Docket No. 160002-EG  
6 Date of Filing: October 4, 2016

7 Q. Please state your name, business address employer and position.

8 A. My name is John N. Floyd and my business address is One Energy Place,  
9 Pensacola, Florida 32520. I am employed by Gulf Power Company (Gulf  
10 or the Company) as the Energy Efficiency and Renewables Manager.

11 Q. Mr. Floyd, please describe your educational background and business  
12 experience.

13 A. I received a Bachelor Degree in Electrical Engineering from Auburn  
14 University in 1985. After serving four years in the U.S. Air Force, I began  
15 my career in the electric utility industry at Gulf Power in 1990 and have  
16 held various positions with the Company in Power Generation, Metering,  
17 Power Delivery and Marketing. In my present position, I am responsible  
18 for the development and implementation of Gulf's customer program  
19 offerings associated with the Company's Demand-Side Management  
20 (DSM) Plan.

21  
22 Q. Have you previously testified before this Commission in connection with  
23 the Energy Conservation Cost Recovery Clause?

24 A. Yes.

25

1 Q. Mr. Floyd, what is the purpose of your testimony?

2 A. The purpose of my testimony is to present the results of the approved  
3 Energy Conservation Cost Recovery Clause programs and related  
4 expenses for January 2015 through December 2015.

5

6 Q. Are you sponsoring any exhibits to your testimony?

7 A. Yes, I sponsor Exhibit JNF-1, Schedules CT-1 through CT-6.

8

9 Q. Have you verified that the information contained in Exhibit JNF-1 is  
10 correct?

11 A. Yes, I have. This exhibit was prepared under my direction and control,  
12 and the information contained therein is true and correct to the best of my  
13 knowledge.

14 Counsel: We ask that Mr. Floyd's exhibit consisting of 6 Schedules,  
15 CT-1 through CT-6, be marked for identification as:  
16 Exhibit No. \_\_\_\_ (JNF-1)

17

18 Q. Please summarize for this Commission the deviations between the actual  
19 expenses for this recovery period and the amount of estimated/actual  
20 expenses previously filed with this Commission.

21 A. The estimated/actual true-up net expenses for the entire recovery period  
22 January 2015 through December 2015, previously filed were \$17,932,429  
23 while the actual expenses incurred in 2015 were \$17,961,885 resulting in  
24 a variance of \$29,456 or 0.2% over the projection. See Schedule CT-2,  
25 Line 10.

1 Q. Mr. Floyd, would you explain the January 2015 through December 2015  
2 variance?

3 A. Yes. The variance was less than 1% and was the net result of actual  
4 expenses being more than estimated for half the programs and less than  
5 expected by the remaining half. Overall, these variances mean that actual  
6 program expenses for the 12 month period through December 2015 were  
7 \$29,456 more than the level of estimated/actual program expenses filed  
8 on August 21, 2015. A more detailed description of the deviations is  
9 contained in Schedule CT-3, Page 1 and Schedule CT-6.

10

11 Q. Mr. Floyd, what was Gulf's adjusted net true-up for the period January  
12 2015 through December 2015?

13 A. There was a \$2,225,904 under-recovery as shown on Schedule CT-1.

14

15 Q. Please describe your program participation levels during the recovery  
16 period.

17 A. A more detailed review of each of the programs is included in my  
18 Schedule CT-6. The following is a synopsis of program participation  
19 levels during this recovery period.

20 (A) Residential Energy Surveys - During the 2015 recovery period, the  
21 Company completed 7,438 surveys compared to the projection of  
22 7,510.

23 (B) Community Energy Saver – During the 2015 recovery period, the  
24 Company served a total of 2,751 eligible participants compared to a  
25 projection of 2,500.



- 1 (C) Landlord-Renter Custom Incentive – During the 2015 recovery  
2 period, no participants enrolled in this program compared to a  
3 projection of 0 participants.
- 4 (D) HVAC Efficiency – During the 2015 recovery period, there were a  
5 total of 12,807 participants in this program compared to a projection  
6 of 14,821.
- 7 (E) Heat Pump Water Heater – During the 2015 recovery period, a total  
8 of 298 heat pump water heaters were installed compared to a  
9 projection of 227.
- 10 (F) Ceiling Insulation – During the 2015 recovery period, a total of 338  
11 participants installed high efficiency ceiling insulation compared to a  
12 projection of 232.
- 13 (G) High Performance Window – During the 2015 recovery period, a  
14 total of 762 customers installed high efficiency windows and 96  
15 customers installed window film compared to projections of 737 and  
16 69, respectively.
- 17 (H) Reflective Roof – During the 2015 recovery period, a total of 215  
18 participants installed a qualified reflective roof compared to a  
19 projection of 228.
- 20 (I) Variable Speed Pool Pump – During the 2015 recovery period, a  
21 total of 223 participants installed a high-efficiency variable speed  
22 pool pump compared to a projection of 174.
- 23 (J) Energy Select - During the 2015 recovery period, there was a net  
24 increase of 1,866 customers with a total of 16,247 customers  
25

