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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20210002-EG

ENERGY CONSERVATION COST  
RECOVERY CLAUSE.

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VOLUME 1

PAGES 1 - 89

PROCEEDINGS: HEARING

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

DATE: Tuesday, November 2, 2021

TIME: Commenced: 1:00 p.m.  
Concluded: 4:36 p.m.

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

## 1 APPEARANCES:

2 MARIA J. MONCADA, WADE R. LITCHFIELD, JOEL  
3 BAKER, ESQUIRES, 700 Universe Boulevard, Juno Beach,  
4 Florida 33408-0420, appearing on behalf of Florida Power  
5 & Light Company (FPL) and Gulf Power Company (GULF).

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 (DEF).

11 JAMES D. BEASLEY, J. JEFFRY WAHLEN and MALCOLM  
12 N. MEANS, ESQUIRES, Ausley & McMullen, Post Office Box  
13 391, Tallahassee, Florida 32302, appearing on behalf of  
14 Tampa Electric Company (TECO).

15 BETH KEATING, ESQUIRE, Gunster, Yoakley &  
16 Stewart, P.A., 215 South Monroe Street, Suite 601,  
17 Tallahassee, Florida 32301-1839, appearing on behalf of  
18 Florida Public Utilities Company (FPUC).

19 RICHARD GENTRY, PUBLIC COUNSEL; CHARLES  
20 REHWINKEL, DEPUTY PUBLIC COUNSEL, PATRICIA A.  
21 CHRISTENSEN, MARY A. WESSLING and ANASTACIA PIRRELLO,  
22 ESQUIRES, Office of Public Counsel, c/o The Florida  
23 Legislature, 111 W. 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, P.A., The Perkins House, 118  
4 North Gadsden Street, Tallahassee, Florida 32301,  
5 appearing on behalf of Florida Industrial Power Users  
6 Group (FIPUG).

7 PETER J. MATTHEIS and MICHAEL K. LAVANGA,  
8 ESQUIRES, Stone Mattheis Xenopoulos & Brew, PC, 1025  
9 Thomas Jefferson St., NW, Eighth Floor, West Tower,  
10 Washington, DC 20007, on behalf of Nucor Steel Florida,  
11 Inc (Nucor).

12 JAMES W. BREW and LAURA WYNN BAKER, ESQUIRES,  
13 Stone Mattheis Xenopoulos & Brew, PC, 1025 Thomas  
14 Jefferson Street, NW, Eighth Floor, West Tower,  
15 Washington, DC 20007, appearing on behalf of White  
16 Springs Agricultural Chemicals, Inc. d/b/a PCS  
17 Phosphate - White Springs (PCS).

18 GEORGE CAVROS, ESQUIRE, 120 E. Oakland Park  
19 Boulevard, Suite 105, Fort Lauderdale, Florida 33334,  
20 appearing on behalf of Southern Alliance for Clean  
21 Energy (SACE).

22

23

24

25

1 APPEARANCES (CONTINUED):

2 WALTER TRIERWEILER, ESQUIRE, FPSC General  
3 Counsel's Office, 2540 Shumard Oak Boulevard,  
4 Tallahassee, Florida 32399-0850, appearing on behalf of  
5 the Florida Public Service Commission Staff (Staff).

6 KEITH HETRICK, GENERAL COUNSEL; MARY ANNE  
7 HELTON, DEPUTY GENERAL COUNSEL, Florida Public Service  
8 Commission, 2540 Shumard Oak Boulevard, Tallahassee,  
9 Florida 32399-0850, Advisor to the Florida Public  
10 Service Commission.

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EXHIBITS

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

2 CHAIRMAN CLARK: All right. I believe  
3 everybody's back. Everyone is in position. I will  
4 go ahead and call this hearing to order this  
5 afternoon.

6 Staff, would you please read the notice?

7 MS. OSBORN: By notice issued on October 5th,  
8 2021, this time and place has been set for hearings  
9 in Docket Nos. 20210001-EI, 20210002-EG,  
10 20210003-GU, 20210004-GU and 20210007-EI. The  
11 purpose of these hearings is set out more fully in  
12 the notice.

13 CHAIRMAN CLARK: All right. Let's take  
14 appearances today.

15 MS. OSBORN: There are five dockets to address  
16 today. Staff suggests that all appearances be  
17 taken at once. All parties should enter their  
18 appearances and declare the dockets that they are  
19 entering an appearance for.

20 Staff will note that Peoples Gas System and  
21 St. Joe Natural Gas Company, Inc., excused from the  
22 hearing today for 03 and 04 dockets.

23 Several parties will make appearances. After  
24 the parties make their appearances, staff will need  
25 to make theirs.

1           CHAIRMAN CLARK: All right. Let's start off  
2 with FPL/Gulf Power. Again just a reminder, please  
3 state the dockets that you are going to be  
4 appearing in.

5           Ms. Moncada.

6           MS. MONCADA: Thank you. Good afternoon,  
7 Commissioners.

8           Maria Moncada for Florida Power & Light and  
9 Gulf Power Company in the 01, 02 and 07 dockets.

10          I would also like to enter an appearance for  
11 Wade Litchfield, Russell Badders and David Lee in  
12 the 01 and 07 dockets, and Wade Litchfield and Joel  
13 Baker in the 02 docket.

14          Thank you.

15          CHAIRMAN CLARK: Thank you, Ms. Moncada.  
16 Duke.

17          MS. CUELLO: Good afternoon.

18          This is Stephanie Cuello on behalf of Duke  
19 Energy Florida. I would also like to make an  
20 appearance for Dianne Triplett and Matthew Bernier,  
21 and it's going to be in the 01, the 02 and the 07  
22 docket.

23          CHAIRMAN CLARK: Thank you very much.

24          Tampa Electric.

25          MR. MEANS: Good afternoon, Commissioners.

1           Malcolm Means with the Ausley McMullen law  
2           firm appearing only behalf of Tampa Electric. I  
3           would also like to enter appearances for James D.  
4           Beasley and Jeffrey Wahlen, and we will be  
5           appearing in the 01, 02 and 07 dockets.

6           Thank you.

7           CHAIRMAN CLARK: Thank you.

8           Florida Public.

9           MS. KEATING: Good afternoon, Mr. Chairman and  
10          Commissioners.

11          Beth Keating with the Gunster Law Firm here  
12          this afternoon for Florida City Gas in the 03 and  
13          04 dockets. I would also like to enter an  
14          appearance for Greg Munson as well as Chris Wright  
15          with FPL for Florida City Gas.

16          I am also appearing this afternoon for Florida  
17          Public Utilities in the 01 and 02 dockets, and the  
18          Florida Public Utilities Chesapeake Companies in  
19          the 03 and 04 dockets.

20          Finally, I would like to also state I am  
21          appearing here for Sebring in the 04 docket as  
22          well.

23          CHAIRMAN CLARK: All right. I think I checked  
24          you off on all those boxes, Ms. Keating. It's  
25          going to be a busy afternoon.

1 All right, OPC.

2 MS. WESSLING: Good afternoon, Commissioners.

3 This is Mary Wessling with the Office of  
4 Public Counsel, and I would also like to enter  
5 appearances for Richard Gentry, Charles Rehwinkel,  
6 Patricia Christensen, Stephanie Morse, Anastacia  
7 Pirrello, and that applies for all of today's  
8 dockets.

9 CHAIRMAN CLARK: Thank you very much.

10 FIPUG.

11 MR. MOYLE: Thank you, Mr. Chairman.

12 Jon Moyle on behalf of FIPUG, the Florida  
13 Industrial Power Users Group, in the 01, 02 and 07  
14 dockets. And I would like to enter an appearance  
15 for Karen Putnal in those dockets with our law firm  
16 as well.

17 Thank you.

18 CHAIRMAN CLARK: Thank you, Mr. Moyle.

19 PCS Phosphate.

20 MR. BREW: Good afternoon.

21 For PCS Phosphate, I am James Brew appearing  
22 in the 01, 02 and 07 dockets. And I would also  
23 like to note an appearance for Laura Baker.

24 CHAIRMAN CLARK: Thank you very much.

25 Nucor.

1 MR. LAVAGNA: Yes. Good afternoon, Mr.  
2 Chairman and Commissioners.

3 My name is Michael Lavanga. I am appearing on  
4 behalf of Nucor Steel Florida in the 01, 02 and 07  
5 dockets. I would also like to make an appearance  
6 for Peter Mattheis.

7 Thank you.

8 CHAIRMAN CLARK: Thank you very much.

9 SACE.

10 MR. CAVROS: Good afternoon, Chairman.

11 George Cavros on behalf of Southern Alliance  
12 for Clean Energy.

13 CHAIRMAN CLARK: Florida Retail.

14 MR. WRIGHT: Thank you, Mr. Chairman.

15 Robert Scheffel Wright with the Gardner Law  
16 Firm on behalf of the Florida Retail Federation.  
17 Thank you.

18 CHAIRMAN CLARK: All right, Staff.

19 MR. TRIERWEILER: For Commission Staff, Walt  
20 Trierweiler for the 02 docket. I would also like  
21 to make appearances for Stefanie-Jo Osborn for the  
22 03, Mat Jones for the 04, Lee Eng Tan also for the  
23 04, Charles Murphy and Jacob Imig for the 07, and  
24 Suzanne Brownless for the 01.

25 MS. HELTON: And Mary Anne Helton is here as

1 your Advisor for all of the dockets, along with  
2 your General Counsel, Keith Hetrick.

3 CHAIRMAN CLARK: All right. Did I get  
4 everyone?

5 All right. Staff, preliminary matters?

6 MS. OSBORN: Staff is unaware of any  
7 preliminary matters at this time.

8 CHAIRMAN CLARK: All right. We are going to  
9 take the order of the dockets today, we are going  
10 to begin with the 02 docket, then 03, 04 and 07,  
11 and we are going to finish up today with the 01  
12 docket. I think the first four should kind of move  
13 along pretty quick.

14 At this time, I will open the 02 docket and we  
15 will open with preliminary matters.

16 Mr. Trierweiler.

17 MR. TRIERWEILER: Good afternoon. All  
18 witnesses have been excused and most of the parties  
19 have waived their opening statements; however, SACE  
20 would like to comment upon the Type 2 stipulation  
21 achieved by the parties in this docket, and others  
22 may request to do so as well.

