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Sent: Friday, August 28, 2009 4:02 PM
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Subject: Docket No. 080411-EG
Attachments: 2009-08-28, 080411, Final Post-hearing Brief.dpf.pdf; 2009-08-28, 080411, Final Posthearing Brief.doc

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Docket 080411-EG - Commission review of numeric conservation Goals (Florida Public Utilities Company)

This is being filed on behalf of Florida Public Utilities Company

Total Number of Pages is 19

Florida Public Utilities Company's Post-Hearing Brief

This document is also attached in MS Word format.

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August 28, 2009

VIA ELECTRONIC FILING
Ms. Ann Cole, Director
Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 080411-E

Dear Ms. Cole:

Enclosed for filing on behalf of Florida Public Utilities Company in this docket is an electronic version of Florida Public Utilities Company's Post-Hearing Statement in the above referenced docket.

Thank you for your assistance.

Sincerely,

Norman H. Horton, Jr.

NHH/amb
Enclosure
cc: Mr. Joe Eysie
Parties of Record

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Commission review of numeric Conservation goals Florida Public Utilities Company	Docket No. 080411-EG Filed: August 28, 2009

POST-HEARING STATEMENT
OF
FLORIDA PUBLIC UTILITIES COMPANY

Comes now, Florida Public Utilities Company ("FPUC"), through undersigned counsel, and pursuant to Order No. PSC-09-0545-PHO-EG, submits this post-hearing statement. References to transcript of the proceeding are indicated by "Tr.", the appropriate page number of the transcript, and the witness testifying in parentheses. References to exhibits are indicated by "Exh." followed by the exhibit number.

BASIC POSITION

This proceeding was initiated by the Commission pursuant to Section 366.80 – 366.85, Florida Statutes, the Florida Energy Efficiency Conservation Act ("FEECA") and Rule 25-17.0021, Florida Administrative Code. These require each utility to propose numeric goals for the ten-year period and provide ten-year projections of the total cost-effective, winter and summer peak demand savings (kW) and annual energy savings (kWh) reasonably achievable in the residential and commercial/industrial classes through demand-side management ("DSM"). DSM goals for each utility subject to FEECA must be set at least once every five (5) years.

FPUC is subject to FEECA but is unique among the FEECA utilities because it is by far the smallest of the FEECA utilities and it is the only non-generating FEECA utility. FPUC purchases all of its power for customers in Marianna and Fernandina Beach from either Gulf Power or JEA. [Tr. 763 (Eysie)] FPUC's size places limits on the level of effort and manpower

that can be expended in the administration of conservation programs. As a result FPUC focuses on modifying customer behavior to entice customers to implement no and low cost conservation measures. (Tr. 763 [Eysie)] This is especially important for FPUC's customers who enjoyed several years of low rates due to below market purchase power and as a result developed poor energy efficiency habits.

In this Docket, FPUC joined in a collaborative which retained Itron, one of the leading DSM and conservation firms in the world, to conduct an evaluation of the technical, economical, and achievable potential of DSM and conservation measures in accordance with Sections 366.80 through 366.89 FS and Rule 25-17.0021 FAC for the determination of FPUC's Conservation Goals. [Tr. 764 (Eysie)] This effort, which included input from the Southern Alliance for Clean Energy ("SACE") and the Natural Resources Defense Council ("NRDC"), concluded that there were no cost-effective energy efficiency and demand-side renewable energy measures for FPUC under the RIM test as approved by the Commission in FPUC's previous Conservation Goals Docket. (Tr. 764 (Eysie)] While in FPUC's previous Conservation Goals Docket, some measures passed the RIM test, FPUC attributes the lack of measures passing the RIM test in this Docket to FPUC's significant increase in rates due to higher priced purchase power.

Itron did not evaluate residential and commercial/industrial demand response measures from an economic perspective, but did find minor amounts of demand response measures to be achievable (less than 1.4 MW under the highest scenario). [Tr. 766 (Eysie)] FPUC has not evaluated the achievable demand response measures with respect to the RIM test, but feels that it is unlikely that the demand response measures would be cost-effective due to the small achievable levels and the requirement that significant systems be installed to implement them.

As such FPUC is not including the demand response measures as part of the conservation and DSM goals.