- 1 on-line at December 31, 2015. Gulf projected 1,929 net new  
2 customer additions during 2015.
- 3 (K) Self-Install Efficiency – During the 2015 recovery period, 1,974  
4 customers installed qualifying ENERGY STAR appliances  
5 compared to a projection of 2,040.
- 6 (L) Refrigerator Recycling – During the 2015 recovery period, no  
7 participants enrolled in this program compared to a projection of 0  
8 participants.
- 9 (M) Commercial/Industrial (C/I) Energy Analysis - During the 2015  
10 recovery period, a total of 452 C/I Energy Analyses were completed  
11 compared to a projection of 497.
- 12 (N) Commercial HVAC Retrocommissioning – During the 2015  
13 recovery period, there were 23 participants in this program  
14 compared to a projection of 29.
- 15 (O) Commercial Building Efficiency - During the 2015 recovery period,  
16 Gulf Power customers completed the qualifying installation of 1,296  
17 tons of Commercial HVAC; 37 tons of geothermal; 29,066 sq. ft. of  
18 ceiling insulation; 2,503 sq. ft. of window film; 2,019 kW of  
19 Commercial interior lighting; 283 lighting occupancy sensors; and  
20 230,566 sq. ft. of reflective roof. No heat pump water heaters were  
21 installed. Comparisons to 2015 projections can be found in  
22 Schedule CT-6.
- 23 (P) HVAC Occupancy Sensor – During the 2015 recovery period, no  
24 participants enrolled in this program compared to a projection of 0  
25 participants.

- 1 (Q) High Efficiency Motors – During the 2015 recovery period, 623 HP  
2 of high-efficiency motors were installed compared to a projection of  
3 712 HP.
- 4 (R) Food Service Efficiency - During the 2015 recovery period, there  
5 were 25 participants in this program compared to a projection of 29.
- 6 (S) Commercial/Industrial Custom Incentive – During the 2015  
7 recovery period, no participants enrolled in this program compared  
8 to a projection of 0 participants.
- 9 (T) Renewable Energy – During the 2015 recovery period, 1 Solar for  
10 Schools PV, 52 Solar PV, 21 Solar Thermal Water Heater systems  
11 and 13 Solar Thermal Water Heater for Low Income systems were  
12 installed. Further description of the participation in the Renewable  
13 Energy pilot programs can be found in Schedule CT-6.
- 14 (U) Conservation Demonstration and Development – Further  
15 description of the 2015 Conservation Demonstration and  
16 Development projects can be found in Schedule CT-6.
- 17
- 18 Q. Mr. Floyd, please summarize the transition of the programs as it relates to  
19 the new 2015 DSM Plan.
- 20 A. Transition to the new DSM Plan began September 2015. The following  
21 programs transitioned with no changes:
- 22 • Residential Energy Audit and Education
  - 23 • Community Energy Saver
  - 24 • Energy *Select*
  - 25 • Commercial/Industrial Audit

- 1           • Commercial HVAC Retrocommissioning
- 2           • Conservation Demonstration & Development

3           The following programs were discontinued:

- 4           • Heat Pump Water Heater
- 5           • Ceiling Insulation
- 6           • Variable Speed/Flow Pool Pump
- 7           • Self-Install Energy Efficiency
- 8           • Refrigerator Recycling
- 9           • HVAC Occupancy Sensor
- 10          • High Efficiency Motor
- 11          • Food Service Efficiency
- 12          • Renewable Energy

13          The following programs are new:

- 14          • Residential Building Efficiency (measures include the old High  
15             Performance Windows and Reflective Roof programs and the  
16             ENERGY STAR Window A/C measure from the Self-Install Energy  
17             Efficiency program)
- 18          • Residential Time of Use Pilot

19          The following programs were changed as described below:

- 20          • HVAC Efficiency Improvement – The HVAC Early Retirement Tiers 1-  
21             3, Upgrade Tiers 1-3 and ECM Fan measures were discontinued. A  
22             new measure, HVAC Quality Installation, was initiated. HVAC  
23             Maintenance and Duct Repair measures continue unchanged.
- 24          • The Landlord/Renter Custom Incentive program was retitled the  
25             Residential Custom Incentive program.

1 Detail regarding the transition to the 2015 DSM Plan can also be found in  
2 Schedules CT-6, Program Descriptions and Progress Reports.

