

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of modifications to rate schedule BERS building energy rating system, by Gulf Power Company. | DOCKET NO. 100378-EI
ORDER NO. PSC-10-0631-TRF-EI
ISSUED: October 22, 2010

The following Commissioners participated in the disposition of this matter:

NANCY ARGENZIANO, Chairman
LISA POLAK EDGAR
NATHAN A. SKOP
ART GRAHAM
RONALD A. BRISÉ

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING MODIFICATIONS TO BUILDING ENERGY-EFFICIENCY RATING
SYSTEM AUDIT RATE SCHEDULE

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

I. Case Background

Rule 25-17.003(2)(a), Florida Administrative Code (F.A.C.), defines the Building Energy-Efficiency Rating System (BERS) Audit as an energy analysis of a residence performed in compliance with Section 553.995, Florida Statutes (F.S.), and Rules 9B-60.004(3) and (4) and 9B-60.005, F.A.C. Rule 25-17.003(3)(a), F.A.C., requires utilities to offer eligible residential customers BERS Audits.

On August 18, 2010, Gulf Power Company (Gulf Power or Company) filed a petition for approval of modifications to its BERS rate schedule. Gulf Power seeks approval to modify the fees for audits performed under BERS. Gulf Power states that its costs of performing the audits have increased as a result of increased labor costs.

We have jurisdiction over this matter pursuant to Section 366.06, F.S.

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II. Analysis

A BERS Audit is an analysis of the energy efficiency of new or existing residences or buildings. These audits are performed by certified individuals, local governments, or private entities. The Audit consists of a rating scale to determine the efficiency of buildings based on their annual energy usage and are usually performed before a facility is sold. The rating scale is divided in three classes, which are defined as follows:

- The Class I BERS Rating, the most detailed of the three, is also the most expensive. It includes a couple of on-site audits in which data is collected, and field performance testing to assess potential energy usage.
- The Class II BERS rating also includes an on-site audit to assess potential energy usage, but is less detailed than the Class I BERS rating.
- The Class III BERS rating is the least detailed and expensive of the three. It consists of using house plans to assess potential energy usage.

Gulf Power's proposed fees for BERS Audits are comparable to those currently charged by other Florida investor-owned utilities. Gulf Power's BERS fees are based on homes that have 2,000 square feet or less of living space and contain a single duct system. The price increases for homes larger than 2,000 square feet by an additional \$.10 per square foot. In addition, homes consisting of more than one duct system may be charged an additional \$35.00 for each additional duct system.

Rule 25-17.003(4)(a), F.A.C., states that the amount a public utility charges for a BERS Audit should reflect the actual cost to the utility for performing the audit. Gulf Power's current BERS fee schedule was approved in September 1999. Gulf Power contends that its current BERS fee schedule does not reflect current costs to perform the auditing service. The current petition for modification is the first new cost evaluation performed by Gulf Power since that approval.

Gulf Power stated that cost data for the years prior to 2009 was not available due to the very small number of audits performed. A total of nine audits were performed from the 1999-2008 period. The number of BERS Audits performed by the Company in 2009 and 2010 are twelve and ten respectively. The Company mentions cost increases due to labor as a reason for modifying its current BERS rate schedule. As part of its analysis, our staff asked the Company to provide information regarding Gulf Power's actual cost of performing a BERS Audit. The following chart illustrates Gulf Power's cost of performing BERS Audits during the 2009 and 2010 periods:

Actual Costs of Gulf Power BERS Audit			
Rating	Job Tasks	Man Hours	Cost per Man Hour
Class I	Initial plans and data input	1.7	\$44.00
	Initial travel	1	
	Field visit and audit data verification	1	
	Performance testing – two people	3.5	
	Follow up travel – two people	2	
	Data interpretation	1	
	Certification and correspondence	1	
	Misc. material		\$20.00
Total		11.2	\$512.80
Rating	Job Tasks	Man Hours	Cost per Man Hour
Class II	Field visit and audit data verification	1.7	\$44.00
	Travel	1	
	Data interpretation	1	
	Certification and Correspondence	1	
Total		4.7	\$206.80
Rating	Job Tasks	Man Hours	Cost per Man Hour
Class III	Initial Plans and data input	1.7	\$44.00
	Certification and correspondence	1	
Total		2.8	\$118.80

As mentioned previously, Rule 25-17.003(4)(a), F.A.C., states that a public utility may charge an amount for its BERS audits that reflect the actual cost of performing the service. Gulf Power's proposal for modification of its BERS fee schedule is based on increased labor costs. The chart below illustrates Gulf Power's current BERS fee schedules and the proposed fee schedules for BERS Audits, which reflects current costs of performing the service:

Gulf Power's BERS Fee Schedule				
Rating	Current New Home	Proposed New Home	Current Existing Home	Proposed Existing Home
Class I	\$250	\$500	\$250	\$500
Class II	\$150	\$200	\$150	\$200
Class III	\$100	\$120	N/A	N/A

III. Decision

During the 1999 through 2008 period, Gulf Power had performed a total of nine BERS Audits. However, during the 2009 and 2010 period, Gulf Power performed a total of 22 BERS Audits. Because of an increase in the costs of labor to perform these audits, Gulf Power seeks our approval to modify its fee schedules to more accurately reflect the Company's actual costs of performing a BERS Audit. As part of discovery, our staff asked the Company to provide the actual costs of performing a BERS Audit. The cost information provided by Gulf Power does reflect the Company's actual costs of performing the service. In addition, our staff compared Gulf Power's proposed fee schedule modifications to current BERS fee schedules of the other Florida investor-owned utilities and find them comparable. Rule 25-17.003(4)(a), F.A.C., states that the amount a public utility charges for a BERS Audit should reflect the actual cost to the utility performing the audit. Accordingly, Gulf Power's modification of its BERS Audit fees are hereby approved. The modified costs will more accurately reflect Gulf Power's actual cost of performing a BERS audit.

Based on the foregoing, it is

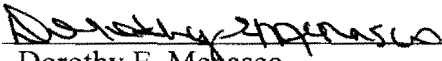
ORDERED by the Florida Public Service Commission that Gulf Power Company's modification of its Building Energy-Efficiency Rating System (BERS) Audit fees are hereby approved. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 22nd day of October, 2010.

ANN COLE
Commission Clerk

By: 
Dorothy E. Mehasco
Chief Deputy Commission Clerk

(SEAL)

AJT

NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 12, 2010.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.