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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20230121-EG

Petition for approval of
conservation demonstration
and development program,
by Associate Gas Distributors
of Florida.

_____ /

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 7

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

DATE: Tuesday, July 9, 2024

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

REPORTED BY: DEBRA R. KRICK
Court Reporter and
Notary Public in and for
the State of Florida at Large

PREMIER REPORTING
TALLAHASSEE, FLORIDA
(850) 894-0828

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

2 CHAIRMAN LA ROSA: Let's move to Item No. 7.

3 I will let folks get situated.

4 Mr. Barrett, you look ready.

5 MR. BARRETT: I am ready?

6 CHAIRMAN LA ROSA: All right. You are on when
7 you are ready.

8 MR. BARRETT: Good morning, Commissioners.

9 Michael Barrett with the Division of Economics.

10 Item 7 is staff's recommendation regarding
11 Associated Gas Distributors of Florida, or AGDF,
12 AGDF's petition to establish a conservation
13 demonstration and development program on behalf of
14 Florida City Gas, Florida Public Utility Company,
15 St. Joe's Natural Gas Company and Sebring Gas
16 System.

17 AGDF has agreed to three changes to the terms
18 in its original petition, including that the
19 proposed CDD Program be established for a period of
20 five years, that lower annual spending limits for
21 Sebring and St. Joe relative to those appearing in
22 the petition, and that all CDD programs must meet
23 several eligibility requirements.

24 In addition to these modifications, staff
25 recommends that participating utilities choosing to

1 provide CDD projects targeted to commercial and
2 industrial classes also provide CDD Program --
3 excuse me -- projects to the residential class, and
4 that the focus of all CDD Program projects must be
5 increasing conservation, energy efficiency, or
6 both, and that the utilities be required to comply
7 with the detailed program reporting requirement.

8 Commissioners, Beth Keating of the Gunster Law
9 Firm is present today on behalf of AGDF.

10 Thank you.

11 CHAIRMAN LA ROSA: Ms. Keating, are you --
12 would you like to just answer questions or any --
13 any opening thoughts or statements you would like
14 to make?

15 MS. KEATING: Thank you, Mr. Chairman. Again,
16 Beth Keating with the Gunster Law Firm here for
17 AGDF.

18 First, I just wanted to introduce you to Joe
19 Eysie who is the AGDF's DSM consultant. And we
20 didn't really have any opening comments. Although,
21 I would say, we appreciate staff working with us on
22 this item. They did a very thorough review, and we
23 had some good discussions. And I think,
24 ultimately, we've reached a good resolution, and
25 AGDF is fine with staff's recommendation.

1 CHAIRMAN LA ROSA: Thank you.

2 Commissioners, are there any questions or
3 thoughts?

4 I am going to start just by saying something
5 off the top of my head, and I will throw it back to
6 you. I apologize.

7 So I see what AGDF had recommended. I know
8 staff has gone a little bit further in the
9 conclusion of what's before us. They've added item
10 number -- staff added Item No. 4, No. 5, No. 6,
11 requiring both a divide from the
12 commercial/industrial class, of course, in
13 comparison to the residential class; adding an
14 annual -- a report that would be reviewed, of
15 course, by us at the end of the term.

16 There is -- this program was previously
17 approved and then extended by previous
18 Commissioners and a previous Commission. I have
19 looked through that report. I don't under --
20 necessarily understand if the items from that
21 report have been implemented today. So maybe I
22 will kind of throw that as a question, saying, the
23 findings from previous, are those in effect? Were
24 those helpful? Have they become standard to the
25 industry here in Florida?

1 MS. KEATING: Mr. Chair, I will let Mr. Eysie
2 respond to that question.

3 MR. EYSIE: Yes, sir. In the case of the oil
4 conserving, we learned critical information that we
5 used for the inputs associated with the gas rate
6 impact measure model. That is the test used to
7 conduct cost-effectiveness analysis. Research from
8 that process, and our setting up a field study at
9 multiple Burger King locations provided us not only
10 with the energy efficiency utilization information,
11 but also with the amount of food consumption.

12 So these projects do result in tangible
13 information that we can use for the cost benefit,
14 and they also provide other comprehensive
15 information for how much to assume, for example,
16 food when evaluating fire consumption.

