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Public Service Commission

January 29, 2024

STAFF'S SECOND DATA REQUEST

Beth Keating, Esquire
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

Via E-Mail

Re: Docket No. 20230121-EG – Petition of Associated Gas Distributors of Florida (AGDF) for Approval of Conservation Demonstration and Development Program

Dear Ms. Keating:

Staff has reviewed AGDF's petition in this docket and the response to staff's first data request, dated December 15, 2023. Staff would appreciate responses to the following additional questions related to AGDF's proposed petition.

1. Please refer to the petition, Paragraph 14, which states in part that "the AGDF members have had an opportunity to consider the benefits of implementation of a permanent program. During this time, new technologies and resource opportunities have also become more prevalent, suggesting that revisiting the CDD on a more permanent basis could lead to the realization of meaningful conservation benefits for the customers of the participating AGDF members."
 - A. Explain how a more permanent CDD program could achieve "meaningful conservation benefits" better than a time-limited CDD program such as was approved in 2010?
 - B. Please describe the new technologies and resource opportunities that have become more prevalent since the last implementation of the CDD programs.
 - C. Please describe what "meaningful conservation benefits" may result from revisiting CDD on a more permanent basis.

2. Please refer to the Petition, Paragraph 22.
 - A. How did AGDF determine the allocation of costs between member utilities as shown in the table?

 - B. If AGDF expects that a single project will incur costs greater than \$157,000 per year, is it correct that AGDF, at its option, would need to either seek Commission approval for exceeding the cap or engage another utility, such as PGS, to cover the excess cost amount? Please explain AGDF's Commission solicitation of approval/notification intent under both conditions.

3. Please refer to the Petition at paragraph 23, which provides information on the estimated impacts for residential customers, and Paragraph 22, which provides information on total CDD expenses. Residential CDD incremental expenses per utility in paragraph 23 appear to equal the total CDD expenses per utility shown in paragraph 22, indicating that all expenses have been allocated to the residential class. For example, paragraph 23 shows that Sebring's expense is \$6,000 for 3 projects (the difference of \$13,334 and \$7,344), the same as the amount shown in paragraph 22.
 - A. Did AGDF intend to allocate all expenses to the residential class? If so, please explain why the residential class is allocated 100 percent of proposed CDD expenses.

 - B. If not, submit a revision of the table presented in paragraph 23 (in an Excel or similar format with cell formulas intact and unlocked) that reflects a cost allocation to the residential class based on Commission-approved class cost allocation studies for the utilities.

 - C. Does AGDF believe the proposed CDD programs will benefit residential and commercial customer classes equally? Please explain your response.

 - D. Does AGDF and its member utilities have a perspective as to what its desired mix of residential and commercial CDD projects they will pursue in 2024 and beyond? If so, please identify what that mix is intended to be.

E. The table presented in paragraph 23 includes a referencing note indicating “LDC ECCR cost figures sourced from Docket No. 20230004 August.” Please explain why AGDF used pre-tax cost recovery factors in this table, instead of the Commission-approved 2024 factors that were approved in Order No. PSC-2023-0346-FOF-GU, which reflect the application of a 1.00503 percent tax factor?

F. Please complete the table below showing AGDF’s understanding of the potential residential bill impacts (i.e., the dollar amount and percent impacts to the NGCCR portion of the bill) for a residential customer using 20 therms per month, assuming one, two, and three CDD projects, based on the estimated CDD expenses appearing in Paragraph 22 of the petition and approved residential allocation factors. Please populate Columns G through L as additive, thereby indicating the increase in the bill for two or three projects combined, compared to the base-line of zero projects.

	Base-Line (Zero Projects)			Adding One Project			Adding Two Projects			Adding Three Projects		
	A	B	C	D	E	F	G	H	I	J	K	L
	2024 NGCCR Factors	Average Usage/ Month	NGCCR portion of Monthly Bill	Bill Increase to NGCCR portion of Monthly Bill		Revised NGCCR portion of Monthly Bill	Bill Increase to NGCCR portion of Monthly Bill		Revised NGCCR portion of Monthly Bill	Bill Increase to NGCCR portion of Monthly Bill		Revised NGCCR portion of Monthly Bill
Rate Class	(\$/therm)	Therms	(\$)	(\$)	(%)	(\$)	(\$)	(%)	(\$)	(\$)	(%)	(\$)
FPU NG (Res. 1)												
FPU NG (Res. 2)												
FPU NG (Res. 3)												
FCG (RS-1)												
FCG (RS-100)												
FCG (RS-600)												
Sebring (TS-1)												
St. Joe (RS-1)												
St. Joe (RS-2)												
St. Joe (RS-3)												

G. In Order PSC-15-0095-PAA-EG, the Commission noted that AGDF’s proposal of bill impacts of \$0.83 per month for residential customers represented a substantial potential rate increase compared to the original estimate of \$0.33 per month. Please explain whether the potential increase for residential customers of Sebring as depicted in AGDF’s response to Question 3.F. above is reasonable, given the Commission’s determination in Docket No. 140196-EG in 2015 to reject the proposed potential rate increase in that docket.

