

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Conservation Cost Recovery)	DOCKET NO. 890002-EG
Clause.)	ORDER NO. 20785
)	ISSUED: 2-21-89

Pursuant to Notice, a Prehearing Conference was held on February 10, 1989, in Tallahassee, before Commissioner John T. Herndon, Prehearing Officer.

APPEARANCES:

JAMES A. MCGEE, Esquire, Office of the General Counsel, Florida Power Corporation, P. O. Box 14042, St. Petersburg, Florida 33733
On behalf of Florida Power Corporation.

CHARLES GUYTON, Esquire, Steel, Hector and Davis, 310 W. College Ave., Tallahassee, Florida 32301-1406
On behalf of Florida Power & Light.

ROBERT S. GOLDMAN, Esquire, Messer, Vickers, Caparello, French & Madsen, P. A., P. O. Box 1876, Tallahassee, Florida 32301
On behalf of Florida Public Utilities Corporation, Gainesville Gas Company, and West Florida Natural Gas Company.

JEFFREY A. STONE, Esquire, Beggs & Lane, P. O. Box 12950, Pensacola, Florida 32576-2950
On behalf of Gulf Power Company.

JAMES D. BEASLEY, Esquire, Ausley, McMullen McGee, Carothers & Proctor, P. O. Box 391, Tallahassee, Florida 32302
On behalf of Tampa Electric Company and City Gas Company of Florida.

VICKI GORDON KAUFMAN, Esquire, Lawson, McWhirter, Grandoff & Reeves, 522 Park Avenue, Suite 200, Tallahassee, Florida 32301
On behalf of the Florida Industrial Power Users Group, Monsanto Company, American Cyanamid Company, and Air Products & Chemicals.

ZORI G. FERKIN, Esquire, Southerland, Asbill & Brennan, 1275 Pennsylvania Avenue, N. W., Washington, D. C. 20004-2404
On behalf of Occidental Chemical Corporation.

ROBERT R. MORROW, Esquire, Sutherland, Asbill & Brennan, 1275 Pennsylvania Avenue, N. W., Washington, D. C., 20004
On behalf of the Coalition of Local Governments.

JOHN ROGER HOWE, Esquire, Office of the Public Counsel, c/o Florida House of Representatives, The Capitol, Tallahassee Florida 32301
On behalf of the Citizens of the State of Florida.

BEN GIRTMAN, Esquire, 1020 E. Lafayette Street, Suite 207, Tallahassee, Fl. 32301
On behalf of Central Florida Gas Company.

Ansley Watson, Jr., Esquire, MacFarlane, Ferguson, Allison & Kelly, P.O. Box 1531, Tampa, Fl. 33601
On behalf of Peoples Gas System, Inc.

MARSHA E. RULE, Esquire, and JEFFREY WIGGS, Esquire, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida, 32399-0863
On behalf of the Commission Staff.

PRENTICE PRUITT, Office of General Counsel, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida, 32399-0861
Counsel to the Commissioners.

PREHEARING ORDER

Background

As part of the continuing fuel cost recovery proceedings, a hearing is set for February 22-24 in this docket and in Dockets No. 890001-EI and 890003-GU. The following subjects were noticed for hearing in such dockets:

1. Determination of the Proposed Levelized Fuel Adjustment Factors for all investor-owned utilities for the period April, 1989 through September, 1989;
2. Determination of the Estimated Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period October, 1988 through March, 1989, which are to be based on actual data for the period October, 1988 through November, 1988, and revised estimates for the period December, 1988 through March, 1989;
3. Determination of the Final Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period April 1988 through September, 1988, which are to be based on actual data for that period;
4. Determination of the Projected Conservation Cost Recovery Factors for certain investor-owned electric and gas utilities for the period April, 1989 through September, 1989;

5. Determination of the Estimated Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period October, 1988 through March, 1989, which are to be based on actual data for the period October, 1988 through November, 1988, and revised estimates for the period December, 1988 through March, 1989;
6. Determination of the Final Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period April, 1988 through September, 1988, which are to be based on actual data for that period;
7. Determination of any Projected Oil Backout Cost Recovery Factors for the period April, 1989 through September, 1989, for the cost of approved oil backout projects to be recovered pursuant to the provisions of Rule 25-17.16, Florida Administrative Code;
8. Determination of the Estimated Oil Backout Cost Recovery True-Up Factors for the period October, 1988 through March, 1989, for the costs of approved oil backout projects to be recovered pursuant to the provisions of Rule 25-17.16, Florida Administrative Code, which are to be based on actual data for the period October, 1988 through November, 1988, and revised estimates for the period December, 1988 through March, 1988;
9. Determination of the Final Oil backout True-up Amounts for the period April, 1988 through September, 1988, which are to be based on actual data for that period;
10. Determination of Generating Performance Incentive Factor Targets and Ranges for the period April, 1989 through September, 1989;
11. Determination of Generating Performance Incentive Factor Rewards and Penalties for the period April, 1988 through September, 1988; and
12. Determination of the Purchased Gas Adjustment True-Up Amounts for the period April, 1988 through September, 1988, to be recovered during the period April, 1989 through September, 1989.

Use of Prefiled Testimony

All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and exhibits, unless there is a sustainable objection. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his testimony at the time he or she takes the stand.

Use of Depositions and Interrogatories

If any party desires to use any portion of a deposition or an interrogatory, at the time the party seeks to introduce that deposition or a portion thereof, the request will be subject to proper objections and the appropriate evidentiary rules will govern. The parties will be free to utilize any exhibits requested at the time of the depositions subject to the same conditions.

