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Sebring's Response to Staff's First
Interrogatories Nos. 1-4

INTERROGATORY NO. 1

INTERROGATORIES

Please refer to Schedule CT-2, Page 3 of 3, of Sebring'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 \$4,850 in Incentives for the Residential New Home Construction program in the January – December 2020 period.

Company Response: While the Estimated Incentives for the Residential New Home Construction program for the period January – December 2020 was \$2,600, the actual amount of incentives issued for the stated period was \$7,450, an underestimate of \$4,850. The driver for the variance was \$4,400 in incentive payments made to Habitat for Humanity for tankless water heaters for eight new residential homes. There would have been a variance of \$450 without the addition of the Habitat project.

Respondent: Jerry Melendy

INTERROGATORY NO. 2

2. Please explain the principle drivers for the variance of \$3,275 in Incentives for the Residential Appliance Replacement program in the January – December 2020 period.

Company Response: For the Residential Appliance Replacement program for the period January – December 2020, the Company estimated the incentives to be \$5,975, however the actual amount of incentives issued for the stated period was \$9,250, an underestimate of \$3,275. The driver for the variance appears to have been an uptick in home improvement projects during the Covid-19 pandemic. For the stated period, the Company issued 22 incentives, with 31% of those being given during the month of December 2020.

Respondent: Jerry Melendy

INTERROGATORY NO. 3

3. Please explain the principle drivers for the variance of \$1,950 in Incentives for the Customer Retention program in the January – December 2020 period.

Company Response: For the Residential Retention program for the period January – December 2020, the Company estimated the incentives would be \$1,000, however the actual for the stated period was \$2,950, an underestimate of \$1,950. The driver for the variance appears to have been an uptick in home improvement projects during the Covid-19 pandemic.

Respondent: Jerry Melendy

INTERROGATORY NO. 4

4. Please explain the principle drivers for the variance of \$2,999 in Incentives for the Commercial Appliance Replacement program in the January – December 2020 period.

Company Response: For the Commercial Appliance Replacement program for the period January – December 2020, the Company projected incentives issued would be \$2,000. However, the actual amount of incentives issued for the stated period was \$4,999, an underestimate of \$2,999. The main driver for this variance appears to be the fact that the utility is quite small; thus, any change in the amount of incentives issued can produce a relatively significant variance. While incentives were given to only three commercial customers, any large incentives given after the actual/estimated period tends to skew the results.

Respondent: Jerry Melendy