The testimony offered in this docket by FPUC and others clearly establishes that the RIM test continues to be the appropriate test for setting DSM Goals, especially in light of the current economic conditions coupled with FPUC's significant increase in rates due to increased purchase power costs. FPUC requests that the Commission approve FPUC's proposed zero goals based on the RIM test. FPUC, however, plans to update and submit FPUC's existing Conservation Programs as their Conservation and DSM plan upon the Commission's Order setting FPUC's Goals. FPUC's existing programs are centered on behavior modifications and because they have already been developed are more cost effective than new programs.

ISSUES AND POSITIONS

ISSUE 1: **Did the Company provide an adequate assessment of the full technical potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems, pursuant to Section 366.82(3), F.S.?**

FPUC: *Yes. The study performed by Itron adequately assessed the full technical potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems. The scope of work and assessment techniques were vetted by the Collaborative. Itron utilized state-of-the-art models to determine the full technical potential of available measures.*

The technical potential study performed by Itron provided an adequate assessment of the full technical potential of available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems. [Tr. 768 (Eysie)] The scope of the study, the measures to be analyzed, and the assessment techniques were fully vetted through the Collaborative process which included input from all of the FEECA-regulated utilities and other interested parties including NRDC/SACE. [Tr.1934 (Eysie)] Drawing upon their recognized

expertise, Itron utilized its state-of-the-art models to comprehensively analyze the full technical potential of energy efficiency, demand response, and demand-side renewable energy technologies. [Tr. 768 (Eysie)]

The steps taken by Itron were thoroughly explained by witness Rufo. The first step in Itron's study was to identify and select the energy efficiency, demand response ("DR") and photovoltaic ("PV") measures to be analyzed consistent with statutory and Commission requirements. Energy efficiency measures were developed through an exhaustive collaborative process, with the FEECA utilities, Itron, and NRDC/SACE proposing measures. DR measures were identified using a combination of literature review, reviews of current DR program activities, and discussions. The PV technologies were identified by explicitly considering six characteristics specific to PV electrical systems. The final measures list was comprehensive and broad, providing an aggressive yet reasonable assessment of the full technical potential of DSM for the FEECA utilities. The final list of measures included 257 unique energy efficiency measures, seven unique DR measures and three unique PV measures as well as the list included 25 residential measures and 24 commercial measures that Itron had not previously analyzed in potential studies for other clients. [Tr. 903 (Rufo)]

The next step was to develop measure cost and savings data for each measure and develop bottom-up baseline estimates of end-use energy consumption and peak demand savings for all in-scope market segments. Using this end-use baseline and measure data, Itron then estimated technical potential. Technical potential is defined as the complete penetration of all measures analyzed in applications where they were deemed technically feasible from an engineering perspective. Technical potential is a theoretical construct representing the upper bound of energy efficiency potential from a technical feasibility sense – regardless of cost, acceptability to cus-

tomers, or normal replacement of equipment. As such, technical potential does not reflect and is not intended to reflect the amount of energy efficiency potential that is actually achievable or cost-effective relative to other resource options. [Tr. 904 (Rufo)] As discussed below with regard to Issue No.2, however, Itron performed additional analyses for FPUC to analyze achievable potential and cost-effectiveness.

NRDC/SACE witness Wilson admits that Itron's technical potential study was "conducted in a professional and thorough manner," that the collaboration among the FEECA utilities and NRDC/SACE was "generally productive," and that "communications within the Collaborative were effective for the most part." [Tr. 1453 (Wilson)] Moreover, NRDC/SACE witness Wilson admitted that "we were generally satisfied with the decision to include or exclude measures from the Technical Potential Study." [Tr. 1457 (Wilson)] Nevertheless, the NRDC/SACE and GDS witnesses contend that the assessment was unnecessarily conservative primarily because the FEECA utilities utilized a two-year payback criterion to address "free-riders" in accordance with Rule 25-17.0021(3), F.A.C. However, the record demonstrates that the two-year payback criterion is consistent with prior Commission approvals of DSM goals [Tr. 2074 (Dean)] and is an accepted industry method for minimizing free-riders. [Tr. 1652 (Haney)] Furthermore, the types of measures that were screened out using the two-year payback criterion are the focus of FPUC's existing educational programs and other outreach efforts. [Tr. 1935 (Eysie)]

For these reasons, none of the criticisms of the Itron technical potential estimates have merit. To the contrary, the scope of measure analyzed was comprehensive and consistent with the requirements of FEECA and Rule 25-17.0021, F.A.C.

