

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Adoption of Numeric Conservation
Goals for Florida Power & Light Company

DOCKET NO.: 971004-EG
Filed: May 13, 1999

LEAF'S NOTICE OF SERVICE OF ANSWERS TO FPL'S SECOND SET OF INTERROGATORIES

Intervenor, Legal Environmental Assistance Foundation, Inc., ("LEAF"), has this date furnished its answers to Florida Power and Light's Second Set of Interrogatories to LEAF by U.S. mail to the offices of Charles Guyton, 215 South Monroe Street, Suite 601, Tallahassee, FL 32301-1804.

DATED this 13th day of May, 1999.

Respectfully submitted,

Debra Swim

DEBRA SWIM
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing Notice of Service was furnished by U.S. Mail on this 13th day of May, 1999 to:

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- OTH _____

James A. McGee, Esq.
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DEBRA SWIM

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

LEAF's Response to FPL's Second Set of Interrogatories
DOCKET NO. 971004-EG

20. In LEAF's Motion to Extend Discovery Schedule, LEAF indicated that there will be a "computer based technical analyses that form the basis for LEAF's testimony and exhibits" (p. 3). In regard to these "computer based technical analyses," please:

- a. Describe in detail the analyses performed or to be performed, including but not limited to, a description of whether and how estimates of avoided costs have been or will be developed, how DSM measures for analysis will be or have been selected, and how savings, participant costs, administrative costs and incentives have been or will be calculated;
- b. Identify, by model name, model version number and date of issuance, vendor, vendor telephone number and vendor address, the computer models used or to be used;
- c. Identify the persons who have performed or will perform these analyses and each person's responsibilities with regard to these analyses; and
- d. Identify all testimony, by witness, docket and jurisdiction, in which the persons responsible for performing or testifying regarding the computer based analyses in this proceeding have used, relied upon or presented similar computer based technical analyses.

The computer based technical analyses that will form the basis for LEAF's testimony and exhibits are under development and incomplete. LEAF plans to develop an avoided cost estimate using computer-based technical analyses developed by its consultant, Resource Insight, whose address was previously provided in LEAF's Response to FPL Interrogatory number 2. No names or numbers are known to be associated with said analytical method. The identity and responsibility of each person who will perform said analyses are not known at this time, though LEAF expects the persons identified in LEAF's response to FPL interrogatory number 19 will participate. To the extent practical and reasonable, LEAF's analyses will use the assumptions regarding DSM measure savings and DSM measure costs that the Commission relied on in the last goals case in its analyses. Once LEAF's analyses are complete, LEAF will respond to this question in as timely a manner as possible. To the extent this question asks LEAF to respond further prior to then, LEAF objects to the question as unduly burdensome and premature at this time.

21. Please explain why LEAF assumed in its Motion to Extend Discovery Schedule, filed more than a month before the utilities' goals filings, that LEAF's testimony would "show why the Commission should reject, or adopt an alternative to, any utility-sponsored goals and savings potential projection" and why there was no suggestion that LEAF might agree with a utility's proposed goals or savings potential projection.

LEAF objects to this question as calling for information that is not relevant. At issue in this case is what FPL filed with the Commission, not what LEAF anticipated FPL or another utility might file. Further, the Commission has ruled on LEAF's Motion, and FPL's opportunity to challenge its basis, as this interrogatory does, has expired. Nonetheless, without waiving said objections, LEAF notes FPL had indicated, months before its filing, that its goals proposal and savings potential projection in this case would exclude energy saving measures with potential as utility programs.

22. Please explain how LEAF will address and quantify, if at all, environmental externalities in its testimony and exhibits, and identify all analyses and studies addressing and quantifying environmental externalities upon which LEAF or LEAF's witnesses intend to rely.

Florida's current practice, which excludes environmental costs and benefits when calculating the costs and benefits of energy resource alternatives should be discontinued. The Commission should open a docket to evaluate quantification methodologies and, in the interim, require their qualitative consideration as energy resource alternatives are evaluated. LEAF's testimony and exhibits, which are under development and incomplete, may present other points or documents regarding environmental externalities. To the extent this question asks LEAF to explain its testimony or exhibits before they are developed and completed, or to address matters beyond what is presented in LEAF's testimony and exhibits, LEAF objects to the question as unduly burdensome, overly broad, and premature at this time.