3

4 Q. Should Gulf's recoverable energy conservation cost for the period be  
5 accepted as reasonable and prudent?

6 A. Yes.

7

8 Q. Mr. Floyd, does this conclude your testimony?

9 A. Yes, it does.

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**DUKE ENERGY FLORIDA, LLC**  
**DOCKET No. 160002-EG**

**Energy Conservation and Cost Recovery Final True-up  
for the Period January through December 2015**

**DIRECT TESTIMONY OF  
Lori J. Cross**

**May 2, 2016**

1 **Q. Please state your name and business address.**

2 A. My name is Lori Cross. My business address is 299 First Avenue North, St.  
3 Petersburg, FL 33701.

4

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Duke Energy Business Services, LLC as Strategy &  
7 Collaboration Director in the Customer Programs Department. Duke Energy  
8 Business Services and Duke Energy Florida, LLC ("DEF" or the "Company")  
9 are both wholly owned subsidiaries of Duke Energy Corporation.

10

11 **Q. What are your duties and responsibilities in that position?**

12 A. My responsibilities include regulatory planning, support and compliance of  
13 the Company's energy efficiency and demand-side management ("DSM")  
14 programs. This includes support for development, implementation and  
15 training, budgeting and accounting functions related to these programs.

16

1 **Q. What is the purpose of your testimony?**

2 A. The purpose of my testimony is to compare DEF's 2015 actual energy  
3 conservation program costs with actual revenues collected through the  
4 Company's Energy Conservation Cost Recovery (ECCR) Clause during the  
5 period January 2015 through December 2015. The Company relies upon the  
6 information presented in my testimony and exhibit in the conduct of its affairs.

7  
8 **Q. For what programs does Duke Energy Florida seek recovery?**

9 A. DEF seeks recovery through the ECCR Clause for conservation programs  
10 approved by the Commission as part of the Company's DSM Plan, as well as  
11 for Conservation Program Administration (i.e., those common administration  
12 expenses not specifically assigned to an individual program). Notably, DEF  
13 seeks recovery of costs for conservation programs approved by the  
14 Commission on August 20, 2015 (see Order No. PSC-15-0332-PAA-EG) as  
15 follows:

- 16 • Home Energy Check
- 17 • Residential Incentive
- 18 • Neighborhood Energy Saver
- 19 • Low-Income Weatherization Assistance Program
- 20 • Energy Management (Residential and Commercial)
- 21 • Business Energy Check
- 22 • Better Business
- 23 • Florida Custom Incentive

- 1           • Standby Generation
- 2           • Interruptible Service
- 3           • Curtailable Service
- 4           • Solar Water Heating with Energy Management Pilot
- 5           • Solar Water Heating Low Income Residential Pilot
- 6           • Residential Solar Photovoltaic Pilot
- 7           • Commercial Solar Photovoltaic Pilot
- 8           • Photovoltaic for Schools Pilot
- 9           • Research and Demonstration Pilot
- 10          • Technology Development
- 11          • Qualifying Facility

12

13       **Q. Do you have any exhibits to your testimony?**

14       A. Yes, Exhibit No.\_\_(LJC-1T) entitled, "Duke Energy Florida, LLC Energy  
15       Conservation Adjusted Net True-Up for the Period January 2015 through  
16       December 2015." There are six (6) schedules included in this exhibit.

17

18       **Q. Will you please explain your exhibit?**

19       A. Yes. Exhibit No.\_\_(LJC-1T) presents Schedules CT-1 through CT-6.  
20       Schedules CT-1 to CT-4 set out actual costs incurred for all programs during  
21       the period from January 2015 through December 2015. These schedules also  
22       illustrate variances between actual costs and previously projected values for  
23       the same time period. Schedule CT-5 provides a brief summary of each



1 conservation program that includes a program description, program  
 2 accomplishments, annual program expenditures, significant program cost  
 3 variances versus projections, and a program progress summary over the  
 4 twelve-month period ending December 2015. Schedule CT-6 is DEF's capital  
 5 structure and cost rates.

6

7 **Q. Would you please discuss Schedule CT-1?**

8 A. Yes. Schedule CT-1 line 14 shows that DEF's actual end-of-period ECCR  
 9 true-up for December 31, 2015 was an over-recovery of \$2,974,726, including  
 10 principal and interest.

11

12 **Q. What does Schedule CT-2 show?**

13 A. The four pages of Schedule CT-2 provide an annual summary of  
 14 conservation program revenues as well as itemized conservation program  
 15 costs for the period January 2015 through December 2015 detailing actual,  
 16 estimated and variance calculations by program. These costs are directly  
 17 attributable to DEF's Commission-approved programs.

18

19 **Q. Would you please discuss Schedule CT-3?**

20 A. Yes. Page one of Schedule CT-3 provides actual conservation program  
 21 costs by month for the period January 2015 through December 2015. Page  
 22 two of Schedule CT-3 presents program revenues by month offset by  
 23 expenses, and a calculation of the end of period net true-up for each month

1 and the total for the year. Page three provides the monthly interest  
2 calculation. Pages four and five of Schedule CT-3 provide conservation  
3 account numbers for the 2015 calendar year.

