

M E M O R A N D U M

April 27, 1998

**RECEIVED**

APR 27 1998

3:25  
FPSC - Records/Reporting

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (CRUZ-BUSTILLO) <sup>JCB</sup> RVE

RE: DOCKET NO. 980265-EG - PETITION TO DISCONTINUE ENERGY  
MONITOR CONSERVATION PROGRAM BY FLORIDA POWER CORPORATION

98-0602-FOF-EG

Attached is an NOTICE OF PROPOSED AGENCY ACTION ORDER GRANTING  
PETITION TO DISCONTINUE THE ENERGY MONITOR CONSERVATION PROGRAM, to  
be issued in the above referenced docket. (Number of pages in  
order - 5)

JCB/anr

Attachment

cc: Division of Electric and Gas (D. Ging)

I: 980265.ord

See 1

Y 1

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to discontinue  
Energy Monitor Conservation  
Program by Florida Power  
Corporation.

DOCKET NO. 980265-EG  
ORDER NO. PSC-98-0602-FOF-EG  
ISSUED: April 28, 1998

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman  
J. TERRY DEASON  
SUSAN F. CLARK  
JOE GARCIA  
E. LEON JACOBS, JR.

NOTICE OF PROPOSED AGENCY ACTION  
ORDER GRANTING PETITION TO DISCONTINUE  
THE ENERGY MONITOR CONSERVATION PROGRAM

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On November 1, 1995, the Commission approved Florida Power Corporation's (FPC's) Energy Monitor Program as part of FPC's Demand Side Management (DSM) Plan in Order PSC-95-1344-S-EG. The Energy Monitor Program was tailored to the needs of FPC's commercial and industrial customers. The Energy Monitor Program provides consulting services to improve the operation and maintenance of buildings and process systems. No incentives were paid under this program. Rather, FPC charges a fee for four types of services: energy accounting, load management, commissioning assistance, and energy project assistance.

In Docket No. 960002-EG, FPC was asked to evaluate each of its approved DSM programs using the company's most recent planning assumptions. The results showed that the Energy Monitor Program along with several other DSM programs failed the Rate Impact

DOCUMENT NUMBER-DATE

04695 APR 28 98

FPC-RECORDS/REPORTING

Measure (RIM) test. FPC stated that the requested analyses were not sufficient to assess whether the programs should continue to be offered. FPC agreed at that time to reevaluate each of the programs that failed the RIM test to determine potential program modifications that may be desirable.

On February 20, 1998, FPC filed a petition to terminate its Energy Monitor Program and remove it from FPC's DSM plan. FPC now believes that the program is no longer cost-effective and cannot be modified to be made cost-effective while still addressing the needs of FPC's customers.

In 1996, FPC projected that 69 customers would participate in its Energy Monitor program. The actual cumulative number of participants for that period was 28. According to the FPC's responses to staff's first set of interrogatories in Docket No. 960002-EG, the Rate Impact Measure (RIM) test benefit-to-cost ratio for the Energy Monitor Program was calculated to be 0.75 when the evaluations were performed using FPC's 1996 planning assumptions.

Included with the Interrogatory responses, was FPC's commitment to explore options to improve program cost-effectiveness for those programs that no longer pass RIM, including:

1. Evaluating actual program costs since the beginning of the program to determine if the program can be operated more efficiently.
2. Evaluating actual program demand and energy savings since the beginning of the program to determine if the program is receiving the proper amount of benefits.
3. Identifying and modifying individual program components that are no longer cost-effective.

According to FPC's Petition, the most recent reevaluation of its Energy Monitor Program was based on a fixed program administration cost of \$4,123 per year, keeping the incentive cost at \$0.00 per year, and twenty (20) new program participants per year through 2008. The RIM benefit-to-cost ratio for the Energy

ORDER NO. PSC-98-0602-FOF-EC  
DOCKET NO. 980265-EG  
PAGE 3

Monitor Program's is now 0.86. Thus, this program does not appear to be cost effective.

Accordingly, we find that FPC has shown that no new program modifications can make the Energy Monitor Program cost-effective. Therefore, we find that FPC's petition to discontinue the Energy Monitor Program should be approved.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that FPC's Petition to discontinue the Energy Monitor Program shall be approved. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket shall be closed.

By ORDER of the Florida Public Service Commission this 28th day of April, 1998.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records

( S E A L )

JCB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on May 19, 1998.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing

ORDER NO. PSC-98-0602-FOF-EG  
DOCKET NO. 980265-EG  
PAGE 5

fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.