

January 18, 2023

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VIA E-PORTAL

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

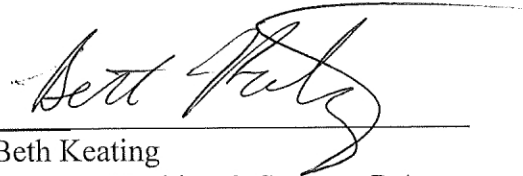
Re: Docket No. 20200181-EI: Proposed amendment of Rule 25-17.0021, F.A.C., Goals for Electric Utilities

Dear Mr. Teitzman:

Attached for electronic filing on behalf of Florida Public Utilities Company, please find the Company's Updated Responses to Staff's SERC Data Requests.

Should you have any questions whatsoever, please do not hesitate to contact me. Thank you for your assistance in this matter.

Sincerely,



Beth Keating
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MEK

Re: Docket No. 20200181-EI: Proposed Amendment of Rule 25-17.0021, F.A.C.,
Goals for Electric Utilities

**FLORIDA PUBLIC UTILITIES COMPANY'S UPDATED RESPONSES
TO STAFF'S FIRST DATA REQUESTS**

- 1) Draft revision to Rule 25-17.0021(2), F.A.C., states that each utility must file a technical potential study that must be used to develop the proposed demand-side-management (DSM) goals for major end-use categories of residential and commercial/industrial market segments. Please provide your utility's incremental five-year cost estimate to perform this task.

Company Response:

FPUC anticipates similar expenditures to those that were incurred in 2019. During that time frame, FPUC's share of the FEECA cost-share was approximately \$97,127 for participating in the Technical, Economic and Achievable Potential studies, and FPUC's cost share for the legal representation was \$24,694. FPUC does not expect any material incremental cost increases as a result of the draft revisions to Rule 25-17.0021(2) at this time.

- 2) Please explain how and to what extent your utility's practice under the draft revision to Rule 25-17.0021(2), F.A.C., regarding conducting and filing a technical potential study, would be materially different from your utility's current implementation of the existing rule. In your response, please identify the relevant activities implemented by your utility in recent goal setting proceedings.

Company Response:

FPUC does not expect any material difference as the process would be very similar under the proposed language as it was in the 2019 DSM Goals Docket. The process involves a Technical, Economic and Achievable study conducted by a third-party firm followed by the proposal of FPUC's DSM Goals and then ending with the submittal of a DSM Plan designed to achieve the approved DSM Goals.

- 3) Draft revisions to Rule 25-17.0021(2), F.A.C., states that “[t]he technical potential study must . . . assess the full technical potential of all available demand-side conservation and efficiency measures, including demand-side renewable systems, associated with” specific Major End-Use Categories in Residential and Commercial/Industrial Market Segments. Compare the draft revision to the treatment of Residential and Commercial/Industrial Market Segments found in the current Rule 25-17.0021(3), F.A.C., and explain how and to what extent your utility’s practice under the draft revision would be materially different from your utility’s implementation under the existing rule.

Company Response:

At this time, FPUC does not anticipate any material differences in FPUC’s practices for assessing the Full Technical, Economic and Achievable under the draft revision.

- 4) Please identify your utility’s incremental five-year cost to implement draft revisions found in Rule 25-17.0021(2)(a)-(q), F.A.C., compared to the existing Rule 25-17.0021(3)(a)-(u), F.A.C. In particular, detail the incremental five-year cost resulting from the addition of the “Lighting Efficiencies” category to the Residential Market Segment and the removal of “Renewable/Natural Gas substitutes for electricity” and “Other,” categories from both Residential and Commercial/Industrial Market Segments.

Company Response:

FPUC doesn’t anticipate any material incremental costs resulting from the draft additions and deletions of Rule 25-17.0021(3)(a)-(u) at this time.

- 5) Draft revision to Rule 25-17.0021(2), F.A.C., (page 2, lines 19-21) states that the technical potential study must describe how the DSM goals were developed, including identifying measures that were analyzed but excluded from consideration. Please provide the estimated incremental five-year cost to your utility to perform this task.

Company Response:

At this time, FPUC doesn't anticipate any incremental five-year costs resulting from identifying measures that were analyzed but excluded from consideration. This is already part of our FEECA utility research effort that is conducted in preparation of the DSM Goals Docket.

- 6) Please explain how and to what extent your utility's implementation under the draft revision to Rule 25-17.0021(2), F.A.C., (page 2, lines 19-21) as described in question five above, is materially different from your utility's current implementation of the existing rule. In your response, please identify the relevant activities implemented by your utility in recent goal setting proceedings.

Company Response:

The draft revision to Rule 25-17.0021(2), F.A.C. will have no material effect on FPUC's implementation of the rule.

