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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20240002-EG

In re: Energy conservation cost
recovery clause.

_____ /

PROCEEDINGS: HEARING

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

DATE: Tuesday, November 5, 2023

TIME: Commenced: 10:00 a.m.
Concluded: 11:54 a.m.

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

REPORTED BY: DEBRA R. KRICK
Court Reporter

PREMIER REPORTING
TALLAHASSEE, FLORIDA
(850) 894-0828

1 APPEARANCES:

2 MARIA JOSE MONCADA, WILL P. COX and JOEL
3 BAKER, ESQUIRES, 700 Universe Boulevard, Juno Beach,
4 Florida 33408-2863; appearing on behalf of Florida Power
5 & Light Company (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; PATRICIA CHRISTENSEN,
21 MARY A. WESSLING OCTAVIO SIMOES-PONCE and AUSTIN
22 WATROUS, ESQUIRES, OFFICE OF PUBLIC COUNSEL, c/o The
23 Florida Legislature, 111 West Madison Street, Room 812,
24 Tallahassee, Florida 32399-1400; appearing on behalf of
25 the Citizens of the 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, CARLOS MARQUEZ, II, and SAAD
7 FAROOQI, ESQUIRES, FPSC General Counsel's Office, 2540
8 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850,
9 appearing on behalf of the Florida Public Service
10 Commission (Staff).

11 KEITH C. HETRICK, GENERAL COUNSEL; SAMANTHA
12 CIBULA, ESQUIRE, Florida Public Service Commission, 2540
13 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850,
14 Advisor to the Florida Public Service Commission.

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| | I N D E X | |
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| | WITNESS: | PAGE |
| 1 | | |
| 2 | | |
| 3 | RICHARD L. HUME | |
| 4 | Prefiled Direct Testimony inserted | 12 |
| 5 | L. KAY HILL | |
| 6 | Prefiled Direct Testimony inserted | 20 |
| 7 | KARLA RODRIGUEZ | |
| 8 | Prefiled Direct Testimony inserted | 27 |
| 9 | M. ASHLEY SIZEMORE | |
| 10 | Prefiled Direct Testimony inserted | 40 |
| 11 | DERRICK CRAIG | |
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EXHIBITS

| NUMBER: | | ID | ADMITTED |
|---------|----------------------------|----|----------|
| 1 | Comprehensive Exhibit List | 68 | 68 |
| 2-19 | As identified in the CEL | 68 | 69 |

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

2 CHAIRMAN LA ROSA: All right. Well, good
3 morning, everybody. Today is still November 5th,
4 and I would like to go ahead and call this hearing
5 to order. This is the 2024 clause hearings.

6 Let's go ahead, Mr. Imig, if you would please
7 read the notice.

8 MR. IMIG: By notice issued on October 17th,
9 2024, this time and place has been set for a
10 hearing in Docket Nos. 20240001-EI, 20240002-EG,
11 20240003-GU, 20240004-GU and 20240007-EI. The
12 purpose of these hearings is set out more fully in
13 the notice.

14 CHAIRMAN LA ROSA: Excellent. Let's move to
15 appearance.

16 MR. IMIG: There are five dockets to address
17 today. We suggest that all appearances is be taken
18 at once. All parties should enter their
19 appearances and declare the dockets that they are
20 entering an appearance for.

21 Several parties will make appearances. After
22 the parties make their appearances, staff will need
23 to make theirs.

24 CHAIRMAN LA ROSA: Excellent.

25 I believe we have got everybody here, so let's

1 just go left to right and let's start with FPL.

2 MS. MONCADA: Good morning, Commissioners, and
3 happy election day. Maria Moncada for Florida
4 Power & Light Company 01, 02 and 07. And I would
5 also like to enter appearances for Will Cox, Joel
6 Baker and Dave Lee. Thank you.

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

12 CHAIRMAN LA ROSA: Thank you.

13 MR. MEANS: Good morning, Commissioners.
14 Malcolm Means with the Ausley McMullen Law Firm
15 appearing for Tampa Electric. I would also like to
16 enter experiences for Jeff Wahlen and Virginia
17 Ponder. And we are appearing in the 01, 02 and 07
18 docket for Tampa Electric.

19 Thank you.

20 MS. PONDER: Good morning. Virginia Ponder
21 with the Ausley McMullen appearing for Peoples Gas
22 System. And I would like to make an appearance
23 also for Malcolm Means and Jeff Wahlen in the 03
24 and 04 dockets.

25 CHAIRMAN LA ROSA: Thank you.

1 MS. KEATING: Good morning, Commissioners Beth
2 Keating with the Gunster Law Firm here today for
3 Florida Public Utilities in the 01, 02, 03 and 04
4 docket; for Florida City Gas in the 03 and 04
5 docket; and for Sebring Gas System in the 04
6 docket.

7 CHAIRMAN LA ROSA: Thank you.

8 MR. MOYLE: Good morning, Mr. Chairman. Jon
9 Moyle with the Moyle Law Firm on behalf of the
10 Florida Industrial Power Users Group, FIPUG. I
11 would also like to enter an appearance for Karen
12 Putnal with our firm. And those appearances will
13 be in the 01, 02 and 07 docket.

14 CHAIRMAN LA ROSA: Thank you.

15 MR. WRIGHT: Good morning, Mr. Chairman and
16 Commissioners. Thank you. Robert Scheffel Wright
17 of the Gardner Law Firm on behalf of the Florida
18 Retail Federation in the 01 docket. And I would
19 also like to enter an appearance on behalf of my
20 law partner John T. LaVia, III, in the 01 docket.
21 Thank you.

22 CHAIRMAN LA ROSA: Thank you.

23 MS. WESSLING: Good morning, Ali Wessling on
24 behalf of OPC. I would also like to enter an
25 appearance for Walt Trierweiler, Charles Rehwinkel,

1 Patricia Christensen, Octavio Ponce and Austin
2 Watrous in all dockets.

3 CHAIRMAN LA ROSA: Great. Thank you.

4 MR. IMIG: Thank you, Mr. Chairman. Staff
5 would like to note that St. Joe Natural Gas, PCS
6 Phosphate and Nucor have been excused from these
7 proceedings.