Order of Witnesses

The witness schedule is set forth below in order of appearance by the witness's name, subject matter, and the issues which will be covered by his or her testimony.

The witness schedule listed below is a continuation of the witness schedule contained in the prehearing order for Docket No. 890001.

The parties have stipulated that testimony of witnesses on the list below whose names are preceded by an asterisk shall be inserted into the record at hearing as though read, cross-examination shall be waived, and that witness shall be excused from attendance at the hearing.

<u>Witness</u>	<u>Subject Matter</u>
18. T.J. Gelvin (FPC)	Conservation Cost Recovery True-Ups, Factor and Programs of FPC
19. D.L. Willis (FPL)	ECCR Projections April- September 1989; ECCR True-up April-September 1988
20. P.A. England (FPL)	Prudence of FPL's conserva- tion advertising expenditures; continuation of FPL's Conserva- tion Awareness Program
*21. M.A. Peacock (FPUC)	ECCR projections, true-up (Marianna and Fernandina Beach)
*22. J.F. Young (Gulf)	ECCR Factors, True-Up and and Projected Factors; direct testimony will be inserted into record as though read and cross-examination waived

<u>Witness</u>	<u>Subject Matter</u>
*23. G.J. Kordecki (TECO)	Conservation Cost Recovery True-up and Projected Factors
*24. S. Sessa (CFCG)	ECCR Projections and True-Up Factor
*25. T.D. Anderson (City Gas)	Conservation Cost Recovery True-up and Projected Factors
*26. L. Noegel (G'ville Gas)	ECCR projections, true-up
*27. S.D. Wilson (Peoples)	ECCR Projections, true-up
*28. G.E. Sowder (WFNG)	ECCR projections, true-up
*29. B.A. Evans (WFNG)	ECCR projected expenses
*30. D. Hughes (WFNG)	ECCR projected sales
31. R. Floyd (Staff)	FPL conservation programs and advertising expense; Gulf's conservation programs
32. R. Shine (Staff)	FPC and TECO conservation programs

Rebuttal

33. J.F. Young (Gulf)	Gulf's conservation programs
34. P.A. England (FPL)	Advertising expenditures

EXHIBIT LIST

The parties have stipulated that the exhibits on the list below which are preceded by an asterisk shall be admitted into the record without objection.

FPC HAS BEEN ASSIGNED EXHIBIT NUMBERS 101-199
FPC Exhibits 101-104 were identified in Docket No. 890001

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*105	Gelvin	Schedules attached to Prefiled Testimony as C-1 through C-5 and CT-1 through CT-5

FPL HAS BEEN ASSIGNED EXHIBIT NUMBERS 201-199
Exhibits 201-205 were identified in Docket No. 890001

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
206	Willis	Schedules C-1 through C-5, with Supplements
207	Willis	Schedules CT-1 through CT-6, with Supplements
208	England	Document 1 of Rebuttal Testimony filed 2/10/89

FPUC HAS BEEN ASSIGNED EXHIBIT NUMBERS 301-399
Exhibits 301-302 were identified in Docket No. 890001

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*303	Peacock	Schedules C-1 through C-5, CT-1 through CT-6 (Marianna)
*304	Peacock	Schedules C-1 through C-5, CT-1 through CT-6 (Fernandina Beach)

GULF HAS BEEN ASSIGNED EXHIBIT NUMBERS 401-499
Exhibits 401-405 were identified in Docket No. 890001

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*406	Young	Schedules CT-1 through CT-6 (JFY-1) and Schedules C1 through C5 (JFY-2) - Support Schedules for ECCR Factors
407	Young	Exhibit JFY-3 to Rebuttal Testimony; Sample Calculation of Demand (KW) Savings achieved by installing properly sized and more efficient A/C equipment through Good Cents Home (Existing) Program

TECO HAS BEEN ASSIGNED EXHIBIT NUMBERS 501-599
Exhibits 501-507 were identified in Docket No. 890001

*508	Kordecki	True-up Schedules CT-1 through CT-6; Exhibit (GJK-1) filed 11-28-88
*509	Kordecki	Projection Schedules C-1 through C-5; Exhibit (GJK-2) to testimony filed 1-9-89

FIPUG HAS BEEN ASSIGNED EXHIBIT NUMBERS 601-699
Exhibits 601-602 were identified in Docket No. 890001
At this time, no exhibits have been identified in this docket.

OCC HAS BEEN ASSIGNED EXHIBIT NUMBERS 701-799
At this time, no exhibits have been identified.

MC/ACC/APC HAVE BEEN ASSIGNED EXHIBIT NUMBERS 801-899
At this time, no exhibits have been identified.

CLG HAS BEEN ASSIGNED EXHIBIT NUMBERS 901-999
At this time, no exhibits have been identified.

OPC HAS BEEN ASSIGNED EXHIBIT NUMBERS 1201-1299
At this time, no exhibits have been identified.

