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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20230002-EG

In re: Energy conservation cost
recovery clause.
_____ /

VOLUME 1
PAGES 1 - 70

PROCEEDINGS: HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN ANDREW GILES FAY
COMMISSIONER GARY F. CLARK
COMMISSIONER MIKE LA ROSA
COMMISSIONER GABRIELLA PASSIDOMO

DATE: Wednesday, November 1, 2023

TIME: Commenced: 9:30 a.m.
Concluded: 9:56 a.m.

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

REPORTED BY: DEBRA R. KRICK
Court Reporter

PREMIER REPORTING
112 W. 5TH AVENUE
TALLAHASSEE, FLORIDA
(850) 894-0828

1 APPEARANCES:

2 MARIA JOSE MONCADA and WILL P. COX, ESQUIRES,
3 700 Universe Boulevard, Juno Beach, Florida 33408-2863;
4 appearing on behalf of Florida Power & Light Company
5 (FPL).

6 DIANNE M. TRIPLETT, ESQUIRE, 299 First Avenue
7 North, St. Petersburg, Florida 33701; MATTHEW R. BERNIER
8 and STEPHANIE A. CUELLO, ESQUIRES, 106 East College
9 Avenue, Suite 800, Tallahassee, Florida 32301; appearing
10 on behalf of Duke Energy Florida, LLC (DEF).

11 J. JEFFREY WAHLEN, MALCOLM N. MEANS and
12 VIRGINIA PONDER, ESQUIRES, Ausley Law Firm, Post Office
13 Box 391, Tallahassee, Florida 32302; appearing on behalf
14 of Tampa Electric Company (TECO).

15 BETH KEATING, ESQUIRE, Gunster Law Firm, 215
16 South Monroe Street, Suite 601, Tallahassee, Florida
17 32301; appearing on behalf of Florida Public Utilities
18 Company (FPUC).

19 WALT TRIERWEILER, PUBLIC COUNSEL; CHARLES J.
20 REHWINKEL, DEPUTY PUBLIC COUNSEL; MARY A. WESSLING,
21 PATRICIA CHRISTENSEN and OCTAVIO PONCE, ESQUIRES, OFFICE
22 OF PUBLIC COUNSEL, c/o The Florida Legislature, 111 West
23 Madison Street, Room 812, Tallahassee, Florida
24 32399-1400; appearing on behalf of the Citizens of the
25 State of Florida (OPC).

1 APPEARANCES CONTINUED:

2 JON C. MOYLE, JR. and KAREN A. PUTNAL,
3 ESQUIRES, Moyle Law Firm, 118 North Gadsden Street,
4 Tallahassee, FL 32301; appearing on behalf of Florida
5 Industrial Users Group (FIPUG).

6 JACOB IMIG and CARLOS MARQUEZ, II, ESQUIRES,
7 FPSC General Counsel's Office, 2540 Shumard Oak
8 Boulevard, Tallahassee, Florida 32399-0850, appearing on
9 behalf of the Florida Public Service Commission (Staff).

10 KEITH C. HETRICK, GENERAL COUNSEL; MARY ANNE
11 HELTON, ESQUIRE, Florida Public Service Commission, 2540
12 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850,
13 Advisor to the Florida Public Service Commission.

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I N D E X

WITNESS:	PAGE
RICHARD L. HUME	
Prefiled Direct Testimony inserted	12
JOHN A. FLOYD	
Prefiled Direct Testimony inserted	20
KARLA RODRIGUEZ	
Prefiled Direct Testimony inserted	27
MARK R. ROCHE	
Prefiled Direct Testimony inserted	40
DERRICK M. CRAIG	
Prefiled Direct Testimony inserted	61

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EXHIBITS

NUMBER:		ID	ADMITTED
1	Comprehensive Exhibit List	67	67
2-18	As identified on the CEL	67	68

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

2 CHAIRMAN FAY: All right. Good morning
3 everyone. Today is November 1st. It's 9:35 a.m.
4 We will go ahead and call this hearing to order.

5 Mr. Watrous, would you please read the notice?

6 MR. WATROUS: By notice issued on October 6th,
7 2023, this time and place has been set for hearing
8 in Docket No. 20230001, 20230002, 20230003,
9 20230004 and 20230007. The purpose of this hearing
10 is set out more fully in the notice.

11 CHAIRMAN FAY: Okay. Great. Thank you, Mr.
12 Watrous.

13 Next we will move into appearances.

14 MR. WATROUS: There are five dockets to
15 address today. We suggest that all appearances be
16 taken at once. All parties should enter their
17 appearances and declare the dockets that they are
18 entering appearances for.

19 CHAIRMAN FAY: Okay. We will take appearances
20 starting with Florida Power & Light.

21 MR. COX: Good morning, Chairman Fay and
22 Commissioners. William Cox for Florida Power &
23 Light Company in the 01 docket. I am appearing
24 there with Maria Moncada and David Lee. In the 02
25 docket, I am appearing just with Maria Moncada and

1 myself. And in the 07 docket, appearing with Maria
2 Moncada and Joel Baker.

3 Thank you.

4 CHAIRMAN FAY: Okay. Great. Thank you.

5 Duke Energy.

6 MS. CUELLO: Good morning. Stephanie Cuello
7 for Duke Energy. And I would also like to make an
8 appearance for Dianne Triplett and Matt Bernier in
9 the 01, the 02 and the 07 docket.

10 CHAIRMAN FAY: Okay. Next Florida Public
11 Utilities Company.

12 MS. KEATING: Beth Keating with the Gunster
13 Law Firm here on behalf of FPUC in the 01, 02, 03
14 and 04 dockets.

15 CHAIRMAN FAY: All right. Next we will head
16 back to TECO.

17 MR. MEANS: Good morning, Commissioners.
18 Malcolm Means with the Ausley Law Firm on behalf of
19 Tampa Electric. And I would also like to enter
20 appearances for Jeff Wahlen and Virginia Ponder.
21 And we are appearing in the 01, 02 and 07 dockets.

22 CHAIRMAN FAY: Okay. Thank you, Mr. Means.

23 All right. Next we will move to City Gas.

24 MS. KEATING: Beth Keating with the Gunster
25 Law Firm here on behalf of Florida City Gas. I

1 would also like to enter an appearance for Chris
2 Wright for City Gas in the 03 and the 04 dockets.

3 CHAIRMAN FAY: Okay. Thank you, Ms. Keating.
4 Next Peoples Gas.

5 MS. PONDER: Virginia Ponder with the Ausley
6 McMullen Law Firm appearing for Peoples Gas in the
7 03 and 04 dockets. I would also like to make an
8 appearance for Jeff Wahlen and Malcolm Means.

9 CHAIRMAN FAY: Okay. Great. Thank you, Ms.
10 Ponder.

11 All right. Ms. Keating, Sebring Gas.

12 MS. KEATING: Good morning, Commissioners.
13 Beth Keating with the Gunster Law Firm here today
14 on behalf of Sebring Gas System.

15 CHAIRMAN FAY: All right. I think that's it
16 for you, Ms. Keating, right?

17 All right. We will move into Office of Public
18 Counsel.

19 MR. PONCE: Good morning, Commissioner. This
20 is Octavio Ponce on behalf of the Office of Public
21 Counsel. I would also like to enter appearances
22 today in each docket for Walt Trierweiler, Charles
23 Rehwinkel, Patricia Christensen and Mary Wessling
24 for each docket.

25 CHAIRMAN FAY: Okay. Great. Thank you.

1 FIPUG.

2 MR. MOYLE: Thank you, and good morning. Jon
3 Moyle on behalf of the Florida Industrial Power
4 Users Group, FIPUG. And I would also like to enter
5 an appearance for Karen Putnal in the 01, 02 and 07
6 dockets.

