

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of:

DOCKET NO. 20180186-GU

PETITION FOR APPROVAL OF
DEMAND SIDE MANAGEMENT
GOALS AND RESIDENTIAL
CUSTOMER ASSISTED AND
COMMERCIAL WALK-THROUGH
ENERGY AUDIT PROGRAMS, BY
PEOPLES GAS SYSTEM.

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PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 4

COMMISSIONERS
PARTICIPATING: CHAIRMAN ART GRAHAM
COMMISSIONER JULIE I. BROWN
COMMISSIONER DONALD J. POLMANN
COMMISSIONER GARY F. CLARK
COMMISSIONER ANDREW GILES FAY

DATE: Tuesday, August 6, 2019

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DANA W. REEVES
Court Reporter and
Notary Public in and for
the State of Florida at Large

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

2 CHAIRMAN GRAHAM: Okay. Let's move on to Item
3 No. 4.

4 MR. WRIGHT: Good morning, Commissioners.
5 Doug Wright with Commission staff. In response to
6 a State of Florida Auditor General review,
7 Commission management requested PGS, the only
8 natural gas utility subject to FEECA, develop
9 annual conservation goals and residential and
10 commercial energy audit programs in a manner
11 similar to the FEECA electric utilities. PGS
12 subsequently filed the two instant petitions, one
13 seeking approval of PGS's proposed conservation
14 goals and audit programs, and another seeking
15 waiver of a Commission rule to allow PGS to offer
16 residential customers only computer-assisted
17 audits.

18 Staff has reviewed the filings and recommends
19 that, one, the Commission grant PGS a temporary
20 waiver of the audit rule until the next natural gas
21 DSM FEECA proceeding, and, two, that the proposed
22 goal's based on Commission-approved DSM programs
23 are adequate for FEECA goal-setting purposes. If
24 the Commission grants the temporary rule waiver,
25 then staff recommends that PGS's proposed audit

1 programs be approved as filed. Otherwise, staff
2 recommends that PGS should file revised audit
3 programs with its subsequent DSM plan. No customer
4 comments were filed in the docket. Staff and the
5 utility are available for any questions.

6 CHAIRMAN GRAHAM: Thank you, staff.

7 Commissioners, any questions? Commissioner Fay.

8 COMMISSIONER FAY: Thank you, Mr. Chairman.
9 Mr. Wright, so the way the program is set up now,
10 the, I guess, online process that you use instead
11 of the on-site auditing process, is that -- is that
12 being done anywhere else, I guess, at this point?
13 Is there another example of that?

14 MR. WRIGHT: Yes. In the gas utility spectrum
15 we have FPUC who -- oh, wait. Actually, now that I
16 heard your question, I don't know. I would defer
17 to other staff. If there are other, specifically
18 online audits -- is that your question?

19 COMMISSIONER FAY: Yes.

20 MR. COSTON: Commissioner Fay, Tripp Coston,
21 Commission staff. Yes, there are some utilities,
22 both on the electric side that do provide the
23 computer-based audits. They also do the
24 walk-through audits per the audit rule, but that is
25 a Commission-approved option that customers have

1 for those utilities.

2 COMMISSIONER FAY: Okay. And I think the
3 staff analysis does a good job of laying out that
4 the purpose of the underlying statute is fulfilled
5 and the substantial hardship component, but isn't
6 the reality of some of this, isn't it that some of
7 these customers, if not most, would already have
8 the ability to do this under the electric side of
9 it? So I would presume these consumers have both
10 the electric and the gas?

11 MR. COSTON: That is correct. The FEECA
12 utilities on the electric side, there's an overlap
13 in the customers for the most part. So all those
14 FEECA utilities on the electric side do offer the
15 walk-through audits currently. The walk-through
16 audit says that as a general rule, really, it kind
17 of focus on the environment of the home, which is
18 really driven by the heating and cooling units in
19 the home. Therefore, those are provided on the
20 electric side, as well.

21 COMMISSIONER FAY: Okay. And then I think the
22 analysis stated that there's a potential audit cost
23 of -- in excess of \$500. How is that calculated?

24 MR. COSTON: That is calculated specifically
25 by the type of administrative costs that are needed

1 to operate those particular programs. There, in
2 many cases, the utilities use a computer-based
3 program to help assist with the calculation
4 methodologies that is used to determine the
5 improvements that may be appropriate for the home.
6 And there's also those costs plus just the field
7 work, you know, rolling a truck out to the home to
8 do that work.