STAFF HAS BEEN ASSIGNED EXHIBIT NUMBERS 1301-1399

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
1301	Floyd	Response to Staff's 1st Set of Interrog. to FPL (No. 1) (RF-1)
1302	Floyd	FPL late filed exhibit no. 9 from Aug. 1988 Cost Recovery Hearing (RF-2)
1303	Floyd	FPL Advertising Expenses Proposed for Disallowance (RF-3)
1304	Floyd	Correspondence about security lighting (FPL) (RF-4)
1305	Floyd	Response to Staff's First Set Interrog. to FPL (No. 2) (RF-5)
1306	Floyd	FPL Conservation Awareness Program Recovered Expenses (RF-6)
1307	Floyd	Response to Staff's First Set of Interrog. to Gulf (No. 4a) (RF-7)
1308	Floyd	Response to Staff's First Set of Interrog. to Gulf (No.8) (RF-8)
1309	Floyd	Response to Staff's First Set of Interrog. to Gulf (No. 9) (RF-9)
1310	Floyd	Gulf Education/Seminars/ Programs Recovered Expenses

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
1311	Shine	ECCR Recovered FPC Education Program
1312	Shine	FPC Mercury Vapor Light Conversions

CFCG HAS BEEN ASSIGNED EXHIBIT NUMBERS 1401-1499

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*1401	Sessa	Schedules C-1 through C-5 and CT-1 through CT-6

CITY GAS HAS BEEN ASSIGNED EXHIBIT NUMBERS 1501-1599

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*1501	Anderson	True-up Schedules CT-1 through CT-6; Exhibit (TDA-1) to testimony filed 11-18-88
*1502	Anderson	Projection Schedules C-1 through C-5; Exhibit (TDA-2) to testimony filed 1-9-89

GAINESVILLE GAS HAS BEEN ASSIGNED EXHIBIT NUMBERS 1601-1699

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*1601	Noegel	Schedules C-1 through C-5, Schedules CT-1 through CT-6

PEOPLES GAS HAS BEEN ASSIGNED EXHIBIT NUMBERS 1701-1799

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*1701	Wilson	Schedules CT-1 through CT-6
*1702	Wilson	Schedules C-1 through C-5

ST. JOE HAS BEEN ASSIGNED EXHIBIT NUMBERS 1801-1899
At this time, no exhibits have been identified.

WFNG HAS BEEN ASSIGNED EXHIBIT NUMBERS 1901-1999

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*1901	Sowder	Schedules C-1 through C-5 Schedules CT-1 through C-6
*1902	Evans	Schedules C-2, C-3
*1903	Hughes	Schedule C-1

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DADE COUNTY HAS BEEN ASSIGNED EXHIBIT NUMBERS 2001-2099
At this time, no exhibits have been identified.

FICA HAS BEEN ASSIGNED EXHIBIT NUMBERS 2101-2199
At this time, no exhibits have been identified.

PARTIES' STATEMENT OF BASIC POSITION

Staff:

Staff's positions are shown in Attachment A hereto.

Florida Power Corporation (FPC):

FPC's true-up amounts and cost recovery factor should be approved as filed.

Florida Power & Light (FPL):

The Commission should approve a conservation cost recovery factor of .042 cents per kWh to be applied by FPL during the April-September 1989 period.

Florida Public Utilities Company (FPUC):

1) The Commission should approve the Company's adjusted end of period total true-up amounts for the period April 1, 1988 through September 30, 1988 of \$300 underrecovery in the Marianna Division and \$3,983 overrecovery in the Fernandina Beach Division.

2) The Commission should approve the Company's estimated true-up amounts for the period October 1, 1988 through March 31, 1989 of \$365 underrecovery for the Marianna Division and \$11,068 overrecovery for the Fernandina Beach Division, based upon two months actual and four months estimated data.

3) The Commission should approve the Company's conservation cost recovery factors of \$.00027 per kWh for the Marianna Division and \$.00018 per kWh for the Fernandina Beach Division, to be applied to customer bills during the period April 1, 1989 through September 30, 1989.

Gulf Power Company (Gulf):

It is the basic position of Gulf Power Company that the proposed ECCR factors present the best estimate of Gulf's Conservation expense for the period March 1989 through September 1989 including the true-up calculations and other adjustments allowed by the Commission.

Gulf further believes that its conservation programs (Good Cents Home (Existing), Energy Education and Presentations/Seminars) continue to serve, in a cost effective manner, the purposes these programs were intended to serve when first submitted to and approved by this Commission for inclusion in Gulf's conservation plan. The importance of these programs has not diminished and, therefore, they should

continue to receive Commission approval for inclusion in the energy conservation cost recovery (ECCR) clause.

Tampa Electric Company (TECO):

Tampa Electric submits that it has properly calculated its true-up amounts and projected cost recovery factors for conservation cost recovery.

Coalition of Local Governments (CLG):

CLG supports the apparent intent of Staff to thoroughly reevaluate the programs which are subject to the Conservation Cost Recovery Clause. Each program, including the Load Management Program, should be examined to determine if the KWH and KW demand savings have been properly evaluated, if the programs are cost effective and should be continued, and if they are being implemented in an efficient, non-discriminatory manner.

Office of Public Counsel (OPC)

This party's prehearing statement contained no statement of basic position.

Central Florida Gas Company (CFCG):

The Commission should approve the final adjusted net true-up amount for the period April 1, 1988 through September 30, 1988, the estimated true-up amount for the six months ending March 31, 1989, the projected conservation program expenses for the period April 1, 1989 through September 30, 1989, and the conservation cost recovery factor to be applied to bills rendered for meter readings taken between April 1, 1989 and September 30, 1989, as filed by CFCG.

City Gas Company of Florida (City Gas or CGC):

City Gas submits that it has properly calculated its true-up amounts and projected cost recovery factors for conservation cost recovery.

Gainesville Gas Company (Gainesville Gas or GGC):

- 1) The Commission should approve the Company's end of period net conservation true-up amount of \$31,682 underrecovery and adjusted net true-up of \$14,075 for the period April 1, 1988 through September 30, 1988.
- 2) The Commission should approve the Company's estimated conservation true-up amount of \$5,353 underrecovery for the period October 1, 1988 through March 31, 1989, based upon two months actual and four months estimated data.
- 3) The Commission should approve the Company's conservation cost recovery factor of 1.817 cents per therm to be applied to customer bills during the period April 1989 through September 30, 1989.