17 So we do find benefit in these. We have
18 applied from past findings on to current
19 assumptions in the gas rate impact model, and we
20 plan on using some of that information in future
21 rebate filings.

22 CHAIRMAN LA ROSA: Commissioners, any further
23 questions or thoughts?

24 Commissioner Clark, you are recognized.

25 COMMISSIONER CLARK: Thank you, Mr. Chairman.

1 Just a couple of questions. As I look and
2 understand, I guess I am a little bit confused how
3 this works. We are looking at allocating funds
4 from the consumers to AGDF to conduct research.
5 And the potential rate impact of that looking at if
6 you did all the projects was potentially six, seven
7 percent increase. Is that a fair -- six to seven
8 percent increase on the customer's bill, is that a
9 fair statement? Mr. Barrett, to you.

10 MR. BARRETT: Yes, Commissioner. I believe
11 you are looking at the Table 1-2, page seven.

12 We presented -- I believe what you are
13 referring to the top line, for Florida FPUC --

14 COMMISSIONER CLARK: Yes, sir.

15 MR. BARRETT: -- assuming -- assuming a max
16 investment of 75,000 per project, for a max of
17 three projects, the potential of \$225,000, the
18 impact -- and again, I should also point out that
19 the calculation is based on today's 2024 cost
20 recovery factor. We reset that on an annual basis,
21 and we are -- that spend would not occur in 2024,
22 but this is -- this is a representative example to
23 show you that that would -- that the range of
24 maximum impact would be under one percent for St.
25 Joe's, and in the vicinity of seven percent

1 assuming max max.

2 COMMISSIONER CLARK: Ms. Keating, you look
3 like you have something to add to that.

4 MS. KEATING: Do you mind?

5 CHAIRMAN LA ROSA: No, not at all. Please.

6 MS. KEATING: I just wanted to emphasize, that
7 is a maximum, and not every utility is necessarily
8 going to participate in research study of every
9 technology that's put forward. So that is a
10 maximum.

11 And I also wanted to emphasize that that's why
12 it's important that the AGDF utilities come in
13 together and participate in these as a group,
14 because that way, as smaller gas utilities, they
15 are able to engage in CDD but share the costs.

16 COMMISSIONER CLARK: I guess my biggest
17 concern is that we are going to allocate an
18 increase to the customer without any real -- and
19 thank you, staff, for the parameters that you put
20 into the research projects. I certainly understand
21 that, but we don't really know what the projects
22 are. I mean, you haven't proposed anything, and I
23 am going to speak specifically to the residential
24 class.

25 I guess I kind of anticipate some of our

1 larger commercial/industrial consumers, most of
2 those guys can probably afford to do a lot of their
3 own research into the efficiency of their own
4 systems and how they operate. But I am going to
5 just go directly into the residential classes and
6 how this impacts them specifically.

7 Do you have any proposed projects in mind that
8 you would spend this money on? I don't like just
9 handing somebody a blank check and saying, you
10 know, bring me the results back and let me take a
11 look at it, and -- I realize, and I do want to
12 clarify this, we do have the ability to, once the
13 projects are completed, to review whether recovery
14 actually occurs. I do have that, but, you know,
15 it's kind of hard to argue, you have already spent
16 the money and, you know, you are going to argue at
17 some point in time benefits were good, benefits
18 were bad. We might get -- that might get a little
19 subjective. But do you have any of projects
20 specifically in mind?

21 MR. EYSIE: So I think it is important to note
22 that.

23 COMMISSIONER CLARK: Pull your mic a little
24 closer, please. Thanks.

25 MR. EYSIE: Sorry.

1 It is important to note that although we don't
2 have any specific shovel ready projects ready to
3 hit to on, there -- this program creates the
4 apparatus for us to solicit requests for
5 information, establish the relationships with the
6 research institution, issue the RFPs, collect the
7 research proposals, prioritize them, determine
8 which ones will be funded, execute the product --
9 the project, conduct the form. That obviously all
10 requires cost and a program to be able to initiate
11 the project.

