

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Approval of Demand-Side) DOCKET NO. 950441-EG
Management Plan of Florida)
Public Utilities Company.)
_____))
In Re: Adoption of Numeric) DOCKET NO. 930552-EG
Conservation Goals and) ORDER NO. PSC-96-1120-FOF-EG
Consideration of National Energy) ISSUED: September 4, 1996
Policy Act Standards (Section)
111) by Florida Public Utilities)
Company.)
_____))

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING THE MODIFICATION OF THE
FLORIDA PUBLIC UTILITIES COMPANY'S DEMAND-SIDE
MANAGEMENT GOALS AND DEMAND-SIDE MANAGEMENT PLAN

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

CASE BACKGROUND

On April 10, 1995, in Order No. PSC-95-0461-FOF-EG, the Commission approved Florida Public Utilities Company's (FPUC) numeric Demand Side Management (DSM) goals. On December 20, 1995, FPUC filed its DSM plan, pursuant to Rule 25-17.0021(4), Florida Administrative Code. FPUC's DSM plan incorporated certain Gulf Power Company's (Gulf) and the Jacksonville Electric Authority's (JEA), DSM programs. Staff expressed several concerns regarding FPUC's DSM plan, including the need to use FPUC's specific avoided costs in analyzing the cost effectiveness of DSM programs.

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FPSC-RECORDS/REPORTING

On May 21, 1995, FPUC and the Department of Community Affairs (DCA) filed an Amended Joint Stipulation to modify FPUC's numeric DSM goals. This stipulation sets forth DSM conservation goals for FPUC's residential customers that are lower than the goals previously approved by the Commission. Staff reopened Docket No. 930552-EG, FPUC's numeric DSM goals docket, to consider the Amended Joint Stipulation. On May 22, 1996, FPUC filed its revised DSM plan.

DECISION

We accept the Amended Joint Stipulation, filed in Docket No. 930552-EG, between Florida Public Utilities Company (FPUC) and the Department of Community Affairs (DCA) which modifies FPUC's Demand-Side Management Goals. (Attachment A).

The Amended Joint Stipulation reflects FPUC's modification to its DSM plan. FPUC states that:

Through the development of its Plan, FPUC has determined that the approved conservation goals for residential customers are higher than the amount of DSM conservation that FPUC can achieve cost-effectively pursuant to the Rate Impact Measure test.

The Amended Joint Stipulation reduces FPUC's residential demand goals by approximately one megawatt for both the winter and summer periods in 2005. However, the 2005 goals for residential energy and commercial/industrial demand and energy will not be affected. The modified numeric goals are reasonable; therefore, we accept the Amended Joint Stipulation.

FPUC's DSM plan contains nine programs, including seven residential programs and two commercial/industrial programs. These programs are summarized in Attachment B.

In Order No. 22176, issued November 14, 1989, the Commission stated that conservation programs will be judged by the following criteria:

1. Does each component program advance the policy objectives set forth in Rule 25-17.001 and the FEECA statute?
2. Is each component program directly monitorable and yield measurable results?
3. Is each component program cost-effective?

The programs included in FPUC's DSM plan are derived from certain DSM programs offered by Gulf and the JEA. FPUC stated that in an effort to reduce the cost of its DSM efforts it would work with Gulf and the JEA to offer these programs to FPUC's customers. In FPUC's revised plan it utilized avoided costs specific to FPUC in the calculation of cost-effectiveness. Since, FPUC purchases all the power it provides its end-use customers, its revised DSM plan includes an estimate of future purchased power costs, which are reasonable, in its DSM program cost-effectiveness analyses. The cost-effectiveness of FPUC's programs did not materially change as a result of the use of specific avoided costs.

FPUC's DSM programs advance the policy objectives of FEECA, Commission rules, contribute to meeting FPUC's goals, appear to be monitorable, and will yield measurable results. In addition, each program is cost-effective under the Rate Impact Measure test. Therefore, we approve FPUC's DSM plan and will allow cost recovery, for reasonable and prudent expenditures, through the Energy Conservation Cost Recovery clause. FPUC shall file detailed program participation standards, for administrative approval, within 30 days of the issuance of this Order. FPUC's program standards shall state the requirements for participation in each program, customer eligibility requirements, details on how rebates or incentives will be processed, technical specifications on equipment eligibility, and necessary reporting requirements. Staff shall administratively approve these program participation standards if they conform to the description of the programs contained in FPUC's approved DSM plan.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Amended Joint Stipulation between Florida Public Utilities Company and the Department of Community Affairs, as discussed above, is hereby approved. It is further

ORDERED that the demand-side management plan for the Florida Public Utilities Company is approved as discussed in the body of this Order. It is further

ORDERED that Florida Public Utilities Company shall file detailed program participation standards, within 30 days of the issuance of this Order. It is further

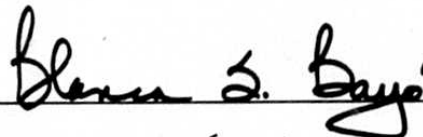
ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division

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of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, Docket No. 950441-EG and Docket No. 930552-EG shall be closed.