Peoples Gas System, Inc. (PGS):

The Commission should approve PGS's final adjusted net true-up amount of \$15,828 (underrecovery) for the period April 1 through September 30, 1988, and should approve the estimated true-up amount for the six months ending March 31, 1989, the projected conservation program expenses for the six months ending September 30, 1989, and the conservation cost recovery factor for application to bills rendered for meter readings taken between April 1 and September 30, 1989, as filed by PGS.

West Florida Natural Gas Company (WFNG)

1) The Commission should approve the Company's adjusted net conservation true-up amount of \$42,762 underrecovery for the period April 1, 1988 through September 30, 1988.

2) The Commission should approve the Company's estimated conservation true-up amount of \$35,939 underrecovery for the period October 1, 1988 through March 31, 1989, based upon two months actual data and four months estimated data.

3) The Commission should approve the Company's conservation cost recovery factor of 2.075 cents per therm to be applied to customer bills during the period April 1, 1989 through September 30, 1989.

STATEMENT OF ISSUES AND POSITIONS

Energy Conservation Cost Recovery

1. ISSUE: (Stipulated As to All Utilities Except FPL): What is the appropriate adjusted net true-up amount for the period April, 1988 through September, 1988?

STAFF: For FPC, FPUC, Gulf and TECO, Staff agrees with each company's position. For FPL, the actual net true-up for the April 1988- September 1988 period should be an overrecovery of \$2,956,852 and the adjusted net true-up should be an overrecovery of \$1,288,052.

For other utilities, the true-up amounts are as follows:

CFCG: \$21,795 overrecovery (agree with utility).
CGC: \$285,748 overrecovery (agree with utility).
GCG: \$14,075 underrecovery (agree with utility).
PGS: \$15,828 underrecovery (agree with utility).
SJNG: \$2,065 overrecovery (approve utility filing).
WFNG: \$33,002 underrecovery (agree with utility).

FPC: Overrecovery of \$531,349 including interest.

FPL: The actual net true-up was an overrecovery of \$1,824,831 and the adjusted net true-up was an overrecovery of \$156,031; both amounts include interest.

FPUC: Marianna: \$300 underrecovery.
Fernandina Beach: \$3,983 overrecovery.

GULF: Overrecovery of \$66,612.

TECO: Overrecovery of \$474,178, including interest.

CLG: Agree with Staff.

OPC: Agree with Staff.

CENTRAL FLA.: \$21,795 overrecovery.

CITY GAS: Agree with Staff.

GAINESVILLE GAS: \$31,682 underrecovery; adjusted net true-up is \$14,075 per Schedule CT-1.

PEOPLES: \$15,828 underrecovery including interest.

WFNG: Agree with Staff.

2. ISSUE: (Stipulated As to All Utilities Except FPL):
What is the appropriate projected end-of-period total net true-up amount for the period October 1988 through March, 1989?

STAFF: Agree with all gas utilities per filings, including SJNG at \$1,001 overrecovery. For electric utilities, Staff agrees with FPC, FPUC, Gulf and TECO. For FPL, the estimated true-up for the period October, 1988 through March, 1989 should be an overrecovery of \$2,005,808.

FPC: Overrecovery of \$1,070,552 including interest.

FPL: Overrecovery \$842,016 including interest.

FPUC: Marianna: \$365 underrecovery
Fernandina Beach: \$11,068 overrecovery.

GULF: Underrecovery of \$254,334.92.

TECO: Overrecovery of \$770,849, including interest.

CLG: Agree with Staff.

OPC: Agree with Staff.

CENTRAL FLA.: The projected true-up amount is \$51,962 overrecovery.

CITY GAS: \$489,614 overrecovery, including interest.

GAINESVILLE GAS: \$5,353 underrecovery.

PEOPLES: \$88,930 overrecovery.

WFNG: \$35,939 underrecovery.

3. ISSUE: (Stipulated As to All Utilities Except FPL):
What is the appropriate Conservation Cost Recovery Factor for the period April, 1989 through September, 1989?

STAFF: For FPC, FPUC, Gulf and TECO, Staff agrees with each company. For FPL, the conservation cost recovery factor should be .039 cents per kwh.

For gas utilities, Staff agrees that the appropriate factors are as follows:
(in cents per therm)

CFCG: .265 and .261 Public Authority factor

CGC: (.004)

GCG: 1.816

PGS: .706 and .696 Public Authority factor

SJNG: .305

WFNG: 2.075

FPC: 0.153 cents per kwh.

FPL: 0.042 cents per kwh.

FPUC: \$.00028/kwh (Marianna)
\$.00018/kwh (Fernandina Beach)

GULF: 0.040 cents per kwh.

TECO: .111¢/kwh (recalculated per ruling in Docket No. 881416-EG excluding interruptible customers from ECCR clause.).

CLG: No position at this time.

OPC: No position at this time.

CENTRAL FLA.: .265 cents per therm Conservation Adjustment Factor and .261 cents per therm Public Authority Factor.

CITY GAS: A refund of 0.004¢/therm.

GAINESVILLE GAS: Agree with Staff.

PEOPLES: 0.706 cents per therm and .6956 cents per therm Public Authority factor.

WFNG: Agree with Staff.

*4. STIPULATED ISSUE: What is the appropriate Revenue Tax Factor for use in determining the Conservation Cost Recovery Charge?

The appropriate Revenue Tax Factor is 1.01652. The appropriate Public Authority Tax Factor for Central Florida and Peoples is 1.00125.