12 Right now, the gas utilities, aside from
13 Peoples Gas, do not have that capability to
14 investigate new technologies; do not have the
15 ability to explore new conservation programs.
16 Creating this program enables them to begin that
17 process. And then we not -- I mean, we do not want
18 -- we know that we have to come before the
19 Commission to be able to produce tangible products
20 -- projects. The onus is on the utilities. But we
21 need the approval of the program to initiate that
22 process so we can start that research apparatus.
23 And when I say apparatus, the review and the
24 funding of the projects.

25 COMMISSIONER CLARK: Could you give me an

1 example --

2 MR. EYSIE: Yes.

3 COMMISSIONER CLARK: -- of a residential
4 project that has come through the research process
5 that we utilize today that would have been an
6 applicable award, I guess would you say for this
7 project?

8 MR. EYSIE: So what we are thinking in terms
9 of the residential sector would be to examine the
10 existing efficiencies of all the different types of
11 heating, water heating, furnace, drier, and to
12 determine if there is a need for multi-tier levels
13 with the proliferation of condensing technology in
14 the residential sector. It may warrant their own
15 rebate classification.

16 Then we look at residential potential for
17 interconnecting gas technologies with other home
18 energy management systems, so we have the ability
19 to explore integrating and achieving efficiency
20 through integration of technology. Then we have
21 the opportunity to explore new technologies that
22 aren't in the market.

23 So without this program, we don't have the
24 capability to focus on the residential or the
25 commercial sector. But throughout the discovery

1 process, staff made it very clear that, you know,
2 there should be a 50-50 emphasis on residential and
3 commercial.

4 The past projects have been focused on
5 commercial. That wasn't due to us trying to
6 solicit additional projects. Remember, we had this
7 research project historically. We have gone
8 through the process. We solicited dozens of
9 research proposals.

10 It is difficult to get these projects off the
11 ground, you know, but now there will be more of a
12 focus and an emphasis on specifically targeting
13 residential and commercial; whereas, there wasn't
14 such an emphasis. So we understand that, and we
15 are focusing on residential. We know we are going
16 to focus on OEMS, the types of technology to be
17 paired to increase efficiency and the exploration
18 of new technology. But we do not have a single
19 shovel ready project ready to go, but that will be
20 the process once approved -- if approved.

21 COMMISSIONER CLARK: Thank you, Mr. Chairman.

22 CHAIRMAN LA ROSA: Just for clarification on
23 that line of questioning, you are saying that --
24 you just explained sectors in which projects can be
25 cultivated from, but you are saying that this

1 program has to be in place in order do that. What
2 is stopping the association today from teeing that
3 up and better presenting what it is you are going
4 to be studying, and where these funds would be
5 awarded, and what maybe the expectations of the
6 findings and the tests would be?

7 If I understood you correctly, I think I heard
8 you say that you need this to happen first before
9 you can dig any deeper to what Commissioner Clark
10 just asked as far as the type of projects.

11 MS. KEATING: There are costs associated with
12 that, with putting together an RFP, soliciting
13 input from potential providers, and so that's --
14 that is part of the research process.

15 CHAIRMAN LA ROSA: If you want to, I am just
16 getting a little more familiar with the
17 association. Who are the members of the
18 association? And how -- does the association
19 charge fees to establish and structure its kind of
20 ordinary business?

21 MS. KEATING: The association is comprised of
22 the local distribution companies that are regulated
23 by the Commission. So that's Florida City Gas,
24 FPUC, Sebring, St. Joe and Peoples Gas. In this
25 instance, Peoples Gas is not participating in this

1 petition.

2 CHAIRMAN LA ROSA: There is no other members?
3 There is no outside vendors? There is no other --
4 okay.

5 Commissioner Clark.

6 COMMISSIONER CLARK: Can I follow on that line
7 of questioning? I mean, do you have -- do you have
8 a staff, or are you -- is this a one-person
9 operation or a -- the association?

10 MS. KEATING: The association is staffed by
11 the same people that staff, the FNGA, the Florida
12 Natural Gas Association, some of you may be
13 familiar with their executive director, Dale
14 Calhoun.

15 COMMISSIONER CLARK: So this is just -- this
16 activity, on to Commissioner La Rosa's comments,
17 this association is not big enough to just say,
18 okay, we are going to do some RFPs. We can do this
19 thing, and we can absorb those costs internally as
20 part of your membership dues or so to speak?

