

**Diamond Williams**

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**From:** Keating, Beth [BKeating@gunster.com]  
**Sent:** Wednesday, October 12, 2011 10:44 AM  
**To:** Filings@psc.state.fl.us  
**Cc:** Lee Eng Tan  
**Subject:** Docket No. 110002-EG

**Attachments:** 20111012103931145.pdf; FPUC Energy Prehearing Statement- 2011.DOC

Attached for electronic filing, please find the Florida Public Utilities Company's Prehearing Statement in the referenced docket.

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a. Person responsible for this electronic filing:

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b. Docket No. 110002-EG - In re: Energy Conservation Cost Recovery Clause

c. On behalf of: Florida Public Utilities Company

d. There are a total of pdf filed: 8 pages.  
Word file: 7 pages

e. Description: Prehearing Statement



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October 12, 2011

**VIA E-MAIL FILINGS@PSC.STATE.FL.US**

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

Re: Docket No. 110002-EG – Energy Conservation Cost Recovery Clause

Dear Ms. Cole:

Attached for electronic filing, please find the Florida Public Utilities Company's Prehearing Statement in the referenced docket. Also attached is a copy of the Prehearing Statement in Word format.

As always, thank you for your assistance with this filing, and please don't hesitate to let me know if you have any questions at all.

Sincerely,

Beth Keating  
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215 South Monroe St., Suite 601  
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MEK

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Energy Conservation Cost ) Docket No. 110002-EG  
Recovery Clause. )  
\_\_\_\_\_ ) Filed: October 12, 2011

**FLORIDA PUBLIC UTILITIES COMPANY'S  
PREHEARING STATEMENT**

Consistent with Order No. 11-0136-PCO-EG, issued February 28, 2011, Florida Public Utilities Company ("FPUC") hereby submits this Prehearing Statement:

a. All Known Witnesses

<u>Witness</u>	<u>Subject</u>	<u>Issue</u>
Cheryl M. Martin <sup>1</sup>	Final True Up 2010	1
Cheryl M. Martin	2012 Cost Recovery Amounts and Factors for 2012	2 - 4

b. All Known Exhibits

<u>Witness</u>	<u>Exhibit</u>	<u>Title</u>
Cheryl Martin	JVH-1(composite) <sup>2</sup>	Schedules CT-1, CT-2, CT-3, CT-4, CT-5 and CT-6
Cheryl Martin	CMM-1 (composite)	Schedules C-1, C-2, C-3, C-4, and C-5

<sup>1</sup> Ms. Martin will adopt in full the May 3, 2011 Direct Testimony of Mr. Jason Van Hoffman.

<sup>2</sup> Ms. Martin will adopt and sponsor Exhibit JVH-1 as originally filed by Mr. Van Hoffman on May 3, 2011.

c. FPUC's Statement of Basic Position

FPUC: The Commission should approve Florida Public Utilities Company's final net true-up for the period January through December 2010, the estimated true-up for the period January through December, 2011, and the projected conservation program expenses for the period January through December, 2012.

d. FPUC's Position on the Issues

**GENERIC CONSERVATION COST RECOVERY ISSUES**

**ISSUE 1:** What are the final conservation cost recovery true-up amounts for the period January 2010 through December 2010?

FPUC: An under-recovery of \$90,657.

**ISSUE 2:** What are the total conservation cost recovery amounts to be collected during the period January 2012 through December 2012?

FPUC: FPUC seeks to recover \$825,802.

**ISSUE 3:** What are the conservation cost recovery factors for the period January 2012 through December 2012?

FPUC: The Company asks for approval of a consolidated levelized conservation cost recovery factor for this period of \$.00115 per KWH

**ISSUE 4:** What should be the effective date of the new conservation cost recovery factors for billing purposes?

FPUC: The factor should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2012 through December 2012. Billing cycles may start before January 1, 2012 and the last cycle may be read after December 31, 2012, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

**Issues Proposed By SACE**

**ISSUE 7:** Has the utility documented a levelized cost, or used another methodology, to determine the DSM plan program cost per unit of energy savings?

