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Subject: Electronic Filing for Docket Nos. 040660-EG/040029-EG - Florida Power & Light Company's Post-Hearing Statement of Issues and Positions

Attachments: Post Hearing Statement and Positions.11.07.05_FINAL.doc



Post Hearing
Statement and Po:

Electronic Filing

a. Person responsible for this electronic filing:

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b. Docket Nos. 040660-EG and 040029-EG

In re: Petition for approval of modifications to BuildSmart Program by Florida Power & Light Company
In re: Petition for approval of numeric conservation goals by Florida Power & Light Company

c. Document being filed on behalf of Florida Power & Light Company.

d. There are a total of 16 pages.

e. The document attached for electronic filing is Florida Power & Light Company's Post-Hearing Statement of Issues and Positions

(See attached file: Post Hearing Statement and Positions.11.07.05_FINAL.doc)

Thank you for your attention and cooperation to this request.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of modifications to BuildSmart Program by Florida Power & Light Company)	Docket No. 040660-EG
)	
)	
In re: Petition for approval of numeric conservation goals by Florida Power & Light Company)	Docket No. 040029-EG
)	
)	Filed: November 7, 2005

**FLORIDA POWER & LIGHT COMPANY'S
POST-HEARING STATEMENT OF ISSUES AND POSITIONS**

Florida Power & Light Company ("FPL" or the "Company") files with the Florida Public Service Commission (the "PSC" or the "Commission") its Post-Hearing Statement of Issues and Positions in the above-referenced dockets, and states:

ISSUE 1: Is the modified BuildSmart program cost-effective?

Yes. Applying the cost-effectiveness methodologies required by Rule 25-17.008, Florida Administrative Code, and the resource planning assumptions from FPL's 2005-2014 DSM Goals docket work, the benefit-to-cost ratios are greater than one. Therefore, the modified BuildSmart Program is cost-effective.

The BuildSmart Program ("BuildSmart" or the "Program"), as redesigned, is cost-effective. Using the cost-effectiveness methodologies required by Commission rule and the DSM resource planning assumptions from FPL's 2005-2014 DSM Goals docket work, FPL's analysis produced the following numeric results: 1.75 Participant, 1.06 RIM, and 1.10 TRC for the BuildSmart Program.¹ See 25-17.008, Fla. Admin. Code; Tr. 138 (Sim), 159 (Ex. 7, SRS-1). Since the redesigned Program's benefit-to-cost ratios for the tests are greater than one, the Program successfully passed the cost-effectiveness tests. Tr. 138 (Sim).

¹ Because the assumptions in the cost-effectiveness analysis change over time based on changes in such inputs as fuel costs and the avoided generating unit cost and performance, among others, the numeric cost effectiveness results fluctuate over time. Tr. 156-158.

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FPLSC-COMMISSION OF FPL

FPL's Cost-Effectiveness Inputs Are Reasonable

FPL's inputs into the cost-effectiveness analysis are reasonable and appropriate. FPL developed energy and demand impacts for BuildSmart using techniques based on extensive engineering modeling incorporating end use monitoring data. Tr. 60-61 (Haywood). Participation forecasts, by Program component (prescriptive or flexible approach to certification) and home type (single-family attached or single-family detached) were applied to calculated energy and demand impacts in order to forecast overall program participation and energy and demand impacts. Tr. 61-63 (Haywood), 130 (Ex. 5, DJH-3). Forecasted Program administrative costs were estimated based on an analysis of current program cost elements and their applicability to the redesigned Program. Tr. 63 (Haywood). Benefit calculations were based on the resource planning assumptions from FPL's 2005-2014 DSM Goals docket work. Tr. 64 (Haywood), Tr. 135-137 (Sim).

FPL's Cost-Effectiveness Analysis is Reliable

FPL's DSM Goals for the 2005-2014 timeframe were approved in Order No. PSC-04-0763-PAA-EG, issued August 9, 2004 in Docket No. 040029-EG (consummating Order No. PSC-040850-CO-EG issued September 1, 2004). Tr. 135 (Sim). As part of the DSM Goals process, FPL conducted cost-effectiveness analyses of individual DSM programs and measures, as well as FPL's DSM Plan as a whole. Tr. 135-137 (Sim). FPL utilized proper analysis tools, analysis approaches, and cost-effectiveness tests in its DSM Goals development work. Tr. 137 (Sim). All DSM programs – including the redesigned BuildSmart Program – that emerged from this process were shown to be cost-effective twice; once on an individual basis and again when combined into the DSM portfolio of programs that comprised FPL's DSM Goals. Tr. 137 (Sim). Since the BuildSmart Program passed the individual DSM option screening, and the DSM

portfolio containing the Program was found to also be cost-effective, the redesigned BuildSmart Program is a cost-effective DSM option for FPL and its customers. Tr. 139 (Sim).