21 MS. KEATING: No, sir.

22 COMMISSIONER CLARK: Okay. Okay.

23 CHAIRMAN LA ROSA: Commissioner Fay, you are
24 recognized.

25 COMMISSIONER FAY: Thank you. And maybe just

1 some follow-up questions. Commissioner Clark and I
2 are vibing today. He is on the same page with some
3 of my questions.

4 But I appreciate the time and you working
5 through this. I do think, as initially filed,
6 there were some concerns that were worked through,
7 you know, you have an improved product because of
8 that.

9 Just help my understand a little bit better
10 when we see the term research for an expenditure,
11 you know, and we look at the Commission's history,
12 and kind of maybe what it approves when that word
13 is there, and what it doesn't, and weigh that out
14 to make a decision.

15 How would this compare maybe to, like, a
16 project that has an expenditure to improve
17 something for a consumer and then take that
18 information from that improval to then translate it
19 to something? And my point being, it sounds like
20 this isn't strictly we just want a document that
21 says we want to do something. You would be
22 considering some implementation of things that
23 maybe, through that research, would give you a
24 benefit to consumers.

25 MS. KEATING: So just to make sure I am clear

1 in your question, are you asking would we come back
2 for approval of technologies that are successful in
3 the process? And if so, yes, absolutely.

4 COMMISSIONER FAY: Yes. I think -- obviously,
5 this is a separate item from the conservation
6 goals, but conceptually, you know, you have sort of
7 these -- the broader spectrum, and then you narrow
8 in as to what you would apply.

9 I think, maybe to ask it a different way.
10 Your decision to expend these funds for a certain
11 type of research component would, within that, be
12 built in some decision-making of implementation,
13 and not just research. Because I think if -- if I
14 misunderstand sort of what's before us, you could
15 see that as we get an RFP document that says,
16 natural gas is great, right? And hopefully you
17 wouldn't pay for that RFP, because I could do that
18 at a much better rate probably, but in general you
19 get a conclusion to that. There would be
20 implementation that would occur with that, and not
21 just the idea that customers are then paying for
22 some document or research that may or may not be
23 beneficial to the utility or the customer in the
24 long run.

25 MS. KEATING: Yes. Absolutely. That would be

1 part of the research process, is not just does the
2 technology work, but how do you turn that into a
3 functioning conservation program? And so, yes,
4 yes, that would be part of it.

5 I will let Mr. Eysie elaborate.

6 MR. EYSIE: No, I just wanted to say that,
7 yeah, the intention would be to turn the benefit
8 into a conservation program. So whether that means
9 to enhance or modify an existing conservation based
10 on the research findings, or to propose an entirely
11 new research program, new conservation program
12 based on the research, the intended benefit is to
13 improve an existing conservation or create a new
14 conservation program. It is not just to do
15 research, as you say.

16 COMMISSIONER FAY: Gotcha. Yeah. And I think
17 in particular the adjustment to looking at a
18 temporary and not a permanent sort of solution for
19 these things is a huge change that is persuasive to
20 me that would support this item.

21 I do feel this way -- I do feel a little bit
22 this, as I do some of the economic incentive funds,
23 in that it's a tough question as to is this money
24 worth spending it for customers and the utility,
25 and that can be a hard decision. But I think the

1 idea is that you have qualified folks in-house, you
2 have done some of this before. Some of this is a
3 continuation of what you have done before. And I
4 don't see any opposition to the implementation of
5 this today from any outside groups.

6 So I think -- I think your heart and mind are
7 in the right place. I think the implementation
8 will be a big factor. And as Commissioner Clark
9 stated, sometimes when those programs come back, we
10 make those decisions for the recovery on that. I
11 think you have gotten probably a little more
12 direction, or maybe feedback from the Commission
13 today that would help guide maybe where some of
14 that would go. And maybe make decisions for things
15 that would be potentially research that you decide
16 are not worthwhile to spend customers' money.

17 I think, as Ms. Keating pointed out, it's a
18 ceiling as to what we are approving here. If you
19 find that you don't think it's worthwhile to pursue
20 or go forward, it doesn't look good for you to move
21 forward with the research that doesn't benefit the
22 customer or the utility, so you will have to make
23 those tough decisions. But at some point, they
24 will come back to us from a cost perspective for
25 our view and our decision-making.

