

VOTE SHEET

JANUARY 18, 2000

RE: DOCKET NO. 981591-EG - Petition for authority to implement Good Cents Conversion Program by Gulf Power Company.

Issue 1: Is Gulf Power Company's proposed Good Cents Conversion Program cost-effective?

Recommendation: Under Gulf's base-case assumptions, the proposed Program is cost-effective to Gulf's all-electric customers. However, the record is unclear whether the proposed Program would be cost-effective to Gulf's dual-fuel (electric and natural gas) customers. Further, the proposed Program has a long (13-year) payback for participating customers. This suggests that the proposed Program is marketable only when combined with Gulf's free gas-to-electric water heater conversion program.

APPROVED

COMMISSIONERS ASSIGNED: DS CL JC

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Susan Clark
J. Terry Wear
[Signature]

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

00746 JAN 198

FPSC-RECORDS/REPORTING

VOTE SHEET

JANUARY 18, 2000

DOCKET NO. 981591-EG - Petition for authority to implement Good Cents Conversion Program by Gulf Power Company.

(Continued from previous page)

Issue 2: Is Gulf Power Company's cost-effectiveness analysis based on accurate assumptions?

Recommendation: No. Gulf's base-case assumptions overstate the proposed Program's cost-effectiveness as well as the demand and energy savings. Under more realistic assumptions, the proposed Program would increase annual energy consumption and increase the payback period for Program participants from 13 years to 22 years. This would further Gulf's need to market the free gas-to-electric water heater conversion program in concert with the Good Cents Conversion Program.

APPROVED

Issue 3: Under Gulf Power Company's proposed Good Cents Conversion Program, are customers likely to replace existing inefficient heating, ventilating, and air conditioning (HVAC) equipment only if it fails?

Recommendation: Staff believes that the \$200 rebate offered by Gulf is too small to encourage customers to change out functioning HVAC equipment sooner than absolutely necessary, such as when existing equipment fails.

APPROVED

VOTE SHEET

JANUARY 18, 2000

DOCKET NO. 981591-EG - Petition for authority to implement Good Cents Conversion Program by Gulf Power Company.

(Continued from previous page)

Issue 4: Is Gulf Power Company's proposed Good Cents Conversion Program an energy conservation program, or, rather, electricity competing with natural gas?

Recommendation: As a stand-alone program or when combined with Gulf's free gas-to-electric water heater conversion program, the proposed Good Cents Conversion program competes with natural gas because it encourages fuel switching.

APPROVED

Issue 5: Is Gulf Power Company's proposed Good Cents Conversion Program consistent with the Florida Energy Efficiency and Conservation Act?

Recommendation: No. Even under Gulf's base-case assumptions, the proposed Program is expected to increase Gulf's system winter peak demand by approximately 22 MW. Under realistic assumptions, the proposed Program will also increase annual energy consumption by approximately 6,950,000 kWh. Winter peak demand, annual energy consumption, and summer peak demand are all expected to increase even more when the proposed Program is combined with Gulf's existing free gas-to-electric water heater conversion program.

APPROVED

VOTE SHEET

JANUARY 18, 2000

DOCKET NO. 981591-EG - Petition for authority to implement Good Cents Conversion Program by Gulf Power Company.

(Continued from previous page)

Issue 6: Should the Commission approve Gulf Power Company's proposed Good Cents Conversion Program, including approval for cost recovery through the Energy Conservation Cost Recovery (ECCR) Clause?

Recommendation: No. Staff recommends that the Commission deny the proposed Program, including cost recovery through the ECCR Clause, because the proposed Program: (1) increases winter peak demand and annual energy consumption, contrary to the intent of FEECA; (2) has an extremely long payback period of 22 years under the Participants test; (3) encourages customers to switch from natural gas heating to electric heating; and (4) may be used to market an existing free gas-to-electric water heater conversion program.

APPROVED

Issue 7: Should the docket be closed?

Recommendation: The docket should be closed after the time for filing an appeal has run.

APPROVED