ISSUE 2: **Did the Company provide an adequate assessment of the achievable potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems?**

FPUC: *Itron's study adequately assessed the full achievable potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems. The scope of work and assessment techniques were vetted by the Collaborative. Itron utilized state-of-the-art models to determine the full achievable potential of available measures.*

The methodology and models used by Itron to develop Achievable Potential Estimates for the FEECA utilities are analytically sound and have a history of success because they appropriately blend theory and practice. [Tr. 898 (Rufo)] The methodology and models have been used by Itron and KEMA to develop energy efficiency potential estimates and energy efficiency goals in a variety of jurisdictions. [Tr. 899 (Rufo)] The models use advanced stock and awareness accounting along with measure-specific adoption curves that reflect real-world differences in end user adoption of efficiency measures as a function of direct and indirect measure attributes. [Tr. 898 (Rufo)]

Technical achievable estimates were developed for all of FEECA utilities by Itron. In addition to the work for all FEECA utilities, for FPUC, as a step preceding development of the technical achievable estimates, Itron performed additional analyses to assess the cost-effectiveness for each measure using the RIM and TRC tests, and to determine the incentive levels to be applied in the adoption forecast. Itron also determined the maximum incentive levels for each measure according to the incentive scenarios defined by the FEECA utilities. [Tr. 890 (Rufo)] For purposes of evaluating the cost-effectiveness to estimate economic potential, the measure-specific RIM values were calculated without administrative costs or incentive costs in the denominator. [Tr. 888 (Rufo)] Similarly, the measure-specific TRC values were calculated without administrative costs in the denominator. [Tr. 888 (Rufo)] In these respects, the cost-

effectiveness screening was based on purposefully liberal implementations of standard RIM and TRC tests. [Tr. 888 (Rufo)]

To comply with the Commission's requirement to account for free riders, measures that demonstrated simple payback periods of less than two years with no incentive applications were screened from the achievable potential analysis. [Tr. 889 (Rufo)] Additionally, measures with Participant test values of less than 1.01 were also screened from the achievable potential analysis. [Tr. 889 (Rufo)]

After the cost-effectiveness screenings and incentive level estimation were complete, the next step in the study was to forecast customer adoption of all passing measures, and then estimate the achievable potential for energy efficiency measures. [Tr. 891 (Rufo)] Itron developed the achievable potential using KEMA's DSM ASSYST model, which is generally considered a leading model of this type in the industry. [Tr. 891-892 (Rufo)] The achievable potential results were developed for multiple scenarios, which is an effective and common way of testing sensitivities and increasing the robustness of the results. [Tr. 900 (Rufo)] Itron's study results provide directly relevant estimates of achievable potential for the measures passing the cost-effectiveness and screening criteria. [Tr. 901 (Rufo)] The resulting estimates of achievable potential are a reasonable basis for the FEECA utilities to use in proposing DSM goals. [Tr. 901 (Rufo)]

None of the NRDC/SACE or GDS witnesses demonstrated that the data inputs, assumptions, methods, and models used by Itron to estimate potential are flawed or produce biased results. Neither the NRDC/SACE nor the GDS witnesses provided any evidence that alternative models offer superior features or parameters to the DSM ASSYST model or that the input data are inaccurate or biased. Itron staff has used the same models and quality of data in this study as

they have in previous potential studies. [Tr. 1044 (Rufo)] Itron has produced a wide range of efficiency potential estimates within and across studies as a function of differences in project scopes and efficiency scenario definitions. [Tr. 1044-1045 (Rufo)] The underlying data and modeling methods are consistent across these studies. Itron staff has been industry leaders in the development and implementation of efficiency potential studies for over twenty years. Itron's documentation and results have been accepted and used for goal setting in jurisdictions throughout the United States. [Tr. 1045 (Rufo)]

For all of the reasons outlined above, the assertions of the NRDC/SACE and GDS witnesses regarding the achievable potential estimates are not accurate. Itron's study adequately assessed the full achievable potential of all available DSM and supply-side conservation and efficiency measures, including demand-side renewable energy systems.

ISSUE 3: **Do the Company's proposed goals adequately reflect the costs and benefits to customers participating in the measure, pursuant to Section 366.82(3)(a), F.S?**

FPUC: *Yes. FPUC's proposed goals are based on achievable potential developed based on Itron's cost-effectiveness evaluation, which included consideration of the costs and benefits to customers participating in the measures through use of the Participant test.*

FPUC's proposed goals are based on estimates of achievable potential developed by Itron as part of its comprehensive and analytically sound analyses. The cost-effectiveness evaluations performed by Itron included consideration of the costs and benefits to customers participating in the measures through use of the Participant test. [Tr. 1930 (Eysie)] There does not appear to be any dispute that Itron appropriately utilized the Participant test for FPUC to address the costs and benefits to customers participating in the measure, pursuant to Section 366.82(3)(a), F.S. For example, refer to the position of NRDC/SACE in the Prehearing Order where their position is,

"We do not object to how the participant test was conducted for JEA, OUC and FPU" (Order No. PSC-09-0545, p. 23).