23 There are proposed Type 2 stipulations on all  
24 issues in which OPC and the remaining intervenors,  
25 FIPUG, Nucor, PCS and SACE take no position, do not

1 object to, but do not join in, the proposed  
2 stipulations.

3 CHAIRMAN CLARK: All right. Other preliminary  
4 matters?

5 MR. TRIERWEILER: None.

6 CHAIRMAN CLARK: All right. Prefiled  
7 testimony.

8 MR. TRIERWEILER: Staff requests that the  
9 prefiled testimony of all witnesses identified in  
10 Section VI of the prehearing order on page four be  
11 inserted into the record as though read.

12 CHAIRMAN CLARK: All right. So ordered.

13 (Whereupon, prefiled direct testimony of Renae  
14 B. Deaton was inserted.)

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1                                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                                   **FLORIDA POWER & LIGHT COMPANY**

3                                   **TESTIMONY OF RENAE B. DEATON**

4                                   **DOCKET NO. 20210002-EG**

5                                   **MAY 3, 2021**

6

7   **Q.    Please state your name and address.**

8    A.    My name is Renae B. Deaton. My business address is Florida Power & Light  
9            Company, 700 Universe Boulevard, Juno Beach, Florida 33408.

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

11   A.    I am employed by Florida Power & Light Company (“FPL” or the “Company”) as  
12            Senior Director, Cost Recovery and Wholesale Rates, in the Regulatory & State  
13            Governmental Affairs Department.

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

15   A.    I hold a Bachelor of Science in Business Administration and a Master of Business  
16            Administration from Charleston Southern University. I have over 30 years’  
17            experience in retail and wholesale regulatory affairs, rate design and cost of  
18            service. Since joining FPL in 1998, I have held various positions in the rates and  
19            regulatory areas. Prior to my current position, I held the positions of Senior  
20            Manager of Cost of Service and Load Research and Senior Manager of Rate  
21            Design in the Rates and Tariffs Department. In 2016, I assumed my current  
22            position, where my duties include providing direction as to the appropriateness of

1 inclusion of costs through a cost recovery clause and the overall preparation and  
2 filing of all cost recovery clause documents including testimony and discovery.  
3 Prior to joining FPL, I was employed at the South Carolina Public Service  
4 Authority (d/b/a Santee Cooper) for fourteen years, where I held a variety of  
5 positions in the Corporate Forecasting, Rates, and Marketing Department and in  
6 generation plant operations. As part of the various roles I have held with FPL, I  
7 have testified before this Commission on rate design and cost of service in base  
8 rate and clause recovery dockets. I have also testified before the Federal Energy  
9 Regulatory Commission supporting rates for wholesale power sales agreements  
10 and Open Access Transmission Tariffs.

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

12 A. The purpose of my testimony is to present for Commission review and approval  
13 the schedules supporting the calculation of the Energy Conservation Cost  
14 Recovery (“ECCR”) Clause final net true-up amount for the period January 2020  
15 through December 2020.

16 **Q. Have you prepared or caused to be prepared under your direction,  
17 supervision or control an exhibit in this proceeding?**

18 A. Yes, I am sponsoring Schedules CT-1 and CT-4, and co-sponsoring Schedules  
19 CT-2 and CT-3, in Exhibit AS-1. The specific sections of Schedules CT-2 and  
20 CT-3 that I am sponsoring are identified in the Table of Contents, which is found  
21 in Exhibit AS-1, page 1.

22 **Q. What is the source of the data used in calculating the final net true-up amount**

1           **for the January 2020 through December 2020 period?**

2    A.     Unless otherwise indicated, the data used in calculating the final net true-up amount  
3           were taken from the books and records of FPL. The books and records are kept in  
4           the regular course of the Company's business in accordance with generally  
5           accepted accounting principles and practices, and in accordance with the applicable  
6           provisions of the Uniform System of Accounts as prescribed by this Commission  
7           and directed in Rule 25-17.015, Florida Administrative Code. Schedule CT-2,  
8           pages 6 and 7 provides a complete list of all account numbers used for ECCR  
9           during the period January 2020 through December 2020.

10 **Q.     What is the actual end of period true-up amount that FPL is requesting the**  
11 **Commission to approve for the January 2020 through December 2020 period?**

12 A.     FPL has calculated and is requesting approval of an over-recovery of \$4,768,847  
13           including interest, as the actual end of period true-up amount for the period January  
14           2020 through December 2020. The calculation of this \$4,768,847 over-recovery is  
15           shown on Schedule CT-3, page 9, line 6 plus line 7.

16 **Q.     What is the final net true-up amount for the January 2020 through December**  
17 **2020 period that FPL is requesting to be included in the January 2022**  
18 **through December 2022 ECCR factors?**

19 A.     FPL has calculated and is requesting approval of an over-recovery of \$2,529,096 as  
20           the final net true-up amount for the period January 2020 through December 2020.  
21           This final net true-up over-recovery of \$2,529,096 is the difference between the  
22           actual end of period true-up over-recovery of \$4,768,847 and the actual/estimated

1 true-up over-recovery of \$2,239,751. The calculation of the \$2,529,096 over-  
2 recovery is shown on Schedule CT-1, page 2.

3 **Q. Was the calculation of the final net true-up amount for the period January**  
4 **2020 through December 2020 performed consistently with prior true-up**  
5 **calculations in predecessor ECCR dockets?**

6 A. Yes. The calculation of the final net true-up amount for the period January 2020  
7 through December 2020 was performed consistently with prior true-up calculations  
8 in predecessor ECCR dockets.

9 **Q. Have you provided a schedule showing the variances between actual and**  
10 **actual/estimated program costs and revenues for the period January 2020**  
11 **through December 2020?**

12 A. Yes. Schedule CT-2, page 3, compares actual to actual/estimated program costs,  
13 revenues and interest, resulting in the variance of \$2,529,096.

14 **Q. Please explain the calculation of the \$2,529,096 variance.**

15 A. The difference between 2020 actual and actual/estimated ECCR revenues  
16 applicable to the period, net of revenues taxes of \$1,507,610 (CT-2, page 3, line  
17 12) minus the difference between 2020 actual and actual/estimated total adjusted  
18 program costs of (\$1,019,849) (CT-2, page 3, line 9) results in a variance of  
19 \$2,527,460 (CT-2, page 3, line 13). This \$2,527,460 variance, plus the variance  
20 of \$1,635 in interest (CT-2, page 3, line 14), results in the net over-recovery of  
21 \$2,529,096 (CT-2, page 3, line 18).

22

1 Q. Does this conclude your testimony?

2 A. Yes.

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Energy Conservation Cost Recovery Clause

Docket No. 20210002-EG

Filed: October 7, 2021

**ERRATA SHEET**

**AUGUST 6, 2021 TESTIMONY OF RENAE B. DEATON**

Page No.

Line No.

Page 6

Line 4

Strike “The” and replace with “Although the” before “revenue”

Page 6

Line 6

Strike “the same as that” and replace with “slightly higher than those”

Strike “program.” and replace with “program, they would not result in a significant impact on the 2022 ECCR factors.”

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                   **FLORIDA POWER & LIGHT COMPANY**

3                   **TESTIMONY OF RENAE B. DEATON**

4                   **DOCKET NO. 20210002-EG**

5                   **AUGUST 6, 2021**

6

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

8    A.    My name is Renae B. Deaton and my business address is 700 Universe Boulevard,  
9           Juno Beach, FL 33408. I am employed by Florida Power & Light Company (“FPL”  
10          or “the Company”) as Senior Director, Clause Recovery and Wholesale Rates in  
11          the Regulatory & State Governmental Affairs Department.

12   **Q.    Have you previously filed testimony in the Energy Conservation Cost**  
13          **Recovery (“ECCR”) docket?**

14    A.    Yes.

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

16    A.    The purpose of my testimony is to present the schedules necessary to support the  
17          calculation of the ECCR factors to be applied during the January 2022 through  
18          December 2022 billing period, which include (1) projected Demand Side  
19          Management (“DSM”) energy conservation program expenses for the period  
20          January 2022 through December 2022 based on an Integrated DSM Plan that meets  
21          combined FPL and Gulf Power Company (“Gulf”) 2022-2024 goals (“Integrated  
22          DSM Plan”), and (2) FPL and Gulf standalone 2021 Actual/Estimated true-up  
23          amounts, which include FPL and Gulf standalone 2020 final true-up amounts filed

1 with the Commission on May 4, 2021.

2  
3 As discussed in the testimony of FPL witness John N. Floyd in this docket, FPL is  
4 requesting recovery of 2022 ECCR factors that reflect, for 2022, a single, integrated  
5 utility system, resulting from the acquisition of Gulf by NextEra Energy, Inc. on  
6 January 1, 2019 and the merger of Gulf into FPL on January 1, 2021. The 2022  
7 consolidated ECCR factors have been calculated based on the costs for programs  
8 in the Integrated DSM Plan, as well as FPL and Gulf standalone prior and current  
9 period true-up amounts, contingent upon the Commission's approval of FPL's  
10 request in the 2021 Rate Case pending in Docket No. 20210015 ("2021 Rate Case")  
11 to unify rates.

12 **Q. Have you prepared or caused to be prepared under your direction, supervision**  
13 **or control any exhibits in this proceeding?**

14 A. Yes. I am sponsoring Schedule C-1 in Exhibits JNF-2, JNF-5 and JNF-6 and  
15 Schedule C-4 in Exhibits JNF-3 and JNF-4. I am also co-sponsoring portions of  
16 Schedules C-2 and C-3, in Exhibits JNF-2 through JNF-6. The specific sections of  
17 Schedules C-2 and C-3 that I am co-sponsoring are identified in the Table of  
18 Contents, on pages 1 and 2 of Exhibit JNF-2.

