

**Response of
Interstate Power and Light Company
to
OFFICE OF CONSUMER ADVOCATE
Data Request No. 62**

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Response Due: July 11, 2008
Information Requested By: Jennifer Easler
Date Responded: July 16, 2008
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Subject: Non-Residential Programs – Budget and Resource Allocations

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IPL provides 2009 FTE levels for each program in Appendix A, tab A97. The table below compares these to other program factors for the same year.

Non-Residential Sector Program Year 2009

	Custom	Prescriptive	PerfContract	New Construction	Agriculture
FTE	14	6	3	6	5
FTE Costs @ \$125,000 each	\$1,750,000	\$750,000	\$375,000	\$750,000	\$625,000
Utility Cost Less Incentives	\$1,723,000	\$777,000	\$721,000	\$905,000	\$335,000
Number of customers served	272	4,475	28	32	348
Customers per FTE per year	19	746	9	5	70

“Utility Cost Less Incentives” includes Planning and Design, Program Administration, Advertising and Promotion, and Monitoring and Evaluation.

- A. What is the allocation of FTEs to the various utility cost components and what percentage of their time, by program, will be in direct customer service?
- B. Will FTE’s be serving multiple programs? Please describe.
- C. What is the budget for the Prescriptive contractors and where is it allocated?

Response

- A. Table A97 of Appendix A of IPL’s application in this docket shows how program costs translate into FTEs. For each program, the percent of each cost category attributable to internal IPL labor is provided. For each program, one can infer an FTE for each of the IUB-designated cost category by multiplying the percent of

budget in that category times the budget for that category found earlier in Appendix A and dividing the result by assumed annual FTE cost including overheads of \$125,000 found in the note to Table A97.

IPL tracks program costs according to the budget categories that are defined in 199 IAC 35.8(2)"d." (The column headings in Table A97 illustrate how IPL applies this paragraph of the administrative code.) "Direct customer service" is not one of those categories.

- B. Yes, some FTEs are likely to serve multiple programs. For example, residential program staff may split their time between several or all residential programs. However, this has been accounted for in the FTE calculations; the FTE values by program are additive.
- C. Contractor costs in the IPL budgets for the electric and gas nonresidential prescriptive rebates programs are dealer spiffs, audits, technology benefit-cost ratio analysis and third-party measurement and evaluation (M&E).

Spiffs are those incentive payments given to Participating Dealers as an inducement to promote IPL's program. These prescriptive contractor costs are included in the incentives category and, even though the spiffs are twenty percent on some measures and ten percent on the insulation measure, overall, the spiffs represent approximately eleven percent of total incentives historically. Spiffs are eleven percent instead of twenty percent because contractors must be Participating Dealers to earn spiffs and there are dealers who are not Participating Dealers. Moreover, not all measures (e.g., CFLs) qualify for spiffs. Spiffs in the Plan are anticipated at the eleven percent rate plus growth resulting from increased Participating Dealers and increased measure penetration.

Audit contractor costs are also included in the incentives category, because the audit's energy-efficiency report and direct-installed measures costs are the costs of the inducement given to customers free of charge to motivate them to participate in audit educational services. The cost for 301 audits in 2007 was \$88,205. IPL anticipates completing 400 audits in the first year of the Plan with contractor costs (incentive budget) of \$120,000 and growing to 750 audits in the fifth year of the plan with contractor costs (incentive budget) of \$225,000.

Benefit-cost ratio analysis of new technologies is included in the planning and design budget category. As new technologies arise IPL conducts benefit-cost analysis. These analyses are performed on an hourly, ad-hoc basis.

IPL typically conducts RFPs to select third-party contractors to conduct M&E (which encompasses verification) of Plans and programs. M&E is included in the monitor budget category, and the monitor budget is largely comprised of third-party M&E.