

Marguerite McLean

100358-EI

From: Goorland, Scott [Scott.Goorland@fpl.com]
Sent: Monday, August 02, 2010 1:31 PM
To: Filings@psc.state.fl.us
Subject: Amended Electronic Filing / Docket 100358-EI /Florida Power & Light Company's Study Report on Review and Analysis of a Potential Multi-Period Time-of-Use Rate for Commercial & Industrial Customers
Attachments: 8.2.10.FPL_CI_TOU_08022010.pdf

Electronic Filing

a. Person responsible for this electronic filing:

Scott A. Goorland, Esq.
 700 Universe Boulevard
 Juno Beach, FL 33408
 561-304-5639
scott.goorland@fpl.com

b. Docket No. 100358-EI
 In re: Petition for rate increase by
 Florida Power & Light Company

c. Documents are being filed on behalf of Florida Power & Light Company.

d. There are a total of 75 pages in the attached document.

e. The document attached for electronic filing is a color copy of Florida Power & Light Company's Study Report on Review and Analysis of a Potential Multi-Period Time-of-Use Rate for Commercial & Industrial Customers.

Thank you,

Scott A. Goorland
 Principal Attorney
 Florida Power & Light Company
 (561) 304-5639
 (561) 691-7135 Fax
scott.goorland@fpl.com

The FPL Law Department is proud to be an ABA-EPA Law Office Climate Challenge Partner. Please think before you print!

The information contained in this electronic message is confidential information intended only for the use of the named recipient(s) and may be the subject of attorney-client privilege. If the reader of this electronic message is not the named recipient, or the employee or agent responsible to deliver it to the named recipient, you are hereby notified that any dissemination, distribution, copying or other use of this communication is strictly prohibited and no privilege is waived. If you have received this communication in error, please immediately notify us by telephone (305) 552-3922 or by replying to this electronic message. Thank you

DOCUMENT NUMBER-DATE

06293 AUG-2 2010

FPSC-COMMISSIONER'S OFFICE

8/2/2010



Florida Power & Light Company, P. O. Box 14000, Juno Beach, FL 33408-0420
Law Department

Scott A. Goorland
Principal Attorney
(561) 304-5633
(561) 691-7135 (Facsimile)
Email: Scott.Goorland@fpl.com

August 2, 2010

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard, Room 110
Tallahassee, FL 32399-0850

RE: *Docket No. 100358-EI: Investigation into the design of Commercial Time-of-Use rates by Florida Power & Light, pursuant to Order No. PSC-10-0153-FOF-EI*

Dear Ms. Cole:

In response to Commission direction in Order No. PSC-10-0153-FOF-EI, enclosed please find Florida Power & Light Company's Report on Review and Analysis of a Potential Multi-Period Time-of-Use Rate for Commercial & Industrial Customers.

If there are any questions regarding this transmittal, please contact me at 561-304-5633.

Sincerely,

/s/Scott A. Goorland

Scott A. Goorland

cc: All parties of record

Table of Contents

I.	Background.....	1
II.	Executive Summary.....	2
III.	Analysis of FPL General Service Demand rate class and AFFIRM Members’ Load Profile.....	5
IV.	Time-Of-Use Peak Rating Periods	6
V.	Time-Of-Use Pricing Policy	9
VI.	Non-standard Time-Of-Use Rate Offerings in Florida	10
VII.	Other Optional Rate Offerings by FPL	12
VIII.	Load Control Options for General Service Demand Customers.....	13
IX.	Conclusion.....	14

I. Background

In Order No. PSC-10-0153-FOF-EI, issued on March 17, 2010 (“Order 0153”), the Commission directed FPL to work with the Association For Fairness In Rate Making (“AFFIRM”)¹ to explore options such as multi-period pricing for commercial time-of-use (“TOU”) rates that would address concerns raised by AFFIRM, and to report back to the Commission no later than August 1, 2010. The testimony of AFFIRM witness Klepper asked the Commission to require FPL to develop a TOU rate for AFFIRM members and similarly situated customers.²

Order 0153 noted that there was insufficient evidence in the docket to support a new time-of-use rate for commercial customers. In the Order, the Commission recognized that significant analyses must be performed before a new rate could be proposed: “In order to design a new rate FPL would need to identify the types of customers to be targeted, and determine what the specific load and cost characteristics of the proposed new sub-group of customers would be. Assuming that existing customers would leave existing classes to take advantage of any new rate, FPL would also have to estimate the impact on existing rate classes (migration).”³ Nonetheless, Order 0153 directed FPL to explore with AFFIRM, and any other parties who wish to participate, other options such as multi-period pricing to address the concerns raised by AFFIRM, and report back no later than August 1, 2010⁴, on the progress of such discussions.