8 I would like to enter an appearance for
9 myself, Jacob Imig, in the 02 and the 07 docket;
10 Suzanne Brownless in the 01 docket; Ryan Sandy in
11 the 01 docket; Carlos Marquez in the 02 docket,
12 Saad Farooqi in the 02 and 07 -- 04 and 07 dockets,
13 and Tim Sparks in the 04 docket.

14 CHAIRMAN LA ROSA: Great. Thank you.

15 MS. HELTON: And finally, Mary Anne Helton is
16 here as your Advisor, along with your General
17 Counsel, Keith Hetrick.

18 MR. IMIG: I am sorry. I would also like to
19 enter an appearance for Daniel Dose in the 03
20 docket.

21 CHAIRMAN LA ROSA: Okay. Awesome. All good
22 on that end. Let's move, then, to preliminary
23 matters.

24 MR. IMIG: We are unaware of any preliminary
25 matters at this time.

1 CHAIRMAN LA ROSA: All right. Then let's go
2 ahead and proceed. We will go in this order, 02,
3 03, 04, 07 and then to 01.

4 So, Mr. Marquez, let's go shift over to you.
5 And are there any preliminary matters that we need
6 to address?

7 MR. MARQUEZ: Good morning, Mr. Chairman.
8 Yes, there are.

9 There proposed Type 2 stipulations on all
10 issues today with the intervenors not objecting, so
11 the Commission may vote on those this morning.

12 Nucor and PCS Phosphate were excused from
13 appearing today, and all witnesses have been
14 excused, and their testimony and exhibits may be
15 entered into the record as though read when
16 appropriate.

17 CHAIRMAN LA ROSA: Okay. All right. Do the
18 parties have any additional preliminary matters?

19 Seeing none, staff, let's go ahead and move to
20 prefiled testimony.

21 MR. MARQUEZ: Staff moves for the prefiled
22 testimony of all witnesses identified in Section 6
23 of the Prehearing Order be moved into the record at
24 this time.

25 CHAIRMAN LA ROSA: All right. Show the

1 prefiled testimony testimonies moved into the
2 record without any objections.

3 (Whereupon, prefiled direct testimony of
4 Richard L. Hume was inserted.)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY

TESTIMONY OF RICHARD L. HUME

DOCKET NO. 20240002-EG

MAY 1, 2024

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

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

Q. Please describe your educational background and professional experience.

A. I graduated from the University of Florida in 1991 with a Bachelor of Science degree in Business Administration with a Finance Major and earned a Master of Business Administration degree with a Finance Concentration from the University of Florida in 1995. I have worked in the utility finance sector since 1998, when I was employed by New-Energy Associates, (which became a subsidiary of Siemens Power Generation), working in the areas of financial forecasting and budgeting, as well as cost of service and rate forecasting for both electric and gas utilities. In 2007, I joined Oglethorpe Power and was promoted to the position of Director of Financial Forecasting the following year. In that position, I was primarily responsible for the long-range financial forecast and resource planning along with new rate design. In 2012, I joined FPL, managing a budgeting and data analytics team where my responsibilities included conducting analysis related to customer

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

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

8 A. The purpose of my testimony is to present for Florida Public Service Commission
9 (“Commission”) review and approval FPL’s Energy Conservation Cost Recovery
10 (“ECCR”) clause final net true-up amounts for the period January 2023 through
11 December 2023.

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

13 A. Yes. I am sponsoring Schedules CT-1 and CT-4, and co-sponsoring Schedules CT-
14 2 and CT-3, in Exhibit LKH-1 attached to FPL witness Hill’s testimony. The
15 specific sections of Schedules CT-2 and CT-3 that I am sponsoring are identified
16 in the Table of Contents in Exhibit LKH-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, Page 6, in Exhibit LKH-1 provides a complete
23 list of all account numbers used for ECCR during the period January 2023 through
24 December 2023.

FPL 2023 FINAL TRUE-UP CALCULATION

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Q. What is the actual end of period true-up amount that FPL is requesting the Commission to approve for the January 2023 through December 2023 period?

A. FPL has calculated and is requesting approval of an over-recovery of \$14,798,898, including interest, as the actual end of period true-up amount for the period January 2023 through December 2023. The calculation of this \$14,798,898 over-recovery is shown on Exhibit LKH-1 Schedule CT-3, Page 8 as the sum of Lines 5, 6 and 10.

Q. What is the final net true-up amount for the January 2023 through December 2023 period that FPL is requesting to be included in the January 2025 through December 2025 ECCR factors?

A. FPL has calculated and is requesting approval of an over-recovery of \$2,466,525 as the final net true-up amount for the period January 2023 through December 2023. This final net true-up over-recovery of \$2,466,525 is the difference between the actual end of period true-up over-recovery of \$14,798,898, and the actual/estimated true-up over-recovery of \$12,332,373. The calculation of the \$2,466,525 over-recovery is shown on Exhibit LKH-1 Schedule CT-1, Page 2.

Q. Was the calculation of the final net true-up amount for the period January 2023 through December 2023 performed consistently with prior true-up calculations in predecessor ECCR dockets?

A. Yes. The calculation of the final net true-up amount for the period January 2023 through December 2023 was performed consistently with prior true-up calculations in predecessor ECCR clause dockets.

1 **Q. Have you provided a schedule showing the variances between actual and**
2 **actual/estimated program costs and revenues for the period January 2023**
3 **through December 2023?**

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

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

7 A. Exhibit LKH-1 Schedule CT-1 shows the calculation of FPL's final net true-up for
8 the period January 2023 through December 2023, an over-recovery including
9 interest, of \$2,466,525, which FPL is requesting be included in the calculation of
10 the 2025 ECCR factors.

11

12 The actual end-of-period over-recovery for the period January 2023 through
13 December 2023 of \$14,798,898 (shown on Schedule CT-1, Line 4) minus the
14 actual/estimated end-of-period over-recovery for the same period of \$12,332,373
15 (shown on Schedule CT-1, Line 8) results in the final net true-up over-recovery for
16 the period January 2023 through December 2023 (shown on Schedule CT-1, Line
17 9) of \$2,466,525. The expense detail making up the same 2023 net true up amount
18 can be found on schedule CT-2, Page 3 of Exhibit LKH-1.

