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October 3, 2014

**E-PORTAL – ELECTRONIC FILING**

Ms. Carlotta Stauffer, Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

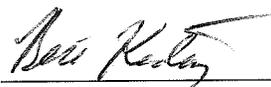
**Re: New Filing – Petition of the Associated Gas Distributors of Florida for Approval of Extension of Natural Gas Conservation Demonstration and Development Program.**

Dear Ms. Stauffer:

Attached for electronic filing, please find the Associated Gas Distributors of Florida's Petition for Approval of an Extension of the Natural Gas Conservation Demonstration and Development Programs of the AGDF members.

As always, thank you for your assistance with this filing. If you have any questions whatsoever, please do not hesitate to contact me.

Sincerely,



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Beth Keating and Lila Jaber  
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Tallahassee, FL 32301  
(850) 521-1706

*Attorneys for the AGDF*

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

Petition of Associated Gas Distributors of Florida )  
for Approval of Extension of Natural Gas ) Docket No.:  
Conservation Demonstration and Development )  
Program. ) Filed: October 3, 2014

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**PETITION FOR APPROVAL OF EXTENSION OF CONSERVATION  
DEMONSTRATION AND DEVELOPMENT PROGRAM**

In accordance with Rules 25-17.009 and 28-106.201, Florida Administrative Code, the Associated Gas Distributors of Florida ("AGDF" or "Petitioner"), by and through its undersigned counsel, hereby petitions the Florida Public Service Commission ("Commission") on behalf of its members for approval to extend the existing, approved Conservation Demonstration and Development Program ("CDD Program"). In support of this Petition, AGDF states:

1. The exact name and address of the principal office of the Petitioner is as follows:

Associated Gas Distributors of Florida  
P.O. Box 11026  
Tallahassee, Florida 32302

2. Notices and communications with respect to this petition and docket should be addressed to the following:

Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

G. David Rogers, Executive Director  
Associated Gas Distributors of Florida  
P.O. Box 11026  
Tallahassee, Florida 32302

3. AGDF is a trade association representing the following investor-owned natural gas utilities, all of which are subject to the jurisdiction of the Florida Public Service Commission under Chapter 366, Florida Statutes. The members represented by AGDF are Florida City Gas ("City Gas"), Florida Public Utilities Company ("FPUC"), including Florida Public Utilities

Company – Indiantown Division and Central Florida Gas Division (“FPUC-Indiantown” and “FPUC-CFG,” respectively), Peoples Gas System (“Peoples Gas”), Sebring Gas System (“Sebring”) and St. Joe Natural Gas Company (“St. Joe”) (herein generally referred to as the “LDCs”).

4. AGDF is a Florida Not-For-Profit representing the collective interests of its members both before the Federal Energy Regulatory Commission (“FERC”) and the Commission. In recent years, the AGDF has worked to develop a series of demand side management programs, including a residential conservation program, a conservation demonstration and development program, and most recently a commercial conservation program.<sup>1</sup> Furthermore, in all of these areas, AGDF has led the industry’s efforts in consumer education activities throughout the state and assists with the coordination of members’ efforts in this regard.

5. AGDF files this petition on behalf of members, each of whom would otherwise have standing in their own right to bring a similar petition. Furthermore, the relief requested herein does not require the participation of the individual members of the AGDF, and is consistent with and germane to the AGDF’s organizational purpose. Standing for AGDF to file this petition is therefore appropriate pursuant to Rosenzweig v. Department of Transportation, 979 So. 2d 1050 (Fla. 1<sup>st</sup> DCA 2008), and Farm Worker Rights Organization, Inc. v. Dept. of Health and Rehabilitative Services, 417 So.2d 753, (Fla. 1st DCA 1982).<sup>2</sup> Moreover, this petition replaces

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<sup>1</sup> See, Orders Nos. PSC-10-0113-PAA-EG, issued in Docket No. 090122-EG; PSC-10-0551-PAA-EG, issued in Docket No. 100186-EG; and PSC-14-0039-PAA-EG, as amended, issued in Docket No. 130167-EG.

<sup>2</sup> See also, Hunt v. Washington State Apple Adver. Comm’n, 432 U.S. 333 (1977) (setting forth a three prong test for associational standing); and Florida Home Builders Association vs. Department of Labor and Security, 412 So.2d 351 (Fla. 1982) (determining that a trade association had standing to initiate a rule challenge).

multiple, separate petitions, which should facilitate the review process and contribute to administrative efficiencies.

6. By Order No. PSC-10-0113-PAA-EG, issued February 25, 2010, in Docket No. 090122-EG, the Commission approved the AGDF's request for approval of the CDD Program on behalf of its member companies. The Commission determined that the CDD Program will enable the LDCs ". . . to pursue opportunities for individual and joint research and development of new natural gas conservation programs." Order at p. 4.

7. In approving the CDD Program, the Commission also accepted the AGDF's proposal for a five (5)-year cap ("Cap") on expenditures under the program, as well as individual project caps. Consistent with the Order, the CDD Cap date is March 25, 2015, five years from the effective date of the CDD Program. In view of the approaching date for capping this program, the AGDF now seeks Commission approval to extend the Cap to December 31, 2017, an extension of a little more than 2½ years. To be clear, AGDF is not seeking an increase in the approved funding parameters for this program, only an extension of the current program.

8. As noted in prior AGDF petitions, the member LDCs have found that working collaboratively on statewide initiatives to promote energy efficiency and energy conservation initiatives has been beneficial to both AGDF member utilities and their respective customers. This has also been the case with the Conservation Demonstration & Development Program, as the joint funding of initiatives lessens the financial burden on individual LDCs, while still giving member utilities to pursue initiatives independently.

