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March 25, 2021

VIA E-PORTAL FILING

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 20190210-GU – Approval of Demand Side Management Plan, by Peoples Gas System

Dear Mr. Teitzman:

Attached for electronic filing in the above docket, on behalf of Peoples Gas System, please find its Response to Staff's Fifth Data Request (Nos. 1-7). The Cost Effectiveness Models responsive to Response #7 will be provided directly to Ms. Thompson via email.

Your assistance in this matter is greatly appreciated.

Sincerely,


Andrew M. Brown

AB/plb
Attachment

cc: Takira Thompson (via email: tthompso@psc.state.fl.us)
Richard Gentry, Esq. (via email: gentry.richard@leg.state.fl.us)
Ms. Paula K. Brown
Ms. Kandi M. Floyd
Ms. Karen Bramley
Mr. Luke Buzard

1. Please list the changes between PGS's original petition and amended petition and explain the reason for each change in detail.

A. Program Summary and Standards:

- Gas-to-gas programs have been renamed "Retention", rather than "Replacement", to avoid confusion in reporting going forward.
- All Residential measures outside of New Construction have been subsumed back into "Residential Retrofit" and "Residential Retention". The revised plan aligns with Peoples' current program structure more closely.
- All Commercial measures have been subsumed back into "Commercial Retrofit" and "Commercial Retention", aside from New Construction, Combined Heat and Power, and Electric Replacement. The revised plan aligns with Peoples' current program structure more closely.
- Residential and Commercial Gas Space Conditioning measures have been moved so that they reside within their respective Residential and Commercial programs.
- A description was added for Oil Heat Replacement to clarify its reason for elimination.
- The Commercial Walkthrough Energy Audit was changed to launch in the Tampa Bay area only. PGS has not yet implemented the program due to COVID-19 concerns and a lack of available state-wide contactors.
- Commercial Retention Combined Heat and Power was eliminated. This was the only program remaining in PGS' DSM Plan that failed the GRIM and PCT cost-effectiveness tests.

Cost-Effectiveness Models:

- The customer charge allocated to each measure included in retrofit/retention programs was changed from 0.2 to 0.25 because there are four categories of measures (air heating/conditioning, water heating, clothes drying, and cooking), rather than five.
- In the Residential Retrofit program, a customer equipment cost was added in the replacement year and the installation cost of the Energy Star Water

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Heater was changed to match the other appliances. These were corrections.

- In the Commercial Retrofit and Commercial Retention programs, the Energy Star Water Heater participants were transposed. These were corrections.
- Peoples' rates have been updated in the cost-effectiveness models to reflect current base rates due to Peoples' recent rate case.
- The one-year average for the Purchased Gas Adjustment (PGA) charge has been updated to the past year to reflect current rates.
- Residential and Commercial customer and per-therm charges have been modified from straight averages to weighted averages to reflect Peoples' customer mix.
- Electric rates for all included electric utilities have been updated for 2021 to reflect the same period as the updated natural gas rates.
- Fuel costs have been added for all included electric utilities to ensure that all electric costs were included in the cost-effectiveness analysis.

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2. Please identify the actual and projected monthly bill impact on the general body of customers' monthly bills, in total and by program, for each program included in PGS's Demand-Side Management (DSM) Plan for the years 2019 through 2028.

A.

Monthly Bill Impact on Residential Customers, based on monthly usage of 20 Therms										
	Residential Customer Assisted Audit	Residential New Construction	Residential Retrofit	Residential Retention	Commercial Walkthrough Audit	Commercial New Construction	Commercial Retrofit	Commercial ER	Commercial Retention	Total per Month
2019	\$ -	\$ 0.96	\$ 0.09	\$ 0.51	\$ -	\$ 0.02	\$ 0.12	\$ -	\$ 0.07	\$ 1.77
2020	\$ 0.01	\$ 0.88	\$ 0.09	\$ 0.56	\$ -	\$ 0.02	\$ 0.10	\$ -	\$ 0.04	\$ 1.70
2021	\$ 0.01	\$ 0.92	\$ 0.10	\$ 0.66	\$ 0.01	\$ 0.02	\$ 0.03	\$ 0.00	\$ 0.06	\$ 1.81
2022	\$ 0.02	\$ 1.11	\$ 0.11	\$ 0.67	\$ 0.01	\$ 0.02	\$ 0.03	\$ 0.00	\$ 0.06	\$ 2.03
2023	\$ 0.02	\$ 1.09	\$ 0.11	\$ 0.66	\$ 0.01	\$ 0.02	\$ 0.03	\$ 0.00	\$ 0.06	\$ 2.01
2024	\$ 0.02	\$ 1.07	\$ 0.11	\$ 0.66	\$ 0.01	\$ 0.02	\$ 0.03	\$ 0.00	\$ 0.06	\$ 1.98
2025	\$ 0.02	\$ 1.05	\$ 0.11	\$ 0.65	\$ 0.01	\$ 0.02	\$ 0.03	\$ 0.00	\$ 0.06	\$ 1.95
2026	\$ 0.02	\$ 1.03	\$ 0.11	\$ 0.65	\$ 0.01	\$ 0.02	\$ 0.03	\$ 0.00	\$ 0.06	\$ 1.93
2027	\$ 0.02	\$ 1.01	\$ 0.11	\$ 0.64	\$ 0.01	\$ 0.02	\$ 0.03	\$ 0.00	\$ 0.06	\$ 1.90
2028	\$ 0.02	\$ 0.99	\$ 0.11	\$ 0.64	\$ 0.01	\$ 0.02	\$ 0.03	\$ 0.00	\$ 0.06	\$ 1.88