23. Please identify, explain how to quantify, and quantify each of "the environmental and health costs and benefits of energy resource alternatives" as that phrase is used in LEAF's Preliminary Issue Statement.

Energy resource alternatives are the alternatives that FPL could use to meet energy resource needs. Environmental costs stem from the pollution associated with each alternative. Environmental benefits stem from the pollution avoided by each alternative. Health costs stem from the illnesses associated with each alternative. Health benefits stem from the illnesses avoided by each alternative. The issue presented in LEAF's Preliminary Issue Statement is "Should the environmental and health costs and benefits of energy resource alternatives be included as the Commission compares the costs and benefits of demand v. supply side resources." LEAF's position on this issue is "yes". Ways to quantify these costs and benefits vary. Florida's current practice, which values these costs and benefits at zero, should be discontinued. The Commission should open a docket to evaluate quantification methodologies and, in the interim, require qualitative consideration of environmental and health costs and benefits as energy resource alternatives are evaluated. LEAF's testimony and exhibits, which are under development and incomplete, may present other points or documents regarding the identification or quantification of the environmental and health costs and benefits of energy resource alternatives. To the extent this question asks LEAF to explain its testimony or exhibits before they are developed and completed, or to address matters beyond what is presented in LEAF's testimony and exhibits, LEAF objects to the question as unduly burdensome, overly broad, and premature at this time.

24. What analytical methods should the Commission use to estimate DSM cost-effectiveness in this proceeding?

The Commission should estimate DSM cost effectiveness by weighing the costs and benefits of savings measures with potential for utility programs. LEAF's response to FPL interrogatories 18, 20, 22, 23, and 25 describe, in part, analytical methods LEAF believes the Commission should use. LEAF's testimony and exhibits, which are under development and incomplete, may address further analytical methods. To the extent this question asks LEAF to explain its testimony or exhibits before they are developed and completed, or to address matters beyond what is presented in LEAF's testimony and exhibits, LEAF objects to the question as unduly burdensome, overly broad, and premature at this time.

25. What resource costs or benefits should the Commission use to estimate DSM cost-effectiveness in this proceeding?

The Commission should use appropriate resource benefit categories and resource cost categories, and appropriate values for each resource benefit and each resource cost. Some of such benefit categories include: avoided generating capacity costs (both that related to demand and that related to energy), including purchases, capital recovery and O&M costs; opportunities to make additional off-system sales; avoided transmission capacity costs, including capital recovery and O&M costs; avoided distribution capacity costs, including capital recovery and O&M costs; avoided fuel and other variable generation energy costs; avoided costs of compliance with environmental regulations; avoided line losses in the transmission and distribution system; and avoided externalities. LEAF's response to FPL interrogatories

and 18, 20, 22, 23, and 24 also describe, in part, such costs and benefits. LEAF's testimony and exhibits, which are under development and incomplete, may further address the resources and costs the Commission should use to estimate DSM cost effectiveness. To the extent this question asks LEAF to explain its testimony or exhibits before they are developed and completed, or to address matters beyond what is presented in LEAF's testimony and exhibits, LEAF objects to the question as unduly burdensome, overly broad, and premature at this time.

26. Please explain and numerically quantify what LEAF considers "large bill savings and low rate impacts" to be as LEAF used the phrase in Issue 11 in LEAF's Preliminary Issue List.

Issue 11 is "What should the Commission do to further encourage TRC-passing DSM that offers large bill savings and low rate impacts?" The referenced bill savings are the bill reductions associated with TRC-passing DSM. The referenced rate impacts are those which may be associated with TRC-passing DSM. The meaning of "large" or "low" will be determined as the Commission implements its policy encouraging TRC-passing DSM with large bill savings and low rate impacts. TRC-based DSM with no rate impact, or with a rate impact less than its supply-side alternative, would be within what LEAF considers a "low" rate impact. LEAF's testimony and exhibits, which are incomplete and under development, may further explain or quantify what LEAF considers "large bill savings" and "low rate impacts". To the extent this question would have LEAF explain its testimony and exhibits before they are developed or completed, or to address matters beyond what is presented in LEAF's testimony and exhibits, LEAF objects to this question as unduly burdensome, overly broad, and premature at this time.