¹ AFFIRM represents the corporations and the corporations' franchisees of quick service restaurants (“QSRs”) under the following brand names: Waffle House, Wendy's, Arby's, and YUM! Brands.

² AFFIRM also requested that the commission require FPL to develop a multi-location rate to recognize the aggregate electric load and usage characteristics similarities to large single location loads, however the Commission Order did not include such a requirement.

³ Order No., PSC-IO-0153-FOF-EI, at p. 190-191.

⁴ August 1, 2010 falls on a Sunday, therefore the Report is being filed on Monday, August 2.

II. Executive Summary

FPL performed analyses of the customer load profiles for Quick Service Restaurants (“QSRs”), the General Service Demand (“GSD”) rate class load profile, FPL system load profile, the optional rates available to AFFIRM members, as well as the optional load control tariff. These analyses show:

- 1) a new multi-period time-of-use rate option is not supported by the current load data;
- 2) FPL QSRs have basically the same load shape as the GSD class as a whole;
- 3) FPL QSRs may reduce their electric costs by taking advantage of FPL’s existing optional rate offerings;
- 4) FPL’s Business On Call® program offers guaranteed savings to QSRs who are willing to have certain portions of their electric service controlled but cannot actively manage their load;
- 5) the cost and resources required to implement a third intermediate-peak time period are significant; and
- 6) finally, if a new alternative rate is implemented that automatically provides lower bills to QSR customers but provides no corresponding system benefits, the other customers in the rate class would see an unwarranted increase in the costs that they must support in the existing rate class in order to compensate for the lower rate for QSRs (i.e., AFFIRM members would be subsidized by other customers).

For these reasons, AFFIRM’s requested new time-of-use rate option is not supported by FPL’s analyses and is not necessary to address the concerns raised by AFFIRM regarding rate options for its clients.

To ensure the analyses properly addressed the issues in the Commission’s order, FPL held conference calls on April 22, June 3, and July 19 with AFFIRM and other interested parties.⁵ AFFIRM provided data to aid in the analyses. No other participating party provided data or commented on either the data or the analyses. Analyses of available interval data of five⁶ QSRs served by FPL shows that the load shape is the same as FPL’s General Service Demand (“GSD”) rate class⁷ and the on-peak usage is also consistent with FPL’s GSD class. The comparison of FPL QSRs and GSD monthly load profiles of average weekday, average weekend, daily average, maximum on peak demand, period maximum demand, and system peak generally follow one another. There is no significant difference in the energy consumption pattern of the FPL QSRs and FPL’s GSD rate class. The average on-peak energy use

⁵ In addition to FPL and AFFIRM, participating parties included representatives from: FPSC Staff, Office of Public Counsel, Office of the Attorney General, Florida Industrial Power Users Group, and Florida Retail Federation

⁶ FPL acknowledges that a sample of five QSRs is not statistically valid; however the data was useful in determining whether additional load research meter deployment was warranted. On the June 3 conference call, AFFIRM agreed additional meter deployment was not needed.

⁷ The GSD rate class encompasses all Commercial and Industrial (“CI”) customers whose monthly maximum demand is between 20 and 500 kW, including GSDDT-1 customers.

for FPL QSRs is the same as the GSD class for nine of the 12 months, and the other three months are within 1%. (See Attachment 1) This analysis reflects that the load profile of QSRs generally follows the existing GSD rate class as a whole.

Demand-related production and transmission plant base revenue requirements are allocated to the GSD rate class based on the class's contribution to the monthly system peaks. Since the load profile of QSRs generally follows the existing GSD rate class, QSRs are not unfairly burdened with a higher than warranted cost allocation.

An analysis of AFFIRM member data in Georgia revealed similar load characteristics to the FPL QSRs.