ISSUE 4: **Do the Company's proposed goals adequately reflect the costs and benefits to the general body of ratepayers as a whole, including utility incentives and participant contributions, pursuant to Section 366.82(3)(b), F.S.?**

FPUC: *Yes. FPUC's proposed goals are based on achievable potential developed based on Itron's cost-effectiveness evaluation, which included consideration of the costs and benefits to the general body of ratepayers as a whole, including utility incentives and participant contributions, through use of the RIM and Participant tests.*

FPUC's proposed goals are based on the achievable potential estimates developed by Itron through its comprehensive and analytically sound analyses. Itron's analyses appropriately considered the costs and benefits to the general body of ratepayers as a whole, including utility incentives and participant contributions, through use of the RIM and Participant tests. [Tr. 1930 (Eysie)] The Participant test includes all of the relevant benefits and costs that a customer who is considering participating in a DSM measure would consider. [Tr. 87 (Sim)] The RIM test includes all of the relevant benefits and costs that all of the utility's customers would incur if the utility implements a DSM measure. [Tr. 87 (Sim)] The RIM and the Participant tests both account for utility incentives paid to customers, each from a different perspective, with the RIM test treating utility incentives as a cost and the Participant test treating utility incentives as a benefit. As such, when used in conjunction with each other, the RIM and Participant tests satisfy the Commission's statutory obligation, under Section 366.82(3)(b), F.S., to consider the costs and benefits to the general body of ratepayers as a whole, including utility incentives and participant contributions. [Tr. 1930 (Eysie)]

By contrast, as discussed more fully below in Issue No. 8, the TRC test advocated by NRDC/SACE omits the incentives payments made by the utility to DSM program participants,

which are costs recovered from all of the utility's customers. [Tr. 86 (Sim)] Additionally, the TRC test omits the economic impact of unrecovered revenue requirements on the utility's electric rates, also a cost borne by all electric customers. [Tr. 86 (Sim)] The TRC test accounts for participants' out of pocket costs, which are already reflected in the Participant test. [Tr. 86 (Sim)] The TRC test, therefore, does not adequately reflect the costs or the benefits to the general body of ratepayers as required by Section 366.82(3)(b), F.S.

ISSUE 5: Do the Company's proposed goals adequately reflect the costs imposed by state and federal regulations on the emission of greenhouse gases, pursuant to Section 366.82(3)(d), F.S?

FPUC: *Because no federal or state regulations currently impose costs on GHG emissions, it is not appropriate to establish DSM goals based on speculation as to what costs may be imposed in the future. For informational purposes, however, Itron performed analyses utilizing different CO_2 allowance costs.*

Greenhouse gases (GHG) are not currently regulated at either the state or federal level, and there currently are no costs imposed on the emissions of greenhouse gases. Based on the language of Section 366.892(3)(d), F.S., which requires consideration of "costs imposed by state and federal regulations on the emission of greenhouse gases" (emphasis added), it would be inappropriate to establish DSM goals that would increase customer rates based on speculation as to what costs may be imposed on GHG emissions in the future. However, for informational purposes, Itron performed additional analyses using several different combinations of fuel and carbon dioxide (CO_2) emissions allowance prices.

Based on three different levelized CO_2 emissions allowance price projections, Itron's economic potential analyses indicated only small amounts of savings may be economic for FPUC, but those analyses did not address whether even that small level of savings would be achievable. [Exh. No. 2, Item 25 (FPUC's Resp. to Staff Int. No. 26)] Although NRDC/SACE

witness Steinhurst criticized the CO_2 allowance costs utilized by all FEECA utilities, the CO_2 allowance costs that Itron used in its analyses for FPUC (levelized costs of $15 per ton, $35 per ton, and $89 per ton) align well with those suggested by Dr. Steinhurst. [Tr. 1944 (Kushner)]

ISSUE 6: **Should the Commission establish incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems?**