Petitioners' Proposed Cost-Effectiveness Test Should Be Rejected

Petitioners suggest that the Commission should use this limited proceeding to adopt a new approach for determining whether a DSM program is cost-effective. Tr. 271-272 (Fairey); Tr. 249-252 (Klongerbo). This suggestion should be rejected. Tr. 142-148 (Sim). The issue of how to determine if a DSM program is cost-effective is a far-reaching one that the Commission, the State's utilities and numerous other parties have exhaustively explored in previous dockets. Tr. 143, 149 (Sim). The resulting decision to use a combination of the Rate Impact Measure ("RIM") test and Participant test has served Florida well. Tr. 143, 149 (Sim). This limited docket addressing two DSM programs of a single utility is not the place to address this issue again. Tr. 143, 149 (Sim).

Even if the Commission were to consider approving a new cost-effectiveness test in this proceeding, Petitioners' proposed approach has two fundamental flaws. Tr. 144-147, 149-150 (Sim). First, the proposed approach is a "cost-only" approach that ignores one-half of the impacts of DSM – the benefits of DSM. Tr. 144-145, 149-150 (Sim). There is no reference to or calculation of the benefits of DSM, including the kW reduction aspect of DSM programs which results in the avoidance or deferral of new generation, transmission and distribution facilities. Tr. 145, 149-150 (Sim). The second fundamental problem is that the proposed "cost-only" approach will always find that implementing DSM programs is more costly than doing no DSM, thereby resulting in no DSM programs being found cost-effective at all. Tr. 145-147, 149-150 (Sim). The Petitioners' proposed approach should be rejected. Tr. 148 (Sim).

Petitioners' Proposed Alternative Program Design is Flawed

Petitioners suggest an alternative program design for BuildSmart that they allege is more cost-effective than BuildSmart. As a factual and legal matter, their alternative program design should be rejected. Tr. 292-294 (Haywood); § 366.82(3), Fla. Stat. As a factual matter, Petitioners' suggested design is based on arbitrary cost-allotment among cost categories with no detailed explanation of the alternative assumptions. If Petitioners' assumptions were adjusted to reflect key BuildSmart activity costs contained in the modified Program filing, the proposal would result in a higher cost-per-home than under the proposed modified BuildSmart Program Tr. 293 (Haywood) with no evidence of an off-setting increase in program benefits.

As a legal matter, the Commission should reject the Petitioners' suggested alternative because the statutory prerequisite for the Commission designing a utility's conservation program has not been met. Indeed, the Commission's authority over utilities under FEECA is limited. As the Commission has recognized, FEECA only grants it authority to approve or disapprove conservation programs. See In Re: Implementation of Section 366.80-.85 Florida Statutes, Conservation Activities of Electric and Gas Utilities, Order No. 22586, Docket No. 890737-PU (issued Feb. 21, 1990) (finding Section 366.82, Florida Statutes, only grants the Commission authority to approve or disapprove conservation plans and programs submitted by the electric utilities, not to mandate a specific type of program). Contrary to the relief sought by Petitioners, FEECA does not grant the Commission jurisdiction to dictate the specific terms of a conservation plan unless a utility has not implemented its programs or is not substantially in compliance with its approved plan. See § 366.82(3), Fla. Stat. (2004); Rule 25-17.0021(4)(j), Florida Administrative Code (2004); In Re: Implementation of Section 366.80-.85, Florida Statutes, Conservation Activities of Electric and Gas Utilities, Order No. 22586 in Docket No. 890737-PU issued February 21, 1990. In fact, nothing in Chapter 366, Florida Statutes

authorizes the Commission to redraft a DSM program that meets the Commission's three-pronged conservation test. FEECA specifically states as follows:

If the commission disapproves a plan, it shall specify the reasons for disapproval, and the utility whose plan is disapproved shall resubmit its modified plan within 30 days. ... If any utility has not implemented its programs and is not substantially in compliance with the provisions of its approved plan at any time, the commission shall adopt programs required for that utility to achieve the overall goals.