Based on the results of these analyses, AFFIRM refined their request during the course of the discussions. AFFIRM agreed that deployment of additional load research meters to QSRs is not necessary. Also, instead of a TOU rate specific to AFFIRM members, AFFIRM requested a multi-period TOU rate be developed for all GSD customers with the peak periods defined by FPL's incremental fuel cost as reported to FERC for the years 2006 through 2008. Specifically, AFFIRM requested a seasonally differentiated TOU rate be developed with a summer on-peak period of 2 p.m. to 5 p.m. and an intermediate peak period of noon to 2 p.m. and 5 p.m. to 8 p.m. weekdays. AFFIRM defined the winter peak period as 6 p.m. to 9 p.m. with no intermediate peak period. AFFIRM defines all other hours as off-peak. AFFIRM also suggested that it may be justified to designate the months of November, March and April as off-Peak months where all hours are priced at winter off-Peak pricing. (See Attachment 2)

On the June 3 call, FPL noted that FPL's existing Seasonal Demand Time-Of-Use Rider ("SDTR"), appeared to offer AFFIRM members a rate very similar to what was proposed, except for the absence of a third intermediate-peak rating period. (See Attachment 3) The SDTR has a narrow seasonal peak period from 3 p.m. to 6 p.m. for June to September in which customers are charged based on their on-peak demand and their on and off-peak energy usage. SDTR offers a TOU and a non-TOU pricing option for the energy used during the non-seasonal months of October through May and a reduced demand charge, so that customers may choose the option that best suits their needs.

FPL's analysis of the system load data for 2006 through 2009 shows that the current TOU rating periods are indeed accurate and correct. FPL's summer peak day has a long relatively flat peak between the hours of 12 noon and 9 p.m. FPL's winter peak day is characterized by a morning peak between the hours of 6 a.m. and 10 a.m. and a slightly lower evening peak between the hours of 6 p.m. and 10 p.m. (See Attachment 4) FPL's annual system peaks have occurred during the summer peak period as well as during the winter morning and evening peak periods.

AFFIRM's requested peak periods would not have captured any of the winter morning peaks, including the all-time system peak set between 7 a.m. and 8 a.m. on

January 11, 2010. In fact, since 1975, every annual winter peak has been a morning peak except for three instances. Also, AFFIRM's requested peak periods would not have captured the summer peak period in nine of the years. As a result, the proposed changes to the standard TOU periods were determined to be without support and generally inappropriate.

In addition to FPL's various optional rate offerings available to QSRs, FPL also offers the Business On Call® load control program for customers who are willing to have certain portions of their electric service controlled but cannot actively manage their load. FPL's experience is that the Business On Call® load control program is a better alternative for this class of customers. The Business On Call® program offers customers a \$2/ton credit during April-October for allowing FPL to cycle A/C load. Load control is a much more cost effective and operationally reliable method of managing the system during constraints. It also ensures that customers automatically benefit, even if they are not able to modify their consumption due to the nature of their businesses.

If a rate was developed pursuant to AFFIRM's request, the participants would likely be limited to only those customers who could benefit from the rate without modifying their current usage characteristics ("free riders"). Such a rate would offer no system benefits. Further, the costs avoided by the free riders would be shifted to the other GSD customers.

There is no evidence that a new rate option with an intermediate peak period would reduce the peak loads, or provide benefits to customers not available from either the existing SDTR rate or Business On Call® program offerings. As a result, the cost of implementing a third intermediate peak period and the cost shifts caused by free riders would not be justified given the availability of either the SDTR rate option or the guaranteed savings offered by FPL's Business On Call® load control program.

Furthermore, adding a third time period would be a significant undertaking. FPL's Customer Information System would need to be modified to store, process and bill a third time period, which would cost an estimated \$2.9M and require 22 months to accomplish, depending on the number of rates implemented. This estimate includes \$0.4M in metering costs for 2000 meters. If more than 2000 meters were required, this estimate would increase. (See Attachment 5)

The analysis and the factors summarized above, as well as the lack of identifiable benefits, demonstrate that the implementation of a multi-period CI TOU rate would add unnecessary costs without providing additional system or customer benefits. In light of this determination, a multi-period CI TOU rate should not be pursued at this time.

III. Analysis of FPL General Service Demand rate class and AFFIRM Members' Load Profile

One of the key contentions in AFFIRM's testimony is that the AFFIRM members' customer load profile is dramatically different from the profile upon which costs are allocated. Witness Klepper also stated that most of the AFFIRM members operate during system peak periods but use disproportionately lesser amounts of energy during FPL's defined on-peak periods and disproportionately greater amounts of energy during FPL's defined off-peak periods, compared to other commercial and industrial customers. Witness Klepper also stated that the monthly peaks for AFFIRM members almost always occur during the winter evening peak hours of 6 p.m. to 10 p.m.