19 **Q. What is the source of the data used in calculating the 2021 actual/estimated true-**  
20 **up amounts for FPL and Gulf?**

21 A. Unless otherwise indicated, the data used in calculating the 2021 actual/estimated  
22 true-up amounts was taken from the books and records of FPL and Gulf. The books  
23 and records are kept in the regular course of FPL's and Gulf's business in accordance

1 with generally accepted accounting principles and practices, and with the applicable  
2 provisions of the Uniform System of Accounts as prescribed by this Commission and  
3 directed in Rule 25-17.015, Florida Administrative Code.

4 **Q. How does the merger between FPL and Gulf impact the calculation of the 2021**  
5 **Actual/Estimated true-up amounts and projected 2022 factors to be recovered**  
6 **through the ECCR?**

7 A. As explained in the testimony of witness Floyd, Gulf was legally merged into FPL  
8 on January 1, 2021. However, FPL and Gulf remained separate ratemaking entities  
9 and have continued to implement the programs and projects included in the  
10 Commission-approved FPL and Gulf DSM plans. Thus, the legal merger of FPL  
11 and Gulf has no impact to the calculation of the 2021 ECCR actual/estimated true-  
12 up amounts. For purposes of the 2021 ECCR actual/estimated true-ups, FPL and  
13 Gulf are providing separate schedules and exhibits in support of the FPL and Gulf  
14 actual/estimated 2021 ECCR costs. These are provided in Exhibits JNF-3 and JNF-  
15 4, Appendix II.

16  
17 Because FPL and Gulf will be operationally and functionally integrated in 2022  
18 and have requested to unify the FPL and Gulf base rates effective January 1, 2022,  
19 as explained by witness Floyd, FPL and Gulf are providing consolidated schedules  
20 in support of a projected 2022 unified ECCR revenue requirement, which are  
21 provided in Exhibit JNF-2 Appendix I.

22  
23 For informational purposes only, this filing also includes 2022 standalone FPL and

1 Gulf schedules for the projected 2022 ECCR revenue requirements. The standalone  
2 schedules are provided in Exhibits JNF-5 and JNF-6 in Appendix III and are  
3 relevant only for purposes of supporting the 2022 ECCR factors in the event the  
4 Commission declines or postpones rate unification in the 2021 Rate Case.

5 **Q. Please explain the calculation of FPL's ECCR end of period net true-up and**  
6 **actual/estimated true-up amount for 2021 included in Exhibit JNF-3.**

7 A. Schedule C-3, pages 11 and 12 in Exhibit JNF-3 provide the calculation of FPL's  
8 2021 ECCR end of period net true-up and actual/estimated true-up amounts. The  
9 end of period net true-up amount to be carried forward to the 2022 Consolidated  
10 ECCR factors is an over-recovery of \$12,202,382 (Schedule C-3, page 11, line 9).  
11 This \$12,202,382 over-recovery includes the 2020 final true-up over-recovery of  
12 \$2,529,096 (Schedule C-3, page 11, line 7a) filed with the Commission on May 4,  
13 2021, and the 2021 actual/estimated true-up over-recovery, including interest, of  
14 \$9,673,286 (Schedule C-3, page 11, lines 5 plus 6) for the period January 2021  
15 through December 2021. The 2021 actual/estimated true-up is based on actual data  
16 for the period January 2021 through June 2021 and revised estimates for the period  
17 July 2021 through December 2021.

18 **Q. Please explain the calculation of Gulf's ECCR end of period net true-up and**  
19 **actual/estimated true-up amount for 2021 included in Exhibit JNF-4.**

20 A. Schedule C-3, pages 4 and 5 in Exhibit JNF-4 provide the calculation of Gulf's 2021  
21 ECCR end of period net true-up and actual/estimated true-up amounts. The end of  
22 period net true-up amount to be carried forward to the 2022 Consolidated ECCR  
23 factors is an over-recovery of \$1,521,274 (Schedule C-3, page 4, line 11). This

1 \$1,521,274 over-recovery includes the 2020 final true-up under-recovery of  
2 \$226,949 (Schedule C-3, page 4, line 9a) filed with the Commission on May 4, 2021,  
3 and the 2021 actual/estimated true-up over-recovery, including interest, of  
4 \$1,748,223 (Schedule C-3, page 4, lines 7 +8). The 2021 actual/estimated true-up is  
5 based on actual data for the period January 2021 through June 2021 and revised  
6 estimates for the period July 2021 through December 2021.

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

9 A. Yes.

10 **Q. Are there adjustments from the 2021 Rate Case that impact the 2022 ECCR**  
11 **factors?**

12 A. Yes. As part of the 2021 Rate Case, FPL has proposed changes in depreciation  
13 rates that will impact the amounts to be recovered through the 2022 ECCR clause.  
14 The revised rates are not included in the calculation of the 2022 ECCR factors, but  
15 if approved in Docket No. 20210015, they will be reflected in the 2022 final true-  
16 up amount to be included in the 2023 ECCR factors.

17 **Q. How does the request for regulatory asset treatment associated with Gulf's**  
18 **existing Energy Select program included in the Integrated DSM Plan impact**  
19 **capital costs to be recovered in the 2022 ECCR factors?**

20 A. If the Commission approves the Integrated DSM Plan, Gulf's existing Energy  
21 Select Program would be eliminated, and capital assets associated with that  
22 program would be retired on December 31, 2021. The unrecovered balance would  
23 be transferred to a regulatory asset in FERC Account 182.2, Unrecovered Plant and

1 Regulatory Study Costs, and amortized over their remaining life (approximately 12  
2 years) on a straight-line basis beginning January 1, 2022 with a return on the  
3 unamortized, unrecovered balance at the Company's overall weighted average cost  
4 of capital ("WACC") that is used for clause investments. The revenue  
5 requirements associated with the regulatory asset treatment are the same as that  
6 presented in the capital schedules for the existing program.

7 **Q. Please describe the WACC that is used in the calculation of the return on the**  
8 **2021 ECCR capital investments for FPL and Gulf.**

9 A. FPL and Gulf have calculated and applied a projected 2021 WACC in accordance  
10 with the methodology established in Commission Order No. PSC-2020-0165-PAA-  
11 EU, Docket No. 20200118-EU, issued on May 20, 2020 ("2020 WACC Order").  
12 This projected WACC is used to calculate the rate of return applied to the 2021  
13 ECCR capital investments. The projected capital structure, components and cost  
14 rates used to calculate the rate of return are provided in Exhibits JNF-3 and JNF-4.

15 **Q. Please describe the WACC that is used in the calculation of the return on the**  
16 **2022 Consolidated ECCR capital investments.**

17 A. FPL calculated and applied a projected 2022 WACC in accordance with the  
18 methodology established in the 2020 WACC Order. This projected WACC is used  
19 to calculate the rate of return applied to the 2022 ECCR capital investments. The  
20 projected capital structure, components and cost rates used to calculate the rate of  
21 return are provided in Exhibits JNF-2, JNF-5 and JNF-6.

22 **Q. Have you prepared calculations of the allocation factors for demand and**  
23 **energy?**

1 A. Yes. Schedule C-1, page 4 in Exhibit JNF-2, Appendix I provides these  
2 calculations. The allocation to the retail rate classes is consistent with the  
3 allocations used in FPL's cost of service study in the 2016 and 2021 rate cases. The  
4 demand allocation factors are calculated by determining the percentage each rate  
5 class contributes to the monthly system peaks. The energy allocation factors are  
6 calculated by determining the percentage each rate class contributes to total kWh  
7 sales, as adjusted for losses.

8 **Q. Have you prepared calculations of the 2022 ECCR factors by rate class?**

9 A. Yes. Schedule C-1, page 5 in Exhibit JNF-2, Appendix I provides the calculations  
10 of the Consolidated 2022 ECCR factors by rate class.

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

12 A. Yes.

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

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1 **GULF POWER COMPANY**

2 **Before the Florida Public Service Commission**

3 **Prepared Direct Testimony of**

4 **John N. Floyd**

5 **Docket No. 20210002-EG**

6 **Date of Filing: May 3, 2021**

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

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

11 **Q. Mr. Floyd, please describe your educational background and business  
12 experience.**

13 A. I received a Bachelor Degree in Electrical Engineering from Auburn University in  
14 1985. After serving four years in the U.S. Air Force, I began my career in the  
15 electric utility industry at Gulf Power in 1990 and have held various positions  
16 with Gulf Power in Power Generation, Metering, Power Delivery and Marketing.  
17 In my present position, I am responsible for the development and implementation  
18 of Gulf’s customer program offerings associated with Gulf Power’s Demand-Side  
19 Management (DSM) Plan.

20 **Q. Have you previously testified before this Commission in connection with the  
21 Energy Conservation Cost Recovery Clause?**

22 A. Yes.

23 **Q. Please describe the relationship of Gulf Power to FPL.**

24 A. Gulf Power was acquired by FPL’s parent company, NextEra Energy, Inc. on  
25 January 1, 2019. Gulf Power was subsequently merged with FPL on January 1,  
2021. Following the acquisition, and even prior to the legal combination of FPL

1 and Gulf Power, the two companies began to consolidate their operations;  
2 however, the companies remained separate ratemaking entities. On March 12,  
3 2021, FPL filed with the Florida Public Service Commission (“FPSC” or “ the  
4 Commission”) a Petition for Unification of Rates and for a Base Rate Increase, in  
5 which FPL requested that the Commission approve the placement of FPL’s rates  
6 into effect for all customers currently served pursuant to the rates and tariffs on  
7 file for Gulf Power. If the Commission approves FPL’s request, Gulf Power will  
8 no longer exist as a separate ratemaking entity.

9 **Q. Mr. Floyd, what is the purpose of your testimony?**

10 A. The purpose of my testimony is to present the results of the approved Energy  
11 Conservation Cost Recovery Clause programs and related expenses for January  
12 2020 through December 2020.

13 **Q. Are you sponsoring any exhibits to your testimony?**

14 A. Yes, I sponsor Exhibit JNF-1, Schedules CT-1 through CT-6.

15 **Q. Have you verified that the information contained in Exhibit JNF-1 is  
16 correct?**

17 A. Yes, I have. This exhibit was prepared under my direction and control, and the  
18 information contained therein is true and correct to the best of my knowledge.

