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September 6, 2002

Elizabeth C. Daley
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VIA HAND DELIVERY

Blanca S. Bayó, Director
Division of the Commission Clerk &
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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COMMISSION
CLERK

**Re: Petition for Modification And Extension
Of Florida Power & Light Company's Experimental
Real Time Pricing Rate, Rate Schedule RTP-GX**

020961-EI

Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Power & Light Company ("FPL") are the original and seven (7) copies of FPL's Petition for Modification And Extension Of Florida Power & Light Company's Experimental Real Time Pricing Rate, Rate Schedule RTP-GX, together with a diskette containing the electronic version of same. The enclosed diskette is HD density, the operating system is Windows 2000, and the word processing software in which the document appears is Word 2000.

If there are any questions regarding this transmittal, please contact me at 222-2300.

Very truly yours,

Elizabeth C. Daley

Enclosure

Copy to: Counsel for Office of the Public Counsel

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DOCUMENT NUMBER-DATE
09449 SEP-6 02
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Power & Light
Company for Modification and Extension
of Experimental Real Time Pricing Rate,
Rate Schedule RTP-GX

)
)
Docket No. **020961-EI**

Filed: September 6, 2002

**PETITION FOR MODIFICATION AND EXTENSION
OF FLORIDA POWER & LIGHT COMPANY'S EXPERIMENTAL
REAL TIME PRICING RATE, RATE SCHEDULE RTP-GX**

Florida Power & Light Company ("FPL"), pursuant to Sections 366.06 and 366.075, Florida Statutes (2001), and Florida Administrative Code Rule 28-106.301, hereby petitions the Florida Public Service Commission ("Commission") to modify, effective January 1, 2003, and extend FPL's Experimental Real Time Pricing Rate, Rate Schedule RTP-GX, through December 31, 2003, at which time the experimental rate program would terminate. The grounds for this Petition are:

1. The name and address of the affected agency are:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

2. FPL's address is 9250 West Flagler Street, Miami, Florida 33174.

Correspondence, notices, orders and other documents concerning this Petition should be sent to:

Elizabeth C. Daley
Steel Hector & Davis LLP
Suite 601
215 South Monroe Street
Tallahassee, Florida 32301
850.222.2300

William G. Walker III
Vice President, Regulatory Affairs
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, Florida 32303
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3. On October 11, 1994, the Commission issued Order No. PSC-94-1232-FOF-EG approving FPL's experimental real time pricing rate, Rate Schedule RTP-GX, as part of a real

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time pricing research program. Rate Schedule RTP-GX became effective on February 1, 1995, and would have terminated on December 31, 1998, absent further Commission action. As originally proposed, Rate Schedule RTP-GX was an experimental commercial/industrial rate schedule that provided hourly marginal energy prices and was limited to 50 of the 150 potentially eligible customers whose maximum demand was 1,500 kW or greater.

4. The purpose of FPL's experimental real time pricing program ("RTP-GX") has been to examine customer response to prices derived from hourly marginal costs. However, a lack of price volatility during the early years of the program made it difficult for FPL to assess customer response.

5. In July 2000, FPL proposed modifications to the RTP-GX tariff which were designed to increase the program's price volatility. The tariff revisions became effective in April 2001 and have resulted in a significant increase in the volatility of hourly RTP-GX prices. However, there has been limited customer response to this increased price volatility. Specifically, most RTP-GX customers do not curtail their loads in response to highest hourly prices.

6. At the same time, there has been significant migration of RTP-GX customers to other available rate offerings. The number of customers enrolled in the RTP-GX program has dropped from a high of 42 customers in 1997 to only 20 customers in July 2002.

7. The current terms of the RTP-GX tariff state that service under the rate shall terminate as of December 31, 2002, unless otherwise ordered by the Commission. FPL requests that the Commission allow FPL to phase out the current RTP-GX tariff with the following modifications: (1) close the RTP-GX tariff to new customers as of December 31, 2002; and (2) allow existing RTP-GX customers as of December 31, 2002, to remain on the RTP-GX rate

through December 31, 2003. If RTP-GX customers choose to terminate the RTP-GX rate prior to December 31, 2003, those customers could take advantage of the present tariff provision in Tariff Sheet 8.624 in the TERM OF SERVICE SECTION, which allows customers to terminate service under the RTP-GX tariff upon 60 days written notice to FPL. After December 31, 2003, FPL would withdraw the RTP-GX tariff and transfer any existing customers to an otherwise applicable rate.