By ORDER of the Florida Public Service Commission, this 4th day of September, 1996.

A handwritten signature in cursive script, reading "Blanca S. Bayó", is written over a horizontal line.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on September 25, 1996.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Adoption of Numeric Conservation Goals and Consideration of National Energy Act Standards (Section 111) for FLORIDA PUBLIC UTILITIES COMPANY)
DOCKET NO. 930559-EG)
FILED: May 21, 1996)

THE FLORIDA PUBLIC UTILITIES COMPANY'S MOTION TO MODIFY THE CONSERVATION GOALS ESTABLISHED IN ORDER NO. PSC-95-0461-FOF-EG

The Florida Public Utilities Company ("FPU"), by and through its undersigned counsel, and pursuant to Rules 25-22.037(2) and 25-17.0021(2), Florida Administrative Code, hereby files its Motion to Modify the Conservation Goals Established for FPU in Order No. PSC-95-0461-FOF-EG ("Order"). FPU requests the Florida Public Service Commission ("Commission") to approve the Third Amended Joint Stipulation ("Third Amended Stipulation") entered into by and between FPU and the Florida Department of Community Affairs ("DCA") on May 2, 1996, which is attached hereto as Exhibit "A", and to modify the Order to establish demand-side management ("DSM") conservation goals for FPU for years 1996 through 2005 equal to the goals set forth in the Third Amended Stipulation. In support of its Motion, FPU states as follows:

1. On December 19, 1994, FPU and DCA filed their Amended Joint Stipulation in Docket No. 930552-EG. The Amended Joint Stipulation set forth numerical DSM conservation goals to be established for FPU for calendar years 1996 through and including 2005, such goals being based upon the numerical DSM conservation goals established by the Commission for the Jacksonville Electric Authority and Gulf Power Company in Docket Nos. 930554-EG and

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930550-EG, respectively. In an attempt to avoid unnecessary expenditures, the stipulated DSM goals were established without the benefit of a cost-effectiveness analysis.

2. On January 12, 1995, the Commission issued its Notice of Proposed Agency Action Order Approving the Amended Joint Stipulation.¹ On April 10, 1995, the Commission issued its Final Order approving the stipulated DSM goals set forth in the Amended Joint Stipulation.²

3. On April 19, 1995, Docket No. 950441-EG was opened for the purpose of approving FPU's DSM plan ("Plan").

4. Through the development of its Plan, FPU has determined that the approved conservation goals for residential customers are higher than the amount of DSM conservation that FPU can achieve cost-effectively pursuant to the Rate Impact Measure test.

5. On May 2, 1996, FPU and the DCA entered into their Third Amended Stipulation. The Third Amended Stipulation sets forth DSM conservation goals for FPU's residential customers that are lower than the goals approved by the Commission. The Third Amended Stipulation will not affect the approved goals for FPU's commercial customers.

6. FPU maintains that it can cost-effectively achieve the conservation goals that are set forth in the Third Amended Stipulation, and that approval of the Third Amended Stipulation,

¹Order No. PSC-95-0065-S-EG.

²Order No. PSC-95-0461-FOF-EG.

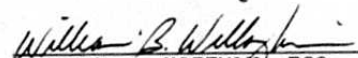
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ATTACHMENT A

and modification of Order No. PSC-95-0461-FOF-EG in accordance therewith, is in the public interest.

WHEREFORE, for the foregoing reasons, FPU respectfully requests the Florida Public Service Commission to approve the Third Amended Joint Stipulation attached hereto as Exhibit "A", and to modify the conservation goals for FPU for years 1996 through 2005 in accordance therewith.

Respectfully submitted,


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ATTACHMENT A

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the Florida Public Utilities Company's Motion to Modify the Conservation Goals Established in Order No. PSC-95-0461-FOF-EG was furnished by hand delivery(*) and U. S. Mail to the following this 21st day of May 1996:

Lorna Wagner, Esq. (*)
Sheila Erstling, Esq. (*)
Robert Elias, Esq. (*)
Florida Public Service Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Room 370
Tallahassee, FL 32399-0850

Michelle Oxman, Esq.
Department of Community Affairs
2740 Centerview Drive
Tallahassee, Florida 32399-2100

By: 
WILLIAM B. WILLINGHAM, ESQ.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Approval of Demand-Side Management)	Docket No. 950441-EG
Plan of Florida Public Utilities)	
Company)	
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Consideration of National Energy)	Docket No. 930552-EG
Policy Act Standards (Section 111))	
by FLORIDA PUBLIC UTILITIES COMPANY)	

THIRD AMENDED JOINT STIPULATION

WHEREAS, on December 19, 1994, the Florida Public Utilities Company ("FPUC") and the Florida Department of Community Affairs ("DCA") filed an Amended Joint Stipulation ("Stipulation") in the Public Service Commission's ("Commission") Docket No. 930552-EG; and

WHEREAS, the Stipulation set forth numerical conservation goals to be established for FPUC for calendar years 1996 through and including 2005, such goals being based upon the numerical conservation goals established by the Commission for the Jacksonville Electric Authority ("JEA") and the Gulf Power Company ("Gulf") in Docket Nos. 930554-EG and 930550-EG, respectively; and

WHEREAS, by its Order No. PSC-95-0461-FOF-EG the Commission approved the numerical conservation goals set forth in the Stipulation; and

WHEREAS, FPUC has determined that the numerical summer and winter goals for residential demand established by Order No. PSC-95-0461-FOF-EG cannot be achieved cost-effectively.

