



West Florida Natural Gas Co.

"energy for all seasons"

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April 3, 1991

**ORIGINAL
FILE COPY**

Mr. Steve Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
101 E. Gaines Street
Tallahassee, FL 32399-0850

Re: Docket No. 910088-EG; West Florida Natural Gas Modified Conservation Plan

Dear Mr. Tribble:

Enclosed for filing on behalf of West Florida Natural Gas Company are the original and 15 copies of an addition to the Company's Petition for Approval of Modified Conservation Plan, which consists of Program Monitoring, Evaluation, and Research Demonstration criteria.

Please acknowledge receipt of this document by date stamping and returning the enclosed extra copy of this letter.

ACK Thank you for your assistance.
 AFA _____
 APP _____
 CAF _____ Sincerely,
 CMU _____
 CTR _____ *Patti Smith*
 EAG Patti Smith
 LEG Controller
 LIN PS:pc
 DPC
 RCH _____ Enclosures
 SEC
 VAS _____ cc (w/ encl.): R. S. Goldman
 DTH _____

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03307 APR-4 1991
FPSO-RECORDS/REPORTING

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ENERGY CONSERVATION AND PROMOTIONAL PROGRAMS

Contents:

	<u>Page</u>
Introduction and Program Goals	1
Program Background and Cost Effectiveness Analysis Assumptions	3
Executive Summary	8
Summary of Program Cost/Benefits to Electric and Gas Ratepayers	11
Residential Electric Resistance Appliance and Oil Heating Replacement Program	13
Residential Home Builder Program	38
Energy Savings Payback Program	61
Natural Gas Water Heater Load Retention Program	85
Natural Gas Space Conditioning Allowance Program	109
Commercial Electric Resistance Appliance and Oil Heating Replacement Program	133
Advertising and Promotion	157
Cumulative Impact of Conservation Programs	159
Program Monitoring, Evaluation, and Research Demonstration	160

DOCUMENT NUMBER-DATE

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**PROGRAM MONITORING, EVALUATION, AND
RESEARCH DEMONSTRATION**

The projected costs and benefits of West Florida Natural Gas Company's Energy conservation programs will be affected by the numbers of participating customers and the extent of their participation, as well as the assumptions used in estimating costs and savings to be derived from the programs. Many of the assumptions used in these calculations were provided by Peoples Gas System, Inc. For example, the assumed reductions in electric KW demand resulting from replacement of electric resistance appliances with natural gas appliances were established in the early 1980's after discussions between representatives of Peoples and Florida investor-owned electric utilities.

Peoples has already established Energy Conservation Program monitoring criteria for the three climate zones defined in the Florida Energy Efficiency Code for Building Construction. To avoid duplication of efforts, Peoples has agreed to share the data for West Florida's service area (zones two and three).

West Florida Natural Gas will oversee its energy conservation programs as follows:

1. Program costs recoverable through the Commission-approved energy conservation cost recovery clause will be monitored and evaluated as required by the Commission's rules and orders entered in the conservation cost recovery docket.
2. Accurate records will be maintained by West Florida Natural Gas to document the numbers and types of natural gas appliances installed by participating customers

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under various programs.

3. Peoples will evaluate the KW demand and Kwh consumption attributable to various electric appliances which are replaced by natural gas appliances throughout the course of the programs through consultation with representatives of electric utilities and appliance manufacturers. West Florida will compare this data to its assumptions in order that such assumptions might be modified or refined to reflect changes in appliance efficiency and take into consideration the effect of KW demand diversity on the overall cost effectiveness of the conservation programs.
4. Peoples will monitor on a statistical sampling basis (where authorization can be obtained from participating customers) the actual electric consumption of selected customers for the 18 months preceding and the 18 months following a customer's installation of natural gas appliances. This will permit consumption comparisons between the two periods, and may suggest the need to modify Kwh consumption estimates impacting the benefits to be derived from certain of West Florida Natural Gas' conservation programs.
5. West Florida Natural Gas will also use Peoples' data to monitor, in the manner described in paragraphs 3 and 4 above, the gas consumption of the various gas appliances involved in its energy conservation programs.
6. West Florida Natural Gas' conservation programs may, in some instances, cause the Company to incur expenses (such as installation of service lines and/or meters/regulators) in order to provide service to new customers. Some of these

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costs (such as the examples given above) are recoverable by West Florida Natural Gas through base rates, rather than through the conservation cost recovery clause. West Florida Natural Gas, through use of Peoples' data, will monitor these costs on an ongoing basis in order to be able to demonstrate the cost effectiveness of its conservation programs to its own ratepayers.

7. West Florida Natural Gas will use Peoples' monitoring tests (in two of the three climate zones defined in the Florida Energy Efficiency Code for Building Construction) to determine the most accurate "actual" consumption of residential customers using natural gas (a) water heating only, (b) house heating only, (c) house heating and water heating, and (d) house heating, water heating, and cooking. These homes will, with the cooperation of the electric utilities which service the areas in providing appropriate data, be compared to "all electric" homes in the two climate zones, some with heat pumps and some with electric resistance heating. Similar monitoring will be conducted with respect to commercial sector customers using gas for water heating, air conditioning and desiccant cooling.

The information collected by Peoples in monitoring its programs, described above and shared with this company, will enable West Florida Natural Gas to more accurately assess the costs incurred and benefits derived from West Florida Natural Gas' energy conservation programs by both the electric and gas ratepayers.

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West Florida Natural Gas will also work in cooperation with the Gas Research Institute to demonstrate prototype technologies emerging in the marketplace.

Accurate records will be maintained by West Florida Natural Gas, in cooperation with Peoples, to document gas consumption as well as the associated KW demand and Kwh consumption saved as a result of installation of various technologies under evaluation.

Since much of the required information will be available from Peoples Gas System, West Florida's program monitoring, evaluation and research efforts is expected to be minimal. Peoples has agreed to share the information they gather for a service fee.