- 7) Draft revision to Rule 25-17.0021(3), F.A.C., states that each utility must file its DSM goals developed under two scenarios: (1) Participant and Rate Impact Measure Tests and (2) Participant and Total Resource Cost Tests. What is the estimated incremental five-year cost to your utility to prepare and submit the two stated scenarios?

Company Response:

It is expected that the draft changes to Rule 25-17.0021(3), F.A.C, should have no material impact on the process that FPUC uses to evaluate its programs, as each DSM will still undergo both cost effectiveness requirements as FPUC has historically done.

- 8) Draft revision to Rule 25-17.0021(3), F.A.C., (page 3, lines 16-18) requires the utility to provide the overall estimated annual program cost over a ten-year period “for each potential demand-side management program identified in the proposed goals and in each scenario described above.” What is the estimated incremental five-year cost to your utility to implement this requirement?

Company Response:

At this time, FPUC doesn't not anticipate any incremental cost increases as a result of the drafted language that requires any estimated annual programs costs over a 10-year period.

- 9) Please explain how and to what extent your utility's implementation of the draft revisions to Rule 25-17.0021(3), F.A.C., described above in question eight, is materially different from your utility's current implementation of the existing rule. In your response, please identify the relevant activities implemented by your utility in recent goal setting proceedings.

Company Response:

At this time, FPUC doesn't not anticipate any material changes in implementing the draft revisions mentioned in question 8, as FPUC already tracks and reports annual DSM program costs.

- 10) Draft revision to Rule 25-17.0021(4), F.A.C., states that each utility must file its DSM plan that includes the programs to meet the goals, along with program administrative standards that include a statement of the policies and procedures detailing the operations and administration of each program. What is the estimated incremental five-year cost to your utility to file the DSM program administrative standards?

Company Response:

FPUC doesn't not anticipate any material incremental cost increases as a result of the

drafted language at this time.

- 11) Please explain how and to what extent your utility's implementation of the draft revision to Rule 25-17.0021(4), F.A.C., as described in question ten, is materially different from your utility's implementation of the existing rule.

Company Response:

At this time, FPUC does not anticipate any material changes stemming from the implementation of the draft revisions referenced in question 10.

- 12) Referring to the draft subsection (4)(j), what is the estimated five-year cost to your utility to prepare an estimate of the annual amount to be recovered through the energy conservation cost recovery clause for each calendar year in the planning horizon?

Company Response:

At this time, Florida Public Utilities does not foresee any additional incremental costs over the coming five-year period (relative to our previous program estimation efforts). FPUC expects the process to develop the annual clause amount over the ten-year planning horizon will be the same as under the current rule.

- 13) Do you believe the draft revisions to Rule 25-17.0021, F.A.C., will have incremental negative impacts to small businesses, small cities, and counties within your service territory? If yes, please provide an explanation.

Company Response:

FPUC does not anticipate any negative impact to small businesses, cities, or counties in FPUC operating territory.

- 14) Considering above draft's requirements and their associated costs, would the draft rule increase regulatory costs, including transactional costs (such as filing fees, license fees, equipment needed, additional operating costs, monitoring and reporting costs, and other

associated costs) to your utility in excess of \$200,000 in the aggregate within one year after implementing the rule? Additionally, what is the currently estimated cost compared to recent goal setting proceedings' costs?

Company Response:

The implementation of the draft requirements are not expected increase FPUC's regulatory costs in excess \$200,000. FPUC current internal and external costs for completing the DSM Goals process are expected to be similar to the costs incurred in preparation for the 2019 DSM goals dockets. During which \$97,127 was incurred for participating in the Technical, Economic and Achievable Potential studies and FPUC's cost share for the legal representation was \$24,694. These figures do not include internal hourly incursions for labor costs but reflect the major expenses equally shared by the FEECA team.

- 15) Do you believe the draft revisions to Rule 25-17.0021, F.A.C., will have incremental adverse impacts on economic growth, private sector investment and job creation, business competitiveness, productivity, and innovations? If yes, please provide an explanation.

Company Response:

FPUC does not believe the draft revisions will cause any adverse impacts on economic growth, private sector investment and job creation, business competitiveness, productivity, and innovations.

- 16) Would your utility's compliance with the draft revised rule, have an incremental effect on the state or local (service area of utility) revenues? If yes, please provide estimated revenues and an explanation.

Company Response:

FPUC does not believe the draft revisions will have any incremental effects on the state or local service area's revenues.

- 17) Please provide additional information regarding these draft rule revisions, which the Commission may determine useful.

Company Response:

FPUC does not have any additional information regarding these draft rule changes at this time.

- 18) Would there be any additional potential incremental costs or savings to your utility, not already detailed in response to the questions above, resulting from updated implementation practices if the draft rule revisions are adopted? Please provide an estimated savings amount with an explanation.

Company Response:

At this time, FPUC is not aware of any other potential incremental costs or savings not already detailed in our responses.