

36

FPUC's Response to Staff's First Interrogatories  
Nos. 1–8

RESPONSES TO INTERROGATORIES

Please refer to Schedule CT-2, Exhibit CDY-1 (Revised), Page 4 of 18, of FPUC's May 10, 2021, filing in Docket No. 20210002-EG to answer the following questions.

1. For the Common Cost category, please explain the principle drivers for the variance of \$39,423 in Labor & Payroll for the period January 2020 - December 2020.

**FPUC RESPONSE:**

The principle driver for the variance of \$39,423 in Labor & Payroll for the Common Cost category is a shift in the types of activities performed by Company employees during the reporting period. Due to the Company's COVID-19 protocols and in the interest of customer and employee safety, the Company suspended in-person visits for all of its programs, including the Residential Energy Survey and Commercial Energy Consultation programs. This caused a reduction in the labor expenses directly related to those programs. Instead, employees spent more of their time working on program initiatives, like online customer education and general program awareness. These activities benefit all of the Company's energy conservation programs and as such, were allocated to the Company's Common program rather than to individual programs.

*Respondent: Kira Lake*

**Interrogatory No. 2**

2. For the Common Cost category, please explain the principle drivers for the variance of (\$15,150) in Advertising for the period January 2020 - December 2020.

**FPUC RESPONSE:**

The principle driver for the variance of (\$15,150) in Advertising for 2020 is a reduction in advertising opportunities, due to the COVID-19 pandemic. The Company's electric service areas are primarily small, suburban or rural communities. In these areas, the Company's advertising efforts have traditionally included sponsorship of community events which provide advertising opportunities for sponsors. Due to the pandemic, many of these community events were either limited or simply cancelled. This reduction in advertising opportunities, and thus advertising cost, not only affected the Common Cost programs, but all program advertising for the reporting period.

*Respondent: Kira Lake*

**Interrogatory No. 3**

3. For the Common Cost category, please explain the principle drivers for the variance of (\$13,264) in Legal expenses for the period January 2020 - December 2020.

**FPUC RESPONSE:**

The variance of (\$13,264) in Legal expenses for the Common Cost category for 2020 is due to an underestimation of the legal expenses associated with the development of the Company's Demand Side Management (DSM) plan. The Company projected the Legal expenses for its Common program to be \$44,868, based on Legal expenses incurred from the development of its previous DSM plans, however, the Company incurred lower Legal expenses than projected.

*Respondent: Kira Lake*

**Interrogatory No. 4**

4. For the Common Cost category, please explain the principle drivers for the variance of \$13,611 in Outside Services for the period January 2020 - December 2020.

**FPUC RESPONSE:**

The variance of \$13,611 in Outside Services for the Common Cost category is due to consulting costs related to the development of the Company's newest Demand Side Management (DSM) plan. Although the Company did include these costs in its projection of Outside Service expenses for 2020, the amount was underestimated by the \$13,611 in question.

*Respondent: Kira Lake*

**Interrogatory No. 5**

5. For the Common Cost category, please explain the principle drivers for the variance of (\$16,598) in Travel expenses for the period January 2020 - December 2020.

**FPUC RESPONSE:**

The principle driver for the variance of (\$16,598) in Travel expenses for the reporting period is the impact of COVID-19 on our employees' ability to travel. Due to the Company's COVID-19 protocols and in the interest of customer and employee safety, the Company suspended all Company-related travel for non-essential activities, including its energy conservation programs. This directly caused a reduction in the Company's projected travel expenses for 2020.

*Respondent: Kira Lake*

**Interrogatory No. 6**

6. Please explain why a portion of the Company's Advertising expenses that were recorded in the period January 2020 - December 2020 were assigned as Common Costs, while the remaining portion of these costs were assigned to specific programs.

**FPUC RESPONSE:**

The Company assigns advertising costs to the programs that each advertising initiative benefits. For example, a print advertisement for a home energy audit would be allocated to the Residential Energy Survey program. However, there are times when an advertising cost pertains to multiple or all programs and in that case, the advertising expense would be allocated to the Common program. Examples of this are:

- Costs associated with the procurement of toll free numbers for advertising campaigns.
- Digital or print advertising that educates customers about all of the Company's energy conservation programs in general and isn't specific to one program.
- Sponsorships that provide the Company an opportunity to promote all of its programs.

All other advertising expenses are allocated directly to the relevant energy conservation program.

*Respondent: Kira Lake*

**Interrogatory No. 7**

7. For the Electric Conservation Demonstration and Development program, please explain the principle drivers for the variance of \$26,925 in Outside Services expenses for the period January 2020 - December 2020.

**FPUC RESPONSE:**

The principle driver for the variance of \$26,925 in Outside Services expenses for the Electric Conservation Demonstration and Development program is the purchase of two Tesla PowerWall units in 2020, instead of one as projected. These units were purchased for the on-going Battery Study as noted in the Company's 2020 Annual Conservation Report.

*Respondent: Kira Lake*



**Interrogatory No. 8**

8. As a result of suspending programs in 2020 due to COVID-related concerns, please describe the actions the Company took (e.g. reallocation of assignments, etc.) regarding the employees that normally perform administrative functions to support such programs. As part of your response, please address how the payroll-related costs for such employees were apportioned during 2020.

**FPUC RESPONSE:**

Pandemic restrictions and health concerns in 2020 created a temporary pause in some of the activities that the Company's Energy Conservation Representatives normally engaged in, primarily those associated with in-person visits for the Residential Energy Survey and Commercial Energy Consultation programs and other in-person community outreach opportunities. Instead, these employees were tasked with other energy conservation program related duties like:

- Assisting customers with the performance of an online energy assessment and answering any questions related to their energy use via phone.
- Review and verification of rebate/incentive applications before payment.
- Assistance with online/digital energy conservation program messaging.

The Company's Energy Conservation Representatives are "time-tracking" employees, whose payroll costs are allocated to the programs that they have worked on during the pay period. For 2020, these employees continued to allocate payroll expenses to the programs affected by their work. For all other employees with an energy conservation payroll allocation, there was no material change to their job duties or responsibilities since their work did not involve in-person interaction.

*Respondent: Kira Lake*