

COMMISSIONERS:  
RONALD A. BRISÉ, CHAIRMAN  
LISA POLAK EDGAR  
ART GRAHAM  
EDUARDO E. BALBIS  
JULIE I. BROWN

STATE OF FLORIDA



OFFICE OF THE GENERAL COUNSEL  
S. CURTIS KISER  
GENERAL COUNSEL  
(850) 413-6199

Public Service Commission

August 14, 2013

RECEIVED: FPSC  
13 AUG 14 AM 10:29  
COMMISSION  
CLERK

Ms. Beth Keating  
GUNSTER, YOAKLEY & STEWART, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
[bkeating@gunster.com](mailto:bkeating@gunster.com)

STAFF'S FIRST DATA REQUEST

RE: Docket No. 130167-EG- Petition for approval of natural gas energy conservation programs for commercial customers, by Associated Gas Distributors of Florida.

Dear Mrs. Keating:

By this letter, the Commission staff requests that Associated Gas Distributors of Florida provide responses to the following data requests.

1. Please define "source-based electric generation" and "site-based gas appliance emissions."
2. Please explain the process Associated Gas Distributors of Florida (AGDF) used to select Florida Solar Energy Center (FSEC) to create the G-RIM model?
  - a. Was there a Request for Proposals or a bidding process conducted?
  - b. If so, please provide the number of bidders and the reasoning AGDF used in ultimately selecting FSEC.
  - c. Please describe the funding source AFDF utilized to contract with FSEC to build the G-RIM model.
  - d. Are AGDF members currently recovering the costs of contracting for the FSEC study through the Conservation Cost Recovery docket?

3. On page 5 of its petition, AGDF states, on behalf of the natural gas Local Distribution Companies (LDCs), that “increasing the direct end-use of gas by consumers can ultimately reduce the quantities of natural gas used in Florida.”
  - a. Please provide an example to illustrate how increasing direct end-use of natural gas would result in a reduction of the amount used in Florida, using each of the proposed commercial programs.
  - b. Please provide all data, detail, and supporting documentation for the statement above.
4. On pages 5-6 of its petition AGDF states, “the opportunity to achieve substantive energy savings by increasing the direct use of gas by Florida consumers may, on a relative basis, produce more significant savings in Florida compared to projected savings associated with similar programs based on nationwide usage numbers.” Please explain and illustrate the basis for this assertion.
5. On page 6 of the petition AGDF states, “The conversion of commercial businesses to gas represents a significant opportunity to meet FEECA goals, reduce carbon emissions, and optimize the use of embedded investment in the gas mains to the benefit of ratepayers.” Please explain the basis for this assertion.
6. On page 7 of the petition AGDF states, “The displacement of electric appliances with gas appliances and efficiency upgrades to older existing gas appliances reduce both source-based electric generation carbon emissions and site-based gas appliance emissions.” Please explain the basis for this assertion.
7. In the footnote on page 8 of the petition AGDF states, “This petition does not seek to amend or modify any of the existing Commercial programs currently being offered by any of AGDF’s members.”
  - a. How do the proposed commercial programs differ from the existing commercial programs?
  - b. Do the individual AGDF members intend to maintain their existing commercial programs if the Florida Public Service Commission (Commission) approves AGDF’s petition for new commercial programs?
  - c. If so, what internal controls are in place to ensure commercial customers will not receive double rebates?

8. Please provide a bibliography for both the Petition and the FSEC Model, citing any sources, data, and materials utilized in the preparation of the petition and in the building of the FSEC model.
9. Please refer to Appendix B to the petition, specifically the report from FSEC titled "Developing G-RIM and Participants Tests for Specific Commercial Programs for the Associated Gas Distributors of Florida." On page 1 of the report, FSEC states the model AGDF used to establish commercial programs is based on a worksheet for the utilities' current residential programs.
  - a. Did AGDF or FSEC look at other states, resources, or studies to find an analysis tool that specifically addresses developing commercial/industrial conservation programs?
  - b. If so, please provide a bibliography of the sources, materials, and data.
  - c. If not, why was such action not used to provide an apples-to-apples comparison in developing the proposed commercial appliance programs?
  - d. Did AGDF or FSEC review the costs, participation rates, etc. of AGDF members' existing commercial programs in modeling its proposed new commercial programs?
10. Does the modeling, which AGDF or FSEC used to establish the proposed commercial programs, assume full participation of its commercial customers during the first year the programs are offered?
  - a. If so, why does AGDF believe it is appropriate to use participation rates from residential programs to project participation rates for commercial programs?
  - b. Why does AGDF believe it is appropriate to assume full participation in the first year of a new program?
  - c. How does the assumption of full participation affect the model's cost-effectiveness results?
  - d. Please provide a breakdown of the annual participation rates of the AGDF utilities' residential programs, on which the proposed commercial programs are based, for the first three years of their existence.
  - e. Why does AGDF believe it is appropriate to use FPUC's historical participation rates of its currently approved residential programs as a baseline for its proposed commercial rebate programs?