See § 366.82(3), Fla. Stat. (2005). Further, Rule 25-17.0021, Florida Administrative Code states:

If the Commission finds that a utility's conservation plan has not met or will not meet its goals, the Commission may require the utility to modify its proposed programs, or adopt additional programs and submit its plan for approval.

See Rule 25-17.0021(4)(j), Florida Administrative Code (2005). Under the circumstances, neither of these provisions affords a basis for approving the Petitioners' alternative program. There is no evidence that the utility has not implemented its programs, is not substantially in compliance with its approved plan, or has not or will not meet its approved goals.

ISSUE 2: Is the modified BuildSmart program directly monitorable and will it yield measurable results?

Yes. Program participation and efficiency upgrades will be tracked in a BuildSmart database. FPL will monitor the Program's actual results on a continual basis and re-evaluate the forecasted participation levels and the energy and demand impact data, as necessary, over time.

FPL continually monitors participation and efficiency upgrades in its BuildSmart database and re-evaluates the participation and impact data, as necessary, over time. Tr. 65-66 (Haywood). FPL will file Program Standards for the Program, which will detail all applicable measures and Program requirements. The Program Standards will be subject to periodic review and may change over time based on factors including, but not limited to, technological advances,

operational needs, Program results, application assumptions, State energy code revisions, or energy performance evaluation tool improvements. Tr. 66 (Haywood).

FPL Monitors Program Participation and Makes Changes as Needed

FPL's proposed Program modifications are the result of a comprehensive analysis conducted to identify ways to further increase Program participation. Tr. 49-52 (Haywood). The analysis revealed that the current Program performs well relative to most homebuyers' needs, but not as well in meeting homebuilders' key needs. Tr. 50 (Haywood).

To help penetrate the production housing market, which is estimated to represent more than 50% of the new residential construction market in FPL's service territory, the modified BuildSmart Program offers two certification tracks: a flexible measure approach and a prescriptive measure approach. Tr. 51 (Haywood). The prescriptive approach is targeted at meeting the needs of the production builder/homebuyer market and will include measures related to HVAC, ductwork and insulation. Under the prescriptive approach, to receive BuildSmart certification, a home must include specific prescriptive energy efficiency measures targeted to achieve an e-Ratio value at least 10% better than a baseline home as prescribed by the Florida Energy Efficiency Code. Under this approach, builders must submit to FPL plans or specifications that FPL can use to validate that the installed measures meet BuildSmart prescriptive requirements. Tr. 57-58 (Haywood).

The flexible measure approach is targeted at the custom builder/homebuyer market and will allow any combination of measures necessary to achieve an e-Ratio value at least 20% better than a baseline home as prescribed by the Florida Energy Efficiency Code. Tr. 58 (Haywood).

FPL reserves the right to perform a series of inspections on each BuildSmart home to verify that energy-efficiency upgrades are incorporated as submitted. For each inspected home, FPL will verify that all energy measures specified have been installed and determine whether any

changes were made to the home that will affect the calculated e-ratio value of the home. In addition, an air conditioning duct test may be performed to determine the level of tightness of the air ducts. Following this inspection, FPL will recalculate the e-ratio if needed, and then certify homes that qualify. A certificate is then issued for qualifying homes and provided to the builder or homeowner. Tr. 58-59 (Haywood).

ISSUE 3: Does the modified BuildSmart program advance the policy objectives of FEECA, section 366.080 et seq., Florida Statutes, Commission Rule 25-17.001, Florida Administrative Code, and applicable Commission policies?

Yes. The modified BuildSmart Program is designed to promote the construction of energy-efficient homes that cost-effectively reduce FPL’s coincident peak load and customer energy consumption.

The Program advances the policy objectives of the Florida Energy Efficiency and Conservation Act (“FEECA”), Commission rules and applicable Commission policies, which are to reduce and control the growth rates of electric consumption and weather-sensitive peak demand to the extent cost-effective. See § 366.80, et. seq., Fla. Stat.; Rule 25-17.001, Fla. Admin. Code; Tr. 66-67 (Haywood). It is uncontested that the current BuildSmart program has, in fact, caused a reduction in the growth rates of electric consumption and weather-sensitive peak demand. Tr. 33 (Staff’s Composite Exhibit No. 1, Bates Page 49); Tr. 200-203.

