

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

STEPHEN A. ECENIA
KENNETH A. HOFFMAN
THOMAS W. KONRAD
MICHAEL G. MAIDA
J. STEPHEN MENTON
R. DAVID PRESCOTT
HAROLD F. X. PURNELL
GARY R. RUTLEDGE
R. MICHAEL UNDERWOOD
WILLIAM B. WILLINGHAM

POST OFFICE BOX 551, 32302-0551
215 SOUTH MONROE STREET, SUITE 420
TALLAHASSEE, FLORIDA 32301-1841

GOVERNMENTAL CONSULTANTS
PATRICK R. MALOY
AMY J. YOUNG

TELEPHONE (904) 681-6788
TELECOPIER (904) 681-6515

May 21, 1997

HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center
Room 110
Tallahassee, Florida 32399-0850

Re: Docket No. 970046-EI

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of Florida Public Utilities Company ("FPU") are the following documents:

1. Original and fifteen copies of FPU's Response to Staff's Memorandum dated May 8, 1997; and 05117-97
2. The original and fifteen copies of a Notice of Appearance. 05118-97

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely,

William B. Willingham
William B. Willingham

ACK _____
AFA _____
APP _____
CAF _____
CMU _____
DTR _____

Futrell
EAC *Futrell* WBW/r1

LE 1
5 cc: All Parties of Record
Mr. Mike Peacock
Mr. Mark Futrell

Trib. 3

RECEIVED & FILED

[Signature]

FPSC BUREAU OF RECORDS

Orig Notice of Ap to Bay

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Determination of
appropriateness of allocating
electric utility sponsored
demand side program costs to
rate classes eligible to
participate in such programs.

DOCKET NO. 970046-EI

FILED: May 21, 1997

FPU'S RESPONSE TO STAFF'S MEMORANDUM DATED MAY 8, 1997

Florida Public Utilities Company ("FPU"), by and through its undersigned attorneys, herewith responds to the three questions set forth in the Florida Public Service Commission Staff's Memorandum dated May 8, 1997 as follows:

RESPONSE TO QUESTION 1:

At this time FPU is not aware of any data or other information that would tend to indicate that the general body of rate payers is at greater risk in terms of realizing benefits from DSM programs as the RIM cost-effectiveness ratio approaches 1.0. However, FPU also is not aware of any data or other information that would tend to indicate that a RIM cost-effectiveness ratio of 1.0 is the correct flash point for determining whether a program is cost-effective.

RESPONSE TO QUESTION 2:

At this time and for the foreseeable future FPU's DSM programs do not compete with conservation programs from other utilities, and FPU believes that there is not an "unavoidable competitive impact of DSM programs" within its electric service territory. FPU maintains that there is no need to analyze the benefits of competition that does not yet exist in FPU's service territory, and

DOCUMENT NUMBER-DATE

05117 MAY 21 97

FPSC-RECORDS/REPORTING

FPU's ratepayers should continue to pay for DSM programs through the ECCR clause.

RESPONSE TO QUESTION 3:

FPU believes that at this time the Commission does not need to take any action regarding marginal RIM cost-effectiveness or the competitive nature of DSM programs.

RESPECTFULLY SUBMITTED,



WILLIAM B. WILLINGHAM, ESQ.
RUTLEDGE, ECENIA, UNDERWOOD, PURNELL
& HOFFMAN, P.A.
P. O. Box 551
Tallahassee, Florida 32302-0551
(904) 681-6788

Attorneys for Florida Public
Utilities Company

CERTIFICATE OF SERVICE

I HEREBY certify that a copy of the foregoing was furnished by United States Mail this 21st day of May, 1997 to:

Leslie J. Paugh, Esq.
Division of Legal Services
Florida Public Service
Commission
2540 Shumard Oak Boulevard
Gerald L. Gunter Building
Tallahassee, Florida 32399-0850

James Beasley, Esq.
Ausley McMullen
P. O. Box 391
Tallahassee, FL 32302

Jeffery Stone, Esq.
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32576-2950

Joseph A. McGlothlin, Esq.
Vicki Kaufman, Esq.
McWhirter Law Firm
117 S. Gadsden Street
Tallahassee, FL 32301

James A. McGee, Esq.
FPC
P. O. Box 14042
St. Petersburg, FL 33733-4042

Matthew Childs, Esq.
215 S. Monroe Street
#601
Tallahassee, FL 32301

Debra Swim, Esq.
Gail Kamaras, Esq.
LEAF
1115 N. Gadsden Street
Tallahassee, FL 32303

By: William B. Willingham
WILLIAM B. WILLINGHAM, ESQ.