7 CHAIRMAN FAY: Okay. Thank you, Mr. Moyle.
8 All right. Mr. Wright, we will move to you.

9 MR. SHEF WRIGHT: Thank you, Commissioner --
10 Mr. Chairman. Good morning, Commissioners. Robert
11 Scheffel Wright of the Gardner Bist Law Firm on
12 behalf of the Florida Retail Federation in the fuel
13 docket, the 01 docket only. I would also like to
14 enter an appearance for my law partner John T.
15 Lavia, III.

16 Thank you.

17 CHAIRMAN FAY: Okay. Thank you, Mr. Wright.

18 All right. Next, Commissioners, we are going
19 to move into Commission staff.

20 MR. WATROUS: Suzanne Brownless and Ryan Sandy
21 in the 01. Carlos Marquez in the 02, the 04 and
22 the 07. Jacob Imig in the 02 and the 07. Austin
23 Watrous in the 03. And Tim Sparks in the 04 and
24 the 07.

25 CHAIRMAN FAY: All righty. Mary Anne.

1 MS. HELTON: And Mary Anne Helton here as your
2 Advisor in all of the dockets. I would also like
3 to enter an appearance for your General Counsel,
4 Keith Hetrick.

5 CHAIRMAN FAY: All right.

6 Anything else, Mr. Watrous, before we get into
7 the order how we are going to proceed today?

8 MR. WATROUS: There are no other preliminary
9 matters at this time.

10 CHAIRMAN FAY: Okay. Great.

11 All right. Commissioners, we will take up --
12 we will do 02, 03, 04 and 07, and then we will take
13 up 01 as the last docket this morning if that works
14 for everyone. Seeing that structure, we will go
15 ahead and move into the 02 docket, first.

16 Mr. Marquez, you are recognized.

17 MR. MARQUEZ: Yes, Mr. Chairman. Good
18 morning, Commissioners.

19 There are a few things we would like to
20 mention before we begin. First is that PCS and
21 Nucor were excused from appearing today.

22 There are proposed Type 2 stipulations on all
23 issues, with the intervenors not objecting. These
24 may be voted upon today.

25 All witnesses were previously excused, and all

1 parties have agreed to waive opening argument and
2 post-hearing briefs.

3 CHAIRMAN FAY: All right. Any other
4 preliminary matters?

5 MR. MARQUEZ: None from staff.

6 CHAIRMAN FAY: Okay. All right. Next we will
7 move into prefiled testimony.

8 MR. MARQUEZ: Staff moves that the prefiled
9 testimony of all witnesses identified in Section VI
10 of the Prehearing Order be entered into the record.

11 CHAIRMAN FAY: All right. Commissioners, show
12 the listed prefiled testimony moved in the record
13 without objection.

14 (Whereupon, prefiled direct testimony of
15 Richard L. Hume was inserted.)

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **TESTIMONY OF RICHARD L. HUME**

4 **DOCKET NO. 20230002-EG**

5 **MAY 2, 2023**

6
7 **Q. Please state your name, business address, employer and position.**

8 A. My name is Richard L. Hume. My business address is 700 Universe Boulevard,
9 Juno Beach, Florida 33408. I am employed by Florida Power & Light Company
10 (“FPL” or the “Company”) as Regulatory Issues Manager, Regulatory & State
11 Governmental Affairs.

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

13 A. I graduated from the University of Florida in 1991 with a Bachelor of Science
14 degree in Business Administration with a Finance Major and earned a Master of
15 Business Administration degree with a Finance Concentration from the University
16 of Florida in 1995. I have 25 years of utility industry experience. In 1998, I was
17 employed by New-Energy Associates, (which became a subsidiary of Siemens
18 Power Generation), working in the areas of financial forecasting, budgeting, as well
19 as cost of service and rate forecasting for both electric and gas utilities. In 2007, I
20 joined Oglethorpe Power and was promoted to the position of Director of Financial
21 Forecasting the following year. In that position, I was primarily responsible for the
22 long-range financial forecast and resource planning along with new rate design. In
23 2012, I joined FPL managing a budgeting and data analytics team where my

1 responsibilities included conducting analysis related to customer rates and bill
2 impacts. In 2019, I joined Gulf Power Company (“Gulf”) as a Regulatory Issues
3 Manager, where my responsibilities included oversight of Gulf’s Fuel and
4 Purchased Power and Environmental cost recovery clauses, including calculation
5 of cost recovery factors and the related regulatory filings. I am currently employed
6 by FPL as a Regulatory Issues Manager where my responsibility and oversight
7 include support for FPL’s cost recovery clause filings.

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

9 A. The purpose of my testimony is to present for Florida Public Service Commission
10 (“Commission”) review and approval FPL’s Energy Conservation Cost Recovery
11 Clause (“ECCR”) final net true-up amounts for the period January 2022 through
12 December 2022.

13 **Q. Are you sponsoring or co-sponsoring any exhibits in this proceeding?**

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

17 **Q. What is the source of the data you present?**

18 A. Unless otherwise indicated, the data presented in my testimony and supporting forms
19 is taken from FPL’s books and records, which are kept in the regular course of FPL’s
20 business in accordance with Generally Accepted Accounting Principles and
21 practices, and with the provisions of the Uniform System of Accounts as prescribed
22 by this Commission. Schedule CT-2, Pages 6 and 7, in Exhibit JNF-1 provide a
23 complete list of all account numbers used for ECCR during the period January 2022

1 through December 2022.

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FPL 2022 FINAL TRUE-UP CALCULATION

4 **Q. What is the actual end of period true-up amount that FPL is requesting the**
5 **Commission to approve for the January 2022 through December 2022 period?**

6 A. FPL has calculated and is requesting approval of an over-recovery of \$21,943,300,
7 including interest, as the actual end of period true-up amount for the period January
8 2022 through December 2022. The calculation of this \$21,943,300 over-recovery is
9 shown on Exhibit JNF-1 Schedule CT-3, Page 9 as the sum of Lines 5, 6 and 10.

10 **Q. What is the final net true-up amount for the January 2022 through December**
11 **2022 period that FPL is requesting to be included in the January 2024 through**
12 **December 2024 ECCR factors?**

13 A. FPL has calculated and is requesting approval of an over-recovery of \$6,951,067 as
14 the final net true-up amount for the period January 2022 through December 2022.
15 This final net true-up over-recovery of \$6,951,067 is the difference between the
16 actual end of period true-up over-recovery of \$21,943,300 and the actual/estimated
17 true-up over-recovery of \$14,992,234. The calculation of the \$6,951,067 over-
18 recovery is shown on Exhibit JNF-1 Schedule CT-1, Page 2.

19 **Q. Was the calculation of the final net true-up amount for the period January 2022**
20 **through December 2022 performed consistently with prior true-up calculations**
21 **in predecessor ECCR dockets?**

22 A. Yes. The calculation of the final net true-up amount for the period January 2022
23 through December 2022 was performed consistently with prior true-up calculations

1 in predecessor ECCR dockets.

2 **Q. Have you provided a schedule showing the variances between actual and**
3 **actual/estimated program costs and revenues for the period January 2022**
4 **through December 2022?**

5 A. Yes. Exhibit JNF-1 Schedule CT-2, Page 3, compares actual to actual/estimated
6 program costs, revenues and interest.

7 **Q. Please explain the calculation of FPL's final net true-up amount.**

8 A. Exhibit JNF-1 Schedule CT-1 shows the calculation of FPL's final net true-up for
9 the period January 2022 through December 2022, an over-recovery including
10 interest, of \$6,951,067, which FPL is requesting be included in the calculation of
11 the ECCR Factors for the January 2024 through December 2024 period.