9 COMMISSIONER FAY: Okay. Thank you. And, Mr.
10 Chairman, could I -- I'm guessing there's some
11 folks from the industry here. Could I just ask
12 from a technical standpoint, if these are being
13 done online, a consumer has the ability to call
14 into the utility and ask for how this process
15 works, correct?

16 MR. BROWN: That's correct. Andy Brown.
17 McFarlane Ferguson representing Peoples Gas and I'm
18 here with Mark Roach, manager of regulatory rates,
19 and he will address that.

20 MR. ROACH: Yes, Commissioner. I cover both
21 DSM programs for Peoples Gas System, as well as
22 Tampa Electric. We do use an online program for
23 Tampa Electric, as well as we have the
24 walk-through. As your previous question, RGIS
25 system kind of lists that the majority, if not most

1 customers, already have the access to a
2 walk-through audit through another electric FEECA
3 utility.

4 COMMISSIONER FAY: And then if they do need
5 assistance, they're able to call in and --

6 MR. ROACH: Yes, definitely.

7 COMMISSIONER FAY: -- and get that assistance.
8 Okay. Mr. Chairman, I might be channeling your
9 thoughts a little bit today, but the process of
10 this is very interesting to me and I think there
11 can be a significant benefit of doing this. I'm
12 glad to see this coming forward and I think the
13 waiver satisfies that. From what I understand, the
14 information would come back in four years.
15 Essentially, you'd evaluate it again at that point
16 because it's a temporary waiver. Is there any --
17 would the Commission be getting any other
18 information, maybe after a year or two, to see if
19 this is something that's viable for other
20 utilities?

21 MR. COSTON: Each year the utility will file
22 in its FEECA filing this utility, once its goals
23 are approved, will be required to file its annual
24 FEECA filing that's similar to the electricity
25 companies -- or electric companies, rather. That

1 filing will include stats, if you will, on their
2 audit program, type of number of participants,
3 costs and other components to that. So we would be
4 monitoring that on an annual basis through those
5 filings.

6 COMMISSIONER FAY: So each year for the cost
7 recovery we'll get what they're spending on that
8 and how it's doing?

9 MR. COSTON: Correct. We will get it in the
10 cost recovery clause docket, the 04 docket as well,
11 in the annual March 1st FEECA filing where they
12 provide their annual goals, achievements. They
13 will also have the components of the audit results
14 in there, as well.

15 COMMISSIONER FAY: Okay. I'm a big supporter
16 of this. I wanted to get more information back,
17 but I think staff has just confirmed with me that
18 we will get that information, so I don't have any
19 additional requirements on it. I'm ready to move
20 staff's recommendation, Mr. Chairman, if anybody
21 has any questions.

22 CHAIRMAN GRAHAM: We have a few other
23 questions. Commissioner Clark.

24 COMMISSIONER CLARK: Thank you, Mr. Chairman.
25 I'm going to speak as a former residential energy

1 auditor for about a quarter of my career and speak
2 up on behalf of my folks, I guess, here.

3 Residential energy audits are an extremely
4 important part of utility operations. And,
5 Commissioner Fay, I appreciate your observation. I
6 made several notes here, as well, and I kept
7 highlighting the word temporary waiver. I saw it,
8 I believe, three times in here and I highlighted it
9 in my notes. This is temporary. I really would
10 like to see an evaluation at some point in time
11 about exactly what potential problems may have
12 arisen by not having residential auditors out in
13 the field. I do not personally believe that a
14 online residential audit program can take the place
15 of a set of eyes that are looking over that
16 equipment.

17 When a homeowner does input, and I worked on
18 some early online audit calculation programs back
19 in the early 2000's, I never saw the same effect
20 yielding from a computer model as what we could
21 observe and get with real data in the field.
22 You're relying most on homeowner input who probably
23 does not have a complete understanding of all of
24 the equipment in their house that's being and needs
25 to be evaluated and, essentially, when it comes to

1 thermal envelope and performance of the house when
2 it comes to heat loss, heat gain, where the bulk of
3 this audit should be focused on.

4 So I would like to, I guess, encourage our
5 utilities to give this very, very strong
6 consideration. And you're looking for blanket
7 approval and waivers of removing the residential
8 energy auditing process and it concerns me greatly.
9 I am okay with the temporary waiver. Let's take a
10 look at this one, get us some good solid results
11 back and let us know how your online program
12 performed during this time period, and it'd
13 certainly be up for consideration, but that's
14 general observation and thoughts. Mr. Chairman.

