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DIVISION OF ECONOMICS
GREG SHAFER
DIRECTOR
(850) 413-6410

Public Service Commission

May 22, 2018

Staff's First Data Request

Andrew M. Brown, Esq.
Macfarlane Ferguson & McMullen
P.O. Box 1531
Tampa, Florida 33601-1531

Re: Docket No. 20180117-GU; In re: Petition for approval of tariff modifications for the use of natural gas for gas heat pumps by customers of Peoples Gas System

Dear Mr. Brown:

By this letter, Commission staff requests the following information from Peoples Gas System (Peoples).

1. Paragraph 12 of the petition states that the proposed commercial GHP rates include a monthly customer charge of \$35. However, proposed Tariff Sheet No. 7.405 (Rate Schedule CS-GHP) indicates a monthly customer charge of \$30. Please reconcile the difference.
2. Please state how many Peoples customers currently have GHP systems installed and please explain the basis for this petition (for example, has Peoples seen an increase in GHP installations recently?).
3. Please state how many residential and commercial customers Peoples projects will take service under the proposed tariffs.
4. Please state with examples what type of commercial customers would use GHP systems.
5. Paragraph 15 of the petition states that the separate tariff for GHP service will help encourage large residential and commercial customers adopt the more efficient GHP technology. Please explain why this specifies large customers as opposed to all customers.
6. Does Peoples have any plans to develop conservation programs that focus on the use of GHP systems? Please explain. If yes, how does the company view the advocacy of GHP systems as a form of conservation and not overall load building?

7. Please describe the benefits and risks associated with GHP technology for customers converting from traditional electric HVAC systems. As part of this response, please provide information quantifying the increased efficiency associated with GHP technology.
8. Paragraph 5 of the petition states that “GHP technology is marginally less expensive to operate than a traditional electric heat pump system.” Please provide comparison data and approximate costs to operate the two types of HVAC systems.
9. What is the installed cost of a GHP system for a residential and a commercial customer?
10. Can non-GHP homes and businesses be retrofitted to accommodate a GHP system, or can GHP only be installed during the construction process? Please explain.
11. Paragraph 7 states that a GHP system, in a residential application, significantly increases the natural gas load. To accommodate the increased natural gas load, will Peoples have to install larger mains and/or other equipment to serve a residential customer with a GHP system? If yes, please state how those costs will be recovered.
12. Who will provide the installation of the GHP system?
13. Please provide a diagram of a typical GHP system that Peoples intends to provide gas for, showing how it would be connected to customers’ premises.
14. Please provide an estimate of the cost to modify Peoples’ billing system to accommodate the new tariffs.
15. How and when will Peoples inform customers of the new GHP tariffs?
16. Please provide any examples of other gas companies providing unique tariff rates for GHP systems that the company referenced or used as a model for this petition.
17. Referring to page 1 of 3 of Exhibit A and page 1 of 4 of Exhibit B, please give the basis for assuming a 33 percent estimate of installs for each region and a 33 percent estimate for each system manufacturer. Additionally, please support the natural gas usage estimates by each manufacturer’s system and region.
18. Are the three GHP manufacturers listed (M Trigen, Yanmar, and Sierra) the only systems available to customers currently?
19. Please give more information about GHP systems’ backup electrical power generation. What percentage of customer installs do you anticipate having this feature?
20. Referring to Special Condition 1 under the proposed Rate Schedule CS-GHP, please discuss why the gas for a GHP system would be separately metered. Additionally, if commercial customers being billed for both the GHP system and other natural gas usage would pay two customer charges, please explain why.
21. Referring to Special Condition 6 under the proposed Rate Schedule CS-GHP, please clarify under what circumstances a contract to take service would be required.

22. Fifth Revised Sheet No. 7.101-3 shows the addition of a Commercial Standby Generator service charge to Peoples' tariffs. Please explain why that charge was added at this time.

Please file all responses electronically no later than Tuesday, June 5, 2018 on the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6495 if you have any questions.

Thank you,

/s/ Henry Merryday

Henry Merryday
Public Utility Analyst I
hmerryda@psc.state.fl.us

cc: Office of Commission Clerk