12

13 The actual end-of-period over-recovery for the period January 2022 through
14 December 2022 of \$21,943,300 (shown on Schedule CT-1, Line 4) minus the
15 actual/estimated end-of-period over-recovery for the same period of \$14,992,234
16 (shown on Schedule CT-1, Line 8) results in the final net true-up over-recovery for
17 the period January 2022 through December 2022 (shown on Schedule CT-1, Line
18 9) of \$6,951,067. The expense detail making up the same 2022 net true up amount
19 can be found on schedule CT-2, Page 3 of Exhibit JNF-1.

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

21 A. Yes.

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
2 **FLORIDA POWER & LIGHT COMPANY**
3 **TESTIMONY OF RICHARD L. HUME**
4 **DOCKET NO. 20230002-EG**
5 **AUGUST 4, 2023**

6
7 **Q. Please state your name, business address, employer and position.**

8 A. My name is Richard L. Hume. My business address is 700 Universe Boulevard,
9 Juno Beach, Florida 33408. I am employed by Florida Power & Light Company
10 (“FPL”) as the Regulatory Issues Manager in the Finance Department.

11 **Q. Have you previously filed testimony in this docket?**

12 A. Yes.

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

14 A. The purpose of my testimony is to present for Florida Public Service Commission
15 (“Commission”) review and approval the 2023 Actual/Estimated Energy
16 Conservation Cost Recovery (“ECCR”) true-up amount for the period January 1,
17 2023 through December 31, 2023 and the 2024 ECCR Factors to be applied to bills
18 issued during the projected period of January 1, 2024 through December 31, 2024.

19 **Q. Are you sponsoring or co-sponsoring any exhibits in this proceeding?**

20 A. Yes. I am sponsoring Schedules C-1 and C-4, and co-sponsoring Schedules C-2
21 and C-3, in Exhibit JNF-2. The specific sections of Schedules C-2 and C-3 that I
22 am sponsoring are identified in the Table of Contents in Exhibit JNF-2.

23

1 **Q. What is the source of the actual data used in calculating the 2023**
2 **actual/estimated true-up amount?**

3 A. Unless otherwise indicated, the actual data used in calculating the 2023
4 actual/estimated true-up amount was taken from the books and records of FPL. The
5 books and records are kept in the regular course of FPL's business in accordance with
6 generally accepted accounting principles and practices, and with the applicable
7 provisions of the Uniform System of Accounts as prescribed by this Commission and
8 directed in Rule 25-17.015, Florida Administrative Code.

9 **Q. Please explain the calculation of FPL's ECCR end of period net true-up and**
10 **actual/estimated true-up amount for 2023 included in Exhibit JNF-2.**

11 A. Schedule C-3, pages 28 and 29 in Exhibit JNF-2 provide the calculation of FPL's
12 2023 ECCR end of period net true-up and actual/estimated true-up amounts. The
13 end of period net true-up amount to be carried forward to the 2024 ECCR Factors is
14 an over-recovery of \$19,283,440 (Schedule C-3, page 28, line 9). This over-recovery
15 includes the 2022 final net true-up over-recovery of \$6,951,067 (Schedule C-3, page
16 28, line 7a) filed with the Commission on May 2, 2023, and the 2023 actual/estimated
17 true-up over-recovery, including interest, of \$12,332,373 (Schedule C-3, page 28,
18 lines 5 plus 6) for the period January 2023 through December 2023. The 2023
19 actual/estimated true-up is based on actual data for the period January 2023 through
20 June 2023 and revised estimates for the period July 2023 through December 2023.

21 **Q. Were these calculations made in accordance with the procedures previously**
22 **approved in the predecessors to this docket?**

23 A. Yes.

1 **Q. Has FPL calculated the Weighted Average Cost of Capital (“WACC”) in**
2 **accordance with FPSC Order No. PSC-2020-0165-PAA-EU (“WACC Order”)**
3 **issued on May 20, 2020?**

4 A. Yes. The projected capital structure, components, and cost rates used to calculate
5 the rate of return are provided in Exhibit JNF-2.

6 **Q. Please explain how the allocation percentages for demand and energy are**
7 **calculated.**

8 A. Schedule C-1, page 3 in Exhibit JNF-2 provides the allocations for use in
9 calculation of the rate factors. The demand allocation factors are calculated by
10 determining the percentage each rate class contributes to the monthly system peaks.
11 The energy allocation factors are calculated by determining the percentage each
12 rate class contributes to total kWh sales, as adjusted for losses.

13 **Q. Have you prepared calculations of the projected 2024 ECCR Factors by rate**
14 **class?**

15 A. Yes. Schedule C-1, page 4 in Exhibit JNF-2 provides the calculations of the projected
16 2024 ECCR Factors by rate class.

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

18 A. Yes.

1 (Whereupon, prefiled direct testimony of John
2 A. Floyd was inserted.)

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
2 **FLORIDA POWER & LIGHT COMPANY**
3 **TESTIMONY OF JOHN N. FLOYD**
4 **DOCKET NO. 20230002-EG**
5 **MAY 2, 2023**

6

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

8 A. My name is John N. Floyd. My business address is One Energy Place, Pensacola,
9 Florida 32520. I am employed by Florida Power & Light Company (“FPL”) as
10 Manager of DSM Regulatory Support.

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

12 A. I received a Bachelor Degree in Electrical Engineering from Auburn University in
13 1985. After serving four years in the U.S. Air Force, I began my career in the electric
14 utility industry at Gulf Power Company (“Gulf”) in 1990 and held various positions
15 in Power Generation, Metering, Power Delivery and Customer Service. Beginning in
16 2008, I have prepared and submitted testimony for various Demand-Side
17 Management (“DSM”) dockets at the Florida Public Service Commission
18 (“Commission”), including Energy Conservation Cost Recovery (“ECCR”) Clause,
19 DSM Goals, and DSM Plans for Gulf. In 2021, I joined FPL as the Manager of DSM
20 Regulatory Support. In this position, I am responsible for ECCR and DSM-related
21 filings with the Commission.

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

23 A. Yes.

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

2 A. The purpose of my testimony is to present the actual ECCR costs for FPL's DSM
3 programs for the period January 2022 through December 2022.

4 **Q. Are you sponsoring or co-sponsoring any exhibits in this proceeding?**

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

9 **Q. For the January 2022 through December 2022 period, did FPL seek recovery of
10 any costs for advertising which makes a specific claim of potential energy
11 savings or states appliance efficiency ratings or savings?**

12 A. Yes.

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

16 A. Yes. The documentation required by this rule is included in Exhibit JNF-1,
17 Appendix A.

18 **Q. Are all costs listed in Exhibit JNF-1, Schedule CT-2, attributable to
19 Commission-approved DSM programs?**

20 A. Yes.

21

1 **Q. How did FPL's actual program costs for the January 2022 through December**
2 **2022 period compare to the actual/estimated costs presented in Docket No.**
3 **20220002-EG, and approved in Order No. PSC-2022-0422-FOF-EG?**

4 A. Actual program costs for the period were \$153,282,683. The actual/estimated
5 program costs were \$158,670,757. Therefore, actual costs were \$5,388,074, or less
6 than four percent, below the actual/estimated costs (see Exhibit JNF-1, Schedule
7 CT-2, Page 3, Line 9). Each program's contribution to the variance is shown in
8 Exhibit JNF-1, Schedule CT-2, Page 5.