8. FPL requests these modifications based on the belief that some RTP-GX customers would appreciate having the flexibility to remain on the RTP-GX rate through the end of 2003. This is particularly true for customers who have attempted to respond to hourly marginal cost price signals and for long-term RTP-GX customers. Phasing out the program should increase customer satisfaction, reduce or avoid customer complaints regarding termination of RTP-GX, and provide current RTP-GX customers with more notice and time to prepare for the termination of RTP-GX and to transfer to otherwise applicable rates.

9. The tariff sheets for which FPL seeks Commission approval are Fifth Revised Sheet No. 8.620 and Fifth Revised Sheet No. 8.624. The tariff sheets are attached in final format as Attachment A and in legislative format as Attachment B.

10. To accomplish the phasing out of the experimental offering of Rate Schedule RTP-GX, FPL has proposed to amend Tariff Sheet No. 8.620 so that the Title reads "CLOSED SCHEDULE" and the "AVAILABLE" section reads that availability is limited to any commercial or industrial customer who as of December 31, 2002, has executed a Real Time Pricing Program Agreement with FPL and that the rate schedule shall be withdrawn on December 31, 2003 and any existing customers shall be transferred to the otherwise applicable rate schedule.

11. To further accomplish the phasing out of the RTP-GX tariff, FPL has proposed to amend the TERM OF SERVICE section of Tariff Sheet No. 8.624 to read that this rate schedule shall be withdrawn on December 31, 2003 and any existing customers shall be transferred to the otherwise applicable rate schedule and that agreements that are renewed during 2003 will be extended only through December 31, 2003.

12. FPL is not aware of any disputed issue of material facts.

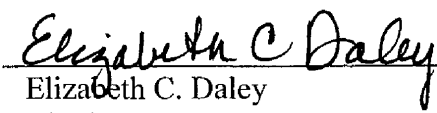
13. This petition is not in response to a prior agency decision, so the petitioner cannot state when and how it "received notice of the agency decision." The modification, effective January 1, 2003, and extension, through December 2003, of Rate Schedule RTP-GX should be approved. FPL is entitled to relief under Sections 366.06, and 366.075, Florida Statutes (2001).

WHEREFORE, FPL respectfully petitions the Commission to approve the modification, effective January 1, 2003, and extension, through December 2003, of FPL's Rate Schedule RTP-GX and approve, effective January 1, 2003, Fifth Revised Sheet No. 8.620 and Fifth Revised Sheet No. 8.624, attached to this petition.

Respectfully submitted,

STEEL HECTOR & DAVIS LLP
215 South Monroe Street,
Suite 601
Tallahassee, FL 32301-1804
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850.222.8410, Facsimile

Attorneys for Florida Power
& Light Company

By: 
Elizabeth C. Daley
Charles A. Guyton

ATTACHMENT A

REAL-TIME PRICING - GENERAL SERVICE
(CLOSED SCHEDULE)

RATE SCHEDULE RTP-GX:

AVAILABLE:

In all territory served. Availability is limited to any commercial or industrial customer who as of December 31, 2002, has executed a Real Time Pricing Program Agreement with FPL.

This rate schedule shall be withdrawn on December 31, 2003, and any existing customers shall be transferred to the otherwise applicable rate schedule.

APPLICATION:

For electric service provided to any Customer served under Schedule GSLD-2, GSLDT-2, GSLD-3 or GSLDT-3 and to any Customer served under Schedule GSLD-1 or GSLDT-1 with a measured demand of at least 500 kW during the historical period used for CBL development. The Customer shall enter into a Real Time Pricing Program Agreement with FPL for service under this schedule.

SERVICE:

Three phase, 60 hertz at any available standard voltage.

Transformation Rider - TR, where applicable, shall only apply to the Customer's Maximum Demand for the period represented in the Customer Baseline Load (CBL) for delivery voltages below 69 kv. Standby Service is not available hereunder. Resale of service is not permitted hereunder.

REAL-TIME PRICING:

Customers participating in Real Time Pricing service under Schedule RTP-GX purchase energy at hourly prices that are based on FPL's projected hourly marginal costs. Hourly prices for energy are posted by FPL on a day-ahead basis, or on the last business day prior to weekends and holidays. In addition to the Usage Charge, RTP-GX service includes a monthly Access Charge and an Administrative Charge.