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

20 A. Yes.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY

TESTIMONY OF RICHARD L. HUME

DOCKET NO. 20240002-EG

AUGUST 1, 2024

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

A. My name is Richard L. Hume. My business address is 700 Universe Boulevard, Juno Beach, Florida 33408. I am employed by Florida Power & Light Company (“FPL” or the “Company”) as Sr. Manager, Clause Accounting and Analysis, FPL Finance.

Q. Have you previously filed testimony in this docket?

A. Yes.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present for Florida Public Service Commission (“Commission”) review and approval the 2024 Actual/Estimated Energy Conservation Cost Recovery (“ECCR”) true-up amount for the period January 1, 2024 through December 31, 2024 and the 2025 ECCR Factors to be applied to bills issued during the projected period of January 1, 2025 through December 31, 2025.

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

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

1 **Q. What is the source of the actual data used in calculating the 2024**
2 **actual/estimated true-up amount?**

3 A. Unless otherwise indicated, the actual data used in calculating the 2024
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 2024 included in Exhibit LKH-2.**

11 A. Schedule C-3, pages 28 and 29 in Exhibit LKH-2, provide the calculation of FPL's
12 2024 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 2025 ECCR Factors is
14 an over-recovery of \$4,891,332 (Schedule C-3, page 28, line 9). This over-recovery
15 includes the 2023 final net true-up over-recovery of \$2,466,524 (Schedule C-3, page
16 28, line 7a) filed with the Commission on May 1, 2024, and the 2024 actual/estimated
17 true-up over-recovery, including interest, of \$2,424,807 (Schedule C-3, page 28,
18 lines 5 plus 6) for the period January 2024 through December 2024. The 2024
19 actual/estimated true-up is based on actual data for the period January 2024 through
20 June 2024 and revised estimates for the period July 2024 through December 2024.

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

3 A. Yes.

4 **Q. Please explain how the allocation percentages for demand and energy are**
5 **calculated.**

6 A. Schedule C-1, page 3 in Exhibit LKH-2 provides the allocations used to calculate
7 the rate factors. The demand allocation factors are calculated by determining the
8 percentage each rate class contributes to the monthly system peaks. The energy
9 allocation factors are calculated by determining the percentage each rate class
10 contributes to total kWh sales, as adjusted for losses.

11 **Q. Have you prepared calculations of the projected 2025 ECCR Factors by rate**
12 **class?**

13 A. Yes. Schedule C-1, page 4 in Exhibit LKH-2 provides the calculations of the
14 projected 2025 ECCR Factors by rate class.

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

16 A. Yes.

1 (Whereupon, prefiled direct testimony of L.
2 Kay Hill was inserted.)

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
2 **FLORIDA POWER & LIGHT COMPANY**
3 **TESTIMONY OF L. KAY HILL**
4 **DOCKET NO. 20240002-EG**
5 **MAY 1, 2024**

6

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

8 A. My name is L. Kay Hill. My business address is One Energy Place, Pensacola,
9 Florida 32520. I am employed by Florida Power & Light Company (“FPL”) as
10 Manager of Demand-Side Management (“DSM”) Regulatory Support.

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

12 A. I received a Bachelor Degree in Mechanical Engineering from the University of
13 Alabama. I began my career in the electric utility industry at Southern Company in
14 2001 and held various positions in Power Delivery, Field Services and Metering,
15 Major and Governmental Accounts, and Customer Service. More recently, I served
16 as a business management lead on tariff initiatives supporting FPL’s acquisition and
17 merger with Gulf Power Company (“Gulf”), as well as Gulf’s subsequent rate
18 consolidation with FPL. In 2023, I joined FPL in my current role. In this position, I
19 am responsible for supporting the Energy Conservation Cost Recovery (“ECCR”)
20 clause and DSM-related filings with the Commission.

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

22 A. The purpose of my testimony is to present the actual ECCR costs for FPL’s DSM
23 programs for the period January 2023 through December 2023.

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

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

6 **Q. For the January 2023 through December 2023 period, did FPL seek recovery of**
7 **any costs for advertising that makes a specific claim of potential energy savings**
8 **or states appliance efficiency ratings or savings?**

9 A. Yes.

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

13 A. Yes. The documentation required by this rule is included in Exhibit LKH-1,
14 Appendix A.

15 **Q. Are all costs listed in Exhibit LKH-1, Schedule CT-2, attributable to**
16 **Commission-approved DSM programs?**

17 A. Yes.

18 **Q. How did FPL's actual program costs for the January 2023 through December**
19 **2023 period compare to the actual/estimated costs presented in Docket No.**
20 **20230002-EG, and approved in Order No. PSC-2023-0342-FOF-EG?**

21 A. Actual program costs for the period were \$154,681,984. The actual/estimated
22 program costs were \$155,561,565. Therefore, actual costs were \$879,581, or less
23 than one percent, below the actual/estimated costs (see Exhibit LKH-1, Schedule

1 CT-2, Page 3, Line 9). Each program's contribution to the variance is shown in
2 Exhibit LKH-1, Schedule CT-2, Page 5.

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

4 A. Yes.

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
2 **FLORIDA POWER & LIGHT COMPANY**
3 **TESTIMONY OF L. KAY HILL**
4 **DOCKET NO. 20240002-EG**
5 **AUGUST 1, 2024**

6

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

8 A. My name is L. Kay Hill. My business address is One Energy Place, Pensacola,
9 Florida 32520. I am employed by Florida Power & Light Company (“FPL”) as
10 Manager of Demand-Side Management (“DSM”) Regulatory Support.

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 2024 and the projected costs to be incurred from January through
18 December 2025.

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 LKH-2. The specific sections of Schedules C-2 and C-3 that I am
22 sponsoring are identified in the Table of Contents in Exhibit LKH-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 2025 projections and 2024 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 2024 and 2025 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 2024 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 2024 and January through December
17 2025 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.

1 **Q. What are the ECCR costs for the January through December 2024**
2 **actual/estimated period?**

3 A. The actual/estimated costs for the period January through December 2024 are
4 \$164,819,494 as shown on Exhibit LKH-2, Schedule C-3, page 17, line 90.