Most AFFIRM members are in the GSD rate class. FPL was able to gather interval data on five QSRs from load research data to compare to FPL's GSD class. The comparison of FPL QSR and GSD monthly load profiles of average weekday, average weekend, daily average, maximum on peak demand, period maximum demand and system peak generally follow one another. There is no significant difference in the pattern of how the FPL QSRs and the GSD rate class consume energy. The average on-peak energy use for FPL QSRs is the same as that of the GSD class for nine of the 12 months, and the other three months are within 1%. (See Attachment 1)

AFFIRM also provided the 30 minute interval data for several customers in Georgia. Despite the difference in weather patterns, the results for AFFIRM members in Georgia are similar to the FPL QSR and the FPL GSD rate class load profiles.

Based on the results of these analyses, AFFIRM modified their request, from seeking a rate specific to AFFIRM members to seeking a more general TOU rate.

IV. Time-Of-Use Peak Rating Periods

Prior to the Public Utility Regulatory Policies Act of 1978 (PURPA), the Commission had approved various TOU rates for general service demand level customers. In considering the PURPA standards, the Commission required FPL, Florida Power Corporation, Gulf Power Company and Tampa Electric Company to offer optional time-of-day ("TOD") rates with cost related rate differentials for all customer classes and ordered them to submit appropriate tariffs implementing such rates (Docket No. 780793-EU, Order No. 9385 Issued May 20, 1980). The Commission also directed investor-owned utilities to use the same rating periods in submitting their optional TOD tariffs (Docket No. 780793-EU, Order No. 9661, Issued November 26, 1980). These time periods were based on utility supplied load and Peninsular Florida load:

- On-peak periods are Monday through Friday
November through March April through October
6:00 a.m. to 10:00 a.m. Noon to 9:00 p.m.
6:00 p.m. to 10:00 p.m.
- Off peak hours - all other hours Monday through Sunday not included in the above and all hours of the day of the six general holidays (New Year's Day, Memorial Day, July 4, Labor Day, Thanksgiving and Christmas)

This represents the standard on and off-peak rating periods for all TOU rate offerings in Florida. As a result of Order No. 9661, all Florida Investor-Owned Utilities ("IOUs") filed TOU rates as an option to the standard firm rate for residential⁸, and small, medium and large commercial/industrial customers as well as offering TOU options to the curtailable/interruptible rates.

AFFIRM contends that these rating periods are not appropriate and do not provide sufficient price signals to allow customers to reduce usage on-peak. In his testimony, AFFIRM witness Klepper stated that AFFIRM members have a limited ability to respond to price signals because of the limited rate options available to them. In testimony, AFFIRM also claimed that FPL's TOU rate option for GSD customers (GSDT-1 rate) is poorly designed because, according to 2007 FERC Form 1 data, average revenue per customer on the GSDT-1 rate was 7.5% higher than that paid by the average GSD-1 customer. AFFIRM reiterated this position in a May 25 e-mail and again on the June 3 conference call, stating it was "mathematically irrefutable" that customers can not benefit under the existing TOU rate structure. FPL responded to this assertion on the June 3 call and in a follow up e-mail on June 11 explaining that low load factor customers will see a higher average price per kWh than higher load factor customers. This does not preclude savings on the GSDT-1 rate as long as less energy is used on-peak than the class average. (See Attachment 6) Also, analysis of the FPL QSR interval data reveals that 3 of the 5 QSRs could save under one of FPL's current optional rates. Two QSRs could save on the GSDT-1 rate, and one QSR could save on SDTR. (See Attachment 7)

⁸ Progress Energy closed its TOU rate option for residential customers effective February 10, 2010.

In an e-mail dated June 17, 2010 AFFIRM refined their request for a new TOU rate option. (See Attachment 2) Specifically, AFFIRM requested a three-tier seasonally-differentiated TOU rate with a summer peak period of 2:00 p.m. to 5:00 p.m. and an intermediate-peak period of noon to 2:00 p.m. and 5:00 p.m. to 8:00p.m. weekdays (excluding holidays). AFFIRM requested that the winter peak period be set at 6:00 p.m. to 9:00 p.m. weekdays (excluding holidays) with no intermediate peak period. AFFIRM would designate the months of May through October as summer months and November through April as winter months, redefining April from a summer to a winter month. AFFIRM also stated that it may be justified to designate the months of November, March and April as off-peak months where all hours are priced at winter off-peak pricing.