The RTP Access Charge is customer-specific and is calculated such that each Customer's monthly bill under RTP-GX is equal in amount to the bill which would otherwise have been generated under the Customer's otherwise applicable rate schedule for the energy consumption identical to the Customer's CBL. The Customer's monthly bill under RTP-GX will vary from this billing amount only as a result of consumption which varies from the Customer's CBL as measured on an hourly basis.

(Continued on Sheet No. 8.621)

(Continued from Sheet No. 8.623)

(For each month, the "Load Change" is calculated as the difference between the Customer's total actual usage for the month and the total usage represented by the CBL for the month. When the absolute value of the Load Change exceeds 10% of the total usage reflected in the CBL for that month, an Energy Usage Adjustment will be made to all hours of the CBL for that month, as follows:

$$CBL_1 = CBL_0 \times [1 + (A\text{-factor} \times \text{Load Change} / CBL_0)]$$

where:

- CBL₁ = the new CBL for that month, for use in the next RTP Service Year
- CBL₀ = the current CBL for that month, as used in the current RTP Service Year, as adjusted for adjustments 1 - 4 above
- A-Factor = the adjustment factor, currently equal to 0.50
- Load Change = the difference in that month between the Customer's total usage for the month and the total usage represented by the CBL

The Annual Energy Usage Adjustment shall not result in any downward usage adjustment greater than 20% of the CBL.

(The Annual Demand Usage Adjustment is based on the variance between the Billing Demand incorporated in the Customer's CBL-based Usage Charge and the Billing Demand implied by the Customer's actual load from the recent 12 months of RTP-GX service.)

When the Billing Demand implied by a Customer's actual load varies by more than 10% from the Billing Demand incorporated in the Customer's CBL-based Usage Charge for a given month a Demand Adjustment will be made for that month as follows:

$$CBL\ Demand_1 = A\text{-factor} \times \text{Demand Change} + CBL\ Demand_0$$

where:

- CBL Demand₁ = the Billing Demand to be incorporated in the new CBL-based Usage Charge for that month, in the next RTP Service Year
- CBL Demand₀ = the Billing Demand incorporated in the CBL-based Usage Charge for a current month
- A-Factor = the adjustment factor, currently equal to 0.50
- Demand Change = the difference in that month between the Billing Demand under the otherwise applicable rate implied by the Customer's actual usage and the Billing Demand incorporated in the Customer's CBL-based Usage Charge

(The Annual Demand Adjustment shall not result in any downward demand adjustment greater than 20% of the Billing Demand incorporated in the CBL-based Usage Demand.)

TERM OF SERVICE:

Service under Schedule RTP-GX is for an initial term of one year and is renewable on an annual basis, subject to termination. Service under t This experimental rate schedule shall terminate be withdrawn on December 31, 2002 2003, unless extended by order of the Florida Public Service Commission and any existing customers shall be transferred to the otherwise applicable rate schedule. Agreements that are renewed during 2003 will only be extended through December 31, 2003. Customers may terminate service under this schedule upon sixty (60) days' written notice to FPL. In addition, failure by a Customer to renew service during the annual renewal period (the last month of each contract term) shall constitute voluntary termination of service under this schedule. FPL may terminate program participation at any time for failure to comply with any of the provisions of this schedule or the Real Time Pricing Program Agreement, after giving the Customer 30 days' notice to comply. Once participation in this program is terminated by the Customer or FPL, a Customer is not eligible to participate again for the duration of the Real Time Pricing experiment.

(Continued on Sheet No. 8.625)

ATTACHMENT B

REAL-TIME PRICING - GENERAL SERVICE
(OPTIONAL EXPERIMENTAL CLOSED SCHEDULE)

RATE SCHEDULE RTP-GX:

AVAILABLE:

In all territory served. This is an experimental rate available through the execution of a Real Time Pricing Program Agreement with FPL. Availability is limited to 50 customers, with priority established based on the date that the Agreement is executed by both the Customer and any commercial or industrial customer who as of December 31, 2002, has executed a Real Time Pricing Program Agreement with FPL.

Service under this experimental rate schedule shall terminate be withdrawn on December 31, 2002-2003, unless extended by order of the Florida Public Service Commission and any existing customers shall be transferred to the otherwise applicable rate schedule.

APPLICATION:

For electric service provided to any Customer served under Schedule GSLD-2, GSLDT-2, GSLD-3 or GSLDT-3 and to any Customer served under Schedule GSLD-1 or GSLDT-1 with a measured demand of at least 500 kW during the historical period used for CBL development. The Customer shall enter into a Real Time Pricing Program Agreement with FPL for service under this schedule.