5 **Q. What are the 2025 costs FPL is requesting the Commission to approve?**

6 A. FPL is requesting approval of \$161,640,931 for recovery during the period of January
7 through December 2025 as shown on Exhibit LKH-2, Schedule C-1, page 2, line 8.
8 This includes projected costs for January through December 2025 of \$166,532,263
9 as shown on Exhibit LKH-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. 20240002-EG

**Energy Conservation and Cost Recovery Final True-up
for the Period January through December 2023**

DIRECT TESTIMONY OF
Karla Rodriguez

May 1, 2024

Q. Please state your name and business address.

A. My name is Karla Rodriguez. My business address is 299 1st Ave N, St. Petersburg, FL 33701.

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

A. I am employed by Duke Energy Business Services, LLC, as Lead Strategy & Collaboration Manager in the Portfolio Regulatory Strategy and Support department. Duke Energy Business Services and Duke Energy Florida, LLC (“DEF” or “the Company”) are both wholly owned subsidiaries of Duke Energy Corporation.

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

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

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

2 A. The purpose of my testimony is to compare DEF's 2023 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 2023
5 through December 2023. 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 KR-1T entitled, “Duke Energy Florida, LLC Energy Conservation
8 Adjusted Net True-Up for the Period January 2023 through December 2023.” There
9 are six (6) schedules included in this exhibit.

10
11 **Q. Will you please explain your exhibit?**

12 A. Yes. Exhibit KR-1T presents Schedules CT-1 through CT-6. Schedules CT-1 to CT-4
13 set out actual costs incurred for all programs during the period from January 2023
14 through December 2023. These schedules also illustrate variances between actual costs
15 and previously projected values for the same time period. Schedule CT-5 provides a
16 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 2023. Schedule CT-6 is DEF’s capital structure and cost rates.

20

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

1 A. Yes. Schedule CT-1 line 14 shows that DEF's actual end-of-period ECCR true-up for
2 December 31, 2023, was an over-recovery of \$3,699,623, including principal and
3 interest.

4

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

6 A. The four pages of Schedule CT-2 provide an annual summary of conservation
7 program revenues as well as itemized conservation program costs for the period
8 January 2023 through December 2023 detailing actual, estimated and variance
9 calculations by program. These costs are directly attributable to DEF's Commission-
10 approved programs.

11

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

13 A. Yes. Page one of Schedule CT-3 provides actual conservation program costs by
14 month for the period January 2023 through December 2023. Page two of Schedule
15 CT-3 presents program revenues by month offset by expenses, a calculation of the
16 end of period net true-up for each month, and the total for the year. Page three
17 provides the monthly interest calculation. Page four of Schedule CT-3 provides
18 conservation account numbers for the 2023 calendar year.

19

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

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

23

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

2 A. Yes. Schedule CT-5 provides a brief summary of each conservation program that
3 includes a program description, program accomplishments, annual program
4 expenditures, significant program cost variances versus projections and a program
5 progress summary for the 2023 calendar year.

6

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

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

10

11 **Q. What capital structure and cost rates did DEF rely on to calculate the revenue
12 requirement rate of return for the period January 2023 through December
13 2023?**

14 A. DEF used the capital structure and cost rates consistent with the language in Order
15 No. PSC-2020-0165-PAA-EU and Order No. PSC-2022-0357-FOF-EI. The capital
16 structure and cost rates relied on to calculate the revenue requirement rate of return
17 for the period January 2023 through December 2023 are shown on Schedule CT-6.

18

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

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

1 Commission and any accounting rules and orders established by this Commission.
2 Pursuant to Rule 25-17.015(3), F.A.C., DEF provides a list of all account numbers
3 used for conservation cost recovery during the period January 2023 through
4 December 2023 on Schedule CT-3 page 4.

5

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

7 A. Yes.

8

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. 20240002-EG**

7 **August 1, 2024**

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 2025 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 KR-1P supports DEF's energy conservation calculations for the 2024
5 actual/estimated period and the 2025 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 KR-1P presents Schedules C-1 through C-6. Schedules C-1 to C-4 provide
10 projected program costs for calendar year 2025 along with an updated projection of
11 program costs for 2024. The 2024 updated projection of costs includes the actual costs
12 incurred for the period from January 2024 through June 2024 and forecasted costs for July
13 through December 2024. Schedule C-5 provides a summary report for each program that
14 includes a program description, estimated annual program expenditures for 2025, and a
15 summary of program accomplishments through the period ending June 2024. 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 2025 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 2025 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 2024 (actual) and July
11 through December 2024 (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 2024
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 2025 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 2025 projected program costs of
7 \$131,821,851 plus a prior period over-recovery of \$13,165,569 resulting in estimated
8 net revenue requirements in 2025 of \$118,656,282. The following table includes DEF's
9 proposed ECCR billing factors, by retail rate class and voltage level for calendar year
10 2025, as contained in Schedule C-1, Page 2 of 2.

11
12 **2025 ECCR Billing Factors**

| | Secondary | Primary | Transmission |
|---|-----------------------|-----------------------|-----------------------|
| <u>Retail Rate Schedule</u> | <u>Voltage</u> | <u>Voltage</u> | <u>Voltage</u> |
| 15 Residential (Cents/kWh) | .326 | N/A | N/A |
| 16 General-Service-Non-Demand (Cents/kWh) | .286 | .283 | .280 |
| 17 General Service 100% Load Factor (Cents/kWh) | .222 | N/A | N/A |
| 18 General Service Demand (\$/kW) | .89 | .88 | .87 |
| 19 Curtailable (\$/kW) | .63 | .62 | .62 |
| 20 Interruptible (\$/kW) | .77 | .76 | .75 |
| 21 Standby Monthly (\$/kW) | .087 | .086 | .085 |
| 22 Standby Daily (\$/kW) | .041 | .041 | .040 |
| 23 Lighting (Cents/kWh) | .110 | N/A | N/A |

1

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

3 A. Yes.

4

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1 (Whereupon, prefiled direct testimony of M.
2 Ashley Sizemore was inserted.)