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

10 A. Yes.

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
2 **FLORIDA POWER & LIGHT COMPANY**
3 **TESTIMONY OF JOHN N. FLOYD**
4 **DOCKET NO. 20230002-EG**
5 **AUGUST 4, 2023**
6

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

8 A. My name is John N. Floyd. My business address is One Energy Place, Pensacola,
9 Florida 32520. I am employed by Florida Power & Light Company (“FPL”) as
10 Director of Demand Side Management (“DSM”) Strategy.

11 **Q. Have you previously filed testimony in this docket?**

12 A. Yes.

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

14 A. The purpose of my testimony is to submit for Florida Public Service Commission
15 (“Commission”) review and approval FPL’s actual/estimated Energy Conservation
16 Cost Recovery (“ECCR”) clause costs for its DSM programs incurred from January
17 through December 2023 and the projected costs to be incurred from January through
18 December 2024.

19 **Q. Are you sponsoring or co-sponsoring any exhibits in this proceeding?**

20 A. Yes. I am sponsoring Schedule C-5, and co-sponsoring Schedules C-2 and C-3, in
21 Exhibit JNF-2. The specific sections of Schedules C-2 and C-3 that I am sponsoring
22 are identified in the Table of Contents in Exhibit JNF-2.

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

3 A. Yes. The 2024 projections and 2023 actual/estimated costs are based on the
4 programs from FPL's DSM Plan approved by the Commission in Order No. PSC-
5 2021-0421-PAA-EG (Docket No. 20210132-EG). The 2023 and 2024 costs also
6 include residual carryover and capital recovery costs associated with the Energy
7 Select program, which was discontinued in 2021.

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 2023 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 2023 and January through December
17 2024 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 process.

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22

1 **Q. What are the ECCR costs for the January through December 2023**
2 **actual/estimated period?**

3 A. The actual/estimated costs for the period January through December 2023 are
4 \$155,561,565 as shown on Exhibit JNF-2, Schedule C-3, page 17, line 90.

5 **Q. What are the 2024 costs FPL is requesting the Commission to approve?**

6 A. FPL is requesting approval of \$143,718,548 for recovery during the period of January
7 through December 2024 as shown on Exhibit JNF-2, Schedule C-1, page 2, line 8.
8 This includes projected costs for January through December 2024 of \$163,001,988
9 as shown on Exhibit JNF-2, Schedule C-1, page 2, line 1, as well as prior and current
10 period over recoveries, and interest.

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

12 A. Yes.

1 (Whereupon, prefiled direct testimony of Karla
2 Rodriguez was inserted.)

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DUKE ENERGY FLORIDA, LLC**DOCKET NO. 20230002-EG****Energy Conservation and Cost Recovery Final True-up
for the Period January through December 2022****DIRECT TESTIMONY OF****Karla Rodriguez****May 2, 2023**

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

2 A. My name is Karla Rodriguez. My business address is 299 1st Ave N, St. Petersburg,
3 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 Sr. Strategy &
7 Collaboration Manager in the Portfolio Analysis and Regulatory Strategy department.
8 Duke Energy Business Services and Duke Energy Florida, LLC (“DEF” or “the
9 Company”) 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 the
13 Company’s energy efficiency and demand-side management (“DSM”) programs.
14 This includes support for development, implementation and training, budgeting and
15 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 2022 actual energy conservation
3 program costs with actual revenues collected through the Company's Energy
4 Conservation Cost Recovery ("ECCR") Clause during the period January 2022
5 through December 2022. The Company relies upon the information presented in my
6 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 approved
10 by the Commission as part of the Company's DSM Plan, as well as for Conservation
11 Program Administration (i.e., those common administration expenses not specifically
12 assigned to an individual program). Notably, DEF seeks recovery of costs for
13 conservation programs approved by the Commission on August 3, 2020 (see Order No.
14 PSC-2020-0274-PAA-EG), as follows:

- 15 • Home Energy Check
- 16 • Residential Incentive
- 17 • Neighborhood Energy Saver
- 18 • Low-Income Weatherization Assistance Program
- 19 • Load Management (Residential and Commercial)
- 20 • Business Energy Check
- 21 • Better Business a/k/a Smart \$aver Business
- 22 • Smart \$aver Custom Incentive
- 23 • Standby Generation

- 1 • Interruptible Service
- 2 • Curtailable Service
- 3 • Technology Development
- 4 • Qualifying Facility
- 5

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

7 A. Yes, Exhibit No.__(KR-1T) entitled, “Duke Energy Florida, LLC Energy
8 Conservation Adjusted Net True-Up for the Period January 2022 through December
9 2022.” There are six (6) schedules included in this exhibit.

10

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

12 A. Yes. Exhibit No.__(KR-1T) presents Schedules CT-1 through CT-6. Schedules CT-1
13 to CT-4 set out actual costs incurred for all programs during the period from January
14 2022 through December 2022. These schedules also illustrate variances between actual
15 costs and previously projected values for the same time period. Schedule CT-5 provides
16 a brief summary of each conservation program that includes a program description,
17 program accomplishments, annual program expenditures, significant program cost
18 variances versus projections and a program progress summary over the twelve-month
19 period ending December 2022. Schedule CT-6 is DEF’s capital structure and cost rates.

20

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

22 A. Yes. Schedule CT-1 line 14 shows that DEF’s actual end-of-period ECCR true-up for
23 December 31, 2022, was an over-recovery of \$862,479, including principal and interest.

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

2 A. The four pages of Schedule CT-2 provide an annual summary of conservation
3 program revenues as well as itemized conservation program costs for the period
4 January 2022 through December 2022 detailing actual, estimated and variance
5 calculations by program. These costs are directly attributable to DEF's Commission-
6 approved programs.

7
8 **Q. Would you please discuss Schedule CT-3?**

9 A. Yes. Page one of Schedule CT-3 provides actual conservation program costs by
10 month for the period January 2022 through December 2022. Page two of Schedule
11 CT-3 presents program revenues by month offset by expenses, a calculation of the
12 end of period net true-up for each month, and the total for the year. Page three
13 provides the monthly interest calculation. Page four of Schedule CT-3 provides
14 conservation account numbers for the 2022 calendar year.

15
16 **Q. What is the purpose of Schedule CT-4?**

17 A. The three pages of Schedule CT-4 show monthly capital investment, depreciation and
18 return for each applicable conservation program.

19
20 **Q. Would you please discuss Schedule CT-5?**

21 A. Yes. Schedule CT-5 provides a brief summary of each conservation program that
22 includes a program description, program accomplishments, annual program

1 expenditures, significant program cost variances versus projections and a program
2 progress summary for the 2022 calendar year.

3

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

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

7

8 **Q. What capital structure and cost rates did DEF rely on to calculate the revenue
9 requirement rate of return for the period January 2022 through December
10 2022?**

11 A. DEF used the capital structure and cost rates consistent with the language in Order
12 No. PSC-2020-0165-PAA-EU. The capital structure and cost rates relied on to
13 calculate the revenue requirement rate of return for the period January 2022 through
14 December 2022 are shown on Schedule CT-6.

15

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

17 A. The actual data used in calculating the actual true-up amounts is from DEF's records
18 unless otherwise indicated. These records are kept in the regular course of DEF's
19 business in accordance with general accounting principles and practices, provisions
20 of the Uniform System of Accounts as prescribed by the Federal Energy Regulatory
21 Commission and any accounting rules and orders established by this Commission.
22 Pursuant to Rule 25-17.015(3), F.A.C., DEF provides a list of all account numbers

1 used for conservation cost recovery during the period January 2022 through
2 December 2022 on Schedule CT-3 pages 4 and 5.