**FPUC:** As a general matter, FPUC suggests that this issue is not appropriate for resolution in this proceeding in that it improperly expands the scope to include matters addressed when the Commission approved FPUC's DSM plans. With that said, FPUC's DSM plan includes program costs per unit, as previously addressed in Docket No. 100158-EG.

**ISSUE 8:** Would a different mix of compliant DSM Plan programs result in a lower conservation cost recovery factor?

**FPUC:** As a general matter, FPUC suggests that this issue is not appropriate for resolution in this proceeding in that it improperly expands the scope to include matters addressed when the Commission reviewed FPUC's DSM plan in Docket No. 100158-EG, and consequently, approved the Plan by Order No. PSC-10-0678-PAA-EG, issued November 12, 2010. Revisiting the mix of programs in the Plan would necessitate another Technical Potential Study, which would be an extensive undertaking not appropriately within the scope and purpose for which this proceeding was designed. Moreover, such a Study could not be completed prior to the hearing in this proceeding. FPUC's current mix of DMS Plan programs results in an appropriate conservation cost recovery factor.

**ISSUE 9:** Would modifying the design of existing compliant DSM Plan programs result in a lower cost recovery factor?

**FPUC:** As a general matter, FPUC suggests that this issue is not appropriate for resolution in this proceeding in that it improperly expands the scope to include matters addressed when the Commission reviewed FPUC's DSM plan in Docket No. 100158-EG, and consequently, approved the Plan by Order No. PSC-10-0678-PAA-EG, issued November 12, 2010. Revisiting the design of existing programs in the Plan would be an extensive undertaking not appropriately within the scope and purpose for which this proceeding was designed, and would necessitate revisiting FPUC's approved DMS Plan itself. Moreover, such an analysis could not be completed prior to the hearing in this proceeding. The current design of FPUC's existing DMS programs provides an appropriate cost recovery factor.

**ISSUE 10:** Would an increased reliance on lower cost compliant DSM Plan programs result in a lower cost recovery factor?

**FPUC:** As a general matter, FPUC suggests that this issue is not appropriate for resolution in this proceeding in that it improperly expands the scope to include matters addressed when the Commission reviewed FPUC's DSM plan in Docket No. 100158-EG, and consequently,

approved the Plan by Order No. PSC-10-0678-PAA-EG, issued November 12, 2010. Revisiting the level of reliance by FPUC upon various programs in its Plan would necessitate another Technical Potential Study, which would be an extensive undertaking not appropriately within the scope and purpose for which this proceeding was designed. Moreover, such a Study could not be completed prior to the hearing in this proceeding. FPUC's structure of its DMS Plan programs results in an appropriate conservation cost recovery factor.

**ISSUE 11:** Are the costs of the DSM Plan programs prudent?

**FPUC:** Yes. The costs are appropriate and prudently incurred.

e. Stipulated Issues

There are no stipulated issues at this time.

f. Pending Motions

FPUC has no pending motions at this time.

g. Pending Confidentiality Claims or Requests

FPUC has no pending requests for confidentiality at this time.

h. Objections to Witness Qualifications as an Expert

FPUC has no objections to any witnesses' qualifications at this time.

i. Compliance with Order No. 11-0136-PCO-EG

FPUC has complied with all requirements of the Order Establishing Procedure entered in

Docket No. 110002-EG  
October 12, 2011

this docket.

RESPECTFULLY SUBMITTED this 12th day of October, 2011.



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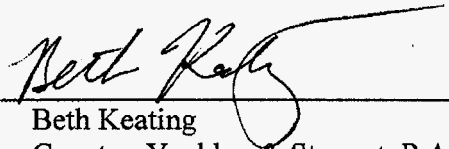
**CERTIFICATE OF SERVICE**

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic mail or U.S. Mail to the following parties of record this 12th day of October, 2011:

Florida Public Utilities Company Cheryl Martin/Curtis Young P.O. Box 3395 West Palm Beach, FL 33402-3395	Jon C. Moyle, Jr., Esq. Vicki G. Kaufman, Esq. Keefe, Anchors, Gordon & Moyle 118 North Gadsden St. Tallahassee, FL 32301
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Docket No. 110002-EG  
October 12, 2011

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