Monthly Bill Impact on Commercial (GS-2) Customers, based on monthly usage of 1,500 Therms										
	Residential Customer Assisted Audit	Residential New Construction	Residential Retrofit	Residential Retention	Commercial Walkthrough Audit	Commercial New Construction	Commercial Retrofit	Commercial ER	Commercial Retention	Total per Month
2019	\$ -	\$ 15.08	\$ 1.38	\$ 7.99	\$ -	\$ 0.35	\$ 1.91	\$ -	\$ 1.03	\$ 27.73
2020	\$ 0.22	\$ 13.96	\$ 1.44	\$ 8.89	\$ -	\$ 0.25	\$ 1.57	\$ -	\$ 0.64	\$ 26.97
2021	\$ 0.22	\$ 14.61	\$ 1.53	\$ 10.44	\$ 0.15	\$ 0.30	\$ 0.44	\$ 0.02	\$ 1.02	\$ 28.73
2022	\$ 0.29	\$ 17.63	\$ 1.70	\$ 10.55	\$ 0.15	\$ 0.38	\$ 0.51	\$ 0.02	\$ 1.01	\$ 32.24
2023	\$ 0.28	\$ 17.31	\$ 1.69	\$ 10.51	\$ 0.15	\$ 0.38	\$ 0.50	\$ 0.02	\$ 1.00	\$ 31.85
2024	\$ 0.28	\$ 17.00	\$ 1.69	\$ 10.43	\$ 0.14	\$ 0.37	\$ 0.50	\$ 0.02	\$ 1.00	\$ 31.42
2025	\$ 0.27	\$ 16.68	\$ 1.68	\$ 10.34	\$ 0.14	\$ 0.38	\$ 0.50	\$ 0.02	\$ 0.99	\$ 30.99
2026	\$ 0.26	\$ 16.37	\$ 1.68	\$ 10.26	\$ 0.13	\$ 0.38	\$ 0.49	\$ 0.01	\$ 0.98	\$ 30.57
2027	\$ 0.25	\$ 16.07	\$ 1.67	\$ 10.16	\$ 0.13	\$ 0.37	\$ 0.49	\$ 0.01	\$ 0.98	\$ 30.13
2028	\$ 0.24	\$ 15.76	\$ 1.67	\$ 10.14	\$ 0.13	\$ 0.37	\$ 0.49	\$ 0.01	\$ 0.98	\$ 29.78

*2019 and 2020 represent actuals with current rebate amounts. 2021 is projected with 6 months current rebate amounts and 6 months proposed rebate amounts. 2022-2028 are projected with proposed rebate amounts.

**Bill Impact does not include Common Costs or true-up amounts.

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3. Please identify the actual and projected annual program costs, in total and by program, for each program included in PGS's DSM Plan for the years 2019 through 2028.

A.

2019-2028 Annual DSM Program Costs										
	Residential Customer Assisted Audit	Residential New Construction	Residential Retrofit	Residential Retention	Commercial Walkthrough Audit	Commercial New Construction	Commercial Retrofit	Commercial Retrofit ER	Commercial Retention	Total
2019*	\$ -	\$ 8,180,500	\$ 749,522	\$ 4,332,617	\$ -	\$ 190,050	\$ 1,034,019	\$ -	\$ 557,650	\$ 15,044,358
2020*	\$ 125,000	\$ 7,878,400	\$ 812,100	\$ 5,015,400	\$ -	\$ 141,200	\$ 883,500	\$ -	\$ 361,700	\$ 15,217,300
2021	\$ 125,000	\$ 8,491,200	\$ 887,841	\$ 6,067,622	\$ 90,000	\$ 177,120	\$ 255,466	\$ 10,000	\$ 589,963	\$ 16,694,211
2022	\$ 175,000	\$ 10,555,400	\$ 1,016,128	\$ 6,313,387	\$ 90,000	\$ 226,600	\$ 303,522	\$ 10,000	\$ 605,878	\$ 19,295,915
2023	\$ 175,000	\$ 10,674,000	\$ 1,038,925	\$ 6,482,250	\$ 90,000	\$ 233,398	\$ 310,814	\$ 10,000	\$ 619,458	\$ 19,633,845
2024	\$ 175,000	\$ 10,792,600	\$ 1,073,350	\$ 6,622,500	\$ 90,000	\$ 237,930	\$ 318,419	\$ 10,000	\$ 635,663	\$ 19,955,462
2025	\$ 175,000	\$ 10,911,200	\$ 1,098,775	\$ 6,762,000	\$ 90,000	\$ 246,994	\$ 324,422	\$ 10,000	\$ 649,169	\$ 20,267,561
2026	\$ 175,000	\$ 11,029,800	\$ 1,130,150	\$ 6,912,525	\$ 90,000	\$ 253,792	\$ 331,931	\$ 10,000	\$ 663,195	\$ 20,596,393
2027	\$ 175,000	\$ 11,148,400	\$ 1,155,575	\$ 7,052,025	\$ 90,000	\$ 258,324	\$ 339,935	\$ 10,000	\$ 680,217	\$ 20,909,476
2028	\$ 175,000	\$ 11,267,000	\$ 1,190,855	\$ 7,244,415	\$ 90,000	\$ 262,856	\$ 348,083	\$ 10,000	\$ 697,536	\$ 21,285,745

