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FPUC's Response to Staff's  
Second Set of Interrogatories,  
Nos. 12-14

Interrogatory 12 (a&b)

INTERROGATORY RESPONSES

12. Please refer to Schedule CT-2, Page 2 of 3, in Exhibit DMC-1, from FPUC's May 2, 2022 filing in Docket No. 20220004-GU, in which the Company recorded \$325,949 in Advertising expenses. Please answer the following:

A. Explain how conservation programs are being advertised to customers.

**Company Response:**

Conservation programs are being advertised utilizing different media platforms available to reach its customers and potentially new customers. The Company advertises its Energy Conservation programs using traditional media such as radio, billboards and outdoor banners, bill inserts and print ads with various publications. The Company also promotes its Energy Conservation programs on its website, in email communications to customers and through other digital and online advertising opportunities.

*Respondent: Derrick M. Craig*

B. Explain how costs for advertising are appropriate/essential for conservation programs.

**Company Response:**

The Company believes that advertising is essential to be able to reach and educate our existing and potentially new customers regarding the energy conservation benefits of natural gas. As addressed in Interrogatory 13, these costs are necessary to increase customers' awareness and understanding of the availability of the Company's energy conservation programs.

*Respondent: Derrick M. Craig*

Interrogatory 13(a&b)

13. Please refer to Schedule CT-2, Page 2 of 3, in Exhibit DMC-1, from FPUC's May 2, 2022 filing in Docket No. 20220004-GU, in which the Company recorded \$90,590 in Advertising expenses for the Residential Appliance Replacement program. Please answer the following:

- A. Explain, consistent with Rule 25-17.015(5)(a), Florida Administrative Code, the specific problem being addressed with the advertisement materials for this program.

**Company Response:**

The Company's advertisement materials for its Residential Appliance Replacement program address problems regarding both the high cost of energy and energy efficient appliances.

*Respondent: Derrick M. Craig*

- B. Explain, consistent with Rule 25-17.015(5)(b), Florida Administrative Code, how the specific problem referenced in the sub-part (A) response above, is being corrected with the advertisement materials for this program.

**Company Response:**

The Company's energy conservation advertisements serve both to inform customers and increase awareness about its energy conservation programs and the associated incentives that reduce the cost of energy efficient appliances.

*Respondent: Derrick M. Craig*

Interrogatory 13(c)

C. Explain, consistent with Rule 25-17.015(5)(c), Florida Administrative Code, how direction is being provided to obtain help to alleviate the specific problem referenced in the sub-part (A) response above, with the advertisement materials for this program.

**Company Response:**

On all of its Energy Conservation advertising, the Company provided the customer with contact information, whether through a phone number, website address or mobile QR code.

*Respondent: Derrick M. Craig*

Interrogatory 14(a&b)

14. Please refer to Schedule CT-2, Page 2 of 3, in Exhibit DMC-1, from FPUC's May 2, 2022 filing in Docket No. 20220004-GU, in which the Company recorded \$467,240 in expenses for Common Costs. Please answer the following:

- A. Provide a description of the "Common" costs charged to the Payroll & Benefits expense category. Explain how the \$324,744 amount was calculated.

**Company Response:**

These expenses include the payroll and benefits for the conservation employees as well as the allocated costs of payroll/benefits for other non-conservation Company employees who performed activities related to energy conservation activities during the year. Most of the allocated expenses were distributed using a pre-determined allocation matrix, based on the department responsible for that expense.

*Respondent: Derrick M. Craig*

- B. Provide a description of the "Common" costs charged to the Advertising expense category. Explain how the \$23,136 amount was calculated.

**Company Response:**

These "Common" costs are the result of direct payments to third party companies for the energy conservation advertisements inside of corporate calendars (equivalent to daytimers) as well as the creation and management of corporate webpage banners, advertising "eblasts," automatic advertising phone calls, and bill inserts.

*Respondent: Derrick M. Craig*

Interrogatory 14(c&d)

- C. Provide a description of the “Common” costs charged to the Outside Services expense category. Explain how the \$67,247 amount was calculated.

**Company Response:**

\$57,358 of the \$67,247 was due to payments made to a third-party call center (ENCO Utility Services) for overflow customer service calls and to Hubspot, Inc., for improvements made to a software package’s customer reach. These dollar amounts are the direct result of the actual invoices submitted by these vendors.

*Respondent: Derrick M. Craig*

- D. Provide a description of the “Common” costs charged to the Other expense category. Explain how the \$14,843 amount was calculated.

**Company Response:**

The costs recorded in Other expenses of the Common cost category include expenses for memberships/subscriptions and uniforms. Most of these expenses are allocated using a pre-determined allocation matrix, based on the department responsible for that expense.

*Respondent: Derrick M. Craig*