Despite the availability of the SDTR with a short three-hour peak period from 3:00 p.m. to 6:00 p.m. during the months of June through September, AFFIRM contends that FPL should create another TOU rate with a short three-hour summer on-peak period starting and ending one hour earlier than FPL's SDTR rate and adding an intermediate-peak period. AFFIRM stated that the hourly system load shape on-peak period occurs from 3:00 p.m. to 6:00 p.m., but chose the peak summer and winter hours based on FPL's hourly system lambdas for 2006, 2007, and 2008 as reported in the annual FERC Form 714.⁹ These three years had almost 10% less heating load than normal.¹⁰ Even so, AFFIRM contends that the system lambda for those years should be used to determine peak periods rather than the actual system load that defines the peak.

AFFIRM's approach suffers from three shortcomings. First, averaging the hourly system lambda's over three years is not appropriate to determine the system peak period. The system load defines the system peak. Second, by focusing solely on average values, AFFIRM's approach ignores the significant variability of system lambda. Reviewing the peak day system lambdas reveals that the hourly incremental cost can vary significantly from one hour to the next, or can be nearly flat. (See Attachment 8) Third, AFFIRM's approach ignores the actual hour of the winter peak.

FPL's winter peak has been a morning peak every year since 1975, except for three years, and has been set during the months of December through March. (See Attachment 4) FPL's all-time system peak was set on the morning of January 11, 2010. A static on-peak period must be set so as to capture the seasonal peak hours, in whatever month and hours the peaks may occur. The data clearly shows that FPL's winter peaks occur between 6 a.m. and 10 a.m. and between 6 p.m. and 10 p.m. Likewise, reviewing the summer peak days from 2006 through 2009 indicates that the peak occurs between the hours of 12 noon and 9 p.m.

Also, AFFIRM's request to reclassify April as a winter month based on average incremental fuel prices is not reasonable. As can be seen from the graphs of the April

⁹ FERC Form 714 instructions define system lambda as the incremental cost of energy.

¹⁰ Based on heating degree hours and the 20 year weather normal data used in FPL's official Ten Year Site Plan forecast.

peak days for 2006-2010, the April peak day load shape follows the summer peak load shape, not the winter peak load shape. (See Attachment 4)

V. Time-Of-Use Pricing Policy

In Docket No. 910890-EI, the Commission approved a formula for calculating TOU base energy rates that sets the off-peak rate at the average system energy unit cost from the cost of service study¹¹. The Commission stated that the on-peak charge will then be the result of a break even calculation with the standard rate, based on the class's (or combined classes') on-peak and off-peak energy consumption. FPL's TOU rates comport with these requirements.

AFFIRM requested that the pricing for the new TOU rate's summer and winter periods be determined independently based on system costs. AFFIRM states that FPL's system lambda data shows that winter pricing should be significantly less costly than summer pricing for all defined time periods. However, AFFIRM continues to confuse incremental fuel costs and base rates. In Florida, base rates are based on embedded costs, not marginal costs.¹² The price for embedded capacity is not different in the winter than the summer. Additionally, FPL's annual peak has occurred during the winter several times in the past and FPL's all time system peak was recently set during the winter on January 11, 2010. FPL notes that fuel factors, however, are priced based on the average, not incremental, cost of fuel used during the on and off-peak periods.

The new rate design suggested by AFFIRM would not be consistent with Commission precedent in Order 92-1198. To be consistent with Commission precedent, the customer charge, demand charge, and the off-peak energy charge would need to be priced the same as the GSDT-1 rate, and the on-peak and intermediate-peak energy charges would need to be adjusted to achieve revenue neutrality with the GSD-1 rate, based on the GSD rate class's average energy usage during the on-peak and intermediate peak periods. Based on the available FPL QSR data, on-peak and intermediate-peak usage is the same as the GSD rate class for the periods defined by AFFIRM.

Energy Policy Act of 2005 Amendments to PURPA

In testimony, Witness Klepper stated that AFFIRM's request for a new TOU rate is needed to fulfill the requirements of PURPA Section 111(d)(14). However, the Commission considered the Energy Policy Act of 2005 amendments to PURPA in Docket No. 070022-EU. The Commission found that "Florida is already in substantial compliance with PURPA standard 14 under existing rules and regulations and no further action is necessary to meet the intent of the standard. Further, adoption of the broad standard as written could result in service requirements that are not cost-effective for the general body of ratepayers."¹³

¹¹ In re: Petition for a Rate Increase by Florida Power Corporation, Docket No. 910890-EI, Order No. PSC 92-1198-FOF-EI, Issued October 22, 1992 ("Order 92-1198").

