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Public Service Commission

July 18, 2008

Steven R. Griffin, Esquire
Beggs & Lane Law Firm
P.O. Box 12950
Pensacola, FL 32591-2950

STAFF'S DATA REQUEST

Re: Docket No. 080395-EG - Petition for approval of modifications to demand-side management plan by Gulf Power Company.

Dear Mr. Griffin:

By this letter, the Commission staff requests that Gulf Power Company (Gulf Power) provide responses to the following data requests:

1. The first paragraph of Appendix 1 (page 4 of the petition) describes the proposed Solar Thermal Water Heating Program as a three year pilot program. Please explain or describe whether Gulf Power intends to periodically report results to the Public Service Commission. If so, please explain or describe the information that will be entailed in the report.
2. Please explain whether the proposed program will install solar water heaters to replace an equal number of gas and electric water heaters?
3. Please provide a calculation of the cost of the solar water heater, less the proposed rebate, to arrive at the net cost to the customer.
4. If a customer has already applied for the \$500 State of Florida rebate, please explain whether that customer is still eligible to participate in the proposed program.
5. Please explain why Gulf Power is requesting approval of this program as a pilot program rather than a permanent program?
6. Please state whether this pilot program is intended to see how customers react to an offer of a free water heater?
7. On page 4 of Appendix 1, it states that one purpose of this pilot program is to determine the economic incentives that may be most effective in increasing the public's willingness to install the technology in their homes. Does this indicate that

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Gulf Power intends to offer different levels of economic incentives during the course of this pilot program?


8. On page 4 of Appendix 1, the last paragraph mentions plans to demonstrate solar thermal water heating in low-income multi-family application. Please explain whether there are any additional energy savings for this application compared to the savings mentioned in the Benefits and Cost section for other participants.
9. On page 5 of Appendix 1, the first line under Benefits and Costs, notes that the reductions are compared to standard, storage tank-type electric resistance water heating. Please explain or describe how the reductions will be determined for a gas water heater.
10. On page 5 of Appendix 1, the first line under Benefits and Costs, notes a reduction of 0.25 kW summer peak demand and an annual reduction of 2,600 kWh. Please provide the calculations that convert the reduction of summer peak demand to the annual reduction figure.
11. Please provide the total reduction in summer peak demand and annual energy consumption with the projected level of participants.
12. On page 6 of Appendix 1, the bullet on Incentives states that Gulf Power projects a maximum of 75 participants per year. Please explain whether the 75 participants is intended as a cap to participation.
13. On page 6 of Appendix 1, the third and fourth bullets show the costs for the 75 participants annually over three years will be \$225,000 or \$1,000 each ($\$225,000 / 225 = \$1,000$), while the cost for the low-income project will be \$375,000 or \$4,261 each ($\$375,000 / 88 = \$4,261$). Please explain or describe the reason for the \$3,261 price disparity?
14. Please state whether the total cost of \$793,000, shown on page 7 of Appendix 1, is for the three year period of the proposed pilot program.
15. Please provide the percentage of the total cost expenditures for each of the four components shown on page 10 of Appendix 2.
16. Please provide a comparison of costs for the proposed Energy Education Program vs. other audit and education programs, such as Residential Energy Survey, Low-Income Energy Education, and Affordable Housing Builders and Providers.
17. The Consumer Awareness Campaign, on page 11 of Appendix 2, discusses an advertising campaign. Please state whether Gulf Power is aware of the limitations on image enhancing advertising in Rule 25-17.015(5), Florida Administrative Code.
18. Please refer to Appendix 2, page 12, line 4. Please explain or describe what is meant by the term "edutainment."

19. Pages 11 and 12 of Appendix 2 discuss the development of multi-media advertising plans by “incorporating all promotions for Gulf Power energy conservation products and messages into a coordinated approach.” Please respond to the following:
 - a. What are the advertising budgets for each of Gulf Power’s existing DSM programs?
 - b. Please explain why the advertising budgets for existing programs cannot be combined to promote Gulf Power’s DSM programs.
 - c. Please explain how the advertising expenditures for the proposed Energy Education Program will be allocated to energy savings.
20. In reference to the question above, please state whether the advertising for the existing programs will be reduced.
21. On pages 12 and 13 of Appendix 2, it states that the training program of the School-Based Education will have limited participation due to time and space constraints. Please identify the projected and maximum number of participants in the annual training program.
22. Please compare and contrast the proposed Contractor Education component of the Energy Education Program, with Gulf Power’s existing GoodCents Home/Energy Star and GoodCents Commercial Buildings programs.
23. Pages 14 and 15 of Appendix 2 discuss the proposed program manager position for the Energy Education Program. Please explain whether the \$75,000 expense for this position includes benefits.
24. Please explain or describe why the brochures and promotional materials discussed under the fifth bullet on page 15 of Appendix 2 are listed separately and not included in advertising costs?
25. Please provide a chart showing a comparison of Gulf Power’s projected expenditures for the proposed programs to the expenditures for Gulf Power’s existing conservation programs.
26. Please refer to the Benefits and Costs section of Appendix 2, pages 15-16. The \$800,000 advertising costs, plus the \$60,000 one-time cost for brochures and promotional materials and \$10,000 per year, arguably additional advertising, total \$860,000 the first year and \$810,000 for each subsequent year. Please explain or describe the justification for spending over 85 percent of the \$1,010,000 total first-year cost and over 84% of the \$960,000 continuing annual cost for advertising rather than a greater portion on energy education.

Steven R. Griffin, Esquire
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Please provide responses by August 1, 2008. If you have any questions, please do not hesitate to contact me at (850) 413-6218.

Sincerely,

A handwritten signature in black ink, appearing to read "Katherine E. Fleming". The signature is fluid and cursive, with a large, stylized initial "K".

Katherine E. Fleming
Senior Attorney

KEF/tfw

cc: Office of Commission Clerk
Office of Strategic Analysis & Governmental Affairs (Garl, Ellis)
Docket 080395-EG - Parties