FPUC: *No. FPUC has comprehensively analyzed customer-owned energy efficiency and demand-side measures and none were found to be cost-effective. Utility-owned energy efficiency and renewable energy systems are supply-side issues that are not applicable to FPUC as a non-generating utility.*

ISSUE 7: **In setting goals, what consideration should the Commission give to the impact on rates?**

FPUC: *The Commission should give serious consideration to the impact on rates in setting DSM goals.*

The Commission must continue to consider rate impacts as a primary determinant in setting DSM goals. Section 366.81, F.S., specifically states that "in exercising its jurisdiction, the commission shall not approve any rate or rate structure which discriminates against any class of customers on account of the use of such facilities, systems, or devices." In *Legal Environmental Assistance Foundation, Inc. ("LEAF") v. Clark*, 668 So. 2d 982, (Fla. 1996) LEAF challenged, in part, the Commission's decision to set conservation goals using RIM. The Florida Supreme Court held that the language of 366.81, Florida Statutes, compelled the Commission to consider "the overall effect on rates, generation expansion, and revenue requirements" in setting conservation goals and the Court affirmed the Commission's original decision to set conservation goals using RIM. *Id* at 988. This language was not changed by HB 7135 and is the same now as when the Court affirmed the Commissions decision to use RIM.

The argument of parties such as NRDC/SACE that RIM is inappropriate because "[n]owhere in the amendments is there any discussion concerning impacts on rates," [Tr. 415 (Cavanaugh); Tr. 1449 (Wilson)], is simply not accurate and overlooks the fact that the language in Section 366.81, Florida Statutes, was reenacted without change and the reliance of the Commission on RIM continues to be correct.

ISSUE 8: **What cost-effectiveness test or tests should the Commission use to set goals, pursuant to Section 366.82, F.S.?**

FPUC: *In general, the Commission should use, as a threshold, the results of the RIM test as the basis for setting DSM goals. If the results of the RIM test indicate a DSM measure may be cost-effective, then it should also be required to pass both the TRC and Participants tests.*

Consistent with the FEECA statutes and prior decisions, the Commission has appropriately utilized RIM as the primary cost-effectiveness test in setting conservation goals for FEECA utilities. Section 366.82, Florida Statutes, does not require that the Commission must change this established practice.

As codified in Section 366.82(3), F.S., House Bill 7135 added two specific cost-effectiveness criteria for the Commission to consider in establishing goals: (a) the costs and benefits to the customers participating in the measure; and (b) the costs and benefits to the general body of ratepayers as a whole, including utility incentives and participant contributions.

With respect to the participant test, witness Cavanagh for NRDC/SACE testified . . . "[i]n section 3(a), the legislature required the 'Participant Test' when it required the PSC to consider 'the costs and benefits to customers participating in the measure."). [TR. 1413] That was shown by several witnesses to be incorrect.

As for the RIM and TRC tests, both consider the benefits to the general body of customers but differ in that not all utility costs are included in a TRC calculation, and all are included

under RIM. [Tr. 1230 (Dean)] Witness Dean explained that the RIM and Participant tests account for utility incentives paid to customers, but the TRC test disregards incentives. [Tr. 1230 (Dean)] This opinion comports with that of several other witnesses as well [Tr. 1785 (Sim), 1845 (Mariello), 1875 (Bryant), 1926(Floyd)] The RIM test treats incentives as a cost and the Participant test treats them as a benefit. [Tr. 1230 (Dean)] Since the TRC test does not include all DSM-related costs, it does not comply with the amended Section 366.82(3)(b). nor does it comply with Section 366.81, F.S., as previously interpreted by the Commission and the Commission should continue to utilize the RIM test, in conjunction with the Participant test, to set goals pursuant to FEECA.

ISSUE 9: What residential summer and winter megawatt (MW) and annual Gigawatt-hour (GWh) goals should be established for the period 2010-2019?

FPUC: *Itron's analysis indicated that there is no achievable potential for residential efficiency for FPUC based on the RIM and Participant tests. Accordingly, the DSM goals for FPUC should be established as zero through the current evaluation period ending in 2019.*

Itron's analysis indicated that there is no achievable potential for residential efficiency for FPUC based on the RIM and Participant tests. Accordingly, the DSM goals for FPUC should be established as zero through the current evaluation period ending in 2019. Mr. Eysie addressed the existing goals and programs in his direct as well as in responses to interrogatories [Exh. No. 2, Item 28]

The Commission should reject the goals proposed by NRDC/SACE witness Steinhurst and GDS witnesses Spellman and Guidry. Dr. Steinhurst admitted that he performed no analysis specific to any of the FEECA utilities beyond reading portions of their pre-filed testimony. [Tr. 1147] Instead, without regard to any of the specific criteria set forth in FEECA and Rule 25-17.0021, F.A.C., he arbitrarily proposed goals based on 1.0 percent of annual electricity sales.