¹² In considering PURPA, the Commission also addressed the issue of whether revenue requirements should be based on embedded or marginal costs.

¹³ Order No. PSC-07-0212-PAA-EU, Issued March 7, 2007, at 1.

VI. Non-standard Time-Of-Use Rate Offerings in Florida

Florida IOUs currently offer two optional CI rates and one pilot program that vary from the standard on-peak and off-peak time periods set by the Commission in Order No. 9661¹⁴. The pilot program offered by TECO is the General Service Variable Pricing Pilot (GSVP) available to General Service (“GS”) or GS TOU (“GST”) customers (non-residential customers whose consumption has not exceeded 9000 kWh in any of the prior 12 billing periods) who meet certain requirements for the connection of energy management equipment to central heating and air and other controllable electric load. Most AFFIRM members would not qualify for the GSVP as average usage is above 9000 kWh/month. The two non-standard TOU rates available to most AFFIRM members in Florida are the General Service Time of Use Conservation (“GSTOU”) rate offered by Gulf Power and the SDTR rate offered by FPL¹⁵, the details of which are listed below.

Gulf Power’s GSTOU rate is an option to Rate Schedule GSD for general service of any customer whose highest actual measured demand is not more than 499 kilowatts. The rate consists of on-peak, intermediate and off-peak energy-only pricing for the summer season and a flat energy price during the rest of the year. The rate was approved in 2002 by Order No. PSC-02-0787-FOF-EI, in Docket No. 010949-EI.

Gulf GSTOU	On-peak*	Intermediate-peak*	Off-peak
June-Sept	1 pm - 6 pm weekdays (excl holidays)	11am - 1 pm and 6 pm – 8pm weekdays (excl holidays)	All remaining hours during June - Sept
Oct – May	NA	NA	NA

*Time periods are Central Time.

The Gulf GSTOU rate offers a flat energy-only price for all non-summer hours. Note that the fuel prices for GSTOU are not time-differentiated.

FPL’s SDTR is an optional rate for electric service for distribution-level commercial or industrial customers with a measured demand in excess of 20 kW. The rate has non-standard peak periods that vary by season. The rate schedule became effective in January 2006 after a rate case stipulation and settlement in Docket No. 050045-EI.

¹⁴ Gulf Power and TECO also offer non-standard TOU pricing for residential customers under a three-tier TOU rate with a critical price overlay.

¹⁵ FPL also offers another optional TOU rate for CI customers, the High Load Factor Time-Of-Use (“HLFT”) rate, that utilizes standard on and off-peak rating periods, but provides for greater cost recovery through the demand charge, a lower energy charge and a discount for shifting demand off-peak.

FPL SDTR	On-peak	Off-peak
Seasonal – June-Sept	3 pm - 6 pm weekdays (excl holidays)	All hrs. not in on-peak during June – Sept
Option A – non-seasonal standard rate	NA	NA
Option B - non-seasonal TOU rate		
Nov-March	6 am -10 am and 6 pm - 10 pm weekdays (exc. Holidays)	All hours not in on-peak Nov-Mar
Apr, May, Oct	12 noon - 9 pm (excl holidays)	All hours not in on-peak Apr, May, Oct

SDTR Option A offers a demand charge for the months of October through May priced lower than the GSD-1 demand charge and a flat energy charge priced at the GSD-1 energy charge for all non-seasonal hours. SDTR fuel factors are time-differentiated and reflect the average costs of fuel burned during the on and off peak rating periods for June through September. Fuel factors for January through May and October through December are priced at the costs of fuel for all hours under Option A, and at the costs of fuel burned during the on and off-peak rating periods for Option B.

In an e-mail dated April 26, 2010, AFFIRM sent the Gulf GSTOU rate as an example of a three-tier TOU rate approved by the FPSC. (See Attachment 9) A comparison of the Gulf GSTOU rate and the FPL SDTR rate shows that they were both designed for the customer that can reduce usage in a shortened summer peak period. While FPL does not offer a rate with an intermediate peak, it would be easier to reduce usage during the short three-hour peak period of 3 p.m. to 6 p.m. under FPL's SDTR than the 5-hour period of 1 p.m. to 6 p.m. under Gulf's GSTOU rate. The SDTR rate allows AFFIRM members to take advantage of seasonal price signals, reduce their monthly bills, and become more energy efficient. It is at least as well suited to the needs of QSRs such as the AFFIRM members as is the Gulf GSTOU rate.