4

5 **Q. What is the purpose of Schedule CT-4?**

6 A. The five pages of Schedule CT-4 show monthly capital investment,  
7 depreciation and return for each conservation program.

8

9 **Q. Would you please discuss Schedule CT-5?**

10 A. Yes. Schedule CT-5 provides a brief summary report of each conservation  
11 program that includes a program description, program accomplishments,  
12 annual program expenditures, significant program cost variances versus  
13 projections, and a program progress summary for the 2015 calendar year.

14

15 **Q. What is the purpose of Schedule CT-6?**

16 A: Schedule CT-6 is the capital structure and cost rates used to calculate the  
17 return for each applicable conservation program.

18

19 **Q. What is the source of data used to calculate the true-up amount.**

20 A. The actual data used in calculating the actual true-up amounts is from DEF  
21 records unless otherwise indicated. These records are kept in the regular  
22 course of DEF's business in accordance with general accounting principles  
23 and practices, provisions of the Uniform System of Accounts as prescribed

1 by the Federal Regulatory Commission, and any accounting rules and  
2 orders established by this Commission. Pursuant to Rule 25-17.015(3),  
3 Florida Administrative Code, DEF provides a list of all account numbers  
4 used for conservation cost recovery during the period January 2015 through  
5 December 2015 on Schedule CT-3 pages 4 and 5.

6

7 **Q. Does this conclude your direct testimony?**

8 A. Yes.

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**PREPARED DIRECT TESTIMONY**

**OF**

**MARK R. ROCHE**

1  
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3  
4  
5  
6 **Q.** Please state your name, address, occupation and employer.

7  
8 **A.** My name is Mark R. Roche. My business address is 702  
9 North Franklin Street, Tampa, Florida 33602. I am  
10 employed by Tampa Electric Company ("Tampa Electric" or  
11 "the company") as Manager, Regulatory Rates in the  
12 Regulatory Affairs Department.

13  
14 **Q.** Please provide a brief outline of your educational  
15 background and business experience.

16  
17 **A.** I graduated from Thomas Edison State College in 1994 with  
18 a Bachelor of Science degree in Nuclear Engineering  
19 Technology and from Colorado State University in 2009  
20 with a Master's degree in Business Administration. My  
21 work experience includes twelve years with the US Navy in  
22 nuclear operations as well as eighteen years of electric  
23 utility experience. My utility work has included various  
24 positions in Marketing and Sales, Customer Service,  
25 Distributed Resources, Load Management, Power Quality,

1           Distribution Control Center operations, Meter Department,  
 2           Meter Field Operations, Service Delivery, Revenue  
 3           Assurance, Commercial and Industrial Energy Management  
 4           Services, and Demand Side Management ("DSM") Planning and  
 5           Forecasting. In my current position I am responsible for  
 6           the company's Energy Conservation Cost Recovery ("ECCR")  
 7           Clause and Storm Hardening.

8

9           **Q.** Have you previously testified before the Florida Public  
 10           Service Commission ("Commission")?

11

12           **A.** Yes. I have testified before this commission on  
 13           conservation and load management activities, DSM plan  
 14           approval dockets and other ECCR dockets.

15

16           **Q.** What is the purpose of your testimony in this proceeding?

17

18           **A.** The purpose of my testimony is to present and support for  
 19           Commission review and approval the company's actual DSM  
 20           programs related true-up costs incurred during the  
 21           January through December 2015 period.

22

23           **Q.** Did you prepare any exhibits in support of your  
 24           testimony?

25

1 **A.** Yes. Exhibit No. MRR-1, entitled "Tampa Electric  
 2 Company, Schedules Supporting Conservation Cost Recovery  
 3 Factor, Actual, January 2015-December 2015" was prepared  
 4 under my direction and supervision. This Exhibit  
 5 includes Schedules CT-1 through CT-6 which support the  
 6 company's actual and prudent DSM program related true-up  
 7 costs incurred during the January through December 2015  
 8 period.

9

10 **Q.** What were Tampa Electric's actual January through  
 11 December 2015 conservation costs?

12

13 **A.** For the period January through December 2015, Tampa  
 14 Electric incurred actual net conservation costs of  
 15 \$46,516,401.

16

17 **Q.** What is the final end of period true-up amount for the  
 18 conservation clause for January through December 2015?

19

20 **A.** The final conservation clause end of period true-up for  
 21 January through December 2015 is an over-recovery,  
 22 including interest, of \$4,181,597. This calculation is  
 23 detailed on Schedule CT-1, page 1 of 1.

