



July 16, 2020

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
Attn: Adam Teitzman

Re: 2020 Ten Year Site Plan – Staff’s Data Request #3

Dear Mr. Teitzman,

Pursuant to Section 186.801, Florida Statutes and Rules 25-22.070-072 of Florida Administrative Code, Lakeland Electric submits its responses to Staff’s Data Request #3 in relation to Lakeland Electric’s 2020 Ten Year Site Plan via the Commissions electronic platform.

If you have questions please contact me at 863-834-6595.

Sincerely,



Cynthia Clemmons
City of Lakeland
Manager of Legislative and Regulatory Relations
Lakeland Electric
863-834-6595 Work
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Lakeland, Florida 33801

Enclosure

Lakeland Electric 6 17 2020 Response to FPSC's Data Request #3 – 2020 TYSP

Please respond to the following questions, which constitute Staff's Data Request #3.

1. Referring to Schedule 3.1, please discuss how the Company's Forecast of Summer Peak Demand would be expected to change (i.e. increase, decrease, and to what degree, in general terms) if updated to reflect the impacts of the COVID-19 Pandemic for 2020.

At this time, it is expected that Summer Peak demand could decrease by around 4% relative to 2020 TYSP forecast with increased residential consumption partly compensating for decreased commercial and industrial consumption.

Residential

The CARES act provides additional benefits to furloughed workers and some parts are in effect through December 2020.

Federal moratorium on certain evictions currently extends through July 25, 2020 while Florida moratorium is currently in effect through July1, 2020.

As a result of federal and state assistance and regulations, it is likely that most renters and mortgage payers will be able to pay their rent/mortgages or else delay payments and not face evictions this summer. Because of the increase in work from home activity and parents being concerned sending their children to summer camp, if anything, residential demand is likely to stay above average through the summer months and compensate to some degree for decreases in the Commercial and Industrial sector.

Commercial and Industrial

Small businesses are the most at risk of closing shop because of COVID-19. Mall retailers, restaurants, entertainment venues, churches, day care center are likely to be operating at reduced hours at best and therefore likely to have reduced energy consumption.

Industrial customers have been more resilient through the COVID-19 shelter in place measures and are likely to stay afloat, though some may operate at reduced capacity.

One advantage in our service area is that we have twice the national average of warehouse space which are used by e-commerce businesses. Many of those businesses have benefited from the pandemic and are likely to keep on growing.

2. Referring to Schedule 3.2, please discuss how the Company's Forecast of Winter Peak Demand would be expected to change (i.e. increase, decrease, and to what degree, in general terms) if updated to reflect the impacts of the COVID-19 Pandemic for 2020.

At this time, we expect a drop in winter peak demand between 5 and 7% relative to 2020 TYSP forecast. The general consensus among economists is that the recovery is likely to take several years. By winter 2020, it is likely that employment numbers will not have recovered fully. Barring additional financial assistance measures from Congress, by then, there is likely to be a reduction in residential customer growth. Likewise, Commercial and Industrial customer growth is expected to be a fraction of the pre COVID growth, at best.

3. Please discuss how the Company's Fuel Price Forecasts would be expected to change (i.e. increase, decrease, and to what degree, in general terms) if updated to reflect the impacts of the COVID-19 Pandemic for 2020.

The country is using less fuel for personal and business transportation, so producers have started decreasing drilling, which affect will lower the inventory of associated NG by the end of CY2020. Due to high NG storage from a decrease in demand from the pandemic, the price of NG fell below \$2.00. As the recovery from COVID-19 brings people back to work, the need for oil and NG will increase, lowering the NG storage inventories as production has temporarily been curtailed until incentive from market demand drives the price of NG in CY21 back to \$3.00/MMBtu.