VII. Other Optional Rate Offerings by FPL

On the July 19, 2010 conference call, AFFIRM contended that FPL was resistant to changes from the status quo. On the contrary, FPL has demonstrated its willingness to offer non-standard optional TOU rates and load control options to customers when corresponding system benefits can be demonstrated. FPL offered a Real Time Pricing (“RTP”) pilot from February 1, 1995 through December 31, 2003.¹⁶ The rate included a marginal operating cost component, a marginal reliability cost component and a marginal recovery component. The pilot was modified and extended several times, but was closed due to lack of participation and participants’ lack of response to the price signals. The RTP pilot demonstrated that most customers do not curtail their load in response to high energy prices.¹⁷

Several new optional rates were implemented in 2006 in conjunction with FPL’s 2005 base rate case filing.¹⁸ These included the SDTR and the High Load Factor TOU rate (“HLFT”), as well as the General Service Constant Use rate (“GSCU”). These and other alternative rate offerings were developed by FPL in response to input received from our customers. In addition to Business On Call®, FPL implemented the Curtailable CI Demand Reduction Rider (“CDR”) to replace the CI Load Control (“CILC”) rate, which was closed by the Commission due to cost effectiveness concerns. As is indicated by these rate offerings, FPL is not averse to implementing optional rates that can produce system benefits.

¹⁶ Docket No. 940423-EG, Order No. 94-1232 Issued October 11, 1994.

¹⁷ Docket No. 020961-EI, Order No. 02-1634, Issued November 25, 2002.

¹⁸ Docket No. 050045-EI, Order No. 05-0902 Issued September 14, 2005.

VIII. Load Control Options for General Service Demand Customers

While many FPL CI customers are able to take advantage of FPL's various TOU rate offerings, many other customers such as QSRs are unable to shift load to the off-peak periods, even during a short three-hour summer peak period, due to the nature of the business operations. As a result, FPL has found that its Business On Call® program is a much more effective way of managing system constraints for both the company and the customer. The Business On Call® program offers GS-1 and GSD-1 customers the option to allow FPL to cycle the air conditioning load during the months of April through October in exchange for a \$2 per ton monthly credit. FPL has successfully implemented this program for 111 franchisees of a major quick service restaurant chain resulting in a guaranteed savings of approximately \$44,000 per year.

If AFFIRM members cannot manage load during the SDTR 3 p.m. to 6 p.m. seasonal peak periods, the Business On Call® program is an alternative that will provide a guaranteed monthly credit during April through October without the customer needing to actively manage their load and without a detrimental impact to the customers' operations.

IX. Conclusion

The analysis of customer load profiles for FPL QSR customers reflects that they are generally similar to the load profile of the FPL GSD customer class as a whole. QSR customers peak when the FPL GSD class peaks, and use more energy during the currently established on-peak periods. As a result, QSRs can benefit from FPL's current rate and program offerings and a new or different time of use rate is not necessary or appropriate at this time for at least 3 reasons:

- 1) **The use of the current time-of-use periods (seasonal and hourly) is reflective of the FPL system load and is therefore appropriate.** While FPL acknowledges that a summer peak period of noon to 9:00 pm is significant, it is nonetheless reflective of FPL's actual system load. Other jurisdictions around the United States may have shorter and more intense on-peak periods that lend themselves to intermediate "shoulder-peak" periods. However, Florida, and FPL's service territory in particular, are anything but typical when compared to the rest of the country.
- 2) **A new TOU rate is not necessary to address AFFIRM's concerns regarding rate options for its customers.** FPL currently offers a Seasonal Demand Time-Of-Use Rider with a short three-hour peak period during the months of June through September. This rate design is very similar in design to the characteristics of a new TOU rate as articulated by AFFIRM. Analysis shows that QSR customers can benefit from FPL's existing GSDT-1 and SDTR rates. FPL also offers the Business On Call® load control program that provides guaranteed monthly credits during April through October for customers who are willing to have certain portions of their electric service controlled but are unable to manage their load during the short SDTR peak periods. The Business On Call® program meets the customer's need for additional energy management and cost saving alternatives while also meeting the company's need for improving the system load shape.
- 3) **Implementation of a third intermediate peak period would be a costly solution for which corresponding benefits have not been identified and that is not necessary when alternative solutions are already available.** The cost of changes to the billing system is borne by all customers, and in this case the amount would be significant (close to \$3,000,000) while providing no assurance of resulting system benefits. An additional unknown cost is due to the increase in cost to customers resulting from migration of free riders. Most customers who would migrate to the proposed new TOU rate will do so with no usage changes. Customers who are not able to take advantage of the new TOU rate would bear the costs of the lower bills enjoyed by the free riders, with no commensurate system benefits.

