



May 30, 2025

Clerk's Office
State of Florida Public Service Commission

Dear Sir/Madam:

The following pages are the City of Tallahassee Electric & Gas Utilities' (TAL) responses to the "DN 20250000-OT (Undocketed filings for 2025) Ten-Year Site Plan Review - Staff's Data Request #3" pursuant to the request received from Florida Public Service Commission (FPSC) Staff member Ms. Patti Zellner. Please note that copies of all responses have been separately provided to Greg Davis and Phillip Ellis in the FPSC's Division of Engineering via e-mail according to the emailed request.

If you should have any questions regarding this report or need it sent somewhere else, please feel free to contact me at (850) 891-3127 or caleb.crow@talgov.com. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Caleb Crow'.

Caleb Crow, MPA, LEED AP, EcoDistricts AP
Principal Planner - Clean Energy & Resource Planning
Electric & Gas Utility



Review of the 2025 Ten Year Site Plans for Florida’s Electric Utilities Staff’s Data Request #3 (TAL).

1. Please explain any historic trends or other information as requested below in each of the following:
 - a. Growth of customers, by customer type (residential, commercial, industrial) as well as Total Customers, and identify the major factors that contribute to the growth/decline of the trends.

Residential Customer growth in the recent historical period fluctuated around the COVID pandemic; otherwise, no major factors affecting its trend. In 2023, the City revamped its customer service software, which affected residential customer counts; however, this was largely an accounting change, not an actual change in residential customers.

Commercial growth varied more in the historical period than residential and was similarly impacted by the pandemic; however, its overall positive trend was much less pronounced than Residential over the prior decade. TAL does not classify any of its customers as Industrial. TAL’s larger Commercial customers tend to be Institutional in nature (e.g., universities and governments) as well as big-box retailers, office parks, etc.

Together, the trend in Total Customers has been one of modest yet steady growth with no major outliers aside from the pandemic.

- b. Average KWh consumption per customer, by customer type (residential, commercial, industrial), and identify the major factors that contribute to the growth/decline of the trends.

Average consumption per customer (residential and commercial) fluctuated slightly year-to-year but remained relatively steady over the 10-year period with one exception: a pronounced decrease for Commercial customers in the year or two following the COVID pandemic. Other major factors affecting average consumption included: growth in electrification such as electric vehicles, customer-owned solar generation (PV), market driven efficiencies from upgrading HVAC for example, utility driven efficiencies from demand side management incentives, and weather anomalies.

- c. Total Sales (GWh) to Ultimate Customers, and identify the major factors that contribute to the growth/decline of the trends.

Total Sales over the historical period were relatively flat. Although the raw data might suggest a slight downward trend, the weather normalized trend line is slightly upward. The year-to-year average reduction in total sales appears to be an artifact of the timing of cold and hot weather



extremes instead of a true reduction in total sales. Overall, the growth in population was balanced by savings from efficiency measures, resulting in flat sales.

- d. Provide a detailed discussion of how the City of Tallahassee's (TAL) demand-side management program(s) for each customer type impacts the observed trends in gigawatt hour sales (Schedule 3.3).

TAL offers a number of DSM incentives in the form of rebates, grants, on-bill financing, and net-metered solar (at full retail rate) for its Residential and small-to-medium Commercial customers. These DSM programs are geared towards energy efficiency and demand reduction, which collectively result in lowering annual Retail Sales. Promotion and adoption of DSM measures over the past decade has been fairly consistent year-to-year; therefore, the periodic fluctuation in Retail Sales over this same period is more likely due to changes in weather. Either way, higher Retail Sales would have resulted if not for TAL's DSM programs.

2. Please explain the forecasted trends or other information as requested below in each of the following:
 - a. Growth of customers, by customer type (residential, commercial, industrial) as well as Total Customers, and identify the major factors (currently and in the forecasted period) that contribute to the growth/decline of the trends.

Population forecasts for Leon County are upward, though only slightly, in the decadal outlook by the US Census. The City's forecast for number of residential customers tracks closely to these predictions. Commercial customer consumption rates are derived from the population increase as well as economic predictors. The base case forecast assumes a business-as-usual economic pattern and does account for potential recession, tariff impacts, geo-political fluctuations in the price of natural gas, or other economic impact.