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**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 20240002-EG

IN RE: ENERGY CONSERVATION COST RECOVERY CLAUSE

TESTIMONY AND EXHIBIT

OF

M. ASHLEY SIZEMORE

FILED: May 1, 2024

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**2 **PREPARED DIRECT TESTIMONY**3 **OF**4 **M. ASHLEY SIZEMORE**

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

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

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

16
17 **A.** I received a Bachelor of Arts degree in Political Science
18 and a Master of Business Administration from the
19 University of South Florida in 2005 and 2008,
20 respectively. I joined Tampa Electric in 2010 as a
21 Customer Service Professional. In 2011, I joined the
22 Regulatory Affairs Department as a Rate Analyst. I spent
23 six years in the Regulatory Affairs Department working on
24 environmental and fuel and capacity cost recovery
25 clauses. During the following three years as a Program

1 Manager in Customer Experience, I managed billing and
2 payment customer solutions, products and services. I
3 returned to the Regulatory Affairs Department in 2020 as
4 Manager, Rates. I was promoted to my current position in
5 May 2023. My duties entail overseeing the cost recovery
6 for fuel and purchased power, interchange sales, capacity
7 payments, approved environmental projects, conservation
8 and storm protection plan projects. I have over 11 years
9 of electric utility experience in the areas of customer
10 experience and project management as well as the
11 management of fuel clause and purchased power, capacity,
12 and environmental cost recovery clauses.

13
14 **Q.** What is the purpose of your testimony in this proceeding?

15
16 **A.** The purpose of my testimony is to present and support for
17 Commission review and approval the company's actual DSM
18 programs related true-up costs incurred during the
19 January through December 2023 period.

20
21 **Q.** Did you prepare any exhibits in support of your
22 testimony?

23
24 **A.** Yes. Exhibit No. MAS-1, entitled "Tampa Electric
25 Company, Schedules Supporting Conservation Cost Recovery

1 Factor, Actual, January 2023–December 2023” was prepared
2 under my direction and supervision. This Exhibit
3 includes Schedules CT-1 through CT-6 which support the
4 company’s actual and prudent DSM program related true-up
5 costs incurred during the January through December 2023
6 period.

7
8 **Q.** What were Tampa Electric’s actual January through
9 December 2023 conservation costs?

10
11 **A.** For the period, January through December 2023, Tampa
12 Electric incurred actual net conservation costs of
13 \$47,132,152.

14
15 **Q.** What is the final end of period true-up amount for the
16 conservation clause for January through December 2023?

17
18 **A.** The final conservation clause end of period true-up for
19 January through December 2023 is an over-recovery of
20 \$8,209,235 which includes interest. This calculation is
21 detailed on Schedule CT-1, page 1 of 1.

22
23 **Q.** Please summarize how Tampa Electric’s actual program
24 costs for January through December 2023 period compare to
25 the actual/estimated costs presented in Docket No.

1 20230002-EG?

2

3 **A.** For the period, January through December 2023, Tampa
4 Electric had a variance of \$66,651 or 0.14 percent more
5 than the estimated amount. The estimated total program
6 costs were projected to be \$47,065,501 which was the
7 amount approved in Order No. PSC 2023-0342-FOF-EG, issued
8 November 16, 2023, as compared to the incurred actual net
9 conservation costs of \$47,132,152.

10

11 **Q.** Please summarize the reasons why the actual expenses were
12 more than projected expenses by \$66,651?

13

14 **A.** The variance was a result of the following actual
15 expenses being more than estimated in the following
16 residential programs: Walk-through Energy Audit; Computer
17 Assisted Audits; ENERGY STAR for New Homes; ENERGY STAR
18 Pool Pumps; ENERGY STAR Thermostats; Neighborhood
19 Weatherization; and Energy Planner. Additionally, actual
20 expenses were more than estimated in the following
21 commercial/industrial programs: Commercial/Industrial
22 Audit (Free); Commercial Cooling; Industrial Load
23 Management; Lighting Non-Conditioned; and the Integrated
24 Renewable Energy System (Pilot). Each DSM program's
25 detailed variance and common variance contribution is

1 shown on Schedule CT-2, Page 3 of 4.

2

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

5

6 **A.** Yes.

7

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

10

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

14

15 **Q.** Did Tampa Electric offer the programs contained in the
16 2020-2029 Ten-Year DSM Plan the entire 2023 period?

17

18 **A.** Yes.

19

20 **Q.** Should Tampa Electric's cost incurred during the January
21 through December 2023 period for energy conservation be
22 approved by the Commission?

23

24 **A.** Yes, the costs incurred were prudent and directly related
25 to the Commission's approved DSM programs and should be

1 approved.

2

3 **Q.** Does that conclude your testimony?

4

5 **A.** Yes, it does.

6

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BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20240002-EG

IN RE: CONSERVATION COST RECOVERY CLAUSE

TESTIMONY AND EXHIBIT

OF

M. ASHLEY SIZEMORE

FILED: AUGUST 1, 2024

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **M. ASHLEY SIZEMORE**

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

8
9 **A.** My name is M. Ashley Sizemore. My business address is
10 702 North Franklin Street, Tampa, Florida 33602. I am
11 employed by Tampa Electric Company ("Tampa Electric" or
12 "the company") as Director, Rates in Regulatory Affairs
13 Department.

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

17
18 **A.** I received a Bachelor of Arts degree in Political Science
19 and a Master of Business Administration from the
20 University of South Florida in 2005 and 2008,
21 respectively. I joined Tampa Electric in 2010 as a
22 Customer Service Professional. In 2011, I joined the
23 Regulatory Affairs Department as a Rate Analyst. I spent
24 six years in the Regulatory Affairs Department working on
25 environmental and fuel and capacity cost recovery

1 clauses. During the following three years as a Program
2 Manager in Customer Experience, I managed billing and
3 payment customer solutions, products and services. I
4 returned to the Regulatory Affairs Department in 2020 as
5 Manager, Rates. I was promoted to my current position in
6 May 2023. My duties entail overseeing the cost recovery
7 for fuel and purchased power, interchange sales, capacity
8 payments, approved environmental projects, conservation
9 and storm protection plan projects. I have over 13 years
10 of electric utility experience in the areas of customer
11 experience and project management as well as the
12 management of fuel clause and purchased power, capacity,
13 and environmental cost recovery clauses.

14
15 **Q.** Have you previously testified before the Florida Public
16 Service Commission ("Commission")?

17
18 **A.** Yes. I have filed direct testimony in the Fuel &
19 Purchased Power & Capacity, and Environmental Cost
20 Recovery Clause ("ECRC") dockets since 2020.