3

4 **Q. Does this conclude your Direct Testimony?**

5 A. Yes.

6

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **DIRECT TESTIMONY OF**

3 **KARLA RODRIGUEZ**

4 **ON BEHALF OF**

5 **DUKE ENERGY FLORIDA, LLC**

6 **DOCKET NO. 20230002-EG**

7 **August 4, 2023**

8
9 **Q. State your name and business address.**

10 A. My name is Karla Rodriguez. My business address is 299 First Avenue North, St.
11 Petersburg, FL 33701.

12
13 **Q. By whom are you employed and in what capacity?**

14 A. I am employed by Duke Energy Business Services, LLC (“DEBS”), as Lead Strategy &
15 Collaboration Manager in the Portfolio Analysis and Regulatory Strategy Department.
16 DEBS is a service-company affiliate of Duke Energy Florida, LLC (“Duke Energy
17 Florida,” “DEF,” or “the Company”).

18
19 **Q. What are your current duties and responsibilities at Duke Energy?**

20 A. My responsibilities include the regulatory planning, support and compliance of the
21 Company’s energy-efficiency and demand-side management (DSM) programs. This
22 includes support for development, implementation and training, budgeting, and
23 accounting functions related to these programs.

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

2 A. The purpose of my testimony is to describe the components and costs of the Company's
3 DSM programs. I will detail the projected costs for each program, explain how these
4 costs are presented in my attached exhibit, and show the resulting projected Energy
5 Conservation Cost Recovery ("ECCR") factors for 2024 customer billings.

6
7 **Q. For what programs does DEF seek recovery?**

8 A. Pursuant to Rule 25-17.015, F.A.C., DEF seeks recovery through the ECCR clause of
9 costs related to the following conservation programs approved by the Commission as part
10 of the Company's DSM Plan on August 3, 2020 (see Order No. PSC-2020-0274-PAA-
11 EG), as well as for common, administrative expenses not linked to a specific program:

- 12 • Home Energy Check
- 13 • Residential Incentive Program
- 14 • Neighborhood Energy Saver
- 15 • Low-Income Weatherization Assistance Program
- 16 • Load Management (Residential and Commercial)
- 17 • Business Energy Check
- 18 • Smart \$aver Business (a/k/a Better Business)
- 19 • Smart \$aver Custom Incentive Program
- 20 • Standby Generation
- 21 • Interruptible Service
- 22 • Curtailable Service
- 23 • Technology Development

- 1 • Qualifying Facility

2

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

4 A. Yes. Exhibit No. (KR-1P) supports DEF's energy conservation calculations for the
5 2023 actual/estimated period and the 2024 projection period. There are six (6) schedules
6 included in this exhibit.

7

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

9 A. Yes. Exhibit No. (KR-1P) presents Schedules C-1 through C-6. Schedules C-1 to C-4
10 provide projected program costs for calendar year 2024 along with an updated projection
11 of program costs for 2023. The 2023 updated projection of costs includes the actual costs
12 incurred for the period from January 2023 through June 2023 and forecasted costs for July
13 through December 2023. Schedule C-5 provides a summary report for each program that
14 includes a program description, estimated annual program expenditures for 2024, and a
15 summary of program accomplishments through the period ending June 2023. Schedule C-
16 6 is the capital structure and cost rates used to calculate the return for each applicable
17 conservation program.

18

19 **Q. Would you please discuss Schedule C-1?**

20 A. Schedule C-1 provides the calculation of the cost recovery factors for 2024 by rate class.

21

22

1 **Q. What does Schedule C-2 show?**

2 A. Schedule C-2 provides annual and monthly conservation program cost estimates for the
3 2024 projection period for each conservation program as well as for common
4 administration expenses. Additionally, Schedule C-2 presents program costs by specific
5 category (e.g., payroll, materials, incentives, etc.) and includes a schedule of estimated
6 capital investments, depreciation and return for the projection period.

7
8 **Q. Would you please discuss Schedule C-3?**

9 A. Schedule C-3 contains a detailed breakdown of conservation program costs by specific
10 category and by month for the period of January through June 2023 (actual) and July
11 through December 2023 (estimated). In addition, Schedule C-3 presents a schedule of
12 capital investment, depreciation and return, an energy conservation adjustment
13 calculation of true-up, and a calculation of interest provision for the 2023
14 actual/estimated period.

15
16 **Q. What is the purpose of Schedule C-4?**

17 A. Schedule C-4 provides the projected ECCR revenues for the 2024 projection period.

18
19 **Q. Would you please discuss Schedule C-5?**

20 A. Schedule C-5 presents a brief description of each program, as well as a summary of
21 progress and projected expenditures for each program for which DEF seeks cost recovery
22 through the ECCR clause.

23

1 **Q. What is the purpose of Schedule C-6?**

2 A. Schedule C-6 provides the capital structure and cost rates used to calculate the Return on
3 Average Investment on Schedules C-2 and C-3.

4
5 **Q. Would you please summarize the results presented in your Exhibit?**

6 A. Yes. Schedule C-2, Page 1 of 4, Line 22, shows total 2024 projected program costs of
7 \$122,129,669 plus a prior period over-recovery of \$ 5,554,754 resulting in estimated net
8 revenue requirements in 2024 of \$116,574,915. The following table includes DEF's
9 proposed ECCR billing factors, by retail rate class and voltage level for calendar year
10 2024, as contained in Schedule C-1, Page 2 of 2.

11
12 **2024 ECCR Billing Factors**

	Secondary	Primary	Transmission
<u>Retail Rate Schedule</u>	<u>Voltage</u>	<u>Voltage</u>	<u>Voltage</u>
15 Residential (Cents/kWh)	.330	N/A	N/A
16 General-Service-Non-Demand (Cents/kWh)	.290	.287	.284
17 General Service 100% Load Factor (Cents/kWh)	.227	N/A	N/A
18 General Service Demand (\$/kW)	.93	.92	.91
19 Curtailable (\$/kW)	.79	.78	.77
20 Interruptible (\$/kW)	.76	.75	.74
21 Standby Monthly (\$/kW)	.090	.089	.088
22 Standby Daily (\$/kW)	.043	.043	.042
23 Lighting (Cents/kWh)	.117	N/A	N/A

1

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

3 A. Yes.

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1 (Whereupon, prefiled direct testimony of Mark
2 R. Roche was inserted.)

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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20230002-EG

IN RE: ENERGY CONSERVATION COST RECOVERY CLAUSE

TESTIMONY AND EXHIBIT

OF

MARK R. ROCHE

FILED: May 1, 2023

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.
78 **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.
1314 **Q.** Please provide a brief outline of your educational
15 background and business experience.
1617 **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 twenty-five years of
23 electric utility experience. My utility work has
24 included various positions in Marketing and Sales,
25 Customer Service, Distributed Resources, Load Management,

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

9
10 **Q.** What is the purpose of your testimony in this proceeding?

11
12 **A.** The purpose of my testimony is to present and support for
13 Commission review and approval the company's actual DSM
14 programs related true-up costs incurred during the
15 January through December 2022 period.

16
17 **Q.** Did you prepare any exhibits in support of your
18 testimony?

19
20 **A.** Yes. Exhibit No. MRR-1, entitled "Tampa Electric
21 Company, Schedules Supporting Conservation Cost Recovery
22 Factor, Actual, January 2022-December 2022" was prepared
23 under my direction and supervision. This Exhibit
24 includes Schedules CT-1 through CT-6 which support the
25 company's actual and prudent DSM program related true-up

1 costs incurred during the January through December 2021
2 period.

3

4 **Q.** What were Tampa Electric's actual January through
5 December 2022 conservation costs?

6

7 **A.** For the period, January through December 2022, Tampa
8 Electric incurred actual net conservation costs of
9 \$48,985,457.

10

11 **Q.** What is the final end of period true-up amount for the
12 conservation clause for January through December 2022?

