

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Florida
Public Utilities Company to
modify conservation plan.

DOCKET NO. 990838-EG
ORDER NO. PSC-99-1853-PAA-EG
ISSUED: September 20, 1999

The following Commissioners participated in the disposition of this matter:

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

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING DISCONTINUANCE OF IN CONCERT
WITH THE ENVIRONMENT 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 April 19, 1996, we issued Order No. PSC-96-1120-FOF-EG, approving Florida Public Utilities Company's (FPUC) demand-side management plan. The plan consisted of nine programs, including the In Concert with the Environment program (In Concert) for residential customers. The In Concert program is an environmental and energy awareness program offered to 8th and 9th graders in FPUC's Fernandina Beach and Marianna divisions. Representatives from FPUC provide the necessary materials for the program and work with teachers and students to increase students' awareness of how everyday energy use affects the environment. Students are asked to fill out a questionnaire concerning energy usage in their home. Students analyze the information using a software program provided by the utility. FPUC also evaluates these questionnaires to determine the program's resulting energy savings.

DOCUMENT NUMBER-DATE

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On June 28, 1999, FPUC filed a petition to discontinue the In Concert program. FPUC requests that its demand-side management plan be modified to eliminate the In Concert program. For the following reasons, we grant FPUC's petition.

First, the program is not cost-effective. At the time the program was approved, FPUC based the program costs in its cost-effectiveness calculations on a similar program offered by Gulf Power Company. The program costs per participant were estimated to be \$35, which resulted in a ratepayer impact (RIM) test value of 1.72 for the FPUC program. However, these costs were substantially underestimated. The three year total expense for the program has been \$99,746 for 557 participants, or a cost per participant of \$179. FPUC recalculated the RIM test using the actual per participant costs and found the program to be non-cost effective, with a RIM test value of .35. We have reviewed these calculations and find them to be reasonable.

Second, FPUC will still meet its Commission-approved demand and energy savings goals if the program is discontinued. FPUC is currently exceeding its annual demand and energy savings goals for residential customers. If the In Concert program is discontinued, it appears that FPUC will continue to meet these goals. The demand and energy savings from the program do not provide a significant contribution to FPUC's residential goals.

Third, FPUC has experienced unexpected difficulties in implementing the program. FPUC implemented the program in cooperation with area school board members, administrators, and teachers. To be successful, the program requires the participation of teachers, students, and FPUC personnel working together in the preparation and presentation of the program and in the tracking of energy savings. However, due to teachers' time constraints and an already full curriculum, FPUC has found that it is more difficult than expected to obtain teacher participation. Further, FPUC stated that several of the parents of students involved in the program reacted negatively to the questionnaires concerning energy usage in their homes.

Based on the foregoing, it is

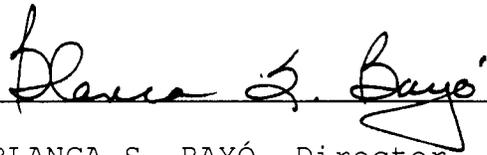
ORDERED by the Florida Public Service Commission that Florida Public Utilities Company's petition to modify its conservation plan by discontinuing the In Concert with the Environment program is granted. It is further

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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 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" 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 20th day of September, 1999.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

WCK

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.

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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 Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on October 11, 1999.

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.

4:15

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RECORDS AND REPORTING

SEPTEMBER 20, 1999

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (C. KEATING) *WCK RUE*

RE: DOCKET NO. 990838-EG - PETITION BY FLORIDA PUBLIC UTILITIES COMPANY TO MODIFY CONSERVATION PLAN

1853-P01

Attached is a NOTICE OF PROPOSED AGENCY ACTION - ORDER APPROVING DISCONTINUANCE OF IN CONCERT WITH THE ENVIRONMENT PROGRAM to be issued in the above-referenced docket. (Number of pages in order - 4)

WCK/js
 Attachment
 cc: Division of Electric and Gas (Harlow)
 I:990838or.wck

*passed - 2/10 -
 airtel -*