The historical growth rate was considered along with population forecasts from public and private sources to reach the average growth rate in the planning period of 0.74%. The prediction for the base case Commercial Customer growth in forecasted period is a more optimistic that the historical period rate at 0.61% average annual increase. TAL does not classify any customers as Industrial.

- b. Average KWh consumption per customer, by customer type (residential, commercial, industrial), and identify the major factors (currently and in the forecasted period) that contribute to the growth/decline of the trends.

TAL predicted planning period trends in Residential consumption per customer closely match the historical trends. The history of consumption establishes the starting point, and several



forecasted variables influence the rise and fall of average kWh consumption per customer: electrification such as from the purchase of electric vehicles, customer-owned solar generation (PV), market driven efficiencies from upgrading HVAC for example, and utility driven efficiencies from demand side management incentives.

The underlying economic factors that influence Commercial growth in the planning period are often at odds with gains from DSM and market-driven efficiencies. TAL is forecasting increased Commercial activity which will increase average consumption per customer, although slightly offset with efficiency measures. The resulting net trend is upward in the near future and eventually coming back down as market-driven efficiencies and DSM measures build momentum over time.

The base case forecast does not include pandemic-similar commercial declines or other events. Global and national economic factors could obviously impact these forecasts and TAL creates additional forecasts for high and low economic scenarios in an attempt to understand the upper and lower bounds of reasonable economically driven impacts.

- c. Total Sales (GWh) to Ultimate Customers, and identify the major factors (currently and in the forecasted period) that contribute to the growth/decline of the trends.

Total Sales are forecasted to increase as a result of the described population growth even in years where the average consumption per customer is forecasted to decrease. The impacts of growth, though smaller in Tallahassee than state average, are larger than the benefits of forecasted efficiency gains. Year-to-year weather variation however is larger than both population growth and efficiencies combined, and it is expected that sales will go up and down from year to year while the emerging trend will show growth on average. TAL creates additional forecasts for mild and severe weather in an effort to accurately predict the potential upper and lower bounds of weather-driven impacts on top of the population growth forecast.

3. Please refer to TAL's 2025 Ten-Year Site Plan, Schedule 2.2, Column (8) "Total Sales to Ultimate Customers" for the questions below:

- a. Please explain why TAL's actual 2024 Total Sales are much higher than its actual 2023 Total Sales (2,788 GWh vs. 2,652 GWh, or 5.13 percent annual increase).

The year-over-year sales increase in 2024 compared to 2023 resulted from customer growth and weather driven behavior: February - above normal for both heating and cooling, November - Cooling Degree Days (CDD) 310% above normal, and May - CDD 33% above normal. There were three months of 2024 with a reduction in sales – March, April, and August – indicating weather was the primary factor, but overall the sales were up in 2024. +/- 5% is not unusual



and is the expected variation due to weather. Actual data was provided in the TYSP, not weather normalized data.

Growth rate in the Commercial customer class sales exceeded the growth rate in the Residential customer class sales, indicating that more than typical customer count and weather alone may be contributing. In 2024, multiple new commercial buildings were commissioned by new and existing key accounts. These new buildings impacted the commercial class by increasing the Average kWh per customer and increasing total sales even in the weather normalized data.

- b. Please explain why TAL's projected 2025 Total Sales are lower than the actual 2024 Total Sales (2,748 GWh vs. 2,788 GWh, or 1.42 percent annual decrease).

2024 Sales were above the trended average and the forecast for 2025 predicts a return to trended average. The forecast provided is from the base forecast, which assumes average weather conditions. TAL produces mild and severe weather scenarios to find lower and upper bounds for what sales will be in a variety of foreseeable weather outcomes, which are considered for the TYSP High/Low Peak Demand Forecasts, but those tables do not include sales figures.

- c. Please explain why TAL's projected 2026 Total Sales are much higher than the projected 2025 Total Sales (2,790 GWh vs. 2,748 GWh, or 1.51 percent annual increase).

Growth in the 2024 Forecast is assumed to be more impactful early in the planning period before background efficiencies (market driven) and conservation efforts (utility driven) reduce the average consumption per customer. While early sales increases are higher than later increases, 1.5% compared to 0.33% average later in the forecast, TAL growth is forecasted to be slower than the state average throughout the planning period and smaller than the weather variation possible in each year. 1.5% for example, the highest single year predicted sales growth, is much smaller in magnitude than TAL's year-to-year variation in the historical period – Max of +5% and min of -5%.