24

25 **Q.** Please summarize how Tampa Electric's actual program

1 costs for January through December 2015 period compare to  
2 the actual/estimated costs presented in Docket No.  
3 150002-EG?  
4

5 **A.** For the period January through December 2015, Tampa  
6 Electric had a variance of \$2,526,562 or 5.74 percent  
7 more than the estimated amount. The estimated total  
8 program costs were projected to be \$43,989,838 which was  
9 the amount approved in Order No. PSC 15-0542-FOF-EG,  
10 issued November 23, 2015 as compared to the incurred  
11 actual net conservation costs of \$46,516,401.  
12

13 **Q.** Please summarize the reasons why the actual expenses were  
14 more than projected expenses by \$2,526,562?  
15

16 **A.** The variance was a result of the following actual  
17 expenses being more than estimated in the following  
18 residential programs: Energy Audits; Electronically  
19 Commutated Motors; Energy Star for New Homes; Heating and  
20 Cooling; Weatherization, Energy Planner; Wall Insulation;  
21 HVAC Re-Commissioning and Window Film. Additionally,  
22 actual expenses were more than estimated in the following  
23 commercial programs: Cogeneration; Cooling; Demand  
24 Response; Electronically Commutated Motors; Industrial  
25 Load Management; Lighting Conditioned Space; Commercial

1 Load Management; Refrigeration Anti-Condensate; Wall  
2 Insulation; Energy Recovery Ventilation; HVAC Re-  
3 Commissioning; Roof Insulation and Window Film. Each DSM  
4 program's detailed variance contribution is shown on  
5 Schedule CT-2, Page 3 of 4.  
6

7 **Q.** Are all costs listed on Schedule CT-2 directly related to  
8 the Commission's approved DSM programs?  
9

10 **A.** Yes.  
11

12 **Q.** Should Tampa Electric's cost incurred during the January  
13 through December 2015 period for energy conservation be  
14 approved by the Commission?  
15

16 **A.** Yes, the costs incurred were prudent and directly related  
17 to the Commission's approved DSM programs and should be  
18 approved.  
19

20 **Q.** Does that conclude your testimony?  
21

22 **A.** Yes it does.  
23  
24  
25



1                                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                                   **PREPARED DIRECT TESTIMONY**

3                                   **OF**

4                                   **MARK R. ROCHE**

5  
6   **Q.**   Please state your name, address, occupation and employer.

7  
8   **A.**   My name is Mark R. Roche. My business address is 702  
9           North Franklin Street, Tampa, Florida 33602. I am  
10          employed by Tampa Electric Company ("Tampa Electric" or  
11          "the company") as Manager, Regulatory Rates in the  
12          Regulatory Affairs Department.

13  
14   **Q.**   Please provide a brief outline of your educational  
15          background and business experience.

16  
17   **A.**   I graduated from Thomas Edison State College in 1994 with  
18          a Bachelor of Science degree in Nuclear Engineering  
19          Technology and from Colorado State University in 2009  
20          with a Master's degree in Business Administration. My  
21          work experience includes twelve years with the US Navy in  
22          nuclear operations as well as eighteen years of electric  
23          utility experience. My utility work has included various  
24          positions in Marketing and Sales, Customer Service,  
25          Distributed Resources, Load Management, Power Quality,

1           Distribution Control Center operations, Meter Department,  
2           Meter Field Operations, Service Delivery, Revenue  
3           Assurance, Commercial and Industrial Energy Management  
4           Services, Demand Side Management ("DSM") Planning and  
5           Forecasting. In my current position I am responsible for  
6           the company's Energy Conservation Cost Recovery ("ECCR")  
7           Clause and Storm Hardening.

8  
9           **Q.** Have you previously testified before the Florida Public  
10           Service Commission ("Commission")?

11  
12           **A.** Yes. I have testified before this Commission on  
13           conservation and load management activities, DSM plan  
14           approval dockets and other ECCR dockets.

15  
16           **Q.** What is the purpose of your testimony in this proceeding?

17  
18           **A.** The purpose of my testimony is to support the company's  
19           actual conservation costs incurred during the period  
20           January through December 2015, the actual/projected  
21           period January to December 2016, and the projected period  
22           January through December 2017. The projected 2017 ECCR  
23           factors have been calculated based on the current  
24           approved allocation methodology. Also, I will support  
25           the appropriate Contracted Credit Value ("CCV") for

1 participants in the General Service Industrial Load  
 2 Management Riders ("GSLM-2" and "GSLM-3") for the period  
 3 January through December 2017. In addition, I will  
 4 support the appropriate residential variable pricing  
 5 rates ("RSVP-1") for participants in the Residential  
 6 Price Responsive Load Management Program for the period  
 7 January through December 2017.