FPL will endeavor to accomplish these objectives prospectively with the revised program by continuing to conduct outreach efforts to builders and homebuyers, and promoting the benefits of installing highly energy efficient measures in new homes. Employing energy performance calculation tools, FPL will review house plans and provide recommendations to improve energy performance under the Florida Energy Efficiency Code. FPL will also perform post-construction inspections to validate the installation of planned energy efficient measures in new homes. Qualifying homes that pass inspection will be certified by FPL as BuildSmart homes. Additionally, FPL will provide builder incentives for qualifying BuildSmart homes that

also achieve ENERGY STAR® certification by meeting the requirements of the Department of Energy's and Environmental Protection Agency's ENERGY STAR® Program. These efforts are expected to significantly increase the average energy efficiency of the new home construction market. Tr. 66-67 (Haywood).

FPL's BuildSmart Program is Designed to Meet FEECA Objectives

Petitioners raise a number of baseless and self-serving allegations related to the BuildSmart Program that have nothing to do with whether FPL's Program meets the three-pronged test for conservation programs. For example, Petitioners, who perform private energy ratings for a profit, assert that FPL's BuildSmart Program amounts to free ratings in violation of Commission rules and tariff schedules. Tr. 188 (Stroer). This assertion is incorrect. A Building Energy Rating System, or BERS rating, is designed to produce a specific comparative energy score for a home. BuildSmart is not a rating tool. BuildSmart is designed as a comprehensive program targeted to cost-effectively increase energy efficiency in the residential new home construction market in accordance with FEECA objectives. Tr. 290-292, 300-302 (Haywood).

Completing a BERS rating requires a set of activities that go beyond the activities required to inspect a BuildSmart home. If a BERS rating were mandated for every participating BuildSmart home, it would result in additional program and/or participant costs ultimately impeding program participation. If a builder or homebuyer desires or requires a comparative energy score and the associated documentation available through a formal BERS rating, FPL advises them of BERS rating services available through private rating firms, such as the Petitioners' energy rating firm. Alternatively, BERS ratings are available under FPL's BERS tariff on file with the Commission as required by Rule 25-17.003, Florida Administrative Code. Tr. 290-292, 297-298 (Haywood).

Additionally, Petitioners have focused considerable attention on the appropriate duct testing method for the Program, even though duct testing is just one component of the overall BuildSmart certification process. Petitioners confuse the intent of the BuildSmart Program with a BERS rating. The pressure pan methodology used by FPL's BuildSmart Program to locate air conditioning duct leakage is an accurate, cost-efficient method of determining both the location and magnitude of leakage. Indeed, in the words of Petitioners' Witness Fairey, the pressure pan methodology is an "excellent diagnostic tool" that is used in numerous programs related to building energy efficiency throughout the country for purposes of identifying duct leaks. Tr. 282-283. Since November 2004, BERS ratings have required use of the duct tester methodology instead of the pressure pan methodology. The duct tester methodology specifically quantifies the amount of duct system leakage, but does not directly locate duct leakage for repair. To verify that a home meets BuildSmart standards, it is important to effectively identify the location of any leaks in order to direct the necessary duct work repair. Use of the pressure pan methodology enables FPL to cost-effectively do this. Tr. 290-292 (Haywood).

Petitioners further alleged that a number of homes that were certified as BuildSmart homes under the existing Program failed to meet the requirements set forth in FPL's Program standards. Tr. 225 (Ex. 20, 9-26-05 version of DS-1). Petitioners' contentions are incorrect and should be rejected. FPL reviewed the data presented by Petitioners in support of their argument, and there are a "litany of issues" with the data that make it impossible for FPL to draw any actionable conclusions. Tr. 206-215, 325-331. First, FPL is unable to determine which home is which for comparison purposes. Tr. 209, 327. Also, the data presented by the Petitioners is a selective sample of the results of tests performed by the Petitioners' private energy rating firm,

which is not a non-biased source.² Tr. 206-209, 326. Further, there is no way of knowing when Petitioners' tests were performed relative to the final BuildSmart inspection. Petitioners freely admit they "have no idea as to when [the homes] were tested by BuildSmart." Tr. 209. The Petitioners' tests may have occurred after the home had failed an initial BuildSmart inspection and before final certification. Tr. 209, 211-213, 326-327. It is also possible that the tests occurred after BuildSmart certification, in which case intervening actions may have caused holes in the duct work, or other damage to the duct system, that did not exist when the home was BuildSmart certified. Tr. 211-213, 327. FPL is confident that the homes within the subject community passed inspection to BuildSmart standards at the time they were certified. Tr. 329.