Company Specific Issues

Florida Power & Light Company

5. ISSUE: Should any of FPL's conservation cost recovery advertising costs be disallowed? (Staff)

STAFF: Yes. For the period April 1987 - September 1987, Staff proposes a disallowance of \$574,837.01. For the period October 1987 - March 1988, Staff proposes a disallowance of \$222,946.82. For the period April 1988 - September 1988, Staff proposes a disallowance of \$282,948.38. Attachment A is a summary of the disallowances for these periods and the effect on true-up balances and the cost recovery factor for April 1989 - September 1989.

FPL: No. FPL's advertising costs are reasonable and were prudently incurred. The advertisements disputed by Staff all provide useful conservation information to the public and are important contributions to the successful promotion of FPL's approved conservation programs and of customers' overall conservation awareness. FPL's advertisements are developed, utilizing the marketing expertise of outside advertising professionals, to respond to customer attitudes identified through market research and FPL's familiarity with its customer base. They are intended to build on those attitudes in order to increase customer awareness of, and willingness to participate in, the various conservation-related initiatives FPL has identified as useful to its system and to meeting its FEECA goals.

OPC: No position at this time.

- *6. STIPULATED ISSUE: Should FPL's Passive Home Program be eliminated?

Yes. The program has accomplished its original objectives.

- *7. STIPULATED ISSUE: Should FPL's Pool Pump Program be eliminated?

Yes. Activity in this program is minimal. Currently, costs for this program are being allocated from costs for the audit program. Further, this program has accomplished its original objectives.

8. ISSUE: Should FPL's Conservation Awareness Program be eliminated? (Staff)

STAFF: Yes.

FPL: No. The Conservation Awareness Program was approved as an integral part of FPL's Energy Management Plan for the 80's to provide broadly-based conservation information that cuts across, and extends beyond, the bounds of individual programs. This purpose is even more relevant to today's

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market environment than it was to the environment of the early 80's, because FPL now must reach harder-to-motivate customers and because the incentives previously available under some of FPL's other programs have been phased out. Conservation Awareness is also the conservation activity that transcends all customer and demographic segments in pointing out that the wise use of energy makes sense for everyone.

OPC: No position at this time.

- *9. STIPULATED ISSUE: Should FPL's Street Light Conversion Program be eliminated?

Yes. The program has accomplished its original objectives.

Gulf Power Company

10. ISSUE: Should Gulf's Super Good Cents Home (Existing) Program be eliminated or modified since, based on responses supplied by Gulf Power Company to recent Staff interrogatories, the benefit to participating customers appears to be negligible? (Staff)

STAFF: Yes.

GULF: No. The primary objective of this conservation program is to achieve economic value for all of Gulf's customers not just the participating customers. The program provides benefits to all of Gulf's customers in a ratio to costs of 3.461 to 1. Thus the Program is strongly cost effective. Although the ratio for participating customers is much closer, it is still positive, and, more importantly, consumer demand for the Program is still strong. So long as a strong level of customer participation is achieved, and the Program, without modification, continues to be strongly cost effective from the "All Customers" perspective, the Commission should continue to approve the Program for inclusion in the Company's conservation plan and for conservation cost recovery.

OPC: No position at this time.

11. ISSUE: Should Gulf's Energy Education Program be eliminated? (Staff)

STAFF: Yes.

GULF: No. This Program and the Presentations/Seminars Program targeted in the next issue continue to fulfill the purposes intended for the Programs when first approved by this Commission in Order No. 9399 issued March 30, 1981, in Docket No. 800671-EG(MC). All of Gulf's education programs are designed to create demand for energy conservation in the marketplace. The Company's energy education efforts are tailored to meet the needs of its customers and to

communicate the availability of all of the programs in the Company's conservation plan. It is through these education programs that high demand for the quantifiable programs is created and maintained, to the ultimate benefit of the Company's overall body of customers.

OPC: No position at this time.

12. ISSUE: Should Gulf's Presentations/Seminars Program be eliminated? (Staff)

STAFF: Yes.

GULF: No. Please see the Company's position on Issue 10.

OPC: No position at this time.

Florida Power Corporation

- *13. STIPULATED ISSUE: Should FPC's Voltage Regulation Program be eliminated?

Yes. All eligible sub-stations have been retrofitted and all new sub-stations have voltage regulation incorporated in their initial design. The program has accomplished the objective listed in the original program approval. No new charges will be made to this account.

- *14. STIPULATED ISSUE: Should FPC's Street Lighting Program be eliminated?

Yes. This program should be phased out, with the effective date to be worked out between the parties, such that the utility completes its conversion program before the program is terminated.

15. ISSUE: Should FPC's Energy Education Program be eliminated? (Staff)

STAFF: Yes. This program is not monitorable and the cost effectiveness is questionable.

FPC: No. The Energy Education Program is an important and integral part of Florida Power's overall conservation efforts. Benefits include:

- a. Informing and teaching consumers practices and measures to use energy efficiently. A great number of these customers would not be touched by other authorized Programs. Examples: Printed brochures are developed and speeches made to customer groups by Florida Power Speakers' Bureau members. Topics include the purchase and use of efficient home appliances; keeping thermostats at efficient levels for heating and cooling; proper maintenance of equipment, such as changing central system filters and keeping condensing coils free of dirt; how to insist that a new home be energy efficient.

Trade allies, like air conditioning contractors, architects, builders, realtors, etc., are reached through seminars and publications to be aware of and use the latest energy efficiency methods in their work, and to convey this information to their customers.

b. Obtaining leads and inquiries for other Conservation Programs: A great number of the program inquiries we receive are derived from the speeches and educational advertising done in this program. Although the basic subject of the speech may be appliance efficiency or conservation practices, customers are made interested in obtaining more information or a specific audit to see what specifically can be done to improve the energy efficiency of their home. Inquiry cards are distributed at all speeches for the customer to sign up for an audit or Home Energy.

c. Follow-up to audits and other conservation programs. Often, one contact with a customer is not likely to persuade him or her to make significant change in energy use habits or invest in energy-saving measures. All good communications efforts are continuous programs that periodically reinforce the benefits and cost savings to the customer of actually doing the things suggested in an audit or a bill insert or taking additional action beyond their Fixup.