SERVICE:

Three phase, 60 hertz at any available standard voltage.

Transformation Rider - TR, where applicable, shall only apply to the Customer's Maximum Demand for the period represented in the Customer Baseline Load (CBL) for delivery voltages below 69 kv. Standby Service is not available hereunder. Resale of service is not permitted hereunder.

REAL-TIME PRICING:

Customers participating in Real Time Pricing service under Schedule RTP-GX purchase energy at hourly prices that are based on FPL's projected hourly marginal costs. Hourly prices for energy are posted by FPL on a day-ahead basis, or on the last business day prior to weekends and holidays. In addition to the Usage Charge, RTP-GX service includes a monthly Access Charge and an Administrative Charge.

The RTP Access Charge is customer-specific and is calculated such that each Customer's monthly bill under RTP-GX is equal in amount to the bill which would otherwise have been generated under the Customer's otherwise applicable rate schedule for the energy consumption identical to the Customer's CBL. The Customer's monthly bill under RTP-GX will vary from this billing amount only as a result of consumption which varies from the Customer's CBL as measured on an hourly basis.

(Continued on Sheet No. 8.621)

(Continued from Sheet No. 8.623)

(For each month, the "Load Change" is calculated as the difference between the Customer's total actual usage for the month and the total usage represented by the CBL for the month. When the absolute value of the Load Change exceeds 10% of the total usage reflected in the CBL for that month, an Energy Usage Adjustment will be made to all hours of the CBL for that month, as follows:

$$CBL_1 = CBL_0 \times [1 + (A\text{-factor} \times \text{Load Change} / CBL_0)]$$

where:

- CBL₁ = the new CBL for that month, for use in the next RTP Service Year
- CBL₀ = the current CBL for that month, as used in the current RTP Service Year, as adjusted for adjustments 1 - 4 above
- A-Factor = the adjustment factor, currently equal to 0.50
- Load Change = the difference in that month between the Customer's total usage for the month and the total usage represented by the CBL

The Annual Energy Usage Adjustment shall not result in any downward usage adjustment greater than 20% of the CBL.

(The Annual Demand Usage Adjustment is based on the variance between the Billing Demand incorporated in the Customer's CBL-based Usage Charge and the Billing Demand implied by the Customer's actual load from the recent 12 months of RTP-GX service.)

When the Billing Demand implied by a Customer's actual load varies by more than 10% from the Billing Demand incorporated in the Customer's CBL-based Usage Charge for a given month a Demand Adjustment will be made for that month as follows:

$$CBL\ Demand_1 = A\text{-factor} \times \text{Demand Change} + CBL\ Demand_0$$

where:

- CBL Demand₁ = the Billing Demand to be incorporated in the new CBL-based Usage Charge for that month, in the next RTP Service Year
- CBL Demand₀ = the Billing Demand incorporated in the CBL-based Usage Charge for a current month
- A-Factor = the adjustment factor, currently equal to 0.50
- Demand Change = the difference in that month between the Billing Demand under the otherwise applicable rate implied by the Customer's actual usage and the Billing Demand incorporated in the Customer's CBL-based Usage Charge

(The Annual Demand Adjustment shall not result in any downward demand adjustment greater than 20% of the Billing Demand incorporated in the CBL-based Usage Demand.)

TERM OF SERVICE:

Service under Schedule RTP-GX is for an initial term of one year and is renewable on an annual basis, subject to termination. This rate schedule shall be withdrawn on December 31, 2003, and any existing customers shall be transferred to the otherwise applicable rate schedule. Agreements that are renewed during 2003 will only be extended through December 31, 2003. Customers may terminate service under this schedule upon sixty (60) days' written notice to FPL. In addition, failure by a Customer to renew service during the annual renewal period (the last month of each contract term) shall constitute voluntary termination of service under this schedule. FPL may terminate program participation at any time for failure to comply with any of the provisions of this schedule or the Real Time Pricing Program Agreement, after giving the Customer 30 days' notice to comply. Once participation in this program is terminated by the Customer or FPL, a Customer is not eligible to participate again for the duration of the Real Time Pricing experiment.

(Continued on Sheet No. 8.625)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 6th day of September, 2002, a copy of Florida Power & Light Company's Petition For Modification And Extension Of Florida Power & Light Company's Experimental Real Time Pricing Rate, Rate Schedule RTP-GX was mailed to the following:

Jack Shreve, Esq.
Office of Public Counsel
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400


Elizabeth C. Daley

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