19

FPUC's Response to Staff's Third Set of Interrogatories No. 11

Interrogatory No. 11a

RESPONSES TO INTERROGATORIES

11. Please refer to the Direct Testimony of Witness Craig Exhibit, Exhibit DMC-2 filed on August 5, 2022, to answer the following:

A. Please refer to Schedule C3 [2022 Actual/Estimated Schedule], Page 1 of 5, which reflects that the Company has actual and estimated "Common Costs" of $601,805 in 2022. In Schedule C2 [2023 Projection Schedule], Page 1 of 3, the estimated expense for "Common Costs" in 2023 is $646,000. Please provide an explanation why the Company anticipates that its projected "Common Costs" will increase as projected in 2023 compared to 2022.

Company Response:

The reason for the increased "Common Costs" expenses in 2023 is the additional cost for Outside Services. The 2022 projection for Outside Services Common Costs is $123,449; the 2023 forecast for Outside Services Common Costs is $175,000. This represents an increase of approximately $52,000. The increase is related to the use of consultants to complete the electric demand side management program filing due in 2024.

Respondent: Derrick M. Craig

Interrogatory No. 11b

B. Please refer to Schedule C3 [2022 Actual/Estimated Schedule], Page 1 of 5, which reflects that the Company has actual and estimated costs of $3,000 in 2022 to support its Low Income Program. In Schedule C2 [2023 Projection Schedule], Page 1 of 3, the estimated expense to support its Low Income Program in 2023 is $6,200. Please provide an explanation why the Company anticipates that its projected costs for this program will increase as projected in 2023 compared to 2022.

Company Response:

During the first six months of the 2022, the Company did not record any expenses for the Low Income Program. However, the Company does expect to ramp up its Low Income program spending during the latter six months of 2022, which can be seen on the Estimated line of Schedule C3 (page 1 of 5). The Company expects to maintain the same level of spending incurred during the latter six months of 2022 throughout the entire twelve months of 2023, effectively doubling the annual amount from $3,000 to $6,200.

Respondent: Derrick M. Craig

Interrogatory No. 11c

C. Please refer to Schedule C3 [2022 Actual/Estimated Schedule], Page 1 of 5, which reflects that the Company has actual and estimated costs of $24,985 in 2022 to support its Residential Heating & Cooling Upgrade Program. In Schedule C2 [2023 Projection Schedule], Page 1 of 3, the estimated expense to support this program in 2023 is $29,900. Please provide an explanation why the Company anticipates that its projected costs for this program will increase as projected in 2023 compared to 2022.

Company Response:

The forecasted $5,005 increase in Residential Heating and Cooling expenses between the forecasts of 2022 and 2023 is the result of the Company's desire to increase residential customer participation in the program. The Company plans to increase spending in both advertising (increase of $2,500) and labor (increase of $1,250) in 2023, with the expectation of increasing customer participation which will ultimately result in additional rebates delivered to customers (increase of $1,295).

Respondent: Derrick M. Craig