EXHIBIT "A"

NOW, THEREFORE, the Florida Public Utilities Company and the Florida Department of Community Affairs hereby jointly stipulate and agree to this Third Amended Joint Stipulation as set forth above and agree that the Florida Public Utilities Company's numerical conservation goals for calendar years 1996 through and including 2005 should be revised as set forth in the Exhibit "A" attached hereto.

Michelle L. Oxman
Michelle L. Oxman, Esq.
Office of the General Counsel
Department of Community Affairs
2740 Centerview Drive
Tallahassee, Florida 32399-2100

5/2/96
Date

Kenneth A. Hoffman
Kenneth A. Hoffman, Esq.
William E. Willingham, Esq.
Rutledge, Ecenia, Underwood, Purnell
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P. O. Box 551
Tallahassee, Florida 32302-0551
Attorneys for the Florida Public Utilities Company

Date

FPUC'S REVISED CONSERVATION GOALS						
	Residential			Commercial/Industrial		
	Winter MW	Summer MW	Annual GWH	Winter MW	Summer MW	Annual GWH
1996	.22	.19	.16	.03	.04	.02
1997	.47	.41	.33	.07	.09	.05
1998	.75	.65	.50	.10	.14	.07
1999	1.06	.91	.66	.13	.20	.10
2000	1.39	1.19	.83	.17	.26	.12
2001	1.74	1.48	1.00	.20	.33	.14
2002	2.10	1.78	1.15	.23	.40	.17
2003	2.48	2.09	1.32	.26	.48	.19
2004	2.87	2.41	1.49	.30	.57	.22
2005	3.28	2.75	1.65	.33	.66	.24

Residential Programs

In Concert with the Environment: The objective of this program is to educate eighth and ninth grade science students about energy use. The program links energy efficiency to environmental improvement. Teachers are provided program materials including a video, an introductory presentation to launch student participation, complete lesson plans, an energy survey, and student handbooks. Participating students gather information on energy usage in their own homes. Students then analyze the information using a computer program that generates a personal plan using graphs to illustrate energy savings and environmental benefits on each student's research. Finally, students discuss the material in class and present their plans for saving energy and preserving natural resources to their families.

Duct Leakage Repair: This program provides FPUC's customers a means to identify house air duct leakage and recommend repairs that can reduce customer kWh energy usage and kW demand. Duct leakage will be determined via a blower door test. This will be available to homeowners, builders, or HVAC contractors in new and existing construction. FPUC will pay a \$25 incentive to offset the cost of the blower door test. Recommended duct repairs are the responsibility of the homeowner, builder, or HVAC contractor. Additionally, FPUC will provide two duct leakage courses for licensed contractors.

Residential Geothermal Heat Pump Program: This program will promote the installation of advanced and emerging geothermal systems. Single family participants will be guaranteed heating and cooling costs for two years. If forecasted heating and cooling costs are exceeded, FPUC will pay the differential. Sub-metering equipment will be installed to determine actual usage of the equipment. Multi-family installations will receive a \$500 rebate.

Residential Energy Audits: Residential dwellings are inspected for energy efficiency opportunities. Information on energy efficiency improvements are provided to the participating customer. In addition, FPUC will incorporate the JEA's "Appliance Efficiency Education" program. FPUC's customers will be educated on higher efficiency appliances, and the additional expense of second refrigerators and freezers.

Low Income Customer Energy Audits: FPUC provides energy information specifically targeted to low income customers. FPUC also plans to expand its outreach to social service agencies in providing energy information for these agencies' clients.

Attachment B (Page 2 of 2)

FPU Express Loan Program: FPUC will provide a low-interest loan guarantee/subsidy to participating residential customers for the installation of energy efficiency measures. Loans will receive a guarantee/subsidy for up to \$5,000 with the exception of a geothermal heat pump system. These systems will be eligible for up to \$7,500 for a seven year term.

Enhanced Good Cents Home Program: The objective of this program is to provide FPUC's customers with guidance concerning energy efficiency in new construction. FPUC will work with licensed contractors in evaluating current design and building practices compared to those which could receive certification under the program. Certification requires the installation of measures with efficiencies higher than is required by the Energy Efficient Building Code. Certification requires that HVAC systems must be sized according to a Manual J load calculation pursuant to the home subject to certification.

Commercial/Industrial Programs

Good Cents Building: FPUC will certify commercial buildings, under this program, which meet efficiency requirements higher than the building code. FPUC will analyze the projected energy requirements of building designs and provide builders with options to make the structure more energy efficient.

Commercial/Industrial Energy Audits and Technical Assistance Audits: FPUC will inspect existing commercial/industrial buildings and provide energy efficiency recommendations to owners/operators.