

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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RECORDS AND REPORTING
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DATE: MAY 4, 2000

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

FROM: DIVISION OF ELECTRIC AND GAS (GOAD)
DIVISION OF LEGAL SERVICES (C. KEATING)

RE: DOCKET NO. 990721-EG - ADOPTION OF NUMERIC CONSERVATION GOALS AND CONSIDERATION OF NATIONAL ENERGY POLICY ACT STANDARDS (SECTION 111) BY FLORIDA PUBLIC UTILITIES COMPANY.

AGENDA: 05/16/00 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\EAG\WP\990721.RCM

CASE BACKGROUND

Docket No 990721-EG was opened to implement Rules 25-17.001-.003, Florida Administrative Code, for Florida Public Utilities Company (FPUC). These rules require the Commission to establish numeric demand side management (DSM) goals for electric utilities subject to Section 366.82(1), Florida Statutes, at least once every five years. FPUC's numeric goals were last established for the period of 1996-2005 by Order No. PSC-96-1120-FOF-EG, issued September, 1996.

On December 8, 1999, FPUC filed testimony proposing new conservation goals for the period of 2001-2010. Staff expressed its concern that the proposed goals may not be cost-effective. FPUC subsequently withdrew its original testimony and refiled new testimony and goals on April 11, 2000.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DISCUSSION OF ISSUES

ISSUE 1: Should Florida Public Utilities Company's (FPUC) proposed conservation goals for the period 2001-2010 be approved?

RECOMMENDATION: Yes. FPUC's proposed goals are cost-effective and meet the requirements of Rules 25-17.001-.003, Florida Administrative Code.

STAFF ANALYSIS: Florida Public Utilities Company (FPUC) developed its proposed goals to meet the needs of both residential and commercial and industrial market segments as required by Rule 25-17.0021(3), Florida Administrative Code. In preparing its proposed goals, FPUC worked closely with Gulf Power Company (Gulf). Gulf's conservation goals for 2000-2009 were recently approved by the Commission by Order No. PSC-99-1942-FOF-EG, issued October 1, 1999. FPUC's service area is split between the Fernandina Beach area and the Marianna area. Both of these are in North Florida and have similar characteristics to that of Gulf's service area.

With Gulf's assistance, FPUC evaluated numerous demand side management measures. FPUC used the Commission approved cost-effectiveness manual to determine the cost-effectiveness of the non-audit measures. Audits are specifically required by Rule 25-17.003(3), and are therefore, not reviewed for cost-effectiveness. All non-audit measures with a 1.0 or higher Rate Impact Measure result and Participants Test result were considered as passing or, in other words, cost-effective. FPUC found three measures to be cost-effective, two residential measures and one commercial and industrial measure. FPUC summed the estimated demand and energy savings of these measures along with the estimated demand and energy savings of a residential audit program and a commercial/industrial audit program to arrive at its proposed goals. Following establishment of its goals, FPUC will file for Commission approval of a Demand Side Management Plan which will specifically define the programs to be offered and the eligibility requirements.

FPUC's proposed winter and summer demand savings are slightly less than those previously established in 1996. This follows the same trend recently experienced by the other IOUs, JEA and Orlando Utilities Commission. The trend is primarily due to the reduced cost of power, both purchased and constructed.

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FPUC's proposed goals appear to satisfy the requirements of Rules 25-17.001-.003 and the purposes of Section 366.82, Florida Statutes. As such, staff recommends that the Commission approve FPUC's proposed conservation goals for 2001-2010. FPUC's proposed goals are listed in Attachment A.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, this docket should be closed upon issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's proposed agency action in Issue 1 files a protest within 21 days of the issuance of the order.

STAFF ANALYSIS: If no person whose substantial interests are affected by the Commission's proposed agency action in Issue 1 files a protest within 21 days of the issuance of the order, this docket should be closed upon issuance of a Consummating Order.

Attachment A

FPUC's Proposed Cumulative Conservation Goals (2001-2010)									
YEAR	Residential			Commercial/Industrial			Total All Markets		
	Winter MW	Summer MW	Annual GWh	Winter MW	Summer MW	Annual GWh	Winter MW	Summer MW	Annual GWh
2001	0.16	0.13	0.28	0.07	0.12	0.30	0.23	0.25	0.58
2002	0.32	0.26	0.56	0.14	0.24	0.59	0.47	0.50	1.15
2003	0.48	0.39	0.84	0.21	0.36	0.89	0.70	0.77	1.74
2004	0.64	0.53	1.12	0.29	0.49	1.21	0.94	1.04	2.33
2005	0.80	0.66	1.41	0.36	0.62	1.52	1.18	1.30	2.92
2006	0.96	0.79	1.69	0.43	0.75	1.83	1.42	1.56	3.51
2007	1.09	0.91	1.95	0.50	0.86	2.12	1.63	1.80	4.06
2008	1.23	1.03	2.21	0.58	0.98	2.42	1.84	2.04	4.62
2009	1.36	1.15	2.47	0.65	1.10	2.71	2.05	2.28	5.18
2010	1.50	1.26	2.73	0.73	1.22	3.02	2.27	2.52	5.74