[*See* Tr. 1115-1120 (Steinhurst)] Similarly, the GDS witnesses performed no study of their own. Instead, they developed their proposed goals by starting with the highest Achievable Potential starting point they could find and then making a series of arbitrary adjustments that only move the Achievable Potential in one direction – higher. [Tr. 1674 (Haney)] Moreover, neither Dr. Steinhurst nor GDS considered the significant impact their proposed goals would have on customer rates. As explained by FPUC witness Eysie, as compared to bills based on the projected rates utilized by Itron in their cost-effectiveness analyses, and based on projected energy savings and associated costs developed by Itron for DSM measures passing both the TRC and Participants tests, the GDS proposal would increase the annual bills for a residential FPUC customer consuming 1,200 kWH per month by about $72 in 2010 and by about $1,217 in 2019. [Tr. 1930-1932 (Eysie)]

For the reasons outlined above, the Commission should reject the goals proposed by the NRDC/SACE and GDS witnesses.

ISSUE 10: What commercial/industrial summer and winter megawatt (MW) and annual Gigawatt hour (GWh) goals should be established for the period 2010-2019?

FPUC: *Itron's analysis indicated that there is no achievable potential for commercial/industrial energy efficiency for FPUC based on the RIM and Participant tests. Accordingly, the DSM goals for FPUC should be established at zero through the current evaluation period ending in 2019.*

Itron's analysis indicated that there is no achievable potential for commercial/industrial energy efficiency for FPUC based on the RIM and Participant tests. Accordingly, the DSM goals for FPUC should be established at zero through the current evaluation period ending in 2019. The Commission should reject the goals proposed by NRDC/SACE and GDS witnesses for the reasons discussed above in Issue No. 9.

ISSUE 11: **In addition to the MW and GWh goals established in Issues 8 and 9, should the Commission establish separate goals for demand-side renewable energy systems?**

FPUC: *No. The Commission should not establish separate goals for demand-side renewable energy systems. Goals should promote cost-effective DSM without bias toward any particular technology.*

The Commission should not establish separate goals for demand-side renewable energy systems. All goals should be established to promote cost-effective DSM without bias toward any particular technology. [Tr. 769 (Eysie)] Otherwise, goals could be set without appropriate consideration of costs and benefits to the participants and customers as a whole as required by Section 366.82(a) and (b), F.S.

ISSUE 12: **In addition to the MW and GWh goals established in Issues 9 and 10, should the Commission establish additional goals for efficiency improvements in generation, transmission, and distribution?**

FPUC: *No position. FPUC is not a generating utility. *

ISSUE 13: **In addition to the MW and GWh goals established in Issues 9 and 10, should the Commission establish separate goals for residential and commercial/industrial customer participation in utility energy audit programs for the period 2010-2019?**

FPUC: *No. Energy audits are performed as a result of customer interest in such audits, and the utility cannot dictate that customers have interest in receiving energy audits. Utilities should be allowed the flexibility to integrate energy audits into conservation programs as appropriate. *

Rule 25-17.003, F.A.C., sets forth the minimum requirements for performing energy audits for the FEECA utilities. FPUC currently offers and plans to continue to offer energy audits to their residential and commercial/industrial customers in compliance with these requirements. [Exh. 2, No. 28] Utility energy audits are performed as a result of customer interest which the utility cannot dictate. [Tr. 769 (Eysie)] Rather than set goals for residential and commer-

cial/industrial participation in energy audits, utilities should be allowed the flexibility to integrate energy audits into conservation programs as appropriate. [Tr. 769 (Eysie)]

ISSUE 14: **What action, if any, should the Commission take in this proceeding to encourage the efficient use of cogeneration?**

FPUC: No position.

ISSUE 15: **Since the Commission has no rate-setting authority over OUC and JEA, can the Commission establish goals that puts upward pressure on their rates?**

FPUC: No position.

ISSUE 16: **Should this docket be closed?**

FPUC: Yes.

Dated, this 28th day of August, 2009.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by Electronic Mail (*) and/or U.S. Mail this 28th day of August, 2009.

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