The cost effectiveness and measurability of the education program is found in other approved program results and the improved awareness of conservation needs in the consumer's mind. In any new conservation education efforts, Florida Power will continue to follow the previously set-down Commission guidelines for the recovery of conservation advertising costs.

As filed in FPC's reply to Staff's second set of interrogatories, FPC is investigating and formulating several new "second generation" conservation programs, which include Heat Pipes, Power Electronics, Thermal Energy Storage, and Thermal Furnaces.

None of these programs are as yet developed for commercialization. Their possible components may depend on customer education to assure success. Future programs would be hampered in their effectiveness and customer acceptance if the general educational program were to be eliminated in total.

Prior to implementation, programs will undergo engineering modeling and pilot testing to assure their cost effectiveness and the validity of KW and KWH savings estimates.

CLG: Yes, CLG agrees with Staff.

OPC: No position at this time.

16. ISSUE: Has FPC properly evaluated the KWH and KW demand savings of their conservation programs (excluding load management) to determine if these programs have realized savings? (CLG)

STAFF: Agrees with the Company.

FPC: Florida Power Corporation has performed various evaluations of some of its programs. We are currently discussing methods of testing our existing and potential programs that will provide more reliable savings information than has been available in the past. As these methodologies are developed, they will be used to test the validity of current energy savings estimates. We expect to have testing in place by the fourth quarter of this year.

OPC: No position at this time.

CLG: No, CLG does not believe these programs have been properly evaluated.

17. ISSUE: Are commercial customers properly and fairly treated under FPC's Load Management Program? (CLG)

STAFF: No position at this time.

FPC: No position at this time.

CLG: No position at this time.

OPC: No position at this time.

18. ISSUE: Should FPC's Commercial/Industrial Energy Audits Program be discontinued or modified? (CLG)

STAFF: No. FPC has a Commission-approved Commercial/Industrial Energy Audit Program.

FPC: No position at this time.

CLG: Yes, the Commercial/Industrial Energy Audits Program should be modified to require that the audit recipient bear the entire cost of the audit. Any savings that are realized as a result of reduced energy consumption directly benefits the audit recipient, and therefore, the recipient should bear the cost of the audit.

OPC: No position at this time.

Tampa Electric Company

- *19. STIPULATED ISSUE: Should TECO's Street and Outdoor Lighting Program be eliminated?

Yes. This program should be phased out effective September 30, 1990.

STIPULATED ISSUES

The following stipulations have been approved by the Prehearing Officer:

The parties have stipulated to Issues No. 4, 6, 7, 9, 13, 14, and 19, which are indicated within the body of this order. The parties have stipulated Issues 1, 2 and 3 as to all utilities except FPL.

The parties have further stipulated that the testimony and exhibits of all witnesses whom no one wishes to cross-examine be inserted into the record as though read, cross-examination be waived, and the attendance of the witness at the hearing be excused.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that these proceedings shall be governed by this order unless modified by the Commission.

By ORDER of Commissioner John T. Herndon, as Prehearing Officer, this 21st day of FEBRUARY, 1989.

John T. Herndon
John T. Herndon, Commissioner
and Prehearing Officer

(S E A L)

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*** ELECTRIC UTILITIES ***

Issue	FLORIDA POWER AND LIGHT COMPANY					FLORIDA POWER CORPORATION					GULF POWER COMPANY				
	Company Position	Pub. Counsel Position	Difference Co. & PC	Staff's Position	Difference Co. & Staff	Company Position	Pub. Counsel Position	Difference Co. & PC	Staff's Position	Difference Co. & Staff	Company Position	Pub. Counsel Position	Difference Co. & PC	Staff's Position	Difference Co. & Staff
Net Prior Period True-up (Over)/Under Recovery Adjusted - Apr88/Sep88	(\$156,031)	(\$156,031)	\$0	(\$1,288,052)	\$0	(\$531,349)	(\$531,349)	\$0	(\$531,349)	\$0	(\$66,612)	(\$66,612)	\$0	(\$66,612)	\$0
Current Period Est True-up (Over)/Under Recovery Estimated - Oct88/Mar89	(\$843,016)	(\$843,016)	\$0	(\$2,005,808)	\$0	(\$1,070,552)	(\$1,070,552)	\$0	(\$1,070,552)	\$0	\$254,335	\$254,335	\$0	\$254,335	\$0
Future Period Projection Estimated Costs Apr89/Sep89	\$14,657,032	\$14,657,032	\$0	\$14,657,032	\$0	\$19,826,688	\$19,826,688	\$0	\$19,826,688	\$0	\$1,417,000	\$1,417,000	\$0	\$1,417,000	\$0
(Over)/Under Recovery Estimated - Oct88/Mar89	(\$843,016)	(\$843,016)	\$0	(\$2,005,808)	\$0	(\$1,070,552)	(\$1,070,552)	\$0	(\$1,070,552)	\$0	\$254,335	\$254,335	\$0	\$254,335	\$0
TOTAL to Recover Estimated - Apr89/Sep89	\$13,814,016	\$13,814,016	\$0	\$12,651,224	\$0	\$18,756,136	\$18,756,136	\$0	\$18,756,136	\$0	\$1,671,335	\$1,671,335	\$0	\$1,671,335	\$0
Retail KWH (000) Sales - Apr89/Sep89	33,345,054	33,345,054	\$0	33,345,054	0	12,501,336	12,501,336	\$0	12,501,336	0	4,203,583	4,203,583	\$0	4,203,583	0
Cost/KWH (cents)	0.0414275	0.0414275	\$0	0.0379403	0.0000000	0.1500331	0.1500331	\$0	0.1500331	0.0000000	0.0397598	0.0397598	\$0	0.0397598	0.0000000
Revenue Tax Adjustment Factor	1.01652	1.01652	\$0	1.01652	0	1.01652	1.01652	\$0	1.01652	0	1.01652	1.01652	\$0	1.01652	0
Conservation Adjustment Factor	0.0421119	0.0421119	\$0	0.0385671	0.0000000	0.1525116	0.1525116	\$0	0.1525116	0.0000000	0.0404166	0.0404166	\$0	0.0404166	0.0000000
Conservation Adjustment Factor nearest .001 cent	0.042	0.042	\$0	0.039	0.0000	0.153	0.153	\$0	0.153	0.0000	0.040	0.040	\$0	0.040	0.0000