11. On page 14 of the petition, AGDF states that advertising and common expenses were determined by establishing a “baseline advertising cost ratio of total advertising dollars to total rebates processed, based on FPUC’s historical residential advertising cost per rebate.” Please explain the basis for utilizing FPUC’s data as a baseline for expected advertising and common costs.
12. In the footnote on page 9 of the petition, AGDF states, “only the Indiantown division of Florida Public Utilities Company (FPUC) has rebate amounts that differ” from the other participating LDCs because of differences in the G-RIM and Participant Test scores. Please explain why Indiantown has different rebates.
13. Does the FSEC model for the G-RIM test include the modeling of carbon dioxide reduction? If so, please provide details regarding how carbon costs were factored into G-RIM modeling
14. Please explain how AGDF or FSEC chose the incentive amounts for each appliance. Please provide all sources and any other assumptions/data used in the modeling of such appliance costs, including any supporting documentation.
15. Please refer to page 19 of the “Updating G-RIM and Participants Test Model for the Associated Gas Distributors of Florida,” wherein FSEC states the incentives will “be based on the utility company that results in the lowest participants test score for each specific appliance.”
  - a. Please run an analysis in which the Participant Test scores for the proposed programs assume zero incentives.
  - b. In addition, please provide the discounted payback periods for each of the appliances with and without incentives.
16. Please provide the residential and commercial rate impacts (cents/therm) for each utility, assuming the approval of the proposed commercial programs as submitted for three years.
17. Did ADGF or FSEC measure and account for “free-riders” in its consideration of the proposed commercial programs? If so, please explain in detail how the concept of free-riders was addressed in the modeling.
18. Did ADGF or FSEC review the saturation rates, buying habits, and/or any forecast models in terms of commercial appliance spending when building the G-RIM model?
19. Did ADGF or FSEC adjust the assumed natural gas savings for the rebound effects that the proposed commercial programs could have on the consumption of natural gas?

20. Please explain the basis for the discount rate used in the proposed commercial appliance program modeling.
21. Please explain the source of the consumer price index (CPI) used in the proposed commercial appliance program modeling. What effect would a lower CPI have on the cost-effectiveness of the proposed commercial appliance programs?
22. During AGDF's presentation to Commission Staff on July 10, 2013, AGDF stated that FSEC considered electric and gas customer charges in calculating the Participants Test results for the proposed commercial appliance programs. Please explain the basis for the assumption that a participating customer avoids a portion of the monthly electric customer charge.
23. How does AGDF or its members, intend to evaluate the results of the proposed commercial appliance programs, if approved, to ensure that the programs remain cost-effective?
24. Please provide a justification for the approval of the "Retention" programs. Please demonstrate how lower therm sales, coupled with higher incentives for existing customers, provides a benefit to the non-participating body of ratepayers.
25. How do AGDF and its members intend to market the proposed commercial appliance programs?
  - a. How do AGDF and its members plan to monitor the advertising cost and success of the marketing plan?
26. How does AGDF expect the marketing efforts for the proposed commercial appliance programs to compare to the marketing efforts for the existing residential appliance programs?
  - a. Please provide all data AGDF used to arrive at the assumption that the marketing plan for commercial customers should be the same as residential, including any supporting documentation.
  - b. How do AGDF and its members propose to evaluate the accuracy of the baseline assumption that commercial advertising costs are the same as the existing residential programs?
  - c. How will the marketing costs for the proposed programs compare to the marketing costs of the existing residential appliance programs?

27. Please describe how the estimates for carbon dioxide equivalent emissions were developed, including the assumed fuel mix and amount of fuel consumed per kilowatt-hour. In addition, please describe whether Florida-specific information was used to develop this generation mix.
  
28. Please provide the estimated total annual ECCR rate impact for an average residential customer's monthly bill associated with the proposed programs for each company as a whole and for each program grouping, as outlined in the table below for the next three years.

<b>Company Name</b>		
<b>Average Residential Monthly Rate Impact Estimate (\$)</b>		
<b>Customer</b>	<b>Type</b>	<b>ECCR Costs (\$)</b>
Large Commercial	Non-Food Service	
	Food Service	
	Hospitality	
	Cleaning	
Small Commercial	Food Service	
<b>Equipment</b>		<b>ECCR Costs (\$)</b>
Tank Water Heater		
Tankless Water Heater		
Fryer		
Range / Oven		
Dryer		
<b>Type</b>		<b>ECCR Costs (\$)</b>
Retention		
Retrofit		
New Construction		

Please file the original responses to the requested information with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850, either electronically or in hard copy, by **Wednesday, August 28, 2013**. Should you have any questions or comments, please do not hesitate to contact me at (850) 413-6234 or [Kelley.Corbari@psc.state.fl.us](mailto:Kelley.Corbari@psc.state.fl.us).

Respectfully,

A handwritten signature in black ink that reads "Kelley F. Corbari". The signature is written in a cursive style with a large initial "K" and a long horizontal flourish at the end.

Kelley F. Corbari  
Staff Attorney

KFC/dml

cc: Office of Commission Clerk  
J.R. Kelly, Office of Public Counsel ([Kelly.JR@leg.state.fl.us](mailto:Kelly.JR@leg.state.fl.us))