

Diamond Williams

From: Keating, Beth [BKeating@gunster.com]
Sent: Thursday, July 14, 2011 4:08 PM
To: Filings@psc.state.fl.us
Cc: 'Van Hoffman, Jason'; 'Geoffroy, Tom'; Martin Cheryl; Larry Harris
Subject: Docket No. 110000-OT - Undocketed Filings

Attachments: 20110714160309774.pdf

Attached for electronic filing, please find Florida Public Utilities Company's Responses to Staff's Second Data Requests regarding the 2012 FEECA Report. Please do not hesitate to contact me if you have any questions.

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a. Person responsible for this electronic filing:

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b. Docket No. 110000-OT - Undocketed Filings – (2012 FEECA Report Data Collection)

c. On behalf of: Florida Public Utilities Company

d. There are a total of 4 pages.

e. Description: FPUC's responses to Staff's Second Data Request (Nos. 1-3)



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July 14, 2011

**ELECTRONIC FILING
FILINGS@PSC.STATE.FL.US**

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 110000-OT - Undocketed Filings - 2012 FEECA Report Data Collection

Dear Ms. Cole:

Attached for electronic filing, please find a copy of FPUC's Responses to Staff's Second Data Request regarding data for the 2012 FEECA Report

Thank you for your assistance with this filing. If you have any questions, please do not hesitate to contact me.

Sincerely,

Beth Keating
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MEK

cc:/ Mr. Larry Harris (Senior Staff Counsel)

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**FLORIDA PUBLIC UTILITIES COMPANY
RESPONSES TO
STAFF'S SECOND DATA REQUESTS (Nos. 1 - 3)**

DOCKET NO. 110000-OT (2012 FEECA Report Data Collection)

1. Please refer to the table completed in response to Question No. 4 of Staff's First Data Request. How does the total cost figure of \$16,573 compare with FPUC's total ECCR expenditures?

FPUC Response:

At the outset, FPUC must correct a couple of inadvertent errors to its original response to Question No. 4 in Staff's First Set of FEECA Report Data Requests. Unfortunately, in the second table of that response, under the "Total Cost (\$)" column, the cost was inadvertently reflected as \$3,498, when in actuality the cost is \$34,980. Also, the first sentence of that response should read "...which FPUC believes is inappropriate based upon..." where "inappropriate" replaces "appropriate." The Company apologizes for these errors and for any inconvenience this may have caused. With the corrections noted above, the total cost figure referenced in this data request would be \$48,055, instead of \$16,573.

FPUC, however, finds it somewhat difficult to respond to the question as posed, because the figures to be compared do not pertain to costs that can be directly correlated. Likewise, the Company is unclear as to the level or extent of the comparison requested.

With that said, the \$48,055 amount represents purchased power savings that would have accrued had FPUC met the specified conservation goal. In contrast, the \$12,739 represents the amount of ECCR expenditures for one specific ECCR segment, Commercial Programs. This \$12,739 amount does not include any allocation of the Common Costs associated with all ECCR programs, which is \$388,018, as reflected in Schedule CT-2 of Composite Exhibit (JVH-1) of Jason Van Hoffman's Direct Testimony in Docket No. 110002-EG. Thus, FPUC believes that any direct comparison of these specific figures results in an inaccurate story that does not appropriately define the costs, benefits, and projected savings associated with these programs.

2. In the response to Question No. 5 of Staff's First Data Request, FPUC states that purchased power costs were higher than they would have been if FPUC had met the goals and that if FPUC had met the goals, the lower purchase power costs would not be sufficient to offset the program costs which would have resulted in increased cost to the ratepayers. Please expand upon your answer and provide cost projections/estimates to support your assertions.

FPUC Response:

As shown in the table below, taken from FPUC's response to the PSC Staff's recommendation dated August 19, 2010, none of FPUC's programs pass the E-RIM test. Based on the method of calculation for the E-RIM test, implementation of these programs would result in an increase in rates.

Program Name	E-TRC	E-RIM	Participant
Residential Portfolio			
1. Energy Survey	1.276	0.538	1.000
2. Heating and Cooling Efficiency	1.407	0.845	1.406
Commercial/Industrial Portfolio			
1. Energy Survey	2.301	0.655	1.000
2. Indoor Efficient Lighting Program	3.267	0.743	11.166
3. Heating and Cooling Efficiency	1.407	0.845	2.630
4. Window Film Installation	2.646	0.776	4.249
5. Chiller Upgrade	2.652	0.825	3.204

The example below summarizes the avoided cost savings and utility cost for FPUC's commercial heating and cooling efficiency upgrade program. As shown in the example, the total cost to the utility per installation is greater than the avoided cost savings achieved.

**Commercial Heating and Cooling Efficiency Upgrade
(Page A-41 of 2010 Demand-Side Management Plan)**

Avoided Cost Savings

1.95 kW * \$6.81/kW-mo * 12 months =	\$ 159.35
3957.3 kWh * \$0.066/kWh =	<u>\$ 261.20</u>
Total	\$ 420.56

Utility Cost

Nonrecurring Cost Per Customer	\$ 229.00
Nonrecurring Rebate/Incentive	\$ 137.50
Non-Fuel Cost in Customer Bill 3778 kWh * \$ 0.01958/kWh	<u>\$ 73.97</u>
Total	\$ 440.47

3. In the response to Question No. 5 of Staff's First Data Request, FPUC states that the reduced greenhouse gas emissions due to reduced power generation to supply purchased power would be offset by increased emissions to implement additional participation in programs. For clarification, please provide an example of how emissions would be increased to implement additional participation.

FPUC Response:

In FPUC's response, the company was merely referring to indirect emissions associated with the actual implementation of the program. For instance, there are emissions from the vehicles associated with having an FPUC representative and contractors drive out to a customer's location to evaluate, perform, or verify an installation. Emissions also occur during the manufacturing of equipment, such as air conditioners. These types of emissions are indirect, but would still offset the reduced greenhouse gas emissions due to reduced power generation.