Petitioners' Economic Interests are Not at Issue

Petitioners' economic interests in providing energy ratings for a profit are not at issue here. Tr. 314-315 (Haywood). In 2002, Petitioners' Witness Stroer filed a complaint against FPL on behalf of the National Energy Raters Association ("NERA") that included many of the same allegations as asserted in the testimony in this proceeding. See In Re: Complaint by National Energy Raters Association against Florida Power & Light Company, Florida Power Corporation, and any other utility engaged in the practice, for alleged violation of Rule 25-17.003(4)(a), F.A.C., which requires every public utility to charge for a Building Energy Efficiency Rating System (BERS) Audit, Docket No. 020084-EI. By Order No. PSC-02-0995-FOF-EI, issued July 23, 2002, in Docket No. 020084-EI, on motion by FPL, the Commission dismissed NERA's complaint with prejudice on a finding that NERA could not remedy the fact that it failed the test for standing. See Order No. PSC-02-0995-FOF-EI at 3, Docket No. 020084-EI (issued July 23, 2002). According to the Commission:

² Indeed, Petitioners agreed that during 2003, 2004 and to date in 2005 FPL has certified about 5,500 BuildSmart homes, while the data Petitioners presented to the Commission related to a mere 2.5% of the total BuildSmart homes certified during that timeframe. Tr. 212-213.

The 'economic injury to energy raters does not fall within the 'zones of interest' protected by any of the statutes implemented by Rule 25-17.003(4), Florida Administrative Code.' Moreover, we find that NERA has failed to demonstrate that it will suffer injury in fact that is of sufficient immediacy to entitle it to any relief.

See id.

This time, Petitioners were granted standing based on their alleged interests as FPL customers. Their competitive economic interests as private energy raters are not at issue in this proceeding. Indeed, it is highly questionable whether the Petitioners have even lost business because of BuildSmart. Tr. 215-221, 314-315. At the hearing, the following discussion occurred:

[FPL Bryan] Q: ... [H]ave you provided objective evidentiary support for the claims you made in your prefiled testimony [that the Petitioners' private rating firm could have performed 400 additional ratings and 3,000 energy code calculations but for BuildSmart]? And with all due respect, it seems like you're providing me anecdotal evidence with respect to 30 homes. You have not provided any objective evidentiary support for your claims in this proceeding, have you, sir?

[Petitioners' Stroer] A: No.

Q. You've not hired an economist to calculate your lost wages?

A. No we have not.

Q. Do you recall your response to the question asking for detailed bases supporting that claim? No?

A. No, I don't recall the response.

Q. Let me read the response then. Quote, FPL considers themselves and markets themselves as the energy experts in their service area. They have left builders with the idea that the BuildSmart Program is the cutting edge energy program that supersedes all others. I lost a whole project that was designated ENERGY STAR® to FPL because they convinced the developer that the BuildSmart Program was the program they needed. See our 2002 case. [end quote]

My question to you then, is the response contained in answer to Interrogatory Number 81, that sets forth all of the detailed bases and justification for your claim that you lost \$400,000 since January of 2002 to FPL?

A. Evidently I just didn't answer the question, did I?

Q. I suppose not. And, again, you've not hired an economist –

A. No, I have not.

Q. – to calculate your damages.

Tr. 219-221. Even if economic damages were at issue, Petitioners presented no reliable evidence of pecuniary damage.

In fact, private raters could benefit at an even greater level from the proposed Program modifications. FPL and Petitioners agree that there are “many benefits in a partnership between utilities and private third party energy rating companies.” Tr. 184 (Stroer). The proposed modified Program increases support of ENERGY STAR®. FPL's planned collaboration with private raters to market and implement ENERGY STAR® is expected to lead to increased participation in both BuildSmart and ENERGY STAR® and increased demand for private rating services. Tr. 66-67, 299-300 (Haywood).

ISSUE 4: Should the Commission approve the modified BuildSmart program?

Yes. The modified BuildSmart Program should be approved as part of FPL's DSM Plan. The BuildSmart Program is designed to advance the policy objectives of FEECA and satisfy applicable Commission rules and policies. In addition, the Program is cost-effective, directly monitorable and yields measurable results.

The redesigned BuildSmart Program satisfies FEECA and is cost-effective, directly monitorable and yields measurable results. The Program is a key component of FPL's ability to meet its DSM Goals for the period 2005-2014 that were approved by the Commission in Order No. PSC-04-0763-PAA-EG, issued August 9, 2004 in Docket No. 040029-EG (consummating Order No. PSC-040850-CO-EG issued September 1, 2004). Tr. 66 (Haywood).