19 **Q. Please summarize for this Commission the deviations between the actual  
20 expenses for this recovery period and the amount of estimated/actual  
21 expenses previously filed with this Commission.**

22 A. The estimated/actual true-up net expenses for the recovery period January 2020  
23 through December 2020 previously filed were \$9,525,576. The actual expenses  
24 incurred in 2020 were \$8,637,394 which resulted in a variance of \$888,182 or  
25 9.3% under projection. See Schedule CT-2, Line 10.

1 **Q. Mr. Floyd, please explain the January 2020 through December 2020**  
2 **variance.**

3 A. A detailed description of the deviations is contained in Schedule CT-3, Page 1 and  
4 Schedule CT-6. In general, the variance resulted from overall actual expenses  
5 being less than estimated in Depreciation, Return & Property Tax, Payroll &  
6 Benefits, Materials & Supplies, Outside Services, Advertising, and Incentives  
7 while Other expenses were higher than estimated. Overall, actual program  
8 expenses for the 12-month period through December 2020 were \$888,182 less  
9 than the level of estimated/actual program expenses filed on August 14, 2020 as  
10 shown on Schedule CT-2.

11 **Q. Mr. Floyd, were there any other changes that impacted the net true-up for**  
12 **2020?**

13 A. Yes. There was a one-time adjustment to conservation revenues in September of  
14 2020 in the amount of \$1,108,686. This adjustment was necessary to reclassify  
15 credits related to the Curtailable Load program that were incorrectly allocated to  
16 Base Rate Revenue. The one-time adjustment reclassifies the Curtailable Load  
17 credits paid from January 2019 through August 2020 from base revenue to  
18 conservation revenue. This adjustment is reflected on Schedule CT-3, page 4, line  
19 2.b.

20 **Q. Mr. Floyd, what was Gulf's adjusted net true-up for the period January 2020**  
21 **through December 2020?**

22 A. The net true-up for 2020 is \$226,949 under-recovery as shown on Schedule CT-1.

23 **Q. Please describe your program participation levels during the recovery**  
24 **period.**

25 A. A more detailed review of each of the programs is included in my Schedule CT-6.

1 The following is a synopsis of program participation levels during this recovery  
2 period.

- 3 (A) Residential Energy Surveys – During the 2020 recovery period, Gulf  
4 Power completed 12,005 surveys.
- 5 (B) Community Energy Saver – During the 2020 recovery period, Gulf Power  
6 served a total of 1,436 eligible participants.
- 7 (C) Residential Custom Incentive – During the 2020 recovery period, no  
8 participants enrolled in this program.
- 9 (D) HVAC Efficiency – During the 2020 recovery period, there were a total of  
10 770 participants in this program.
- 11 (E) Residential Building Efficiency – During the 2020 recovery period, there  
12 were a total of 376 participants in this program.
- 13 (F) Energy Select – During the 2020 recovery period, there was an addition of  
14 648 customers in this program.
- 15 (G) Residential HVAC – During the 2020 recovery period, no participants  
16 enrolled in this program.
- 17 (H) Residential Ceiling Insulation – During the 2020 recovery period, no  
18 participants enrolled in this program.
- 19 (I) Residential High Efficiency Pool Pump – During the 2020 recovery  
20 period, no participants enrolled in this program.
- 21 (J) Commercial/Industrial (C/I) Energy Analysis – During the 2020 recovery  
22 period, a total of 23 C/I Energy Analyses were completed.
- 23 (K) Commercial HVAC Retrocommissioning – During the 2020 recovery  
24 period, there were 2 participants in this program.
- 25 (L) Commercial Building Efficiency – During the 2020 recovery period,

1 Gulf Power had 1,189,934 square feet of qualifying measures installed in  
2 this program.

3 (M) Commercial/Industrial Custom Incentive – During the 2020 recovery  
4 period, no participants were enrolled in this program.

5 (N) Business HVAC – During the 2020 recovery period, no participants  
6 enrolled in this program.

7 (O) Critical Peak Option (CPO) – During the 2020 recovery period, no  
8 customers participated in CPO.

9 (P) Curtable Load (CL) Rider – During the 2020 recovery period, there  
10 were 24 customers participating in the CL Rider program.

11 (Q) Residential Time of Use Rate Pilot – As of December 2020, there were 0  
12 customers participating in the pilot.

13 (R) Conservation Demonstration and Development (CDD) – Gulf did not  
14 initiate any new CDD projects in 2020.

15 **Q. Mr. Floyd, please summarize the transition of the programs as it relates to**  
16 **the new 2020 DSM Plan.**

17 A. Transition to the new DSM Plan began in November 2020. The following  
18 programs transitioned to the 2020 DSM Plan:

- 19 • Residential Energy Audit and Education
- 20 • Community Energy Saver
- 21 • Energy *Select*
- 22 • Commercial/Industrial Audit
- 23 • Curtable Load
- 24 • Commercial/Industrial Custom Incentive
- 25 • Conservation Demonstration and Development

1 The following programs were discontinued:

- 2 • Residential HVAC Efficiency Improvement
- 3 • Residential Building Efficiency
- 4 • Residential Custom Incentive
- 5 • Residential Service Time of Use
- 6 • Commercial HVAC Retrocommissioning
- 7 • Commercial Building Efficiency
- 8 • Critical Peak Option

9 The following programs are new:

- 10 • Residential HVAC
- 11 • Residential Ceiling Insulation
- 12 • Residential High Efficiency Pool Pump
- 13 • Business HVAC

14 **Q. Should Gulf's recoverable energy conservation cost for the period be**  
15 **accepted as reasonable and prudent?**

16 A. Yes.

17 **Q. Mr. Floyd, does this conclude your testimony?**

18 A. Yes, it does.

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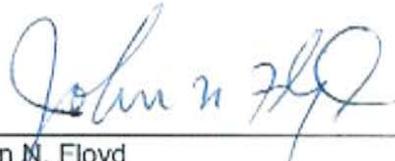
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AFFIDAVIT

STATE OF FLORIDA     )  
  )  
COUNTY OF ESCAMBIA    )

Docket No. 20210002-EG

Before me the undersigned authority, personally appeared John N. Floyd, who being first duly sworn, deposes, and says that he is the Manager of DSM Regulatory Support of Gulf Power Company, a Florida corporation, that the foregoing is true and correct to the best of his knowledge, information, and belief. He is personally known to me.



John N. Floyd  
Manager of DSM Regulatory Support

Sworn to and subscribed before me by means of  physical presence or \_\_\_\_\_  
online notarization this 30th day of April, 2021.

  
Notary Public, State of Florida at Large



MELISSA A DARNES  
Commission # GG 366942  
Expires December 17, 2023  
Holland Firm Budget Notary Services

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                   **FLORIDA POWER & LIGHT COMPANY**

3                   **TESTIMONY OF JOHN N. FLOYD**

4                   **DOCKET NO. 20210002-EG**

5                   **AUGUST 6, 2021**

6

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

8    A.    My name is John N. Floyd. My business address is Florida Power & Light  
9            Company, One Energy Place, Pensacola, FL 32520.

10 **Q.    By whom are you employed and what is your position?**

11   A.    I am employed by Florida Power & Light Company (“FPL” or the “Company”) as  
12           the Manager of DSM Regulatory Support.

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

14   A.    Yes. I submitted written direct testimony on May 1, 2021, in support of Gulf’s  
15           2020 Energy Conservation Cost Recovery (“ECCR”) Final True-Up filing in  
16           Docket No. 20210002-EG.

17 **Q.    Please describe the relationship between FPL and Gulf.**

18   A.    Gulf was acquired by FPL’s parent company, NextEra Energy, Inc., on January 1,  
19           2019. At the time FPL and Gulf filed their respective DSM Plans in 2020 they were  
20           legally and operationally separate and both FPL and Gulf provided service under  
21           separate and distinct tariffs. On January 1, 2021, Gulf was legally merged into  
22           FPL; however, both FPL and Gulf remained separate ratemaking entities and  
23           continued to operate under separate DSM Plans.

24

1 FPL and Gulf will be operationally and functionally integrated in 2022. Consistent  
2 with the consolidation of the FPL and Gulf operations, on March 12, 2021, FPL  
3 filed with the Commission a Petition for Base Rate Increase and Rate Unification  
4 in Docket No. 20210015 that requested, among other things, authority to  
5 consolidate and unify the rates and tariffs applicable to all customers in peninsular  
6 and Northwest Florida. If the Commission approves FPL's request, all Gulf  
7 customers will become FPL customers and Gulf will no longer exist as a separate  
8 ratemaking entity.

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

10 A. The purpose of my testimony is to submit for Commission review and approval:  
11 (1) FPL's 2021 actual/estimated ECCR costs associated with the approved DSM  
12 programs included in FPL's 2020 DSM Plan; (2) Gulf's 2021 actual/estimated  
13 ECCR costs associated with the approved DSM programs included in Gulf's 2020  
14 DSM Plan; and (3) FPL's 2022 DSM programs and their associated ECCR cost  
15 projections consistent with the 2022-2024 Integrated DSM Plan proposed in a  
16 separate petition being filed contemporaneously ("Integrated DSM Plan").

17 **Q. Are you sponsoring any exhibits in this case?**

18 A. Yes. My testimony includes the following exhibits that contain schedules I am  
19 either sponsoring or co-sponsoring. The specific sections of the schedules that I  
20 am sponsoring in each appendix are identified in the Table of Contents found in  
21 Appendix I, Exhibit JNF-2, pages 1 and 2.

- 22 • Appendix I - JNF-2 - Consolidated 2022 ECCR Projections Schedules

23  
24

- 1           • Appendix II
- 2                 ○ JNF-3 - FPL 2021 ECCR Actual/Estimated True-up Calculation
- 3                         Schedules
- 4                 ○ JNF-4 - Gulf 2021 ECCR Actual/Estimated True-up Calculation
- 5                         Schedules

6

7           In addition, I am sponsoring or co-sponsoring the following informational

8           standalone FPL and Gulf schedules that calculate 2022 ECCR Projection factors:

- 9           • Appendix III
- 10                 ○ JNF-5 - Supplemental FPL Standalone 2022 ECCR Projections
- 11                         Schedules
- 12                 ○ JNF-6 - Supplemental Gulf Power Standalone 2022 ECCR Projections
- 13                         Schedules

14

15           The standalone schedules are relevant only for purposes of supporting the 2022

16           ECCR factors in the event the Commission declines or postpones rate unification

17           in the 2021 Rate Case.

