

FLORIDA PUBLIC SERVICE COMMISSION  
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Tallahassee, Florida 32399-0850

MEMORANDUM

July 24, 1997

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11:50  
FPSC - Records/Reporting

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF ELECTRIC & GAS (HARLOW) *9/24/97 TB*  
DIVISION OF LEGAL SERVICES (KEATING) *WOL* *8/3* *JDJ*

RE: DOCKET NO. 970596-EG - GULF POWER COMPANY PETITION FOR  
AUTHORITY TO IMPLEMENT RESIDENTIAL MAIL-IN ENERGY SURVEY  
PROGRAM

AGENDA: 8/5/97 - REGULAR AGENDA - PROPOSED AGENCY ACTION -  
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\EAG\WP\970596EG.RCM

CASE BACKGROUND

Section 366.82(5), Florida Statutes, states "The Commission shall require each utility to offer, or to contract to offer, energy audits to its residential customers." Gulf has had a residential walk-through energy audit program in place since the early 1980's. The residential walk-through audit program was not included in Gulf's DSM Plan and therefore does not count towards Gulf's DSM goals.

On May 19, 1997, Gulf filed a petition for authority to implement a residential mail-in energy audit program. The Residential Mail-in Energy Survey program is a direct-mail energy auditing program. This program is an extension of Gulf's existing residential walk-through energy audit program. In both the walk-through and mail-in audit programs, the customer's energy use is analyzed to provide the customer with energy management strategies designed to increase the energy efficiency of the home. Gulf requests authority from the Commission to implement the Residential Mail-In Energy Survey program and recover the reasonable and prudent expenses through the Energy Conservation Cost Recovery clause.

DOCUMENT NUMBER-DATE

07449 JUL 24 97

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DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve Gulf Power Company's (Gulf) Residential Mail-In Energy Survey program, including approval for cost recovery through the Energy Conservation Cost Recovery clause?

RECOMMENDATION: Yes. Utilities are required by Section 366.82(5), Florida Statutes, to offer energy audits to residential customers. Commission approval of a mail-in residential audit in addition to Gulf's existing walk-through audit will reduce total residential audit costs.

STAFF ANALYSIS: Gulf estimates that at least half of residential audits will be performed as mail-in audits if the program is approved. As filed, the residential mail-in audit program is not cost-effective. Using the same expected demand and energy savings as the residential walk-through audit program, Gulf has calculated the rate impact measure test (RIM) as .63 for the mail-in audit program. However, utilities are required by Section 366.82(5), Florida Statutes, to offer energy audits to residential customers. Residential energy audits are not required to be cost-effective.

Gulf estimates that the mail-in audit will cost \$50 per participant, compared to \$161 per participant for the walk-through audit. These savings are primarily due to a reduction in labor expenses for the mail-in audit. Because the cost of the mail-in audit is substantially less than the walk-through audit, the total cost of the two programs is expected to be less than the current cost of the walk-through audit program.

Gulf's current audit cost per residential participant is higher than that for Florida Power and Light (FPL), Florida Power Corporation (FPC) and Tampa Electric Company (TECO). FPL, FPC and TECO each offer both a walk-through and mail-in option in their residential audit programs. Commission approval of Gulf's mail-in audit program is expected to bring Gulf's cost per participant more in line with that for the other three utilities.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If no person whose substantial interests are affected by the Commission's proposed agency action files a protest within twenty-one days of issuance of the order, this docket should be closed.

STAFF ANALYSIS: If no person whose substantial interests are affected by the Commission's proposed agency action files a request for a hearing under Section 120.569, Florida Statutes, within twenty-one days of issuance of the order, no further action will be required and this docket should be closed.