1 And just from my perspective, I will be
2 looking at that very closely, because I think those
3 types of expenditures, although, not in this case,
4 seem to be a concern. In history, I have been sort
5 of a continuation of an expansion. And I think
6 there is a lot of questions that come up in that
7 economic incentive world, are those worthwhile?

8 This is more of a research implementation
9 item, and so I am more supportive of it. But I
10 will be looking very closely when these come back,
11 to make sure that we do see that benefit in the
12 strategic decisions that are being made by the
13 utility holistically for what you propose.

14 Thank you, Mr. Chairman.

15 CHAIRMAN LA ROSA: Thank you, Commissioner.

16 I have got a quick question, and, Commissioner
17 Clark, I will come right back to you.

18 Is there any statutory requirement for
19 conservation goals?

20 MR. EYSIE: I am sorry?

21 CHAIRMAN LA ROSA: Are there any statutory
22 requirements for conservation goals of the
23 companies of the association?

24 MS. KEATING: The companies that are
25 participating in this petition are not subject to

1 the conservation goals. They aren't large enough.

2 CHAIRMAN LA ROSA: Commissioner Clark.

3 COMMISSIONER CLARK: And I am going to just --
4 Commissioner Fay is right. He and I are just kind
5 of tag-teaming today here, aren't we? Just a
6 couple of final observations.

7 I support research. I have been involved
8 personally in DSM research on many occasions. It's
9 where a little bit of my skepticism comes from.
10 We've spent a lot of money in research that doesn't
11 pan out.

12 And to Commissioner Fay's point, you can have
13 a research project that yields you no results.
14 There is no implementation item that comes out of
15 that, and those dollars, we won't call them wasted,
16 but they certainly didn't yield us a benefit, and
17 that is a potential.

18 One of the reasons I like to see a scope of a
19 project before we just allocate a number of dollars
20 to see, and I would feel much more comfortable if
21 we had something tangible. If we are going to look
22 at AFUE testing, if we are going to look at
23 efficiencies, and these kind of things, are we
24 going to look at load control, direct load control?

25 You know, we spent a lot of time and money

1 doing analytics on load control devices over the
2 years. And sometimes we found that, yeah, we
3 yielded a result. A lot of times we found that the
4 numbers in the field didn't exactly match what we
5 proposed or thought were going to happen on paper,
6 therefore, they were not. Yes, was it a positive
7 result? But it did not yield enough result in
8 order for us to build and implement a program
9 around it. And that's where some of my skepticism
10 comes from.

11 And I do think that an association has some
12 responsibility in order to put together these types
13 of programs for its member owners, but that's --
14 that's very subjective on my part, so I will hush
15 about that.

16 I do have some concerns. I would love to see
17 something that had more scope to it than just kind
18 of blank checks.

19 CHAIRMAN LA ROSA: Technology is essential in
20 all industries to survive. There is no question
21 about that. Implementation and adjusting to
22 technology, there is no question, associations play
23 a major role in industry to cultivate industry
24 standards, what's coming, how to adapt to them, how
25 to adapt to the habits of customers. As a business

1 owner, I have been there many times, and I have
2 seen colleagues fall down, and even sometimes maybe
3 our companies have fallen down in the sense that we
4 have not kept up because we have not implemented
5 technologies and research of what's coming, and was
6 also jumped ahead because we hadn't gotten in front
7 of that curve. So I respect and understand that
8 this has to happen.

9 I do 2nd where Commissioner Clark is going, is
10 that I would also like to see more in-depth and
11 more detail when we are considering this, so I
12 don't want my line of questions to be taken out of
13 context. I mean, I am asking because I truly want
14 to know and want to better understand.

15 But I do think that if we are going to
16 implement or approve a program such as this, and
17 especially that it's already been done, and it was
18 kind of -- there has been a gap since the last
19 go-round or the extension was offered back in 2018
20 or 2017. I just don't feel comfortable enough
21 today, honestly, unless we had more depth and more
22 detail, that's just where I am, as a single member,
23 single vote on this commission, but I will open it
24 up to the rest of the Commissioners.