8

9 **Q.** Did you prepare any exhibits in support of your  
 10 testimony?

11

12 **A.** Yes. Exhibit No. MRR-2 was prepared under my direction  
 13 and supervision. This document includes Schedules C-1  
 14 through C-5 and associated data which support the  
 15 development of the conservation cost recovery factors for  
 16 January through December 2017 using the current 12  
 17 Coincident Peak ("CP") and 1/13 Average Demand ("AD")  
 18 Factor allocation methodology.

19

20 **Q.** Does the Exhibit No. MRR-2 meet the requirements of  
 21 Florida Statute Rule 25-17.015(1)(b) which requires the  
 22 projection filing to include the annual estimated/actual  
 23 true-up filing showing eight months actual and four  
 24 months projected commons costs, individual program costs  
 25 and any revenues?

1 **A.** No, based upon the due date of August 19, 2016 for this  
2 filing in Docket No. 160002-EG it would be impossible for  
3 Tampa Electric to comply with having eight months actual  
4 and four months projected commons costs, individual  
5 program costs and any revenues.

6  
7 **Q.** Did Tampa Electric communicate this issue to the  
8 Commission?

9  
10 **A.** Yes, on July 27, 2016 Tampa Electric sought guidance from  
11 the Commission Staff.

12  
13 **Q.** What was the guidance the Commission Staff provided?

14  
15 **A.** Commission Staff recommended that if the company could  
16 not meet the requirements of the rule it could petition  
17 the Commission for a rule waiver for a certain period of  
18 time and also submit six months actual and six months  
19 projected common costs, individual program costs and any  
20 revenues for the projection filing.

21  
22 **Q.** Is Tampa Electric pursuing such a rule waiver?

23  
24 **A.** Yes, in conjunction with this projection filing, the  
25 company and the other investor owned utilities are filing

1 a joint petition for rule waiver of Rule 25-17.015(1)(b)  
2 to cover this filing this year as well as next year to  
3 allow for a rule making proceeding to be conducted.  
4 Also, Exhibit No. MRR-2 contains six months actual and  
5 six months projected common costs, individual program  
6 costs and any revenues collected.

7  
8 **Q.** Please describe the conservation program costs projected  
9 by Tampa Electric during the period January through  
10 December 2015.

11  
12 **A.** For the period January through December 2015, Tampa  
13 Electric projected conservation program costs to be  
14 \$46,224,522. The Commission authorized collections to  
15 recover these expenses in Docket No. 140002-EG, Order No.  
16 PSC-14-0632-FOF-EG, issued October 31, 2014.

17  
18 **Q.** For the period January through December 2015, what were  
19 Tampa Electric's conservation costs and what was  
20 recovered through the ECCR clause?

21  
22 **A.** For the period January through December 2015, Tampa  
23 Electric incurred actual net conservation costs of  
24 \$46,516,401 plus a beginning true-up over-recovery of  
25 \$7,550,001 for a total of \$38,966,400. The amount

1 collected in the ECCR clause was \$43,141,568.

2

3 **Q.** What was the true-up amount?

4

5 **A.** The true-up amount for the period January through  
6 December 2015 was an over-recovery of \$4,181,597  
7 including interest. These calculations are detailed in  
8 Exhibit No. MRR-1, Conservation Cost Recovery True Up,  
9 Pages 6 through 18, filed May 2, 2016.

10

11 **Q.** Please describe the conservation program costs projected  
12 to be incurred by Tampa Electric during the period  
13 January through December 2016?

14

15 **A.** The actual costs incurred by Tampa Electric through June  
16 2016 and projected for July through December 2016 are  
17 \$37,756,864. For the period, Tampa Electric anticipates  
18 an under-recovery in the ECCR Clause of \$1,598,942 which  
19 includes the 2015 true-up and interest. A summary of  
20 these costs and estimates are fully detailed in Exhibit  
21 No. MRR-2, Conservation Costs Projected, pages 20 through  
22 27.

23

24 **Q.** Has Tampa Electric proposed any new or modified DSM  
25 Programs for ECCR cost recovery for the period January

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through December 2017?

**A.** No, at this time Tampa Electric is not proposing any new or modified program for ECCR cost recovery for the period January through December 2017. Tampa Electric is evaluating the potential to offer a new DSM program that would complement the existing ENERGY STAR for New Home Program. The potential program is still being evaluated and if petitioned for approval from the Commission would be called the ENERGY STAR for Multi-Family Residences.

**Q.** Please summarize the proposed conservation costs for the period January through December 2017 and the annualized recovery factors based on a 12 CP and 1/13 AD basis applicable for the period January through December 2017?

