

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for approval of modifications to Demand-Side Management Program: Low Income Weatherization Assistance Program, by Progress Energy Florida, Inc.	DOCKET NO. 050512-EI ORDER NO. PSC-05-1031-PAA-EI ISSUED: October 21, 2005
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The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman
J. TERRY DEASON
RUDOLPH "RUDY" BRADLEY
LISA POLAK EDGAR

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING MODIFICATIONS TO
LOW INCOME WEATHERIZATION ASSISTANCE 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.

BACKGROUND

On August 9, 2004, we issued Order No. PSC-04-0769-PAA-EG in Docket No. 040031-EG, In Re: Petition for approval of numeric conservation goals by Progress Energy Florida, Inc., approving Progress Energy Inc.'s (Progress) annual energy conservation goals for the period 2005 through 2014. The order also approved the company's demand-side management plan that included specific residential programs for capacity and energy savings. One of the residential programs is known as the Low Income Weatherization Assistance Program (LIWAP). On July 28, 2005, Progress filed a petition requesting approval of modifications to the LIWAP in order to increase the energy savings and cost-effectiveness of the program.

We have jurisdiction pursuant to Sections 366.82(2), 366.05, and 366.06, Florida Statutes. We approve Progress' petition, as explained below.

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DECISION

Since 1996, Progress has worked with the Department of Community Affairs and local weatherization providers to offer the LIWAP. The endeavor came about through an agreement between the Legal Environmental Assistance Foundation Inc. and Florida Power Company, predecessor to Progress Energy. LIWAP is an umbrella program to improve energy efficiency for low income customers in existing homes, and is designed to introduce those customers to energy conservation through demand side management (DSM) programs.

The LIWAP was implemented as a pilot program for the period 1996-2000, and was subsequently approved as a full time program by Order No. PSC-00-0750-PAA-EG, issued on April 17, 2000 in Docket No. 991789-EG, In Re: Approval of demand-side management plan of Florida Power Corporation. Since it was first implemented, the program has provided incentives for attic insulation upgrades, duct testing and repair, reduced air infiltration, water heater wrap, heating and air conditioning maintenance, high efficiency heat pumps, heat recovery units, and dedicated heat pump water heaters. Progress has not made any changes or additions to the program since it was first approved.

Recently, Progress reviewed the feasibility of additional measures to further enhance the LIWAP, and proposes to include four new measures in the program:

1. Replacement of incandescent lamps with compact fluorescent: up to three bulbs, 60 watts or greater, would be replaced by fluorescent lamps rated at 15 or 18 watts. The new bulbs have an expected life of 10,000 hours, compared with 750 hours for the incandescent bulbs.
2. Replacement of regular shower heads with low flow heads: regular heads generally have flow of 3 to 5 gallons per minute, whereas the replacement will have flow rating of 2.5 gallons per minute. Reduction in water usage produces an associated reduction in water heating. Replacement is limited to one per shower or two per home.
3. Provide faucet aerators: water usage is reduced, producing energy and cost savings associated with reduction in water heating. Replacement is limited to 3 per household.
4. Provide refrigerator coil brush: the weatherization provider will demonstrate effective use of the brush and explain that savings result from maintaining high cooling efficiency of the cooling coils.

Progress estimates a summer peak savings of 0.148 kW and a winter peak savings of 0.20 kW per participant, with associated annual energy reduction of 434 kWh. Adding these measures will produce an increase in the benefit cost ratio from 1.01 to 1.061 for the rate impact measure (RIM test) and from 8.24 to 11.180 for the total resource cost test (TRC). There is no charge to the participating ratepayer, who would see some reduction in annual electricity costs

associated with actual energy savings. For these reasons we find the proposed additions to the LIWAP Program appropriate and we approve them.

Based on the foregoing, it is

ORDERED that the Petition for approval of modifications to Demand-Side Management Program: Low Income Weatherization Assistance Program, by Progress Energy Florida, Inc. is 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 the Commission Clerk and Administrative Services, 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 21st day of October, 2005.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

(S E A L)

MCB

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 the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 11, 2005.

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/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.