27. Please address in detail:

- a. The inadequacies of what investor-owned utilities are doing to provide DSM to their low income customers;
 - b. The actions the utilities and the Commission should take to address the appropriate provision of DSM to low income customers; and
 - c. Who should pay for the actions identified in response to (b) above and why they should pay.
- a. In all Florida communities, agencies provide government-sponsored weatherization, housing repair, and housing construction services to low income households. All Florida's utilities should arrange for these agencies to also deliver utility-sponsored DSM, rather than using utility employees to promote and deliver utility-sponsored DSM to that same household. All Florida's utilities should arrange to sponsor training for administrators of said agencies and their clients (e.g., through mandatory classes for affordable housing buyers) about utility-sponsored conservation programs.
 - b. The Commission should order utilities to make the arrangements noted above. The utilities should do what is necessary to make these arrangements.
 - c. The aforesaid arrangements would likely reduce the costs of delivering utility-sponsored DSM to the low income households. Their costs may be recovered through the conservation cost recovery clause or other appropriate proceedings before the Commission .

LEAF's testimony and exhibits, which are incomplete and under development, may identify further inadequacies or propose additional actions. To the extent it would have LEAF detail its testimony and exhibits before they are completed, or to address matters beyond those presented in LEAF's testimony and exhibits, LEAF objects to this question as unduly burdensome, overly broad, and premature at this time.

28. Please address in detail:

- a. The inadequacies of what investor-owned utilities are doing to promote solar energy;
- b. The actions the utilities and the Commission should take to address the appropriate promotion of solar energy; and
- c. Who should pay for the actions identified in (b) above and why.

The Commission should require each utility to develop a green pricing program and file a green energy tariff through which utility customers are offered the opportunity to meet a portion of their energy service needs by voluntarily purchasing new solar energy resources at a price no greater than the incremental cost to procure said solar resources. Non-incremental resource costs would be paid as they are now. Program research and development costs would be paid as they are now. LEAF's testimony and exhibits, which are incomplete and under development, may identify further inadequacies or propose additional actions. To the extent it would have LEAF detail its testimony and exhibits before they are completed, or to address matters beyond those presented in LEAF's testimony and exhibits, LEAF objects to this question as unduly burdensome, overly broad, and premature at this time.

29. Please explain in detail if, and if, why, LEAF believes conservation efforts by Florida's electric utilities focus unduly on load management. In particular, address which FPL load management programs either are not demand side management or are not cost-effective?

LEAF believes FPL's DSM efforts focus unduly on load management because FPL's DSM cost effectiveness estimations undervalue conservation. LEAF believes any load management program that results in load building is not conservation. LEAF does not know which FPL load management programs are not DSM or are not cost effective. LEAF's testimony and exhibits, which are under development and incomplete, may further address why LEAF believes Florida's electric utilities focus unduly on load management or which FPL programs are not DSM or not cost-effective. To the extent it would have LEAF detail its testimony and exhibits before they are developed and completed, or to address matters beyond those presented in LEAF's testimony and exhibits, LEAF objects to this question as unduly burdensome, overly broad, and premature at this time.

I HEREBY CERTIFY that I am authorized to answer these interrogatories on behalf of the Legal Environmental Assistance Foundation, Inc., and that the foregoing answers are true and correct.

BY Debra Swim
Debra Swim, Attorney

STATE OF FLORIDA
COUNTY OF LEON

BEFORE ME THE UNDERSIGNED AUTHORITY, personally appeared Debra Swim, who, being first duly sworn, deposes and says that she has read the foregoing answers and that they are true.

SWORN AND SUBSCRIBED BEFORE ME this 12th day of May, 1999.

Cynthia Valencic
NOTARY PUBLIC, STATE OF FLORIDA AT LARGE