13

14 **A.** The final conservation clause end of period true-up for
15 January through December 2022 is an over-recovery of
16 \$4,883,834, which includes interest. This calculation is
17 detailed on Schedule CT-1, page 1 of 1.

18

19 **Q.** Please summarize how Tampa Electric's actual program
20 costs for January through December 2022 period compare to
21 the actual/estimated costs presented in Docket No.
22 20220002-EG?

23

24 **A.** For the period, January through December 2022, Tampa
25 Electric had a variance of \$3,505,219 or 6.7 percent less

1 than the estimated amount. The estimated total program
2 costs were projected to be \$52,490,676 which was the
3 amount approved in Order No. PSC 2022-0422-FOF-EG, issued
4 December 14, 2022, as compared to the incurred actual net
5 conservation costs of \$48,985,457.

6
7 **Q.** Please summarize the reasons why the actual expenses were
8 less than projected expenses by \$3,505,219?

9
10 **A.** The variance was a result of the following actual
11 expenses being less than estimated in the following
12 residential programs: Customer Assisted Audits; Computer
13 Assisted Audits; Ceiling Insulation; Energy and Renewable
14 Education, Awareness and Agency Outreach; ENERGY STAR for
15 New Multi-Family Residences; ENERGY STAR for New Homes;
16 Residential Heating and Cooling; Neighborhood
17 Weatherization; Energy Planner; and Residential Prime
18 Time Plus. Additionally, actual expenses were less than
19 estimated in the following commercial/industrial
20 programs: Commercial/Industrial Audit (Free);
21 Comprehensive Commercial/Industrial Audit (Paid);
22 Commercial Chiller; Conservation Value; Demand Response;
23 Facility Energy Management System; LED Street and Outdoor
24 Lighting Conversion Program; Lighting Occupancy Sensors;
25 Commercial Smart Thermostats; Standby Generator; and

1 Commercial Water Heating. Each DSM program's detailed
2 variance and common variance contribution is shown on
3 Schedule CT-2, Page 3 of 4.

4
5 **Q.** Are all costs listed on Schedule CT-2 directly related to
6 the Commission's approved DSM programs?

7
8 **A.** Yes.

9
10 **Q.** When did Tampa Electric transition to the Commission
11 approved 2020-2029 Ten-Year DSM Plan?

12
13 **A.** Tampa Electric transitioned to the Commission approved
14 2020-2029 Ten-Year DSM Plan on November 2, 2020, for all
15 DSM programs.

16
17 **Q.** Did Tampa Electric offer the programs contained in the
18 2020-2029 Ten-Year DSM Plan the entire 2022 period?

19
20 **A.** No, the company initiated the Prime Time Plus program
21 which uses the company's Advanced Metering Infrastructure
22 ("AMI") system to facilitate this program. The company
23 added the first customer onto this program in late
24 December 2022.

25

1 **Q.** Should Tampa Electric's cost incurred during the January
2 through December 2022 period for energy conservation be
3 approved by the Commission?
4

5 **A.** Yes, the costs incurred were prudent and directly related
6 to the Commission's approved DSM programs and should be
7 approved.
8

9 **Q.** Does that conclude your testimony?
10

11 **A.** Yes, it does.
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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20230002-EG
IN RE: CONSERVATION COST RECOVERY CLAUSE
TESTIMONY AND EXHIBIT
OF
MARK R. ROCHE

FILED: AUGUST 4, 2023

1 Power Quality, Distribution Control Center operations,
2 Meter Department, Meter Field Operations, Service
3 Delivery, Revenue Assurance, Commercial and Industrial
4 Energy Management Services, Demand Side Management
5 ("DSM") Planning and Forecasting. In my current
6 position, I am responsible for Tampa Electric's Energy
7 Conservation Cost Recovery ("ECCR") Clause and Storm
8 Protection Plan Cost Recovery Clause ("SPPCRC").
9

10 **Q.** Have you previously testified before the Florida Public
11 Service Commission ("Commission")?
12

13 **A.** Yes. I have testified before this Commission on
14 conservation and load management activities, DSM goals
15 and plan approval dockets and other ECCR dockets.
16

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

19 **A.** The purpose of my testimony is to support the company's
20 actual conservation costs incurred during the period
21 January through December 2022, the actual/projected
22 period January to December 2023, and the projected period
23 January through December 2024. The projected 2024 ECCR
24 factors have been calculated based on the current
25 allocation methodology that was approved within Docket

1 No. 20210034-EI (Petition for Rate Increase by Tampa
2 Electric Company). Also, I will support the appropriate
3 Contracted Credit Value ("CCV") for participants in the
4 General Service Industrial Load Management Riders ("GSLM-
5 2" and "GSLM-3") for the period January through December
6 2024. I will also support the appropriate Residential
7 Variable Pricing Rates ("RSVP-1") for participants in the
8 Residential Price Responsive Load Management Program for
9 the period January through December 2024.

10
11 **Q.** Did Tampa Electric make any changes to the methodology
12 the company had been following for use of the Net
13 Operating Income Multiplier as the Times Tax Multiplier
14 in the clause return on investment rate?

15
16 **A.** Yes, the company removed the Bad Debt Expense and
17 Regulatory Assessment Fee from the Times Tax Multiplier
18 calculation starting in July of this year moving forward.

19
20 **Q.** Why did the company choose July of this year to perform
21 this adjustment?

22
23 **A.** This date moving forward was chosen due to a conference
24 call that was held on June 28, 2023, with Commission
25 Staff to discuss the methodology in the use of the Net

1 Operating Income Multiplier as the Times Tax Multiplier
2 in the clause return on investment rate in the SPPCRC.
3 Even though this meeting was mainly directed at the
4 SPPCRC, the company agreed to remove the Bad Debt Expense
5 and Regulatory Assessment Fee from the Times Tax
6 Multiplier calculation in all of the affected clauses on
7 a moving forward basis, which includes the ECCR.

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. Exhibit No. MRR-2 includes Schedules C-
14 1 through C-5 and associated data which support the
15 development of the conservation cost recovery factors for
16 January through December 2024 using the allocation
17 methodology that was approved within Docket No. 20210034-
18 EI.

19

20 **Q.** Does the Exhibit No. MRR-2 meet the requirements of Rule
21 25-17.015, Florida Administrative Code ("F.A.C."), which
22 requires the projection filing to include the annual
23 estimated/actual true-up filing showing actual and
24 projected common costs, individual program costs, and any
25 revenues collected?

1 **A.** Yes, it does.

2

3 **Q.** What timeframe did Tampa Electric use to develop its 2023
4 annual estimated/actual true-up filing?

5

6 **A.** Tampa Electric developed its 2023 annual estimated/actual
7 true-up filing showing actual and projected common costs,
8 individual program costs, and any revenues collected
9 based upon six months of actuals and six months of
10 estimates.

11

12 **Q.** Please describe the conservation program costs projected
13 by Tampa Electric during the period January through
14 December 2022.

15

16 **A.** For the period January through December 2022, Tampa
17 Electric projected conservation program costs to be
18 \$46,599,750. The Commission authorized collections to
19 recover these expenses in Docket No. 20210002-EG, Order
20 No. PSC-2021-0427-FOF-EG, issued November 17, 2021.

21

22 **Q.** For the period January through December 2022, what were
23 Tampa Electric's conservation costs and what was
24 recovered through the ECCR clause?

25

1 **A.** For the period January through December 2022, Tampa
2 Electric incurred actual net conservation costs of
3 \$48,985,457 plus a beginning true-up over-recovery of
4 \$10,818,286 for a total of \$38,167,171. The amount
5 collected in the ECCR clause was \$42,923,937.