*2019 and 2020 represent actuals with current rebate amounts. 2021 is projected with 6 months current rebate amounts and 6 months proposed rebate amounts. 2022-2028 are projected with proposed rebate amounts.

**Total Program Costs do not include Common Costs or true-up amounts.

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4. For each program in PGS's DSM Plan, please identify the actual and projected annual program savings that have contributed or would contribute to the Commission-approved DSM goals for the years 2019 through 2028.

A.

2019-2028 Total Therm Savings									
	Residential New Construction	Residential Retrofit	Residential Retention	Residential Total	Commercial New Construction	Commercial Retrofit	Commercial Retention	Commercial Total	DSM Total
2019*	272,848	26,019	94,079	392,946	46,654	213,524	114,960	375,138	768,084
2020*	275,638	30,633	110,780	417,051	35,825	182,003	67,834	285,662	702,713
2021	235,779	22,046	112,396	370,221	46,539	44,925	154,721	246,185	616,407
2022	241,199	23,661	118,546	383,406	48,478	45,781	157,968	252,227	635,634
2023	243,909	24,467	122,340	390,716	49,932	46,848	161,533	258,313	649,029
2024	246,619	25,321	125,520	397,460	50,902	47,962	165,546	264,410	661,870
2025	249,329	26,135	128,654	404,119	52,841	48,825	168,820	270,486	674,605
2026	252,039	26,974	132,119	411,132	54,295	49,924	172,496	276,716	687,848
2027	254,749	27,788	135,253	417,790	55,265	51,097	176,716	283,078	700,868
2028	257,460	28,652	139,480	425,592	56,235	52,291	181,009	289,535	715,127

*Represent actuals. All other years are projected.

5. Please refer to the Commercial Retrofit Combined Heat and Power Program for the following questions.
 - a. Please explain why the Utility projects no participation for this program
 - b. Please explain why this program should be approved as part of the Utility's DSM Plan if it is not anticipated to contribute to meeting the Commission-approved goals.

- A.
 - a. PGS forecasted zero participation for this DSM program into the future based upon the program's historical participation rate.
 - b. PGS believes that participation will increase in this program as commercial customers seek technologies to reduce energy costs and greenhouse gas emissions. Combined Heat and Power (CHP) technologies significantly improve energy efficiency since the energy is produced at the point of use and involves the recovery of thermal energy that would otherwise be wasted. The company modified the existing program to provide more clarity of what qualifies for the incentive, proposed an increase to the incentive, and added the requirement to offset some amount of gas usages. The company believes that these DSM program modifications will attract participation to this valuable DSM program.

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- 6.** Please refer to the Commercial Retrofit Electric Replacement Program for the following questions.
- a. Please explain why the Utility projects no savings for this program
 - b. Please explain why this program should be approved as part of the Utility's DSM Plan if it is not anticipated to contribute to meeting the Commission-approved goals.
- A.**
- a. Since the rebate for this program is based on the kW reduction, the therm savings will have to be calculated to the individual installation. PGS was not able to attribute a standard amount of saved therms to all installations.
 - b. PGS believes that this program is an important piece of its DSM Plan because it incents customers to install energy-efficient technologies that are not covered by PGS' other DSM programs. The company proposed an increase to the incentive and believes that this modification will attract additional participation to this valuable DSM program.

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7. Please provide the results of all cost-effectiveness analyses for each program included in PGS's DSM Plan in Microsoft Excel format with formulas intact.

A. Please see the following attached files for this response:

- (BS_09) 1 Res New Construction.xls
- (BS_10) 2 Res Retrofit EG.xls
- (BS_11) 3 Res Retention GG.xls
- (BS_12) 4 Comm New Construction.xls
- (BS_13) 5 Comm Retrofit EG.xls
- (BS_14) 6 Commercial Retrofit CHP EG.xls
- (BS_15) 7 Comm Retrofit Electric Replacement.xls
- (BS_16) 8 Comm Retention GG.xls