

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of
modification to residential duct
repair program by Tampa Electric
Company.

DOCKET NO. 010888-EG
ORDER NO. PSC-01-1961-PAA-EG
ISSUED: October 1, 2001

The following Commissioners participated in the disposition of
this matter:

E. LEON JACOBS, JR., Chairman
J. TERRY DEASON
LILA A. JABER
BRAULIO L. BAEZ
MICHAEL A. PALECKI

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING MODIFICATION TO RESIDENTIAL DUCT REPAIR PROGRAM
BY TAMPA ELECTRIC COMPANY

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.

CASE BACKGROUND

On September 1, 1992, Tampa Electric Company (TECO) added a
duct repair program to its list of conservation programs. This
program was approved by the Commission in Docket No. 930551-EG,
Order No. PSC-94-1313-FOF-EG. The duct repair program included an
incentive to encourage the repair of the central air distribution
system in a residence. The program was modified to its current
form in TECO's 2000-2009 Ten Year Demand Side Management (DSM) Plan
in Docket No. 991791-EG, Order No. PSC-00-0754-PAA-EG, issued April
17, 2000. According to the program standards, a TECO appointed
HVAC contractor will locate and identify air distribution system

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leaks using a blower door test. Upon completion, the customer will receive information on any problems found and, when applicable, an estimate for repairs will be given. Currently, the customer pays for the fixed portion of the blower door test performed at his/her home (\$25.00) and the balance of the repair cost not covered by TECO's \$200.00 incentive. TECO pays the balance of the customer's blower door test charge (\$35.00 to \$40.00) and 75% of the total repair cost up to a maximum of \$200.00 for each repair. On June 25, 2001, TECO filed its petition for approval of a modification to the residential duct repair program. If approved, TECO believes that the proposed modification will provide the impetus for greater levels of participation while reducing costs to the customer and simplifying the overall process.

The Commission has jurisdiction over this matter pursuant to Chapter 366, Florida Statutes, including section 366.82, Florida Statutes. By this order, we approve the modification to the residential duct program.

According to TECO's petition, the modification to its existing residential duct repair program will increase customer participation, reduce program costs, simplify processes, and enhance customer value. TECO stated that although the activity in this program has remained steady, the annual number of participating customers has been less than expected. Since the program was implemented in 1992, there has been a total of 25,264 participants out of 401,253 total eligible customers. TECO had projected that the program's cumulative participation would be 39,650. This was based on the conservation goals set in Docket No. 930551-EG, Order No. PSC-94-1313-FOF-EG, and Docket No. 971007-EG, Order No. PSC-99-1942-FOF-EG. According to TECO's 2000 energy conservation cost recovery filings, the duct repair program costs were \$820,540. This included \$381,918 for outside services and incentives. The program's current Rate Impact Measure (RIM) test is 1.25. A positive RIM value means that the savings associated with implementing a conservation program are greater than all the costs associated with implementing that program. Therefore, a RIM value of 1.25 means that the savings are 1.25 times greater than the costs. TECO proposed to modify this program by eliminating the blower door test and estimate of repairs performed by the contractor at the onset of program participation and simply offering a complete sealing of the air distribution system (ADS) at

a consistent, contracted, lower price than currently available. According to data collected by TECO, 80% of all residential ADS have leaks. The modification will simplify the process for the customer by eliminating one of the two contractor visits to the residence. TECO anticipates that this will reduce overall customer cost from \$132.00 to \$74.00 or 44%. In addition, TECO plans to improve the program by simplifying the marketing effort and message of the program, the invoicing of payment for repairs and the approval process for payment by providing the contractor with the ability to request payment via the computer. Through these enhancements, TECO anticipates a reduction in cost per participant from \$508.00 to \$356.00 or 30%. TECO calculated that the new RIM test will be 1.39 after the program modification. Therefore, by reducing the cost of the duct repair program, TECO has made the program more cost effective (1.39 RIM vs 1.25 RIM).

We believe that TECO's proposed modification to its residential duct repair program will result in savings to its customers and will reduce the overall program costs. Therefore, we find that the petition by TECO to modify its residential duct repair program shall be granted. Additionally, we approve recovery of prudently incurred costs of this program through the energy cost recovery clause.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the petition by Tampa Electric Company for modification to the residential duct program is granted. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

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

By ORDER of the Florida Public Service Commission this 1st day of October, 2001.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records and Hearing
Services

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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 that is available under Section 120.57, 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 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. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on October 22, 2001.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

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.