25 Is there any other further questions or

1 thoughts?

2 Seeing none. Is there a motion?

3 COMMISSIONER FAY: Mr. Chairman, if I could
4 just ask staff a question real quick before we
5 proceed?

6 CHAIRMAN LA ROSA: Sure. Of course.

7 COMMISSIONER FAY: So based on the way this is
8 set up, once the -- once the association brings
9 forward a program with an expense built into it,
10 what type of review will occur for the Commission?

11 MR. BARRETT: Commissioner, the proposal here
12 is -- well, the recovery mechanism is the natural
13 gas conservation cost recovery clause. So within
14 that docket, we -- all of the utilities submit two
15 annual -- two filings to us once a year every year,
16 and we do an annual hearing once a year. So we
17 would review the costs, the historic costs, and
18 then we would also review the projected costs.

19 So all our cost review would be continuous,
20 and the conservation program itself would be a
21 component of their portfolio, and their portfolio
22 is the subject of the November hearing.

23 COMMISSIONER FAY: Gotcha.

24 And if the Commission hypothetically felt that
25 one of these that was brought forward didn't meet a

1 standard, and maybe there is some subjectivity to
2 that, but subjectively didn't meet some standard.
3 Maybe it was just a strictly research component,
4 and we felt there wasn't any implementation, how
5 would we go about making that decision?

6 MR. BARRETT: We would evaluate it through our
7 discovery process. We would review the information
8 they put before us. We would probe and ask
9 questions. And if we felt that a disallowance of
10 an expense was warranted, we would present that in
11 the November hearing.

12 COMMISSIONER FAY: Okay. Mr. Chairman, it
13 sounds like, based on the feedback that the
14 Commission has presented, that this item would
15 probably be better served with some additional
16 information required going forward.

17 With that said, I think we would need maybe a
18 little clarity as to exactly what that would look
19 like. It's kind of, I mean, sort of between a rock
20 and a hard place for the association, because with
21 a lot of these things, you want to move forward
22 with something so you start out broad, and then you
23 try to find some implementation, or some
24 information that allows you to find these
25 efficiencies. And even talking about the

1 compression improvements that technology has
2 brought forward, I mean, things that I am not very
3 familiar about, but they would be able to implement
4 to improve their operations, but we have to have
5 some more information to know that, and then, on
6 the back end, make a decision that's consistent
7 with that.

8 I think the last thing the association would
9 want is for us to say okay, but then they bring
10 something forward, and on the back end, have it not
11 approved. I mean, that seems like probably the
12 biggest concern for -- I don't want to speak for
13 them, but from their perspective.

14 So with that, I would love to put some maybe
15 additional qualifiers in there that the association
16 would think is appropriate, but I would love to
17 hear from Ms. Keating maybe, and her client, and
18 see, you know, what their thoughts are.

19 CHAIRMAN LA ROSA: Sure.

20 Ms. Keating, you are recognized.

21 MS. KEATING: Thank you, Mr. Chairman.

22 Commissioner Fay, absolutely. The program, as
23 I have mentioned before, is important for us to get
24 things moving. But I think one way we might be
25 able to address your concern is once we've

1 identified a technology that we would like to move
2 forward with, we could submit a report to staff, or
3 have conversations with staff as to whether they
4 see moving forward with that technology as being
5 appropriate and within the context of what they are
6 contemplating for DSM for gas utilities.

7 CHAIRMAN LA ROSA: Commissioner Fay, do you
8 want to follow up on that?

9 COMMISSIONER FAY: Thank you. Yeah, I do.

10 Just understanding that -- that I guess could
11 potentially improve the process. It might still
12 leave itself to the Commission, as a body, in the
13 future deciding something doesn't maybe fall within
14 the criteria as they review it. But I think based
15 on that feedback, the association would be very
16 thoughtful about what they do and once thing it
17 doesn't want to be in the position of implementing
18 something that's not recoverable.

19 So I -- you know, Ms. Keating, we've seen you
20 here before with your clients. I have full faith
21 that they will understand the guidance and what's
22 required based on this recommendation based on your
23 counsel and those you work with, and so I don't
24 think there will be a misunderstanding going
25 forward. I am not really worried about that.