- H. In its response to Staff's First Data Request, No. 5.D., AGDF states that it expects to submit projects in 2024 that will pertain to the Oil Conserving Fryer project, which was a commercial project, yet in its petition, all CDD Program Costs appear to be allocated to the residential classes. Please explain why present-day projects that pertain to a commercial project should have program cost allocated to residential classes?
4. Please refer to AGDF's response to Staff's First Data Request, Nos. 2.A. and No. 5. In part, the AGDF's response to Staff's First Data Request, Nos. 2.A. states that the Petition seeks "approval for each participating member of a CDD program," and "contemplates that, if approved, each participating member will include a project description page . . . in C-5 Schedules filed in the annual conservation cost recovery docket." In AGDF's response to Staff's First Data Request, No 5, AGDF has indicated that the 2018 Report has not directly impacted the cost-effectiveness of any current conservation programs offered by the Petitioners. —Please answer the following:
- A. Explain why the AGDF is seeking Program approval before specific project descriptions are available for the Commission to review, given that past CDD programs have not impacted the cost-effectiveness of programs offered by the Petitioners.
- B. Did AGDF consider reversing the process, whereby AGDF would submit a project specific collaborative request, including a fully developed project,— designed and summarized, with specific cost estimates set forth and study period and cost recovery period identified? If not, why not?
5. Please refer to AGDF's response to Staff's First Data Request, Nos. 3.A.
- A. This response did not specifically reference the CDD Funding Request Form or discuss the role AGDF would play in approving/denying the same. Please explain the purpose of the form, how it (the form) is used and/or processed, by whom, and what entity approves/denies funding requests.
- B. The petition, at Page 3, Paragraph 9, indicates that member LDCs recognize the importance of working collaboratively in promoting energy efficiency and conservation. However, the proposed CDD Funding Request Form is to be submitted and signed by a single utility, and it is unclear whether the budget and costs to be

- identified in the form are those of the utility or multiple utilities. Please explain whether the form is designed to address the project of a single utility or multiple utilities, and how this form leads to collaborative promotion of energy efficiency and conservation.
- C. Is it a proposed requirement for all projects submitted to AGDF using the CDD Funding Request Form that they be collaborative, with shared funding across all member utilities? Please explain your response.
6. Please refer to AGDF's response Staff's First Data Request, No. 5.A.
- A. For each participating utility, address the probable timing of when program costs for prospective CDD projects would be submitted for cost recovery and be reflected in customer bills.
- B. If the Petition is approved, is it correct that all AGDF-selected CDD projects will be submitted for Commission review prior to incurring costs related to the project in question, thus seeking the Commission's preapproval before engaging in the project? Please explain.
7. Please refer to AGDF's response to Staff's First Data Request, No. 5.B. In part, the response indicated that the findings from the Gas Heat Pump Field Tests were not incorporated as modifications to current conservation programs, or developed into new programs. Were the findings from the Gas Heat Pump Field Tests published or presented in natural gas industry-related articles, professional or research journals, publications, or in any other forum? If applicable, provide a detailed response.
8. Please refer to AGDF's response to Staff's First Data Request, No. 5.C. In part, the response indicated that the findings from the Oil Conserving Fryer Tests were not incorporated as modifications to current conservation programs, or developed into new programs. Were the findings from the Oil Conserving Fryer Tests published or presented in natural gas industry-related articles, professional or research journals, publications, or in any other forum? If applicable, provide a detailed response.

9. Please refer to AGDF's response to Staff's First Data Request, No 5.D.
 - A. Participating utilities are said to be "planning to revamp {utility name} energy conservation programs in 2024 through a separate AGDF petition utilizing data from prior CDD efforts to conduct a cost-benefit analysis." What prior CDD efforts are referenced here and when were such CDD efforts conducted?
 - B. If the CDD efforts reference in this passage are those discussed in the June 28, 2018 AGDR CDD Activity Final Report, please explain why the results contained in the report have not been pursued to modify the conservation programs of member utilities during the intervening 6 years.
 - C. If the CDD efforts referenced in this passage are those discussed in the June 28, 2018 AGDR CDD Activity Final Report, please explain how such results can be relied upon to guide costing analysis in 2024 considering such results are now approximately 6 years old and are based on data collection dating back to 2015?
 - D. AGDF's response to Staff's First Data Request, No 5.D. (regarding Oil Conserving Fryer tests) indicates that data and findings from prior CDD efforts will be used to conduct a cost-benefit analysis, and be used to revamp energy conservation programs in 2024, yet AGDF's response to Staff's First Data Request, No 4.A. indicates that member utilities have no specific projects under consideration. Please reconcile these statements.
10. What vetting process is AGDF expecting to engage to ensure that any project submitted to it by member utilities is based strictly on potential energy efficiency and conservation enhancements and does not constitute into load building?

Please file all responses electronically no later than February 19, 2024, via the Commission's website at www.floridapsc.com by selecting the Clerk's Office tab and Electronic Filing Web Form. Please contact me at mbarrett@psc.state.fl.us or at (850) 413-6544 if you have any questions.

Thank you,

/s/Michael Barrett

Economic Supervisor