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*** ELECTRIC UTILITIES ***

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Issue	TAMPA ELECTRIC COMPANY				FLORIDA PUBLIC UTILITIES-Marlanna				FLORIDA PUBLIC UTILITIES-Fernandina Beach						
	Company Position	Pub. Counsel Position	Difference Co. & PC	Staff's Position	Difference Co. & Staff	Company Position	Pub. Counsel Position	Difference Co. & PC	Staff's Position	Difference Co. & Staff	Company Position	Pub. Counsel Position	Difference Co. & PC	Staff's Position	Difference Co. & Staff
Net Prior Period True-up (Over)/Under Recovery Adjusted - Apr85/Sep88	(\$476,178)	(\$476,178)	\$0	(\$476,178)	\$0	\$300	\$300	\$0	\$300	\$0	(\$3,983)	(\$3,983)	\$0	(\$3,983)	\$0
Current Period Est True-up (Over)/Under Recovery Estimated - Oct88/Mar89	(\$770,849)	(\$770,849)	\$0	(\$770,849)	\$0	\$365	\$365	\$0	\$365	\$0	(\$11,068)	(\$11,068)	\$0	(\$11,068)	\$0
Future Period Projection Estimated Costs Apr89/Sep89	\$7,037,803	\$7,037,803	\$0	\$7,037,803	\$0	\$30,300	\$30,300	\$0	\$30,300	\$0	\$30,200	\$30,200	\$0	\$30,200	\$0
(Over)/Under Recovery Estimated - Oct88/Mar89	(\$770,849)	(\$770,849)	\$0	(\$770,849)	\$0	\$365	\$365	\$0	\$365	\$0	(\$11,068)	(\$11,068)	\$0	(\$11,068)	\$0
TOTAL to Recover Estimated - Apr89/Sep89	\$6,266,954	\$6,266,954	\$0	\$6,266,954	\$0	\$30,645	\$30,645	\$0	\$30,645	\$0	\$19,132	\$19,132	\$0	\$19,132	\$0
Retail kWh (000) Sales - Apr89/Sep89	6,612,868	6,612,868	\$0	6,612,868	0	112,420	112,420	\$0	112,420	0	106,558	106,558	\$0	106,558	0
Cost/kWh (cents)	0.0947691	0.0947691	\$0	0.0947691	0.0000000	0.0272772	0.0272772	\$0	0.0272772	0.0000000	0.0179545	0.0179545	\$0	0.0179545	0.0000000
Revenue Tax Adjustment Factor	1.01652	1.01652	\$0	1.01652	0	1.01609	1.01609	\$0	1.01652	0	1.01609	1.01609	\$0	1.01652	0
Conservation Adjustment Factor	0.0963347	0.0963347	\$0	0.0963347	0.0000000	0.0277161	0.0277161	\$0	0.0277278	0.0000000	0.0182434	0.0182434	\$0	0.0182512	0.0000000
Conservation Adjustment Factor nearest .001 cent	0.096	0.096	\$0	0.096	0.0000	0.028	0.028	\$0	0.028	0.0000	0.018	0.018	\$0	0.018	0.0000

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*** NATURAL GAS UTILITIES ***

Issue	CENTRAL FLORIDA GAS COMPANY					CITY GAS COMPANY				
	Company Position	Pub. Counsel Position	Difference Co. & PC	Staff's Position	Difference Co. & Staff	Company Position	Pub. Counsel Position	Difference Co. & PC	Staff's Position	Difference Co. & Staff
Prior Period ADJUSTED NET										
True-Up - Apr88/Oct88 (Over)/Under Recovery	(\$21,795)	(\$21,795)	\$0	(\$21,795)	\$0	(\$285,748)	(\$285,748)	\$0	(\$285,748)	\$0
Current Period ESTIMATED										
True-up - Oct88/Mar89 (Over)/Under Recovery	(\$51,962)	(\$51,962)	\$0	(\$51,962)	\$0	(\$489,694)	(\$489,694)	\$0	(\$489,694)	\$0
Future Period Projections										
Estimated Costs Apr89/Sep89	\$111,030	\$111,030	\$0	\$111,030	\$0	\$488,200	\$488,200	\$0	\$488,200	\$0
(Over)/Under Recovery Estimated - Oct88/Mar89	(\$51,962)	(\$51,962)	\$0	(\$51,962)	\$0	(\$489,694)	(\$489,694)	\$0	(\$489,694)	\$0
TOTAL to Recover Estimated - Apr89/Sep89	\$59,068	\$59,068	\$0	\$59,068	\$0	(\$1,494)	(\$1,494)	\$0	(\$1,494)	\$0
Retail Therm (000) Sales - Apr89/Sep89	22,630	22,630	0	22,630	0	36,093	36,093	0	36,093	0
Cost/Therm (cents)	0.2610148	0.2610148	0.0000000	0.2610148	0.0000000	(0.0041393)	(0.0041393)	\$0	(0.0041393)	0.0000000
Revenue Tax Adjustment Factor	1.01652	1.01652	0	1.01652	0	1.01652	1.01652	\$0	1.01652	0
Conservation Adjustment Factor	0.2653268	0.2653268	0.0000000	0.2653268	0.0000000	-0.0042077	-0.0042077	\$0	-0.0042077	0.0000000
Conservation Adjustment Factor nearest .001 cent	0.265	0.265	0.0000	0.265	0.0000	-0.004	-0.004	\$0	-0.004	0.0000
P.A. Factor	0.261	0.261	0.000	0.261	0.000					