1 I just know that there might be -- there are
2 differing views to the five of us and maybe what we
3 believe would meet, you know, the requirement of
4 something, and what might not. And my hope is that
5 we could address that as much as we could on the
6 front end so then we would feel comfortable.

7 So I don't know the comfort level you and your
8 client would have with some further discussion on
9 this before we approve it. I think once we approve
10 it, there -- you would -- there would be some
11 limitations based on the way the recommendation is
12 laid out. But I am, once again, not sure on the
13 technical side what we could do to improve what
14 would be brought forward other than these
15 conversations with staff, because we would still
16 be, you know, reviewing and approving something on
17 the back end.

18 So all that to say, Mr. Chairman, we could add
19 a layer of reporting and communication with staff,
20 which I think would put us in the right direction,
21 but, once again, may not fully alleviate the concerns.

22 CHAIRMAN LA ROSA: Commissioner Clark.

23 COMMISSIONER CLARK: It would alleviate a lot of
24 my concerns. And with something as simple, I would
25 take it kind of half a step further, if you brought

1 a scope, a project scope and a proposed budget, it
2 can be a -- it doesn't have to be have all the
3 features, just give us something that we can kind
4 of wrap our head around that says, hey, we are
5 going to do a \$50,000 research project. We are
6 going to test, you know, gas water heaters at this
7 level and try to come up with some new design.
8 Bring us something, and I think that I certainly, I
9 can be 100 percent -- I support the research.
10 Absolutely support the research. A blank check is
11 where I have a little bit of an issue with.

12 CHAIRMAN LA ROSA: Okay. And just to kind of
13 add another layer on top of that is, you know, the
14 simple question of why, you know, why? What is the
15 intent of the project, and what is the
16 understanding of what the potential outcome is, or
17 what outcome you are looking to achieve, which I
18 understand, it is efficiencies and it is savings.
19 But there is typically an estimated guess of where
20 it's going to land, and that's the intent of the
21 project.

22 So I would want to know what the potential
23 outcome would be as we are looking at a project,
24 because to me, that gauges where we expect to have
25 a higher probability of return on investment. And

1 there is a threshold, which I am sure you all --
2 everyone makes decisions on, where is an acceptable
3 return on investment?

4 And I think knowing the why and the potential
5 outcome, for me, would be a decisive importance to
6 adding the front end, so that there is there isn't
7 -- because I share very similar concern. What
8 happens if we don't approve it on the back end?
9 The last thing I want to see is a company spending
10 money on something that we don't approve.

11 And this -- although this was done prior, I do
12 believe times are different. Technologies are
13 different, even though this was only just a few
14 years ago, what you may be investigating, what you
15 may be implementing or testing would be maybe
16 dramatically different.

17 So I just want to just kind of put that in
18 context of my I thoughts and where I'm coming from,
19 but I am going to move to Commissioner Graham.

20 COMMISSIONER GRAHAM: Thank you, Mr. Chairman.

21 It seems like -- and I hear the comments of my
22 colleagues -- this is a lot of piecemealing. I
23 think probably the easiest thing to do is just to
24 withdraw this petition and have them refile it.

25 And they understand where the concerns are and

1 where our heads are, rather than trying to fix
2 anything here on the fly, or trying to deny this
3 and limiting them coming back.

4 CHAIRMAN LA ROSA: Commissioner Graham spoke
5 in a --

6 COMMISSIONER CLARK: Mr. Chairman, I don't
7 disagree. And I will reiterate, I will fully
8 support a proposal that comes back that has scope
9 involved in it. Absolutely.

10 MR. TRIERWEILER: Mr. Chairman, may I? With
11 great trepidation, I insert myself into this, and I
12 apologize for not being on top of this topic.

13 CHAIRMAN LA ROSA: You might recognize, Walt
14 Trierweiler, Office of Public Counsel.

15 MR. TRIERWEILER: Thank you, sir.

16 Chairman, in fact, I just happened to spend
17 two hours talking to Jessie Werner from FNGA just
18 yesterday on a different topic.