18   **Q.   How does the merger between FPL and Gulf impact the implementation of the**

19   **programs included within each Company's DSM Plan?**

20   A.   Through the end of 2021, FPL and Gulf will continue to operate separately under

21   their respective DSM plans approved by the Commission in Order No. PSC-2020-

22   0291-CO-EG. Beginning in January 2022, as proposed in the Integrated DSM Plan,

23   FPL will operate under one DSM Plan for the integrated company which will meet

24   the combined goals of FPL and Gulf as established by the Commission in Order

1 No. PSC-2019-0509-FOF-EG.

2 **Q. What is the source of the data used in calculating the 2021 actual/estimated true-**  
3 **up and 2022 projected amounts for FPL and Gulf?**

4 A. The actual costs for the months of January through June 2021 came from the books  
5 and records of FPL and Gulf. The books and records are kept in the regular course  
6 of FPL and Gulf's business in accordance with generally accepted accounting  
7 principles and practices and with the applicable provisions of the Uniform System  
8 of Accounts as prescribed by this Commission and directed in Rule 25-17.015,  
9 Florida Administrative Code.

10

11 Costs for the months of July through December 2021 and January through  
12 December 2022 are projections compiled from detailed month-by-month analyses  
13 for each program which were prepared by the relevant departments within FPL and  
14 Gulf. The projections have been created in accordance with the companies standard  
15 budgeting and on-going cost justification process.

16 **Q. Are all the costs listed in these exhibits for 2021 reasonable, prudent and**  
17 **attributable to programs approved by the Commission?**

18 A. Yes. The 2021 actual/estimated costs are based on the programs from FPL and  
19 Gulf's DSM Plans approved by the Commission in Order No. PSC-2020-0274-  
20 PAA-EG (Docket No. 20200056-EG).

21 **Q. What are FPL's ECCR costs for the January through December 2021**  
22 **actual/estimated period?**

23 A. The actual/estimated costs for the period January through December 2021 are  
24 \$153,292,182 as shown on Exhibit JNF-3, Schedule C-3, page 3, line 17.

1 **Q. What are Gulf's ECCR costs for the January through December 2021**  
2 **actual/estimated period?**

3 A. The actual/estimated costs for the period January through December 2021 are  
4 \$9,059,956 as shown on Exhibit JNF-4, Schedule C-3, page 3, line 14.

5 **Q. Please describe the Integrated DSM Plan filed by FPL.**

6 A. The Integrated DSM Plan represents a comprehensive portfolio of 16 DSM  
7 programs offering a wide variety of programs for customers of the integrated  
8 company. It includes six Residential programs, eight Business programs, a  
9 Conservation Research and Development program for evaluating new  
10 technologies, and a Cogeneration and Small Power Production program. Many of  
11 the programs in FPL and Gulf's current DSM Plans are essentially the same or very  
12 similar. Therefore, this Integrated DSM Plan, which is designed to meet the  
13 combined FPL and Gulf 2022-2024 Goals, merges the two DSM Plans continuing  
14 most of the existing programs with some minor modifications and brings some new  
15 programs and measures to customers in Northwest Florida.

16 **Q. What programs are included in FPL's Integrated DSM Plan?**

17 A. The Integrated DSM Plan contains the following programs:

18 Residential Energy Survey

19 Residential Load Management (On Call®)

20 Residential Air Conditioning

21 Residential new Construction (Buildsmart®)

22 Residential Ceiling Insulation

23 Residential Low Income

24 Business Energy Evaluation (BEE)

- 1 Business On Call®
- 2 Commercial/Industrial Demand Reduction (CDR)
- 3 Commercial/Industrial Load Control (CILC) (Closed)
- 4 Curtailable Load (CL) (Closed)
- 5 Business Heating, Ventilating and Air Conditioning (HVAC)
- 6 Business Lighting
- 7 Business Custom Incentive (BCI)
- 8 Conservation Research and Development (CRD)
- 9 Cogeneration and Small Power Production
- 10 **Q. Is FPL requesting the Commission to approve recovery for the Integrated**
- 11 **DSM Plan through the ECCR Clause?**
- 12 A. Yes. FPL is providing and seeking Commission approval of consolidated 2022
- 13 ECCR Factors based on the Integrated DSM Plan, contingent upon the
- 14 Commission's approval of FPL's request in the 2021 Rate Case pending in Docket
- 15 No. 20210015 to unify rates.
- 16 **Q. How are the 2022 costs FPL is requesting to recover determined?**
- 17 A. For the period January-December 2022, the projected ECCR costs will be based on
- 18 the Integrated DSM Plan serving customers in both peninsular and Northwest
- 19 Florida and are provided in Exhibit JNF-2, Schedule C-2. The true-up portion of
- 20 the 2022 cost is a summation of the 2021 ECCR actual/estimated amounts as
- 21 provided in Exhibits JNF-3, Schedule C-3, page 11, line 9 and JNF-4, Schedule C-
- 22 3, page 4, line 11.
- 23 **Q. What are the 2022 costs FPL is requesting the Commission to approve?**

1 A. FPL is requesting approval of \$156,246,950 for recovery during the period of  
2 January through December 2022 as shown on Exhibit JNF-2, Schedule C-1, page  
3 3, line 8. This includes projected costs for January through December 2022 of  
4 \$169,933,321 as shown on Exhibit JNF-2, Schedule C-1, page 3, line 1 as well as  
5 prior and current period over recoveries, interest and applicable revenue taxes.

6 **Q. Does this conclude your direct testimony?**

7 A. Yes.

1                   (Whereupon, prefiled direct testimony of Tim  
2 Duff was inserted.)

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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In re: Energy Conservation Cost  
Recovery Clause

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Docket No. 20210002-EG

Filed: August 27, 2021

**NOTICE OF ADOPTION OF TESTIMONY**

Duke Energy Florida, LLC (“the Company”), hereby provides notice that Tim Duff will adopt the testimony of Lori J. Cross, filed to date in this docket. Ms. Cross will no longer be able to fully participate in this proceeding due to her retirement from the Company. Mr. Tim Duff, Duke Energy’s General Manager of Portfolio Analysis and Regulatory Strategy, has personal knowledge of the substance of the testimony he is adopting.

Respectfully submitted this 27<sup>th</sup> day of August, 2021.

/s/ Matthew R. Bernier

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**DUKE ENERGY FLORIDA, LLC**  
**DOCKET NO. 20210002-EG**

**Energy Conservation and Cost Recovery Final True-up  
for the Period January through December 2020**

**DIRECT TESTIMONY OF**  
**Lori J. Cross**

**May 3, 2021**

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

2 A. My name is Lori Cross. My business address is 299 First Avenue North, St.  
3 Petersburg, FL 33701.

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

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

10  
11 **Q. What are your duties and responsibilities in that position?**

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

16

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

2 A. The purpose of my testimony is to compare DEF's 2020 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 2020  
5 through December 2020. 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
- 22 • Florida Custom Incentive
- 23 • Standby Generation

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

5

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

7 A. Yes, Exhibit No.\_(LJC-1T) entitled, “Duke Energy Florida, LLC Energy  
8 Conservation Adjusted Net True-Up for the Period January 2020 through December  
9 2020.” There are six (6) schedules included in this exhibit.

10

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

12 A. Yes. Exhibit No.\_(LJC-1T) presents Schedules CT-1 through CT-6. Schedules CT-1  
13 to CT-4 set out actual costs incurred for all programs during the period from January  
14 2020 through December 2020. These schedules also illustrate variances between actual  
15 costs and previously projected values for the same time period. Schedule CT-5 provides  
16 a brief summary of each conservation program that includes a program description,  
17 program accomplishments, annual program expenditures, significant program cost  
18 variances versus projections and a program progress summary over the twelve-month  
19 period ending December 2020. 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, 2020, was an over-recovery of \$3,783,777, 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 2020 through December 2020 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 2020 through December 2020. 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 2020 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 2020 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 is the source of data used to calculate the true-up amount.**

12 A. The actual data used in calculating the actual true-up amounts is from DEF's records  
13 unless otherwise indicated. These records are kept in the regular course of DEF's  
14 business in accordance with general accounting principles and practices, provisions  
15 of the Uniform System of Accounts as prescribed by the Federal Energy Regulatory  
16 Commission and any accounting rules and orders established by this Commission.  
17 Pursuant to Rule 25-17.015(3), F.A.C., DEF provides a list of all account numbers  
18 used for conservation cost recovery during the period January 2020 through  
19 December 2020 on Schedule CT-3 pages 4 and 5.

20

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

22 A. Yes.

23

1                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2                                   DIRECT TESTIMONY OF

3   LORI J. CROSS

4   ON BEHALF OF

5                                   DUKE ENERGY FLORIDA, LLC

6                                   DOCKET NO. 20210002-EG

7                                   August 6, 2021

8

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

10     A. My name is Lori J. Cross. 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 Strategy  
15       Collaboration Director 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 2022 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 • Energy Management (Residential and Commercial)
- 17 • Business Energy Check
- 18 • Better Business
- 19 • Florida Custom Incentive
- 20 • Standby Generation
- 21 • Interruptible Service
- 22 • Curtailable Service
- 23 • Technology Development

- Qualifying Facility

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22

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

A. Yes. Exhibit No.\_(LJC-1P) supports DEF’s energy conservation calculations for the 2021 actual/estimated period and the 2022 projection period. There are six (6) schedules included in this exhibit.

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

A. Yes. Exhibit No.\_(LJC-1P) presents Schedules C-1 through C-6. Schedules C-1 to C-4 provide projected program costs for calendar year 2022 along with an updated projection of program costs for 2021. The 2021 updated projection of costs includes the actual costs incurred for the period from January 2021 through June 2021 and forecasted costs for July through December 2021. Schedule C-5 provides a brief summary report for each program that includes a program description, estimated annual program expenditures for 2022, and a summary of program accomplishments through the period ending June 2021. Schedule C-6 is the capital structure and cost rates used to calculate the return for each applicable conservation program.