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*** NATURAL GAS UTILITIES ***

Issue	GAINESVILLE GAS COMPANY					PEOPLES GAS SYSTEM, Inc.				
	Company Position	Pub. Counsel Position	Difference Co. & PC	Staff's Position	Difference Co. & Staff	Company Position	Pub. Counsel Position	Difference Co. & PC	Staff's Position	Difference Co. & Staff
Prior Period ADJUSTED NET True-Up - Apr88/Oct88 (Over)/Under Recovery	\$14,075	\$14,075	\$0	\$14,075	\$0	\$15,828	\$15,828	\$0	\$15,828	\$0
Current Period ESTIMATED True-up - Oct88/Mar89 (Over)/Under Recovery	\$5,353	\$5,353	\$0	\$5,353	\$0	(\$88,930)	(\$88,930)	\$0	(\$88,930)	\$0
Future Period Projections Estimated Costs Apr89/Sep89	\$232,713	\$232,713	\$0	\$232,713	\$0	\$1,613,848	\$1,613,848	\$0	\$1,613,848	\$0
(Over)/Under Recovery Estimated - Oct88/Mar89	\$5,353	\$5,353	\$0	\$5,353	\$0	(\$88,930)	(\$88,930)	\$0	(\$88,930)	\$0
TOTAL to Recover Estimated - Apr89/Sep89	\$238,066	\$238,066	\$0	\$238,066	\$0	\$1,524,918	\$1,524,918	\$0	\$1,524,918	\$0
Retail Therm (000) Sales - Apr89/Sep89	13,323	13,323	0	13,323	0	219,500	219,500	0	219,500	0
Cost/Therm (cents)	1.7869010	1.7869010	\$0	1.7869010	0.0000000	0.6947235	0.6947235	\$0	0.6947235	0.0000000
Revenue Tax Adjustment Factor	1.01652	1.01652	\$0	1.01652	0	1.01652	1.01652	\$0	1.01652	0
Conservation Adjustment Factor	1.8164206	1.8164206	\$0	1.8164206	0.0000000	0.7062003	0.7062003	\$0	0.7062003	0.0000000
Conservation Adjustment Factor nearest .001 cent	1.816	1.816	\$0	1.816	0.0000	0.706	0.706	\$0	0.706	0.0000
P.A. Factor						0.696	0.696	0.000	0.696	0.000

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*** NATURAL GAS UTILITIES ***

Issue	ST JOE NATURAL GAS COMPANY					WEST FLORIDA NATURAL GAS				
	Company Position	Pub. Counsel Position	Difference Co. & PC	Staff's Position	Difference Co. & Staff	Company Position	Pub. Counsel Position	Difference Co. & PC	Staff's Position	Difference Co. & Staff
Prior Period ADJUSTED NET True-Up - Apr88/Oct88 (Over)/Under Recovery	(\$2,065)	(\$2,065)	\$0	(2,065)	\$0	\$33,002	\$33,002	\$0	\$33,002	\$0
Current Period ESTIMATED True-up - Oct88/Mar89 (Over)/Under Recovery	(\$1,001)	(\$1,001)	\$0	(1,001)	\$0	\$35,939	\$35,939	\$0	\$35,939	\$0
Future Period Projections Estimated Costs Apr89/Sep89	\$24,970	\$24,970	\$0	24,970	\$0	\$312,787	\$312,787	\$0	\$312,787	\$0
(Over)/Under Recovery Estimated - Oct88/Mar89	(\$1,001)	(\$1,001)	\$0	(\$1,001)	\$0	\$35,939	\$35,939	\$0	\$35,939	\$0
TOTAL to Recover Estimated - Apr89/Sep89	\$23,969	\$23,969	\$0	\$23,969	\$0	\$348,725	\$348,725	\$0	\$348,725	\$0
Retail Therm (000) Sales - Apr89/Sep89	8,000	8,000	0	8,000	0	17,082	17,082	0	17,082	0
Cost/Therm (cents)	0.2996068	0.2996068	\$0	0.2996068	0.0000000	2.0414234	2.0414234	\$0	2.0414234	0.0000000
Revenue Tax Adjustment Factor	1.01652	1.01652	\$0	1.01652	0	1.01652	1.01652	\$0	1.01652	0
Conservation Adjustment Factor	0.3045563	0.3045563	\$0	0.3045563	0.0000000	2.0751477	2.0751477	\$0	2.0751477	0.0000000
Conservation Adjustment Factor nearest .001 cent	0.305	0.305	\$0	0.305	0.0000	2.075	2.075	\$0	2.075	0.0000
P.A. Factor										

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