**A.** Tampa Electric has estimated that the total conservation costs (less program revenues) during the period will be \$36,314,441 plus true-up. Including true-up estimates, the January through December 2017 cost recovery factors allocated on a 12 CP and 1/13 AD basis for firm retail rate classes are as follows:

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**Cost Recovery Factors**

<u>Rate Schedule</u>	<u>(cents per kWh)</u>
RS	0.225
GS and TS	0.203
GSD Optional - Secondary	0.180
GSD Optional - Primary	0.178
GSD Optional - Subtransmission	0.176
LS-1	0.099

**Cost Recovery Factors**

<u>Rate Schedule</u>	<u>(dollars per kW)</u>
GSD - Secondary	0.77
GSD - Primary	0.76
GSD - Subtransmission	0.75
SBF - Secondary	0.77
SBF - Primary	0.76
SBF - Subtransmission	0.75
IS - Secondary	0.48
IS - Primary	0.48
IS - Subtransmission	0.47

Exhibit No. MRR-2, Conservation Costs Projected, pages 15 through 19 contain the Commission prescribed forms which detail these estimates.

**Q.** Has Tampa Electric complied with the ECCR cost allocation



1 methodology stated in Docket No. 930759-EG, Order No.  
2 PSC-93-1845-EG?

3  
4 **A.** Yes, it has.

5  
6 **Q.** Please explain why the incentive for GSLM-2 and GSLM-3  
7 rate riders is included in your testimony?

8  
9 **A.** In Docket No. 990037-EI, Tampa Electric petitioned the  
10 Commission to close its non-cost-effective interruptible  
11 service rate schedules while initiating the provision of  
12 a cost-effective non-firm service through a new load  
13 management program. This program would be funded through  
14 the ECCR clause and the appropriate annual contracted  
15 credit value ("CCV") for customers would be submitted for  
16 Commission approval as part of the company's annual ECCR  
17 projection filing. Specifically, the level of the CCV  
18 would be determined by using the Rate Impact Measure  
19 ("RIM") Test contained in the Commission's cost-  
20 effectiveness methodology found in Rule 25-17.008, F.A.C.  
21 By using a RIM Test benefit-to-cost ratio of 1.2, the  
22 level of the CCV would be established on a per kilowatt  
23 ("kW") basis. This program and methodology for CCV  
24 determination was approved by the Commission in Docket  
25 No. 990037-EI, Order No. PSC-99-1778-FOF-EI, issued

1 September 10, 1999.

2  
3 **Q.** What is the appropriate CCV for customers who elect to  
4 take service under the GSLM-2 and GSLM-3 rate riders  
5 during the January through December 2017 period?

6  
7 **A.** For the January through December 2017 period, the table  
8 below lists the CCV for 2017 by voltage level including  
9 the past six years of CCV:

10  
11 **CCV dollars per kW by Voltage Level**

	<u>Secondary</u>	<u>Primary</u>	<u>Subtransmission</u>	
12				
13	2017	9.98	9.88	9.78
14	2016	8.81	8.72	8.63
15	2015	8.14	8.06	7.98
16	2014	7.72	7.64	7.57
17	2013	6.81	6.74	6.67
18	2012	9.82	9.72	9.62
19	2011	9.21	9.12	9.03

20 If the 2017 assessment for need determination indicates  
21 the availability of new non-firm load, the CCV will be  
22 applied to new subscriptions for service under those rate  
23 riders. The application of the cost-effectiveness  
24 methodology to establish the CCV is found in the attached  
25 analysis, Exhibit No. MRR-2, Conservation Costs

1 Projected, beginning on page 64 through 68.

2

3 **Q.** Please explain why the RSVP-1 rates for Residential Price  
4 Responsive Load Management are in your testimony?

5

6 **A.** In Docket No. 070056-EG, Tampa Electric's petition to  
7 allow its pilot residential price responsive load  
8 management initiative to become permanent was approved by  
9 the Commission on August 28, 2007. This program is to be  
10 funded through the ECCR clause and the appropriate annual  
11 RSVP-1 rates for customers are to be submitted for  
12 Commission approval as part of the company's annual ECCR  
13 projection filing.

14

15 **Q.** What are the appropriate Price Responsive Load Management  
16 rates ("RSVP-1") for customers who elect to take this  
17 service during the January through December 2017?

18

19 **A.** The appropriate RSVP-1 rates during the January through  
20 December 2017 period for Tampa Electric's Price  
21 Responsive Load Management program are as follows:

22

23	<u>Rate Tier</u>	<u>(Cents per kWh)</u>
24	P4	28.645
25	P3	7.054

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P2 (0.719)

P1 (2.501)

Page 69 contains the projected RSVP-1 rates for 2017.

**Q.** Does this conclude your testimony?

**A.** Yes it does.

1           **CHAIRMAN BROWN:** Exhibits.