6
7 **Q.** What was the true-up amount?

8
9 **A.** The true-up amount for the period January through
10 December 2022 was an over-recovery of \$4,883,834
11 including interest.

12
13 **Q.** Please describe the conservation program costs projected
14 to be incurred by Tampa Electric during the period
15 January through December 2023?

16
17 **A.** The actual costs incurred by Tampa Electric through June
18 2023 and projected for July through December 2023 are
19 \$47,065,501. For the period, Tampa Electric anticipates
20 an over-recovery in the ECCR Clause of \$7,363,190 which
21 includes the 2022 true-up and interest. A summary of
22 these costs and estimates is fully detailed in Exhibit
23 No. MRR-2, Conservation Costs Projected, pages 28 through
24 40.

25

1 **Q.** Has Tampa Electric proposed any new or modified DSM
2 Programs for ECCR cost recovery for the period January
3 through December 2024?
4

5 **A.** No, at this time Tampa Electric is not proposing any new
6 or modified programs for ECCR cost recovery for the
7 period January through December 2024. Tampa Electric has
8 been working on the development of the next Technical
9 Potential which will support the company's proposed 2025-
10 2034 DSM Goals and associated DSM Plans.
11

12 **Q.** Please summarize the proposed conservation costs for the
13 period January through December 2024 and the annualized
14 recovery factors applicable for the period January
15 through December 2024.
16

17 **A.** Tampa Electric estimates the total conservation costs
18 (less program revenues) during the period will be
19 \$46,374,228 plus the true-up. Including true-up
20 estimates, the January through December 2024 cost
21 recovery factors allocated using the allocation
22 methodology that was approved within Docket No. 20210034-
23 EI for firm retail rate classes are as follows:
24
25

1		Cost Recovery Factors
2	<u>Rate Schedule</u>	<u>(cents per kWh)</u>
3	RS	0.215
4	GS and CS	0.192
5	GSD Optional - Secondary	0.175
6	GSD Optional - Primary	0.173
7	GSD Optional - Subtransmission	0.172
8	LS-1, LS-2	0.074

10		Cost Recovery Factors
11	<u>Rate Schedule</u>	<u>(dollars per kW)</u>
12	GSD - Secondary	0.73
13	GSD - Primary	0.73
14	GSD - Subtransmission	0.72
15	SBD - Secondary	0.73
16	SBD - Primary	0.73
17	SBD - Subtransmission	0.72
18	GSLD - Primary	0.67
19	GSLD - Subtransmission	0.71

21 **Q.** Has Tampa Electric complied with the ECCR cost allocation
 22 methodology stated in Docket No. 19930759-EG, Order No.
 23 PSC-93-1845-EG?

24
 25 **A.** Yes, it has.

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

3
4 A. In Docket No. 19990037-EI, Tampa Electric petitioned the
5 Commission to close its non-cost-effective interruptible
6 service rate schedules while initiating the provision of
7 a cost-effective non-firm service through a new load
8 management program. This program would be funded through
9 the ECCR clause and the appropriate monthly CCV billing
10 credit for participating customers would be submitted for
11 Commission approval as part of the company's annual ECCR
12 projection filing.

13
14 Q. Is Tampa Electric recalculating the 2024 CCV amount?

15
16 A. No, Tampa Electric's 2021 Stipulation and Agreement in
17 Docket No. 20210034-EI specified the values to be used
18 for the CCV amount on an ongoing basis. The 2021
19 Stipulation and Settlement Agreement was approved by the
20 Commission in Final Order No. PSC-2021-0423-S-EI, on
21 November 10, 2021.

22
23 Q. What were the CCV amounts approved by the Commission?

24
25 A. The CCV amounts approved by the Commission were \$11.75

1 per kW for secondary, \$11.63 per kW for primary and
2 \$11.52 per kW for subtransmission voltage customers.
3 These CCV amounts took effect on January 1, 2022.
4

5 **Q.** What is the appropriate CCV for customers who elect to
6 take service under the GSLM-2 and GSLM-3 rate riders
7 during the January through December 2024 period?
8

9 **A.** For the January through December 2024 period, the CCV
10 amounts are:
11

12 **CCV dollars per kW by Voltage Level**

13	<u>Secondary</u>	<u>Primary</u>	<u>Subtransmission</u>
14	\$11.75	\$11.63	\$11.52

15
16 If the 2024 assessment for need determination indicates
17 the availability of new non-firm load, the CCV will be
18 applied to new subscriptions for service under those rate
19 riders.
20

21 **Q.** Please explain why the RSVP-1 rates for Residential Price
22 Responsive Load Management are in your testimony?
23

24 **A.** Tampa Electric's petition to allow its pilot residential
25 price responsive load management initiative to become

1 permanent was approved by the Commission on August 28,
2 2007, in Docket No. 20070056-EG. This program will be
3 funded through the ECCR clause and the appropriate annual
4 RSVP-1 rates for customers are to be submitted for
5 Commission approval as part of the company's annual ECCR
6 projection filing.

7
8 **Q.** What are the appropriate RSVP-1 rates for customers who
9 elect to take this service during the period January
10 through December 2024?

11
12 **A.** At the time required for this projection filing, the
13 company has not completed the analysis to determine all
14 of the other clause factors that are utilized to
15 calculate and establish the RSVP-1 rates for the January
16 through December 2024 period. The company will file with
17 the Commission the proposed RSVP-1 rates for Tampa
18 Electric's Price Responsive Load Management program based
19 upon the company's 2024 residential base rates and the
20 2024 projected clause amounts for ECCR, Fuel and
21 Purchased Power Cost Recovery, Capacity Cost Recovery and
22 the Environmental Cost Recovery as soon as the remaining
23 clause factors are finalized. The company projects this
24 supplemental filing with the RSVP-1 rate to be filed
25 around September 12, 2023.

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

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3 **A.** Yes it does.

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1 (Whereupon, prefiled direct testimony of
2 Derrick M. Craig was inserted.)

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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20230002-EG
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
DERRICK M. CRAIG

On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY

1 Q. Please state your name and business address.

2 A. Derrick M. Craig: my business address is 208 Wildlight
3 Avenue, Yulee, Florida 32097.

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

5 A. I am employed by Florida Public Utilities Company as the
6 Energy Conservation Manager.

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

8 A. To advise the Commission of the actual over/under recovery of
9 the Conservation Program costs for the period January 1, 2022
10 through December 31, 2022 as compared to the true-up amounts
11 previously reported for that period which were based on six
12 months actual and six months estimated data.

13 Q. Please state the actual amount of over/under recovery of
14 Conservation Program costs for the Consolidated Electric
15 Divisions of Florida Public Utilities Company for January 1,
16 2022 through December 31, 2022.

17 A. The Company over-recovered \$174,105 during that period. This
18 amount is substantiated on Schedule CT-3, page 2 of 3, Energy
19 Conservation Adjustment.

1 Q. How does this amount compare with the estimated true-up
2 amount which was allowed by the Commission during the
3 November 2022 hearing?

4 A. The cost recovery factors approved by the Commission in
5 Docket No. 20220002-EG were based upon an anticipated over-
6 recovery of \$71,419 as of December 31, 2022.

7 Q. Have you prepared any exhibits at this time?

8 A. We have prepared and pre-filed Schedules CT-1, CT-2, CT-3,
9 CT-4, CT-5 and CT-6 (Composite Exhibit DMC-1).

10 Q. Does this conclude your testimony?

11 A. Yes.

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
2 DOCKET NO. 20230002-EG - In Re: Energy Conservation Cost Recovery

3 Clause

4 DIRECT TESTIMONY OF DERRICK M. CRAIG

5 On behalf of

6 Florida Public Utilities Company

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

8 A. My name is Derrick M. Craig. I am the Manager of Energy Conservation
9 for Florida Public Utilities Company (FPUC). My business address is 208
10 Wildlight Avenue, Yulee, FL 32097.