15 CHAIRMAN GRAHAM: Commissioner Polmann.

16 COMMISSIONER POLMANN: Thank you. Mr.
17 Chairman, I would agree with everything that you've
18 just heard from Commissioners here. As to
19 concerns, I, unfortunately, do not have access to
20 natural gas in my home. My community does not have
21 that feature and I've been told that we will not.
22 It's simply for reasons of our location and so
23 forth. It's not economic for providers, which
24 disappoints me, but -- so I'm relying upon electric
25 service and I have used both the online and had the

1 benefit of a walk-through, and it's a completely
2 different experience.

3 The online auditing process really did not
4 provide me with enough information to give me a
5 real benefit. The in-person experience was
6 completely different. I had a gentleman in my
7 house for quite a bit of time and he was willing to
8 spend as much time as I needed to give me
9 information and answer my questions, and I learned
10 a great deal and I'm implementing programs,
11 spending money to benefit performance of my home
12 systems. So I would anticipate for a gas system
13 that there would be a similar experience for
14 homeowners. So I would hope that going forward,
15 that that would be available to residential users.

16 Similarly, this being temporary, I'm okay with
17 the temporary, but I'm wondering if there would be
18 an opportunity parallel to this to have some kind
19 of a pilot program, recognizing that one of your
20 issues is traveling and so forth, any additional
21 expense, if there's a local program within closer
22 to where your principal staff are that could
23 implement something, I don't know that that can be
24 committed today, but I'd like you to get back with
25 our staff and maybe propose a program so we can get

1 that comparison, maybe online is what Commissioner
2 Clark has in mind from his experience, having done
3 that. So please consider that and I'll ask staff
4 to follow up with you on that.

5 Concerning the administrative and the staffing
6 costs, over your service area, which I recognize is
7 fairly large, I'd also like some consideration of
8 whether the on-site implementation necessarily
9 requires your staff. If there's a provision for
10 contracting, subcontracting at different locations
11 around your service area with, you know, individual
12 expertise, I have no idea if that's possible, but
13 I'd like some consideration of that if there's some
14 cost savings that could bring the cost of the
15 program to a place where it would be more
16 reasonable if the implementation cost, the
17 per-visit cost is a problem. If that's an obstacle
18 in particular, please again review that with our
19 staff.

20 I don't know that that's something that can be
21 answered here today, but I think what the
22 Commission is looking for are alternative
23 opportunities, because we believe that the in-home
24 has a real benefit. I don't have issue with moving
25 forward here on a temporary basis, but I'd like

1 some consideration of seeing the benefits and
2 trying to implement the on-site opportunities from
3 my own personal experience made a real difference
4 to me. So I think you do understand that.

5 Thank you, Mr. Chairman.

6 CHAIRMAN GRAHAM: Commissioner Fay, did you
7 have a motion for me?

8 COMMISSIONER FAY: I do, Mr. Chairman, if I
9 could just ask one clarifying question to staff
10 really quickly. The estimated \$500 per cost per
11 household, is that something that -- that's
12 typically put into the reimbursement clause? I
13 mean, when they come forward -- when the utility
14 comes forward with that expense, is that something
15 that's typically passed on through the rate?

16 MR. COSTON: That is correct. It would go
17 through, in this particular case, the F4 cost
18 recovery clause for natural gas.

19 COMMISSIONER FAY: Okay. Great. Mr.
20 Chairman, I would move staff's recommendation on
21 all issues. And going forward, look forward to
22 having staff updating us with information regarding
23 these annual filings. Thank you.

24 CHAIRMAN GRAHAM: It's been moved and second,
25 the Fay motion. Any further discussion?

1 (No comments made.)

2 CHAIRMAN GRAHAM: Seeing none, all in favor
3 say, aye.

4 (Chorus of ayes.)

5 CHAIRMAN GRAHAM: Any opposed?

6 (No comments made.)

7 CHAIRMAN GRAHAM: By your action, you've
8 approved that motion.

9 (Agenda item concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DANA W. REEVES, Professional Court
Reporter, do hereby certify that the foregoing
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I FURTHER CERTIFY that I am not a relative,
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financially interested in the action.

DATED THIS 12th day of August, 2019.



DANA W. REEVES
NOTARY PUBLIC
COMMISSION #FF968527
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