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

23
24 **A.** The purpose of my testimony is to support the company's
25 actual conservation costs incurred during the period

1 January 2023 through December 2023, the actual/projected
2 period January 2024 to December 2024, and the projected
3 period January through December 2025. The projected 2025
4 ECCR factors have been calculated based on the current
5 allocation methodology that was approved within Docket
6 No. 20210034-EI (Petition for Rate Increase by Tampa
7 Electric Company). Also, I will support the appropriate
8 Contracted Credit Value ("CCV") for participants in the
9 General Service Industrial Load Management Riders ("GSLM-
10 2" and "GSLM-3") for the period January through December
11 2025. I will also support the appropriate Residential
12 Variable Pricing Rates ("RSVP-1") for participants in the
13 Residential Price Responsive Load Management Program for
14 the period January 2025 through December 2025.

15
16 **Q.** Did you prepare any exhibits in support of your
17 testimony?

18
19 **A.** Yes. Exhibit Nos. MAS-2 and MAS-3 were prepared under my
20 direction and supervision. Exhibit No. MAS-2 includes
21 Schedules C-1 through C-5 and associated data which
22 support the development of the conservation cost recovery
23 factors for January 2025 through December 2025 using the
24 2021 settlement agreement allocation methodology that was
25 approved within Docket No. 20210034-EI. Exhibit No. MAS-

1 3 includes Schedules C-1 through C-5 and associated data
2 which support the development of the conservation cost
3 recovery factors for January 2025 through December 2025
4 using the Weighted Average Cost of Capital ("WACC"),
5 Return on Equity ("ROE"), and depreciation rates proposed
6 in Tampa Electric's 2024 petition for rate increase in
7 Docket No. 20240026-EI.

8
9 **Q.** Do Exhibit Nos. MAS-2 and MAS-3 meet the requirements of
10 Rule 25-17.015, Florida Administrative Code ("F.A.C."),
11 which requires the projection filing to include the
12 annual estimated/actual true-up filing showing actual and
13 projected common costs, individual program costs, and any
14 revenues collected?

15
16 **A.** Yes, they do.

17
18 **Q.** Please explain the difference between Exhibit Nos. MAS-2
19 and MAS-3?

20
21 **A.** Exhibit No. MAS-3 was prepared using the same methodology
22 as MAS-2, with the exception of the following: WACC, ROE,
23 and depreciation rates. The WACC, ROE, and depreciation
24 rates reflect what has been proposed in Tampa Electric's
25 2024 petition for rate increase in Docket No. 20240026-

1 EI.

2

3 **Q.** What timeframe did Tampa Electric use to develop its 2024
4 annual estimated/actual true-up filing?

5

6 **A.** Tampa Electric developed its 2024 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 2023 through
14 December 2023.

15

16 **A.** For the period January through December 2023, Tampa
17 Electric projected conservation program costs to be
18 \$47,065,501. The Commission authorized collections to
19 recover these expenses in Docket No. 20220002-EG, Order
20 No. PSC-2022-0422-FOF-EG, issued December 14, 2022.

21

22 **Q.** For the period January through December 2023, 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 2023, Tampa
2 Electric incurred actual net conservation costs of
3 \$47,132,152 plus a beginning true-up over-recovery of
4 \$4,883,834 for a total of \$42,248,318. The amount
5 collected in the ECCR clause was \$50,148,788.

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

8
9 **A.** The true-up amount for the period January through
10 December 2023 was an over-recovery of \$8,209,235
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 2024 through December 2024?

16
17 **A.** The actual costs incurred by Tampa Electric through June
18 2024 and projected costs for July 2024 through December
19 2024 are \$50,805,127. For the period, Tampa Electric
20 anticipates an under-recovery in the ECCR Clause of
21 \$3,716,454 which includes the 2023 true-up and interest.
22 A summary of these costs and estimates is fully detailed
23 in Exhibit No. MAS-2, Conservation Costs Projected, pages
24 21 through 42.

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 2025?

4
5 A. Yes, Tampa Electric has proposed to modify several DSM
6 programs within its petition for Commission Review of
7 Numeric Conservation Goals within Docket No. 20240014-EG.

8
9 Q. Please summarize the proposed conservation costs for the
10 period January 2025 through December 2025 and the
11 annualized recovery factors applicable for the period
12 January through December 2025.

13
14 A. Tampa Electric estimates the total conservation costs
15 (less program revenues) during the period will be
16 \$48,393,075 plus the true-up. Including true-up
17 estimates, the January 2025 through December 2025 cost
18 recovery factors allocated using the allocation
19 methodology that was approved within Docket No. 20210034-
20 EI for firm retail rate classes are as follows:

| <u>Rate Schedule</u> | Cost Recovery Factors <u>(cents per kWh)</u> |
|----------------------|--|
| RS | 0.294 |
| GS and CS | 0.292 |

| | | |
|---|--------------------------------|-------|
| 1 | GSD Optional - Secondary | 0.210 |
| 2 | GSD Optional - Primary | 0.208 |
| 3 | GSD Optional - Subtransmission | 0.206 |
| 4 | LS-1, LS-2 | 0.456 |

Cost Recovery Factors

| 7 | <u>Rate Schedule</u> | <u>(dollars per kW)</u> |
|----|------------------------|-------------------------|
| 8 | GSD - Secondary | 0.86 |
| 9 | GSD - Primary | 0.85 |
| 10 | GSD - Subtransmission | 0.84 |
| 11 | SBD - Secondary | 0.86 |
| 12 | SBD - Primary | 0.85 |
| 13 | SBD - Subtransmission | 0.84 |
| 14 | GSLD - Primary | 0.80 |
| 15 | GSLD - Subtransmission | 0.87 |

17 **Q.** Please summarize the proposed conservation costs for the
 18 period January 2025 through December 2025 and the
 19 annualized recovery factors applicable for the period
 20 January 2025 through December 2025 using what has been
 21 proposed in Tampa Electric's 2024 petition for rate
 22 increase in Docket No. 20240026-EI.