19 Public Counsel loves the idea of conservation
20 and saving money, and we are -- we love the idea of
21 making sure that the bang is worth the bulk. We
22 would like to offer our services, and perhaps that
23 would, off-line, facilitate this, and perhaps even
24 weigh in, if that is the choice of both counsel and
25 the staff, and perhaps lend a little bit of clarity

1 and opinion and support.

2 It looks like you want to send this thing
3 back. We would like to work with staff and counsel
4 and explore these issues, and perhaps provide added
5 comfort to the Commission to hear the consumer
6 voice on these proposals.

7 And if that's something that you think has
8 value, Mr. Chairman, and if we can reach some sort
9 of accommodation and agreement among the
10 stakeholders, then the Public Counsel is ready to
11 participate.

12 CHAIRMAN LA ROSA: Thank you. I think there
13 is a lot of important input on this. I am going to
14 back to the point that Commissioner Graham had
15 suggested, where his voice of wisdom comes in,
16 which is to defer this item and allow us to all
17 maybe have further discussions to represent
18 something at a future point. Is that acceptable?

19 Yes.

20 MS. KEATING: Deferral or --

21 CHAIRMAN LA ROSA: Well, I guess I am asking
22 is there -- would there be a willingness to --

23 MS. KEATING: Certainly a prerogative.

24 CHAIRMAN LA ROSA: -- commit to working with
25 the Office of Public Counsel, working with our

1 staff, of course, hearing the input from the
2 Commission as we move forward to maybe hear this at
3 a later point in time?

4 MS. KEATING: Certainly, Mr. Chairman, if that
5 is your desire, we can make that happen.

6 CHAIRMAN LA ROSA: I think that's the
7 direction we are going.

8 Commissioner Graham.

9 COMMISSIONER GRAHAM: I am not sure you
10 achieve anything by just deferring it. I think you
11 need to withdraw it and have them resubmit it.

12 CHAIRMAN LA ROSA: Staff, is that accurate?

13 MS. HARPER: It -- whatever your preference
14 is, that could be accurate. Yes.

15 CHAIRMAN LA ROSA: Yeah, so --

16 MS. HARPER: It's two different directions
17 that will end you up in the same result, but one
18 may be cleaner to you than the other.

19 CHAIRMAN LA ROSA: Sure. So I think I would
20 like to go with the cleanest direction, which is
21 maybe a withdrawal, and then a reapply, and then we
22 can address it at a later point in time.

23 MS. HARPER: Okay. We will work with everyone
24 and we will get that done for you.

25 MS. KEATING: Mr. Chair, I am a little

1 hesitant to say this, but I feel, like, duty bound
2 to my client.

3 We filed this in October of 2023. If there is
4 a way -- I understand that if you wish for us to
5 take it another direction, we certainly can, but I
6 am just a little concerned about starting from
7 scratch again.

8 CHAIRMAN LA ROSA: Sure. So I am going to --
9 I am going to punt it back to staff and say, hey,
10 you have -- you guys have heard our thoughts, our
11 comments from here. If a full withdrawal is
12 necessary, so let it be, but if we can work with
13 what's there, I think we are okay with that, if it
14 doesn't jeopardize what maybe the outcome is, which
15 I do take note that we are heading in the same
16 direction with two different ways.

17 MR. FUTRELL: Mr. Chairman, Mark Futrell with
18 staff. I think we have heard you, and I think the
19 company has heard you. And we will work together
20 to see what the most expeditious way to handle this
21 is. Certainly Ms. Keating needs to speak with her
22 client and determine their next steps. We will
23 certainly be ready to facilitate conversations that
24 are production, and find a way to incorporate
25 concerns that have been expressed today.

1 CHAIRMAN LA ROSA: Excellent. Thank you, so
2 no further action needed by us? Okay.

3 All right. So the answer is none. So is
4 there -- I will go back to the Commission.

5 Commissioners, is any other thoughts or open
6 business in which to discuss today?

7 We do have Internal Affairs meeting here. I
8 will say that that will start in 15 minutes in the
9 Internal Affairs room. So that's 11:10, if I have
10 got that accurate. And for that, see that this
11 meeting adjourned, and we will see you in Internal
12 Affairs.

13 Thank you.

14 (Agenda item concluded.)

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CERTIFICATE OF REPORTER


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COUNTY OF LEON)

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DEBRA R. KRICK
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