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

A. Schedule C-1 provides the calculation of the cost recovery factors for 2022 by rate class.

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

1 A. Schedule C-2 provides annual and monthly conservation program cost estimates for the  
2 2022 projection period for each conservation program as well as for common  
3 administration expenses. Additionally, Schedule C-2 presents program costs by specific  
4 category (e.g., payroll, materials, incentives, etc.) and includes a schedule of estimated  
5 capital investments, depreciation and return for the projection period. The projected  
6 expenses include the costs associated with the modifications to the FEECA programs  
7 per the provisions the Memo of Understand (MOU) in DEF's 2021 Base Rate Settlement  
8 Agreement (Docket No. 20210016-EI). Specifically, the expenses reflect a 5% increase  
9 in the targeted participation for the Neighborhood Energy Saver Program above the  
10 2020 DSM Plan level, the Home Energy Check Program includes the costs associated  
11 with "Assistance" kits for up to 20,000 eligible low-income customers, and expenses  
12 for the Residential Demand Response Program include the costs of "Assistance"  
13 incentives for eligible, low-income customers who participate in the residential load  
14 management program and whose accounts have arrearages greater than 60 days. Please  
15 see Attachment A which provides a summary of the projected costs associated with these  
16 commitments.

17  
18 **Q. Would you please discuss Schedule C-3?**

19 A. Schedule C-3 contains a detailed breakdown of conservation program costs by specific  
20 category and by month for the period of January through June 2021 (actual) and July  
21 through December 2021 (estimated). In addition, Schedule C-3 presents a schedule of  
22 capital investment, depreciation and return, an energy conservation adjustment  
23 calculation of true-up, and a calculation of interest provision for the 2021

1 actual/estimated period.

2

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

4 A. Schedule C-4 provides the projected ECCR revenues for the 2022 projection period.

5

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

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

10

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

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

14

15 **Q. Does the 2022 Projection Filing comply with the 2021 Settlement Agreement**  
16 **approved by the Commission in Order No. PSC-2021-0202-AS-EI?**

17 A. Yes. All matters in the 2021 Settlement Agreement have been incorporated in the filing.

18

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

20 A. Yes. Schedule C-2, Page 1 of 5, Line 22, shows total 2022 projected program costs of  
21 \$108,615,631 plus a prior period over-recovery of \$8,754,221 resulting in estimated net  
22 revenue requirements in 2022 of \$99,861,410. The following table includes DEF's  
23 proposed ECCR billing factors, by retail rate class and voltage level for calendar year

1 2022, as contained in Schedule C-1, Page 2 of 2.

2

3

**2022 ECCR Billing Factors**

4

**Secondary Primary**

5

**Transmission**

6

**Retail Rate Schedule**

**Voltage**

**Voltage**

**Voltage**

7

Residential (Cents/kWh)

.283

N/A

N/A

8

General-Service-Non-Demand (Cents/kWh)

.255

.252

.250

9

General Service 100% Load Factor (Cents/kWh)

.194

N/A

N/A

10

General Service Demand (\$/kW)

.77

.76

.75

11

Curtable (\$/kW)

.35

.35

.34

12

Interruptible (\$/kW)

.64

.63

.63

13

Standby Monthly (\$/kW)

.074

.073

.073

14

Standby Daily (\$/kW)

.035

.035

.034

15

Lighting (Cents/kWh)

.108

N/A

N/A

16

17

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

18

A. Yes.

19

20

21

22

23

**DEF's SUMMARY OF PROJECTED COSTS ASSOCIATED WITH BASE RATE SETTLEMENT MOU**

		Incentives			
	Program	MOU Commitment	2021	2022	Total
A	Home Energy Check	Assistance Kits	\$ 129,250	\$ 517,000	\$ 646,250
B	Energy Wise Home	Assistance Gift Cards	\$ 30,000	\$ 30,000	\$ 60,000
C	Neighborhood Energy Saver	Participation Increase	\$ -	\$ 249,253	\$ 249,253
		Total	\$ 159,250	\$ 796,253	\$ 955,503

- A Assumes 5,000 Assistance Kits in 2021 based on 4th quarter implementation and 20,000 kits in 2022.
- B Assumes 1000 Assistance Gift Cards in both 2021 and 2022.
- C Assumes 5% increase in Program participation beginning in 2022.

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

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1                                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                                   **PREPARED DIRECT TESTIMONY**

3                                   **OF**

4                                   **MARK R. ROCHE**

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

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

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

16  
17   **A.**   I graduated from Thomas Edison State College in 1994 with  
18          a Bachelor of Science degree in Nuclear Engineering  
19          Technology and from Colorado State University in 2009  
20          with a Master's degree in Business Administration. My  
21          work experience includes twelve years with the US Navy in  
22          nuclear operations as well as twenty-three years of  
23          electric utility experience. My utility work has  
24          included various positions in Marketing and Sales,  
25          Customer Service, Distributed Resources, Load Management,

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

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

11  
12 **A.** The purpose of my testimony is to present and support for  
13 Commission review and approval the company's actual DSM  
14 programs related true-up costs incurred during the  
15 January through December 2020 period.

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

19  
20 **A.** Yes. Exhibit No. MRR-1, entitled "Tampa Electric  
21 Company, Schedules Supporting Conservation Cost Recovery  
22 Factor, Actual, January 2020-December 2020" was prepared  
23 under my direction and supervision. This Exhibit  
24 includes Schedules CT-1 through CT-6 which support the  
25 company's actual and prudent DSM program related true-up

1 costs incurred during the January through December 2020  
2 period.

3

4 **Q.** What were Tampa Electric's actual January through  
5 December 2020 conservation costs?

6

7 **A.** For the period, January through December 2020, Tampa  
8 Electric incurred actual net conservation costs of  
9 \$37,850,526.

10

11 **Q.** What is the final end of period true-up amount for the  
12 conservation clause for January through December 2020?

13

14 **A.** The final conservation clause end of period true-up for  
15 January through December 2020 is an over-recovery,  
16 including interest, of \$20,908,081. This calculation is  
17 detailed on Schedule CT-1, page 1 of 1.

18

19 **Q.** Please summarize how Tampa Electric's actual program  
20 costs for January through December 2020 period compare to  
21 the actual/estimated costs presented in Docket No.  
22 20200002-EG?

23

24 **A.** For the period, January through December 2020, Tampa  
25 Electric had a variance of \$2,860,543 or 7.03 percent

1 less than the estimated amount. The estimated total  
2 program costs were projected to be \$40,711,069 which was  
3 the amount approved in Order No. PSC 2020-0447-FOF-EG,  
4 issued November 19, 2020 as compared to the incurred  
5 actual net conservation costs of \$37,850,526.

6  
7 **Q.** Please summarize the reasons why the actual expenses were  
8 less than projected expenses by \$2,860,543?

9  
10 **A.** The variance was a result of the following actual  
11 expenses being less than estimated in the following  
12 residential programs: Computer Assisted Audits; Ceiling  
13 Insulation; Duct Repair; Energy Education, Awareness and  
14 Agency Outreach; ENERGY STAR for Multi-Family; ENERGY  
15 STAR for New Homes; ENERGY STAR Thermostats; Neighborhood  
16 Weatherization; and Energy Planner. Additionally, actual  
17 expenses were less than estimated in the following  
18 commercial/industrial programs: Energy Audits;  
19 Comprehensive Energy Audits; Ceiling Insulation; Chiller;  
20 Cool Roof; Commercial Cooling; Demand Response; Duct  
21 Repair; Facility Energy Management Systems; Industrial  
22 Load Management; LED Street and Outdoor Lighting  
23 Conversion Program; Lighting Conditioned Space;  
24 Commercial Smart Thermostats; Standby Generator; Thermal  
25 Energy Storage; Variable Frequency Drive Control for

1 Compressors; Integrated Renewable Energy System (Pilot);  
2 and the Renewable Energy Program. Each DSM program's  
3 detailed variance and common variance contribution is  
4 shown on Schedule CT-2, Page 3 of 4.

5  
6 **Q.** Was there a reason why the participation in many of the  
7 company's programs were less than projected which caused  
8 the actual expenses to be less than projected expenses?

9  
10 **A.** Yes, the main reason for the reduced participation in the  
11 company's programs in 2020 was the COVID pandemic. On  
12 March 16, 2020, Tampa Electric suspended non-essential  
13 operations with customers that require face-to-face  
14 interactions (on-site) which included those DSM programs  
15 that require ace-to-face interactions.

16  
17 **Q.** Did Tampa Electric take actions to try to minimize the  
18 reduction in participation due to the COVID pandemic in  
19 the company's DSM programs?

20  
21 **A.** Yes, the company took many steps and efforts to mitigate  
22 the impacts to the company's DSM programs and to provide  
23 customers special consideration during these challenging  
24 times. The company provided "Tampa Electric's 2020  
25 Conservation related efforts toward the COVID Pandemic"

1           which gave a comprehensive description of these steps and  
2           efforts as an appendix to Tampa Electric's Annual DSM  
3           Report that was filed on March 1, 2021.

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

7  
8   **A.**    Yes.

9  
10   **Q.**    There is a new line item on the company's CT-2 PG1, line  
11           item 20 which has the description True-up and Interest  
12           Provision Adjustment, would you explain what this is for?

13  
14   **A.**    Yes, in the beginning of 2020, Tampa Electric  
15           transitioned from an accounting system that used internal  
16           order numbers to a system that utilizes plant maintenance  
17           orders ("PMO"). In July 2020, the company found an issue  
18           where \$71,108 was incorrectly charged to conservation by  
19           the Renewable Energy Program due to the system not  
20           picking up the correct PMO.

21  
22   **Q.**    Did the company correct this issue?

23  
24   **A.**    Yes, the company has since corrected the issue with the  
25           PMO.

1   **Q.**   Did the company make the required adjustment to correct  
2           for this error?

3

4   **A.**   Yes, the company recognized this error caused expenses  
5           within the ECCR to be overstated and required an  
6           adjustment. To correct for this error, the company made  
7           an adjustment by adding \$71,108 to the "beginning true-up  
8           amount" in July 2020 listed on CT-3 PG3 and also adding  
9           \$32 to the "interest provision this period" in July 2020  
10          listed on CT-3 PG2 to accurately reflect the interest for  
11          this error.