24 **A.** Tampa Electric estimates the total conservation costs
 25 (less program revenues) during the period will be

1 \$48,426,077 plus the true-up. The company calculated
 2 recovery factors using the same methodology to allocate
 3 rates that was provided in my Exhibit No. MAS-2, with the
 4 exception of the following: WACC, ROE, and depreciation
 5 rates. Instead, the WACC, ROE, and depreciation rates
 6 reflect the company's proposal in Tampa Electric's 2024
 7 petition for rate increase in Docket No. 20240026-EI.
 8 Including true-up estimates, the January 2025 through
 9 December 2025 cost recovery factors using Tampa
 10 Electric's proposed WACC, ROE, and depreciation rates in
 11 the company's 2024 petition for rate increase in Docket
 12 No. 20240026-EI are as follows:

Cost Recovery Factors

| <u>Rate Schedule</u> | <u>(cents per kWh)</u> |
|--------------------------------|------------------------|
| RS | 0.295 |
| GS and CS | 0.292 |
| GSD Optional - Secondary | 0.210 |
| GSD Optional - Primary | 0.208 |
| GSD Optional - Subtransmission | 0.206 |
| LS-1, LS-2 | 0.458 |

Cost Recovery Factors

| <u>Rate Schedule</u> | <u>(dollars per kW)</u> |
|----------------------|-------------------------|
| GSD - Secondary | 0.86 |

| | | |
|---|------------------------|------|
| 1 | GSD - Primary | 0.85 |
| 2 | GSD - Subtransmission | 0.84 |
| 3 | SBD - Secondary | 0.86 |
| 4 | SBD - Primary | 0.85 |
| 5 | SBD - Subtransmission | 0.84 |
| 6 | GSLD - Primary | 0.81 |
| 7 | GSLD - Subtransmission | 0.87 |

8

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

12

13 **A.** Yes, it has.

14

15 **Q.** Please explain why the incentive for GSLM-2 and GSLM-3
16 rate riders are included in your testimony?

17

18 **A.** In Docket No. 19990037-EI, Tampa Electric petitioned the
19 Commission to close its non-cost-effective interruptible
20 service rate schedules while initiating the provision of
21 a cost-effective non-firm service through a new load
22 management program. This program would be funded through
23 the ECCR clause and the appropriate monthly CCV billing
24 credit for participating customers would be submitted for
25 Commission approval as part of the company's annual ECCR

1 projection filing.

2

3 **Q.** Is Tampa Electric recalculating the 2025 CCV amount?

4

5 **A.** No, Tampa Electric's 2021 Stipulation and Agreement in
6 Docket No. 20210034-EI specified the values to be used
7 for the CCV amount on an ongoing basis. The 2021
8 Stipulation and Settlement Agreement was approved by the
9 Commission in Final Order No. PSC-2021-0423-S-EI, on
10 November 10, 2021.

11

12 **Q.** What were the CCV amounts approved by the Commission?

13

14 **A.** The CCV amounts approved by the Commission were \$11.75
15 per kW for secondary, \$11.63 per kW for primary and
16 \$11.52 per kW for subtransmission voltage customers.
17 These CCV amounts took effect on January 1, 2022.

18

19 **Q.** What is the appropriate CCV for customers who elect to
20 take service under the GSLM-2 and GSLM-3 rate riders
21 during the January through December 2025 period?

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23 **A.** For the January through December 2025 period, the CCV
24 amounts are:

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CCV dollars per kW by Voltage Level

| <u>Secondary</u> | <u>Primary</u> | <u>Subtransmission</u> |
|------------------|----------------|------------------------|
| \$11.75 | \$11.63 | \$11.52 |

If the 2025 assessment for need determination indicates the availability of new non-firm load, the CCV will be applied to new subscriptions for service under those rate riders.

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

A. Tampa Electric's petition to allow its pilot residential price responsive load management initiative to become permanent was approved by the Commission on August 28, 2007, in Docket No. 20070056-EG. This program will be funded through the ECCR clause and the appropriate annual RSVP-1 rates for customers are to be submitted for Commission approval as part of the company's annual ECCR projection filing.

Q. What are the appropriate RSVP-1 rates for customers who elect to take this service during the period January through December 2025?

1 **A.** At the time required for this projection filing, the
2 company has not completed the analysis to determine all
3 of the other clause factors that are utilized to
4 calculate and establish the RSVP-1 rates for the January
5 through December 2025 period. The company will file with
6 the Commission the proposed RSVP-1 rates for Tampa
7 Electric's Price Responsive Load Management program based
8 upon the company's 2025 residential base rates and the
9 2025 projected clause amounts for ECCR, Fuel and
10 Purchased Power Cost Recovery, Capacity Cost Recovery and
11 the Environmental Cost Recovery as soon as the remaining
12 clause factors are finalized. The company projects this
13 supplemental filing with the RSVP-1 rate to be filed
14 around September 12, 2024.

15
16 **Q.** Does this conclude your testimony?

17
18 **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. 20240002-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 Avenue, Yulee,
3 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 Energy
6 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 the
9 Conservation Program costs for the period January 1, 2023 through December
10 31, 2023 as compared to the true-up amounts previously reported for that
11 period which were based on six months actual and six months estimated data.

12 Q. Please state the actual amount of over/under recovery of Conservation
13 Program costs for the Consolidated Electric Divisions of Florida Public
14 Utilities Company for January 1, 2023 through December 31, 2023.

15 A. The Company under-recovered \$10,848 during that period. This amount is
16 substantiated on Schedule CT-3, page 2 of 3, Energy Conservation
17 Adjustment.

1 Q. How does this amount compare with the estimated true-up amount which was
2 allowed by the Commission during the November 2023 hearing?

3 A. The cost recovery factors approved by the Commission in Docket No.
4 20230002-EG were based upon an anticipated over-recovery of \$38,719 as of
5 December 31, 2023.

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

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

9 Q. Does this conclude your testimony?

10 A. Yes.

1 January through June 2024 and projections of program costs to be incurred
2 from July through December 2024. It will also include projected electric
3 conservation costs for the period January through December 2025, with a
4 calculation of the Conservation Adjustment Factor to be applied to the
5 Company's consolidated electric customers' bills during the collection period
6 of January 1, 2025 through December 31, 2025.

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

8 A. Yes. The Company wishes to sponsor as exhibits Schedules C-1, C-2, C-3, C-
9 4, and C-5, contained in my composite Revised Exhibit DMC-2.