ISSUE 5: Does FPL's Residential Conservation Service Program comply with the requirements of section 366.82(5), Florida Statutes, Rule 25-17.003, Florida Administrative Code, and applicable Commission policies?

Yes. FPL offers its residential energy audits through the RCS Program in accordance with section 366.82(5), Florida Statutes, and Rule 25-17.003, Florida Administrative Code. FPL has proposed no changes to the existing RCS Program.

Section 366.82(5) requires utilities to offer or contract to offer energy audits to its residential customers. See § 366.82(5), Fla. Stat. In addition, Rule 25-17.003(3)(b), Florida Administrative Code, requires utilities to offer Computer-Assisted and Walk-Through Audits, and Rule 25-17.003(3)(c) provides that utilities may offer Mail-In Audits. FPL offers its residential energy audits through the Residential Conservation Service ("RCS") Program, and FPL has proposed no changes to the existing RCS Program. The RCS Program provides a walk-through energy audit, a computer-generated audit and a customer-assisted energy audit. Procedures for conducting these audits have been approved by the Commission. The walk-through energy audits and the computerized audits are conducted by an FPL representative in order to inform residential customers of cost-effective conservation measures and practices that are suitable for the customer's home. The walk-through, computerized and customer-assisted energy audits provide an energy analysis directly to the customer based on the customer's responses to an energy survey. The customer-assisted audits are offered to those customers who prefer not to have an FPL representative visit their home. For these customers, a telephone, Internet, or mail-in audit may be offered. Tr. 67-68 (Haywood).

In addition to providing conservation information, the RCS Program also serves as the vehicle for introducing customers to residential conservation incentive programs, featuring incentive payments for qualified customers to help them overcome the initial cost of implementing conservation measures. Tr. 68 (Haywood).

During the RCS Program audit, the auditor discusses a variety of potential conservation measures with the customer. In addition, if the customer is eligible for participating in any, or all, of the residential conservation programs featuring incentive payments, the customer receives a Watt-Saver certificate or certificates, which can be used by the customer as a partial payment for the cost of the conservation measure with the participating contractors. Upon request, FPL's representative also provides a list of participating contractors from which the customer can choose. The number of audits which FPL will conduct in the future is related to the number of projected participants for the residential conservation programs featuring incentive payments as well as customers' requests for evaluations of their overall energy conservation opportunities. Tr. 68-69 (Haywood).

There is no evidence that FPL's RCS Program fails to comply with Rule 25-17.003, Florida Administrative Code. The RCS Program auditors meet the minimum auditor qualifications outlined in Rule 25-17.003(5). Such certification, along with a list of auditors performing energy audits, is on file with the Commission and updated annually. At least twice annually, FPL updates its pricing and climate data to ensure that the estimates of energy cost savings and costs for conservation measures are based on up-to-date data. The auditors follow appropriate procedures for visiting residences and advising customers of applicable conservation practices. Results of computer-assisted audits include the necessary disclosures informing customers that actual installation costs may differ from the reported estimates. FPL follows the Commission guidelines for installation arrangements and post-audit inspections. FPL sends a program announcement to eligible customers every six months. Tr. 69-70 (Haywood).

FPL projects participation associated with the RCS Program. Tr. 69 (Haywood), Tr. 130 (Ex. 6, DJH-4). FPL does not project demand or energy savings associated with the performance of a home energy audit, so a cost-effectiveness analysis is not applicable. Demand and energy

savings attributable to the implementation of measures identified during the performance of a residential home energy audit will be reported through their respective programs. Tr. 69-70 (Haywood).

ISSUE 6: Should the Commission approve FPL's Residential Conservation Service Program?

Yes. The RCS Program has been an integral component of FPL's DSM efforts since the 1980s, and the Commission should allow FPL to continue the existing Program.

The RCS Program is an existing program that FPL intends to continue offering to its residential customers in accordance with section 366.82(5), Florida Statutes, and Rule 25-17.003, Florida Administrative Code. FPL has proposed no changes to the existing RCS Program. The RCS Program should be approved as an integral component of FPL's ongoing DSM efforts. Tr. 67 (Haywood).

ISSUE 7: Should this docket be closed?

Yes.

Respectfully submitted this 7th day of November, 2005.

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CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished electronically and by United States Mail this 7th day of November, 2005, to the following:

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