12

13   **Q.**   Were there any other adjustments that needed to be made  
14          to correct for this error?

15

16   **A.**   No, this adjustment corrected the error fully.

17

18   **Q.**   When did Tampa Electric transition to the Commission  
19          approved 2015-2024 Ten-Year DSM Plan?

20

21   **A.**   Tampa Electric transitioned to the Commission approved  
22          2015-2024 Ten-Year DSM Plan on November 3, 2015 for all  
23          DSM programs except for the Renewable Energy Systems  
24          Initiative which was retired on December 31, 2015.

25

1     **Q.**    Did Tampa Electric offer the programs contained in the  
2            2015-2020 Ten-Year DSM Plan the entire 2020 period?

3

4     **A.**    No, the company transitioned to the Commission approved  
5            new 2020-2029 Ten-Year DSM Plan on November 2, 2020.

6

7     **Q.**    Should Tampa Electric's cost incurred during the January  
8            through December 2020 period for energy conservation be  
9            approved by the Commission?

10

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

14

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

16

17    **A.**    Yes, it does.

18

19

20

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25

1                                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**2                                   **PREPARED DIRECT TESTIMONY**3                                   **OF**4                                   **MARK R. ROCHE**

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

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

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

16  
17   **A.** I graduated from Thomas Edison State College in 1994 with  
18   a Bachelor of Science degree in Nuclear Engineering  
19   Technology and from Colorado State University in 2009  
20   with a Master's degree in Business Administration. My  
21   work experience includes twelve years with the US Navy in  
22   nuclear operations as well as twenty-three years of  
23   electric utility experience. My utility work has included  
24   various positions in Marketing and Sales, Customer  
25   Service, Distributed Resources, Load Management, Power

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

9  
10       **Q.**    Have you previously testified before the Florida Public  
11       Service Commission ("Commission")?

12  
13       **A.**    Yes.     I have testified before this Commission on  
14       conservation and load management activities, DSM goals  
15       and plan approval dockets and other ECCR dockets.

16  
17       **Q.**    What is the purpose of your testimony in this proceeding?

18  
19       **A.**    The purpose of my testimony is to support the company's  
20       actual conservation costs incurred during the period  
21       January through December 2020, the actual/projected  
22       period January to December 2021, and the projected period  
23       January through December 2022. The projected 2022 ECCR  
24       factors have been calculated based on the current  
25       approved allocation methodology and the allocation method

1 that is being proposed within Docket No. 20210034-EI  
2 (Petition for Rate Increase by Tampa Electric Company).  
3 Also, I will support the appropriate Contracted Credit  
4 Value ("CCV") for participants in the General Service  
5 Industrial Load Management Riders ("GSLM-2" and "GSLM-3")  
6 for the period January through December 2021. I will  
7 also support the appropriate Residential Variable Pricing  
8 Rates ("RSVP-1") for participants in the Residential  
9 Price Responsive Load Management Program for the period  
10 January through December 2022.

11  
12 **Q.** Did you prepare any exhibits in support of your  
13 testimony?

14  
15 **A.** Yes. Exhibit No. MRR-2 was prepared under my direction  
16 and supervision. Exhibit No. MRR-2 includes Schedules C-  
17 1 through C-5 and associated data which support the  
18 development of the conservation cost recovery factors for  
19 January through December 2022 using the current 12  
20 Coincident Peak ("CP") and 1/13 Average Demand ("AD")  
21 Factor allocation methodology.

22  
23 **Q.** Does the Exhibit No. MRR-2 meet the requirements of Rule  
24 25-17.015, Florida Administrative Code ("F.A.C."), which  
25 requires the projection filing to include the annual

1 estimated/actual true-up filing showing actual and  
2 projected common costs, individual program costs, and any  
3 revenues collected?

4

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

6

7 **Q.** What timeframe did Tampa Electric use to develop its 2021  
8 annual estimated/actual true-up filing?

9

10 **A.** Tampa Electric developed its 2021 annual estimated/actual  
11 true-up filing showing actual and projected common costs,  
12 individual program costs, and any revenues collected  
13 based upon six months of actuals and six months of  
14 estimates.

15

16 **Q.** Please describe the conservation program costs projected  
17 by Tampa Electric during the period January through  
18 December 2020.

19

20 **A.** For the period January through December 2020, Tampa  
21 Electric projected conservation program costs to be  
22 \$41,518,534. The Commission authorized collections to  
23 recover these expenses in Docket No. 20190002-EG, Order  
24 No. PSC-2019-0504-FOF-EG, issued November 25, 2019.

25

1   **Q.**   For the period January through December 2020, what were  
2       Tampa Electric's conservation costs and what was  
3       recovered through the ECCR clause?  
4

5   **A.**   For the period January through December 2020, Tampa  
6       Electric incurred actual net conservation costs of  
7       \$37,850,526 plus a beginning true-up over-recovery of  
8       \$15,911,022 for a total of \$21,939,504.   The amount  
9       collected in the ECCR clause was \$42,124,571.  
10

11   **Q.**   What was the true-up amount?  
12

13   **A.**   The true-up amount for the period January through  
14       December 2020 was an over-recovery of \$20,908,081  
15       including interest.  
16

17   **Q.**   Please describe the conservation program costs projected  
18       to be incurred by Tampa Electric during the period  
19       January through December 2021?  
20

21   **A.**   The actual costs incurred by Tampa Electric through June  
22       2021 and projected for July through December 2021 are  
23       \$46,103,693.   For the period, Tampa Electric anticipates  
24       an over-recovery in the ECCR Clause of \$4,666,631 which  
25       includes the 2020 true-up and interest.   A summary of

1 these costs and estimates is fully detailed in Exhibit  
2 No. MRR-2, Conservation Costs Projected, pages 26 through  
3 36.

4  
5 **Q.** Has Tampa Electric proposed any new or modified DSM  
6 Programs for ECCR cost recovery for the period January  
7 through December 2022?

8  
9 **A.** No, at this time Tampa Electric is not proposing any new  
10 or modified programs for ECCR cost recovery for the  
11 period January through December 2022.

12  
13 **Q.** Please summarize the proposed conservation costs for the  
14 period January through December 2022 and the annualized  
15 recovery factors based on a 12 CP and 1/13 AD basis  
16 applicable for the period January through December 2022?

17  
18 **A.** Tampa Electric estimates the total conservation costs  
19 (less program revenues) during the period will be  
20 \$46,630,970 plus the true-up. Including true-up  
21 estimates, the January through December 2022 cost  
22 recovery factors allocated on a 12 CP and 1/13 AD basis  
23 for firm retail rate classes utilizing the allocation  
24 method approved in Docket No. 20130040-EI are as follows:

25

	<b>Cost Recovery Factors</b>
<u>Rate Schedule</u>	<u>(cents per kWh)</u>
RS	0.236
GS and CS	0.218
GSD Optional - Secondary	0.190
GSD Optional - Primary	0.188
GSD Optional - Subtransmission	0.186
LS-1, LS-2	0.108

	<b>Cost Recovery Factors</b>
<u>Rate Schedule</u>	<u>(dollars per kW)</u>
GSD - Secondary	0.82
GSD - Primary	0.81
GSD - Subtransmission	0.80
SBF - Secondary	0.82
SBF - Primary	0.81
SBF - Subtransmission	0.80
IS - Primary	0.73
IS - Subtransmission	0.72

Exhibit No. MRR-2, Conservation Costs Projected, pages 18 through 25 contain the Commission prescribed forms which detail these estimates.

1 **Q.** What are the annualized recovery factors based on a 12 CP  
 2 and 1/13 AD basis applicable for the period January  
 3 through December 2022 utilizing the allocation method  
 4 that is being proposed in Docket No. 20210034-EI ?

5  
 6 **A.** Using the total conservation costs (less program  
 7 revenues) during the period of \$46,630,970 plus the true-  
 8 up. Including true-up estimates, the January through  
 9 December 2022 cost recovery factors allocated on a 12 CP  
 10 and 1/13 AD basis for firm retail rate classes utilizing  
 11 the allocation method being proposed in Docket No.  
 12 20210034-EI are as follows:

<b>Cost Recovery Factors</b>	
<b><u>Rate Schedule</u></b>	<b><u>(cents per kWh)</u></b>
RS	0.236
GS and CS	0.218
GSD Optional - Secondary	0.193
GSD Optional - Primary	0.191
GSD Optional - Subtransmission	0.189
LS-1, LS-2	0.108
<b>Cost Recovery Factors</b>	
<b><u>Rate Schedule</u></b>	<b><u>(dollars per kW)</u></b>
GSD - Secondary	0.81

1	GSD - Primary	0.80
2	GSD - Subtransmission	0.80
3	SBD - Secondary	0.81
4	SBD - Primary	0.80
5	SBD - Subtransmission	0.80
6	GSLD - Primary	0.77
7	GSLD - Subtransmission	0.10

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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 is 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 2022 CCV amount?

4

5 **A.** No, in Tampa Electric's Petition for limited proceeding  
6 to approve the company's 2017 amended and restated  
7 stipulation and settlement agreement (Docket No.  
8 20170210-EI), the values to be used for the CCV amount on  
9 an ongoing basis were approved by the Commission in Order  
10 No. PSC-2017-0456-S-EI, on November 27, 2017.

11

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

13

14 **A.** The CCV amounts approved by the Commission were \$10.23  
15 per kW for secondary, \$10.13 per kW for primary and  
16 \$10.03 per kW for subtransmission voltage customers.  
17 These CCV amounts took effect on January 1, 2018.

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 2022 period?

22

23 **A.** For the January through December 2022 period, the CCV  
24 amounts are:

25

**CCV dollars per kW by Voltage Level**

<u>Secondary</u>	<u>Primary</u>	<u>Subtransmission</u>
\$10.23	\$10.13	\$10.03

If the 2022 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 2022?

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 2022 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 2022 residential base rates and the  
9            2022 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.

13

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

15

16     **A.**    Yes it does.

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1                   (Whereupon, prefiled direct testimony of  
2   Curtis Young was inserted.)