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

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

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

24 A. Yes, Schedule C-3, Pages 1 and 1A of 5, Revised Exhibit DMC-2 shows

1 actual expenses for the months January through June 2024. Projections for
2 July through December 2024 are also shown on Schedule C-3, Pages 1 and
3 1A. Projected expenses for the January through December 2025 period are
4 shown on Schedule C-2, Page 1 of 3 of Exhibit DMC-2.

5 **Q. Has the Company prepared schedules that show revenues for the period**
6 **January through December 2025?**

7 A. Yes. Schedule C-4 shows actual revenues for the months January through
8 June 2024 and projected revenues for July through December 2024 and
9 January through December 2025.

10 **Q. Has the Company prepared a schedule that shows the calculation of its**
11 **proposed Conservation Adjustment Factor to be applied during billing**
12 **periods from January 1, 2025 through December 31, 2025?**

13 A. Yes. Schedule C-1 of Exhibit DMC-2 shows these calculations. Net program
14 cost estimates for the period January 1, 2025 through December 31, 2025 are
15 used. The estimated true-up amount from Schedule C-3 (Page 4 of 5, Line 11)
16 of Exhibit DMC-2, being an over-recovery, was added to the total of the
17 projected costs for the twelve-month period. The total projected recovery
18 amount, including estimated true-up, was then divided by the projected Retail
19 KWH Sales for the twelve-month period ending December 31, 2025. In
20 addition, the Company has removed the KWH sales for the GSLD1 and
21 Standby customer classes. Each of these customers is projected to be served
22 under a special contract in 2025. The resulting Conservation Adjustment
23 Factor is shown on Schedule C-1 (Page 1 of 1) of Revised Exhibit DMC-2.

24 **Q. What is the Conservation Adjustment Factor necessary to recover these**

1 **projected net total costs?**

2 A. The Conservation Adjustment Factor is \$.00121.

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

4 A. Yes.

1

2 CHAIRMAN LA ROSA: Go ahead and move to
3 exhibits.

4 MR. MARQUEZ: Staff has compiled a
5 Comprehensive Exhibit List, which includes the
6 prefiled exhibits attached to each of the
7 witnesses' testimonies, the interrogatory responses
8 of those witnesses, and proposed stipulations.
9 That list was provided to the parties, to the
10 Commissioners, as well as the court reporter. The
11 list is also premarked as the first hearing
12 exhibit, and the other exhibits should be marked as
13 delineated in the Comprehensive Exhibit List.

14 CHAIRMAN LA ROSA: All right. The exhibits
15 are so marked.

16 (Whereupon, Exhibit Nos. 1-19 were marked for
17 identification.)

18 MR. MARQUEZ: Staff requests that the
19 Comprehensive Exhibit list, pre-marked for
20 identification as Exhibit 1, be moved into
21 evidence.

22 CHAIRMAN LA ROSA: All right. Exhibit 1,
23 then, is entered.

24 (Whereupon, Exhibit No. 1 was received into
25 evidence.)

1 MR. MARQUEZ: Staff would also move for
2 Exhibits 2 through 19 to be entered into the record
3 asset in Exhibit 1.

4 CHAIRMAN LA ROSA: Have the parties had the
5 opportunity to review the exhibit list, and are
6 there any objections to those exhibits in the
7 record? Seeing none, let's, then, move to Exhibit
8 2 through 19, and show them as entered into the
9 record.

10 (Whereupon, Exhibit Nos. 2-19 were received
11 into evidence.)

12 MR. MARQUEZ: Mr. Chairman, because the
13 utilities have reached Type 2 stipulations with
14 staff on all issues, and the intervenors are not
15 objecting to the Commission considering those
16 stipulations to resolve this docket, staff
17 recommends that the Commission accept the
18 stipulations contained in Exhibit 19 and render a
19 bench decision today.

20 CHAIRMAN LA ROSA: Great.

21 Commissioners, this is our time to ask staff
22 any questions. Are there any questions on this
23 case in particular?

24 Seeing none, I will go ahead and ask for -- or
25 open the floor for a motion regarding proposed type

1 stipulations of Issues 1 through 10. So one
2 through 10, open for a motion.

3 COMMISSIONER CLARK: Move to approve the
4 stipulation, Mr. Chairman.

5 COMMISSIONER GRAHAM: Second.

6 CHAIRMAN LA ROSA: All right. Hearing a
7 motion, and hearing a second.

8 All those in favor signify by saying yay.

9 (Chorus of yays.)

10 CHAIRMAN LA ROSA: Yay.

11 Opposed no.

12 (No. response.)

13 CHAIRMAN LA ROSA: Show that the Type 2
14 stipulations and issues are approved.

15 MR. MARQUEZ: All issues, testimony and
16 exhibits having been stipulated to, and all
17 stipulations having been approved by the Commission
18 this morning, staff has no additional matters to
19 address today.

20 Thank you, Mr. Chairman.

21 CHAIRMAN LA ROSA: Thank you.

22 Do the parties have any additional matters
23 that need to be addressed today? Yes, sir.

24 MR. MOYLE: Just one housekeeping matter. I
25 just want to confirm that those parties who have

1 taken no position to facilitate the Type 2
2 stipulation, I think the practice is to put a
3 footnote that we will be included in the footnotes
4 to say, you know, we haven't affirmatively acted
5 one way or the other. We just are getting out of
6 the way to allow for the stipulation. So FIPUG
7 would like to be included.

8 I am not sure if you have to ask to be
9 included, or just, as a matter of practice, when
10 they are putting together the final order, they
11 will put that foot note in, but if we have to ask,
12 I would like to ask.

13 CHAIRMAN LA ROSA: Sure. Sure. I will throw
14 it back over to staff for --

15 MR. MARQUEZ: Right. And FIPUG's
16 participation in that manner was reflected in both
17 the Prehearing Order as well as the language in
18 Exhibit 19, so it will be the same.

19 MR. MOYLE: Okay. Thank you.

20 CHAIRMAN LA ROSA: Excellent. Awesome. So
21 seeing -- we are good?

22 All right. So seeing no additional matters,
23 then, before us, let's go ahead and adjourn this
24 hearing. Let's move to docket 03.

25 (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 21st day of November, 2024.


DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH575054
EXPIRES AUGUST 13, 2028