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

12 A. I graduated from the Georgia Institute of Technology in 1991 with a
13 Bachelors degree of Electrical Engineering, and I obtained a Masters of
14 Business Administration in 1997 from the Darden Graduate School of
15 Business (the University of Virginia). I have been employed with FPUC since
16 2019, where I started my career as a Regulatory Analyst before I became the
17 Energy Conservation Manager in 2021.

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

20 A. Yes.

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

22 To generally describe the expenditures both actually made and projected to be
23 made in implementing, promoting, and operating the Company's electric
24 conservation programs. This will include recoverable costs incurred in
25 January through June 2023 and projections of program costs to be incurred. C5-369

1 from July through December 2023. It will also include projected electric
2 conservation costs for the period January through December 2024, with a
3 calculation of the Conservation Adjustment Factor to be applied to the
4 Company's consolidated electric customers' bills during the collection period
5 of January 1, 2024 through December 31, 2024.

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

7 A. Yes. The Company wishes to sponsor as exhibits Schedules C-1, C-2, C-3, C-
8 4, and C-5, contained in my composite Exhibit DMC-2.

9 **Q. Has the Company prepared summaries of its electric conservation**
10 **programs and the costs associated with these programs?**

11 A. Yes. Summaries of the electric conservation programs as approved in Docket
12 No. 20200060-EG, the petition for approval of the demand-side management
13 plan, are contained in Schedule C-5 of Exhibit DMC-2. Included are the
14 Residential Energy Survey Program, the Residential Heating and Cooling
15 Efficiency Program, the Commercial Heating and Cooling Efficiency
16 Program, the Commercial Chiller Upgrade Program, the Electric Conservation
17 Demonstration and Development Program, the Low-Income Energy Outreach
18 Program, the Commercial Reflective Roof Program and the Commercial
19 Energy Consultation Program.

20 **Q. Has the Company prepared schedules that show the expenditures**
21 **associated with its electric conservation programs for the periods you**
22 **have mentioned?**

23 A. Yes, Schedule C-3, Pages 1 and 1A of 5, Exhibit DMC-2 shows actual
24 expenses for the months January through June 2023. Projections for July

1 through December 2023 are also shown on Schedule C-3, Pages 1 and 1A.
2 Projected expenses for the January through December 2024 period are shown
3 on Schedule C-2, Page 1 of 3 of Exhibit DMC-2.

4 **Q. Has the Company prepared schedules that show revenues for the period**
5 **January through December 2024?**

6 A. Yes. Schedule C-4 shows actual revenues for the months January through
7 June 2023 and projected revenues for July through December 2023 and
8 January through December 2024.

9 **Q. Has the Company prepared a schedule that shows the calculation of its**
10 **proposed Conservation Adjustment Factor to be applied during billing**
11 **periods from January 1, 2024 through December 31, 2024?**

12 A. Yes. Schedule C-1 of Exhibit DMC-2 shows these calculations. Net program
13 cost estimates for the period January 1, 2024 through December 31, 2024 are
14 used. The estimated true-up amount from Schedule C-3 (Page 4 of 5, Line 11)
15 of Exhibit DMC-2, being an over-recovery, was added to the total of the
16 projected costs for the twelve-month period. The total projected recovery
17 amount, including estimated true-up, was then divided by the projected Retail
18 KWH Sales for the twelve-month period ending December 31, 2024. The
19 resulting Conservation Adjustment Factor is shown on Schedule C-1 (Page 1
20 of 1) of Exhibit DMC-2.

21 **Q. The beginning true-up balance from your Schedule C-3, Page 4 of 5, line**
22 **9 differs from the amount that appeared in your Final True-Up Amount**
23 **for 2022, please explain?**

24 A. In response to the 2021 audit, the Company filed a revised 2021 Final True-up

1 along with its 2023 Projection filing. However, when we filed our 2022 Final
2 True-up, the beginning balance did not reflect the ending balance of the
3 revised 2021 Final True-up. We have prepared a revised Exhibit DMC-1,
4 which includes the corrected Final 2022 True-up schedules as an exhibit in
5 this filing.

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

8 A. The Conservation Adjustment Factor is \$.00144.

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

10 A. Yes.

1 CHAIRMAN FAY: All right. Staff, exhibits.

2 MR. MARQUEZ: Chairman, staff has compiled a
3 comprehensive exhibit list, which includes the
4 prefiled exhibits attached to the witnesses'
5 testimony, the interrogatory responses of those
6 witnesses and proposed stipulations. That list was
7 provided to the parties, the court clerk, as well
8 as each Commissioner. This list was premarked as
9 the first exhibit, and the other exhibits should be
10 marked as delineated in the comprehensive exhibit
11 list.

12 CHAIRMAN FAY: Okay. Show the exhibits so
13 marked.

14 (Whereupon, Exhibit Nos. 1-18 were marked for
15 identification.)

16 MR. MARQUEZ: At this time, staff moves for
17 the Comprehensive Exhibit List, premarked for
18 identification as Exhibit 1, be entered into the
19 record.

20 CHAIRMAN FAY: Okay. Exhibit 1 is entered.

21 (Whereupon, Exhibit No. 1 was received into
22 evidence.)

23 MR. MARQUEZ: Staff also moves for stipulated
24 Exhibits 2 through 18 to be entered into the record
25 as set forth in Exhibit 1.

1 CHAIRMAN FAY: Okay. The parties have had an
2 opportunity to review the exhibit list. Showing no
3 objections, we will show Exhibits 2 through 18
4 entered into the record.

5 (Whereupon, Exhibit Nos. 2-18 were received
6 into evidence.)

7 MR. MARQUEZ: Commissioners, because the
8 parties have reached Type 2 stipulations, with the
9 intervenors not objecting to this Commission
10 considering the stipulations on all 10 issues,
11 staff would like to take the opportunity to remind
12 the Commission that it could make a bench decision
13 today, as the parties have aggrieved agreed to
14 waive post-hearing briefs. Staff is also present
15 to answer any questions that the Commission may
16 have.

17 CHAIRMAN FAY: Okay. All right.
18 Commissioners, what we will do is we will take up
19 -- before we take up these stipulations, just make
20 sure we will take up any questions on these dockets
21 if you have any at this time.

22 Okay. Showing no questions, we will entertain
23 a motion to take up the proposed Type 2
24 stipulations on issues, I believe, 1 through 10, is
25 that --

1 MR. MARQUEZ: Correct.

2 CHAIRMAN FAY: Okay. All right.

3 COMMISSIONER CLARK: Move approval, Mr.
4 Chairman.

5 COMMISSIONER PASSIDOMO: Second.

6 CHAIRMAN FAY: Okay. We have a motion and a
7 second for approval of Type 2 stipulations on
8 Issues 1 through 10.

9 All that approve say aye.

10 (Chorus of ayes.)

11 CHAIRMAN FAY: Showing none opposed, we will
12 show Issues 1 through 10, as stipulated, approved.

13 All right. Next, let's make sure before we
14 close out this docket the parties have anything
15 else on this docket? No.

16 All right. Seeing that, we will adjourn the
17 02 docket and then we will move into the 03 docket
18 next. So, Mr. Watrous, whenever you are ready, we
19 will begin that docket.

20 (Proceedings concluded.)

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CERTIFICATE OF REPORTER


STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

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

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

DATED this 13th day of November, 2023.


DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH31926
EXPIRES AUGUST 13, 2024