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## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20210002-EG  
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTORDirect Testimony (Final True Up) of  
CURTIS D. YOUNGOn Behalf of  
FLORIDA PUBLIC UTILITIES COMPANY

- 1 Q. Please state your name and business address.
- 2 A. Curtis D. Young: my business address is 1635 Meathe Drive, West Palm  
3 Beach, Florida 33411.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am employed by Florida Public Utilities Company as a Senior Regulatory  
6 Analyst.
- 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, 2020 through December  
10 31, 2020 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, 2020 through December 31, 2020.
- 15 A. The Company under-recovered \$190,283 during that period. This amount is  
16 substantiated on Schedule CT-3, page 2 of 3, Energy Conservation  
17 Adjustment.
- 18 Q. How does this amount compare with the estimated true-up amount which was  
19 allowed by the Commission during the November 2020 hearing?

1 A. The cost recovery factors approved by the Commission in Docket No.  
2 20200002-EG were based upon an anticipated under-recovery of \$224,441 as  
3 of December 31, 2020.

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

5 A. We have prepared and pre-filled Schedules CT-1, CT-2, CT-3, CT-4, CT-5  
6 and CT-6 (Composite Exhibit CDY-1).

7 Q. Does this conclude your testimony?

8 A. Yes.

1                   (Whereupon, prefiled direct testimony of Kira  
2 I. Lake was inserted.)

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1                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
2           DOCKET NO. 20210002-EG - In Re: Energy Conservation Cost Recovery

3   Clause

4   DIRECT TESTIMONY OF KIRA LAKE

5   On behalf of

6   Florida Public Utilities Company

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

8    A. My name is Kira Lake. I am the Director of Growth and Retention for  
9       Florida Public Utilities Company. My business address is 450 S. Charles  
10       Richard Beall Blvd., DeBary, FL 32713.

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

12   A. I graduated from Embry-Riddle Aeronautical University in 2003 with a  
13       Bachelor's of Science degree in Air Traffic Management and in 2007 with a  
14       Masters of Business Administration degree. I have been employed with FPUC  
15       since 2007 and have held different positions with the Company including  
16       Energy Conservation Representative, Energy Conservation Manager, Energy  
17       Logistics Manager and Manager of Business Financial Analysis. In my  
18       current role, I direct the activities of the Company's Energy Conservation and  
19       Sales departments.

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

22   A. Yes.

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

24       To describe generally the expenditures made and projected to be made in  
25       implementing, promoting, and operating the Company's electric conservation

1 programs. This will include recoverable costs incurred in January through  
2 June 2021 and projections of program costs to be incurred from July through  
3 December 2021. It will also include projected electric conservation costs for  
4 the period January through December 2022, with a calculation of the  
5 Conservation Adjustment Factor to be applied to the Company's consolidated  
6 electric customers' bills during the collection period of January 1, 2022  
7 through December 31, 2022.

8 **Q.** Is the Company planning to test any new technologies under its Conservation  
9 Demonstration and Development Program?

10 **A.** Yes. While the Company continues to test the viability of using battery  
11 storage technology to lower FPUC's power supply cost and of using storage  
12 batteries to integrate renewables into FPUC's power purchase portfolio, the  
13 Company is also introducing a new project under its CDD program. The  
14 Powerhouse Technology pilot will test the viability of using a system to  
15 improve customers' electric system reliability and resiliency while also  
16 helping to reduce the overall cost of the customer's bill. A summary for this  
17 project is included with this filing (Attachment A). Florida Public Utilities  
18 Company will limit the total CDD expenditures to a maximum of \$75,000 per  
19 year. Costs for CDD projects that meet the program's criteria for acceptance  
20 will be charged to Energy Conservation Cost Recovery account

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

22 **A.** Yes. The Company wishes to sponsor as exhibits Schedules C-1, C-2, C-3, C-  
23 4, and C-5, contained in my composite Exhibit KIL-1.

24 **Q.** Has the Company prepared summaries of its electric conservation

1        **programs and the costs associated with these programs?**

2        A. Yes. Summaries of the electric conservation programs as approved in Docket  
3        No. 20200060-EG, the petition for approval of the demand-side management  
4        plan, are contained in Schedule C-5 of Exhibit KIL-1. Included are the  
5        Residential Energy Survey Program, the Residential Heating and Cooling  
6        Efficiency Program, the Commercial Heating and Cooling Efficiency  
7        Program, the Commercial Chiller Upgrade Program, the Electric Conservation  
8        Demonstration and Development Program, the Low Income Energy Outreach  
9        Program, the Commercial Reflective Roof Program and the Commercial  
10       Energy Consultation Program.

11       **Q. Has the Company prepared schedules that show the expenditures**  
12       **associated with its electric conservation programs for the periods you**  
13       **have mentioned?**

14       A. Yes, Schedule C-3, Pages 1 and 1A of 5, Exhibit KIL-1 shows actual expenses  
15       for the months January through June 2021. Projections for July through  
16       December 2021 are also shown on Schedule C-3, Pages 1 and 1A. Projected  
17       expenses for the January through December 2022 period are shown on  
18       Schedule C-2, Page 1 of 3 of Exhibit KIL-1.

19       **Q. Has the Company prepared schedules that show revenues for the period**  
20       **January through December 2021?**

21       A. Yes. Schedule C-4 shows actual revenues for the months January through  
22       June 2021 and projected revenues for July through December 2021 and  
23       January through December 2022.

24       **Q. Has the Company prepared a schedule that shows the calculation of its**

1       **proposed Conservation Adjustment Factor to be applied during billing**  
2       **periods from January 1, 2021 through December 31, 2021?**

3       A. Yes. Schedule C-1 of Exhibit KIL-1 shows these calculations. Net program  
4       cost estimates for the period January 1, 2022 through December 31, 2022 are  
5       used. The estimated true-up amount from Schedule C-3 (Page 4 of 5, Line 11)  
6       of Exhibit KIL-1, being an under-recovery, was added to the total of the  
7       projected costs for the twelve-month period. The total projected recovery  
8       amount, including estimated true-up, was then divided by the projected Retail  
9       KWH Sales for the twelve-month period ending December 31, 2022. The  
10      resulting Conservation Adjustment Factor is shown on Schedule C-1 (Page 1  
11      of 1) of Exhibit KIL-1.

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

14      A. The Conservation Adjustment Factor is \$.00134.

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

16      A. Yes.

1 CHAIRMAN CLARK: Exhibits?

2 MR. TRIERWEILER: Staff has compiled a  
3 Stipulated Comprehensive Exhibit List, which  
4 includes the prefiled exhibits attached to the  
5 witnesses' testimony in this case. The list  
6 happens been provided to the parties, the  
7 Commissioners and the court reporter. The parties  
8 have agreed to include all exhibits on the  
9 comprehensive exhibit list in the record.

10 Staff requests that the list be marked as the  
11 first hearing exhibit and the other exhibits marked  
12 as set forth in the Comprehensive Exhibit List.

13 CHAIRMAN CLARK: So ordered.

14 (Whereupon, Exhibit Nos. 1-38 were marked for  
15 identification.)

16 MR. TRIERWEILER: Staff requests that the  
17 Comprehensive Exhibit List, marked as Exhibit No.  
18 1, be entered into the record.

19 CHAIRMAN CLARK: Any objections? Exhibit No.  
20 1 is entered.

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

23 MR. TRIERWEILER: Staff would move Exhibits 2  
24 through 38 into the record as set forth in the  
25 Comprehensive Exhibit List.

1           CHAIRMAN CLARK: Any objections? Seeing none,  
2           so ordered.

3           (Whereupon, Exhibit Nos. 2-38 were received  
4           into evidence.)

5           CHAIRMAN CLARK: All right. Let's move on to  
6           opening statements. I believe most of the parties  
7           have agreed to waive their opening statements  
8           today. SACE has asked to speak.

9           Mr. Cavros, you have three minutes.

10          Does any other party wish to speak? None?

11          Mr. Cavros, you are recognized.

12          MR. CAVROS: Thank you, Chairman. I.

13          Actually I just wanted a quick moment to state  
14          on the record that although SACE is -- has agreed  
15          in this docket not to contest the issues, that  
16          should not be interpreted as an endorsement of the  
17          underlying economic screening practices that set  
18          the goals and approve the programs for which the  
19          utilities seek recovery in this docket.

20          SACE maintains that those practices are  
21          outdated, now 30 years old, and depress energy  
22          efficiency potential and should be revised to  
23          reflect standard industry practice.

24          Thank you.

25          CHAIRMAN CLARK: Duly noted. Thank you for

1 your comments, Mr. Cavros.

2 Anyone else?

3 All right. Staff, I believe this docket is in  
4 posture for a bench decision?

5 MR. TRIERWEILER: Yes, Chairman.

6 If the parties are willing to waive briefs and  
7 the Commission decides that a bench decision is  
8 appropriate, staff recommends that the proposed  
9 stipulations on pages nine through 16 of the  
10 prehearing order, Issues 1 through 10, be approved  
11 by the Commission.

12 CHAIRMAN CLARK: All right. Any party want to  
13 file a brief? No briefs. All right. That's  
14 excellent.

15 All right. Commissioners, do you have any  
16 questions for staff about this case? None.

17 I will entertain a motion.

18 Commissioner Fay.

19 COMMISSIONER FAY: Thank you, Mr. Chairman.

20 I would move that the Commission approve  
21 Issues 1 through 10 as stated in the prehearing and  
22 approve the proposed stipulations.

23 COMMISSIONER GRAHAM: Second.

24 CHAIRMAN CLARK: I have a motion and a second  
25 to approve.

1 Any discussion?

2 On the motion, all in favor say aye.

3 (Chorus of ayes.)

4 CHAIRMAN CLARK: Opposed?

5 (No response.)

6 CHAIRMAN CLARK: Motion carries.

7 Staff, anything else to be addressed in the 02  
8 docket?

9 MR. TRIERWEILER: Chairman, since the  
10 Commission has made a bench decision, post-hearing  
11 filings are not necessary. The final order will be  
12 issued by November 22nd, 2021.

13 CHAIRMAN CLARK: All right. Any other matters  
14 to be addressed?

15 We will close the 02 docket and open the 03  
16 docket. Time to swap some seats around over here.

17 (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 15th day of November, 2021.



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