2           **MS. TAN:** Chairman, we have a stipulated  
3 Comprehensive Exhibit List which includes the prefiled  
4 exhibits attached to the witnesses' testimony in this  
5 case. The list has been provided to the parties, the  
6 Commissioners, and the court reporter. The list is  
7 marked as the first hearing exhibit, and the other  
8 exhibits should be marked as set forth in the chart.

9           **CHAIRMAN BROWN:** Thank you. And we have  
10 marked that as Exhibit 1. And would you like to enter  
11 that into the record?

12           **MS. TAN:** Yes. We ask that the Comprehensive  
13 Exhibit List, which is marked as Exhibit 1, be entered  
14 into the record.

15           **CHAIRMAN BROWN:** Okay. Seeing no objection,  
16 we'll go ahead and enter into the record Exhibit 1.

17           (Exhibit 1 marked for identification and  
18 admitted into the record.)

19           How about the other exhibits?

20           **MS. TAN:** We also ask to move Exhibits 2  
21 through 17 into the record as set forth in the  
22 Comprehensive Exhibit List.

23           **CHAIRMAN BROWN:** Seeing no objections, we will  
24 go ahead and move into the record Exhibits 2 through 17.  
25 Thank you.

1 (Exhibits 2 through 17 marked for  
2 identification and admitted into the record.)

3 All right. I guess at this time we go to the  
4 decision.

5 **MS. TAN:** Yes. Chairman, we recommend that if  
6 the Commission decides that a bench decision is  
7 appropriate at this time, that the proposed stipulations  
8 for Issues 1 through 7, which is on page 6 through 13 of  
9 the Prehearing Order, be approved.

10 **CHAIRMAN BROWN:** Thank you so much.

11 Commissioners, this is our ECCR decision. A  
12 lot of time and energy has been spent into this. If any  
13 Commissioner has any questions on the proposed  
14 stipulations of Issues 1 through 7 or we --

15 **COMMISSIONER EDGAR:** Madam Chair, Madam Chair.

16 **CHAIRMAN BROWN:** Yes, Commissioner Edgar from  
17 the ceiling.

18 **COMMISSIONER EDGAR:** Sorry. I know it can be  
19 distracting to have a voice from the ceiling. But when  
20 you are ready, I'm prepared to make a motion.

21 **CHAIRMAN BROWN:** Thank you very much. I will  
22 get to you in one -- absolutely one second.

23 Commissioners --

24 **COMMISSIONER EDGAR:** Okay.

25 **CHAIRMAN BROWN:** -- is there any discussion on

1 the proposed stipulations on Issues 1 through 7, which  
2 are on pages 6 through 13 of the Prehearing Order?  
3 Seeing none, Commissioner Edgar, I'll entertain a  
4 motion.

5 **COMMISSIONER EDGAR:** Thank you, Madam Chair.  
6 As you have pointed out, I have reviewed the  
7 information --

8 (Interruption.)

9 **CHAIRMAN BROWN:** Commissioner Edgar,  
10 Commissioner Edgar, our court reporter is trying to  
11 track it and she's having a hard time. Could you  
12 restate your comments and motion?

13 **COMMISSIONER EDGAR:** Absolutely. I have  
14 reviewed the prehearing order, exhibits, and other  
15 information in this case, and I move approval of Issues  
16 1 through 7 and proposed stipulations on pages 6 through  
17 13 of the Prehearing Order.

18 **CHAIRMAN BROWN:** Thank you very much.

19 Commissioners, is there a second?

20 **COMMISSIONER BRISÉ:** Second.

21 **CHAIRMAN BROWN:** There's a second. Any  
22 further discussion? All those in favor on the motion,  
23 please say aye.

24 (Vote taken.)

25 Any opposed? Thank you. The motion passes

1 unanimously.

2 Thank you, Commissioner Edgar.

3 Ms. Tan, are there any other matters to  
4 conclude with?

5 **MS. TAN:** Chairman, there are no other  
6 matters. Since the Commission has made a bench  
7 decision, post-hearing filings are not necessary. The  
8 final order will be issued by November 22nd.

9 **CHAIRMAN BROWN:** Thank you very much. Again,  
10 thank you for your time, Ms. Tan, and the rest of staff  
11 as well as the parties, and, again, the Prehearing  
12 Officer. We're going to adjourn the 02 docket at this  
13 time.

14 (Hearing adjourned at 9:44 a.m.)  
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1 STATE OF FLORIDA )  
2 COUNTY OF LEON ) : CERTIFICATE OF REPORTER

3  
4 I, LINDA BOLES, CRR, RPR, Official Commission  
5 Reporter, do hereby certify that the foregoing  
6 proceeding was heard at the time and place herein  
7 stated.

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

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

18 DATED THIS 4th day of November, 2016.

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*Linda Boles*

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LINDA BOLES, CRR, RPR  
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