

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Adoption of Numeric
Conservation Goals and
Consideration of National Energy
Policy Act Standards (Section
111) by Florida Public Utilities
Company.

DOCKET NO. 990721-EG
ORDER NO. PSC-00-1029-PAA-EG
ISSUED: May 24, 2000

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON
SUSAN F. CLARK

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING NUMERIC CONSERVATION GOALS

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.

Pursuant to Rule 25-17.0021, Florida Administrative Code, this docket was opened for the purpose of establishing numeric conservation goals for Florida Public Utilities Company (FPUC) for the period 2001 through 2010. This Commission originally established numeric goals for FPUC by Order No. PSC-95-0461-FOF-EG, issued April 10, 1995, and subsequently modified those goals by Order No. PSC-96-1120-FOF-EG, issued September 4, 1996. In accordance with Rule 25-17.0021, Florida Administrative Code, we are required to set goals for each jurisdictional utility at least once every five years.

Pursuant to Section 366.82(2), Florida Statutes, the Executive Office of the Governor is a party to this docket. No other person intervened in this docket.

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FPSC-RECORDS/REPORTING

On December 8, 1999, FPUC filed testimony proposing new conservation goals for the period 2001 through 2010. FPUC subsequently withdrew its original testimony and refiled new testimony and goals on April 11, 2000. FPUC's proposed goals are listed in Attachment A to this Order, which is incorporated herein by reference.

According to FPUC, it 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). We recently approved Gulf's conservation goals for the period 2000 through 2009 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 areas 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 cost-effectiveness manual approved by this Commission to determine the cost-effectiveness of the non-audit measures. Audits are specifically required by Rule 25-17.003(3), and, therefore, are not reviewed for cost-effectiveness. All non-audit measures that scored 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 our 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 that were established in 1996. We note that this follows the same trend recently experienced by other investor-owned electric utilities, JEA, and Orlando Utilities Commission. This trend is primarily due to the reduced cost of power, both purchased and constructed.

Upon review, FPUC's proposed goals appear to satisfy the requirements of Rules 25-17.001 through 25-17.003, Florida

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Administrative Code, as well as the purposes of Section 366.82, Florida Statutes. Accordingly, we hereby approve FPUC's proposed conservation goals for the period 2001 through 2010, as they are stated in Attachment A.

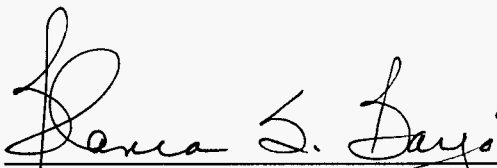
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Public Utilities Company's proposed numeric conservation goals for the period 2001 through 2010, as set forth in Attachment A, which is incorporated herein by reference, are hereby approved. It is further

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 24th day of May, 2000.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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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.

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 June 14, 2000.

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.

Attachment "A"

FPUC's Approved 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