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FPUC's Response to Staff's First Interrogatories
Nos. 1–4

Interrogatory 1

Please refer to Schedule CT-2, Page 3 of 3, of FPUC's May 3, 2021 filing in Docket No. 20210004-EG to answer the following questions.

1. Please explain the principle drivers for the variance of \$110,801 in Payroll expenses for the Full House Residential New Construction program in the January – December 2020 period.

FPUC RESPONSE:

The principle driver for the variance of \$110,801 in Payroll expenses for the Full House Residential New Construction program in the January – December 2020 period was an increase in the Company's efforts to focus on the new construction market segment. As noted in the Company's responses to questions 3 and 4 below, the Company increased its advertising and outreach efforts to potential customers, especially builders, developers and other residential customers building new homes. This focus on the new construction market segment is primarily responsible for the variance in payroll expenses, but also drove an increase of 37.2% in the number of Full House Residential New Construction incentives issued in 2020.

Respondent: Kira Lake

Interrogatory 2

2. Please explain the principle drivers for the variance of (\$53,766) in Common Costs for Payroll in the January – December 2020 period.

FPUC RESPONSE:

The principle driver for the variance of (\$53,766) in Common Costs for Payroll in the January – December 2020 period is a reduction in the number of employees directly contributing to conservation activities, with a payroll allocation to the Common program. During this period, 1 position was moved to another department within the Company and another energy conservation related position was temporarily vacated, causing a variance to the payroll expenses associated with the Common program.

Respondent: Kira Lake

Interrogatory 3

3. Please explain the principle drivers for the variance of \$129,059 in Advertising in the January – December 2020 period.

FPUC RESPONSE:

The principle drivers for the variance of \$129,059 in Advertising for the period January – December 2020 are expenses related to the Company’s advertising campaign, “Natural Gas Does More”, which focuses on promoting the benefits of natural gas to builders/developers and potential natural gas customers. Due to the COVID-19 pandemic and the reduced opportunity to reach its target audience through in-person events, the Company increased its digital advertising and education efforts for all programs, including the Full House Residential New Construction program and the Conservation Education program, which accounts for most of the variance.

Respondent: Kira Lake

Interrogatory 4

4. Please explain the principle drivers for the variance of \$305,634 in Incentives for the Full House Residential New Construction program in the January – December 2020 period.

FPUC RESPONSE:

The variance of \$305,634 is due to the difference in the number of Full House Residential New Construction Incentives issued in 2019 versus the number of Incentives issued in 2020. In 2019, the Company issued 3,330 incentives for appliances under this program. In 2020, the same program saw 4,569 appliance rebates issued, an increase of 37.2% over the previous year. Similarly, the noted variance is an increase of 30.7% over the Company's projected expenditures for this program.

Respondent: Kira Lake