9. Commission approval of an extension of the CDD Program Cap until December 31, 2017, will further advance the development of viable natural gas conservation programs, advance

the policy objectives set forth in Rule 25-17.001, Florida Administrative Code, as well as the Florida Energy Efficiency and Conservation Act (“FEECA”)<sup>3</sup>, and will not exceed the total program impact originally contemplated by Order No. PSC-10-0113-PAA-EG. As has been noted by AGDF in the past, natural gas is a clean, abundant domestic source of energy for this State, as well as a clean and efficient fuel for transportation. As AGDF has noted in past petitions, not only does the direct use of natural gas save money for residential and commercial customers, it can also produce significant environmental benefits, consistent with the key considerations set forth in FEECA.<sup>4</sup> Thus, as more specifically detailed below, the benefits of the CDD Program warrant Commission approval of AGDF’s requested extension.

#### **CDD PROGRAM CAP EXTENSION**

10. Specifically, AGDF is asking for this extension of the CDD Program Cap until December 31, 2017, due primarily to the emergence of new end-use applications for natural gas technologies, which necessitates that the AGDF members develop a level of expertise related to these new technologies. For instance, Gas Heat Pumps (GHP) require mechanical engineering expertise, including the ability to adequately size units based on HVAC loads, as well as a conversant knowledge of the technology’s energy and emissions savings. Likewise, natural gas fueled distributed generation technologies present new challenges and opportunities for the natural gas industry to develop electrical engineering and electrical grid interconnection expertise to fully maximize the potential of fuel cells, micro-turbines, and large scale Combined Heat Power systems. The CDD Program affords AGDF members the opportunity to explore the

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<sup>3</sup> Sections 366.80-366.85 and 403.519, Florida Statutes, (“Florida Energy Efficiency and Conservation Act.”)

<sup>4</sup> See, Section 366.82 (3)(d), Florida Statutes.

capabilities of these new technologies. It also provides an opportunity for the natural gas industry to develop new strategic partnerships with professionals that specialize in these fields.

11. In addition, extension of the CDD program will allow the LDCs to continue identifying the skills and expertise that will be required when these technologies are deployed, as well as the level of investment necessary to stay ahead of the learning curve. It will likewise provide an avenue by which the LDCs can determine what type of training and/or new personnel they will need to acquire in order be able to advise and appropriately align end use customers with emerging natural gas technologies. In sum, the continuation of the CDD Program for the requested extended period will allow the LDCs to gain in-depth knowledge and expertise regarding emerging technologies and gauge the level of education and training investment necessary to enable the LDCs, and their customers, to understand and take advantage of the benefits of these new technologies.

**SUMMARY OF CDD EXPENDITURES FROM CDD INITIATIVES**

12. The two tables below summarizes the current approved CDD funding budget and allocated expenses for CDD initiatives being jointly pursued by AGDF. As demonstrated in these tables, sufficient amounts are still available within the previously approved budget such that granting this requested extension will not also require an increase in budgeted amounts. Thus, again, the AGDF emphasizes that it is not seeking an extension the CDD Program budget, but instead only

an extension of the 5-year Cap.

**Member LDC Cost Caps<sup>5</sup>**

<b>LDC</b>	<b>Program Five-Year Cap</b>	<b>Individual Project Cap</b>	<b>Estimated Monthly Bill Impact</b>
City Gas Company	\$500,000	\$100,000	\$0.15
Chesapeake Utilities Comp.	\$300,000	\$60,000	\$0.04
Florida Public Utilities	\$300,000	\$60,000	\$0.05
Indiantown Gas Company	\$50,000	\$10,000	\$0.31
Peoples Gas Company	\$750,000	\$150,000	\$0.02
Sebring Gas System	\$50,000	\$10,000	\$0.33
St. Joe Natural Gas Comp.	\$50,000	\$10,000	\$0.13
<b>Total</b>	<b>\$2,000,000</b>	<b>\$400,000</b>	<b>-</b>

**Total Amounts Spent To Date for CDD Initiatives**

<b><u>FCG</u></b>	<b><u>FPU</u></b>	<b><u>Peoples</u></b>	<b><u>St. Joe</u></b>	<b><u>Sebring</u></b>	<b><u>CPK</u></b>	<b><u>Indiantown</u></b>
\$146,536	\$55,285.16	\$88,050	\$0	\$5,775.65	\$51,586.70	\$2742.76

**Conclusion**

13. By Order No. PSC-10-0113-PAA-EG, the Commission determined that the CDD Program meets the Commission's historic tests set forth in Order No. 22176 for evaluating such programs.<sup>6</sup> The CDD Program continues to meet that test, as well as fulfill Florida's broader policy objectives with regard to energy conservation and natural gas use. As such, the AGDF respectfully asks that the Commission approve an extension of the current CDD Program Cap until December 31, 2017.

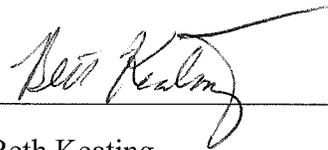
<sup>5</sup> Order No. PSC-10-0113-PAA-EG

<sup>6</sup> Order No. 22176, issued November 14, 1989, in Docket No. 890737-PU.

WHEREFORE, the Associated Gas Distributors of Florida respectfully requests that the Commission enter its order granting this Petition and approving the requested extension of the Commercial Demonstration and Development Program through December 31, 2017.

RESPECTFULLY SUBMITTED this 3rd day of October, 2014.

By:



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