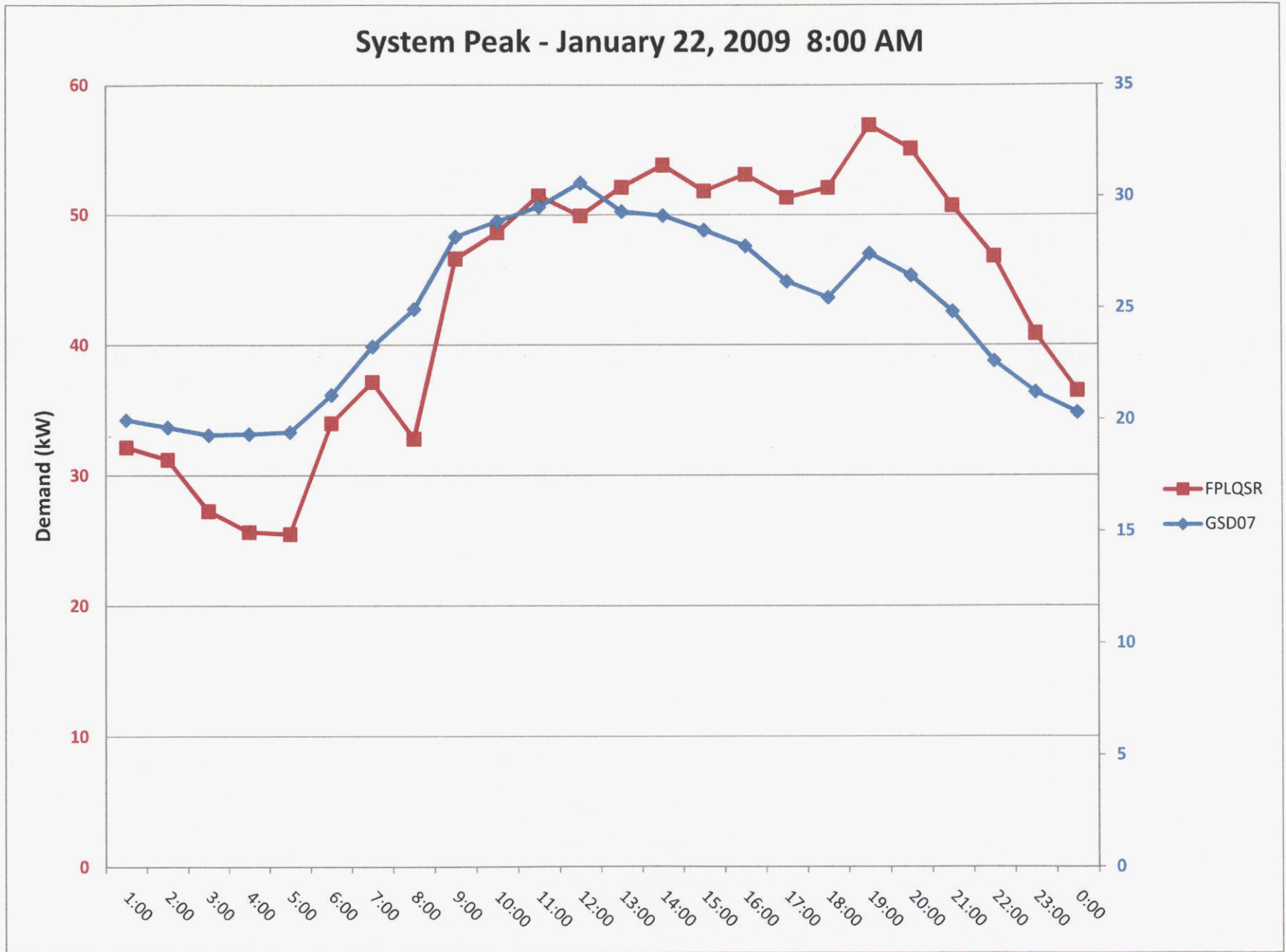
The analyses and the factors summarized above, as well as the lack of identifiable benefits, demonstrate that the implementation of a multi-period CI TOU rate would add unnecessary costs without providing additional system or customer benefits. In light of this determination, a multi-period CI TOU rate should not be pursued at this time.

ATTACHMENT 1

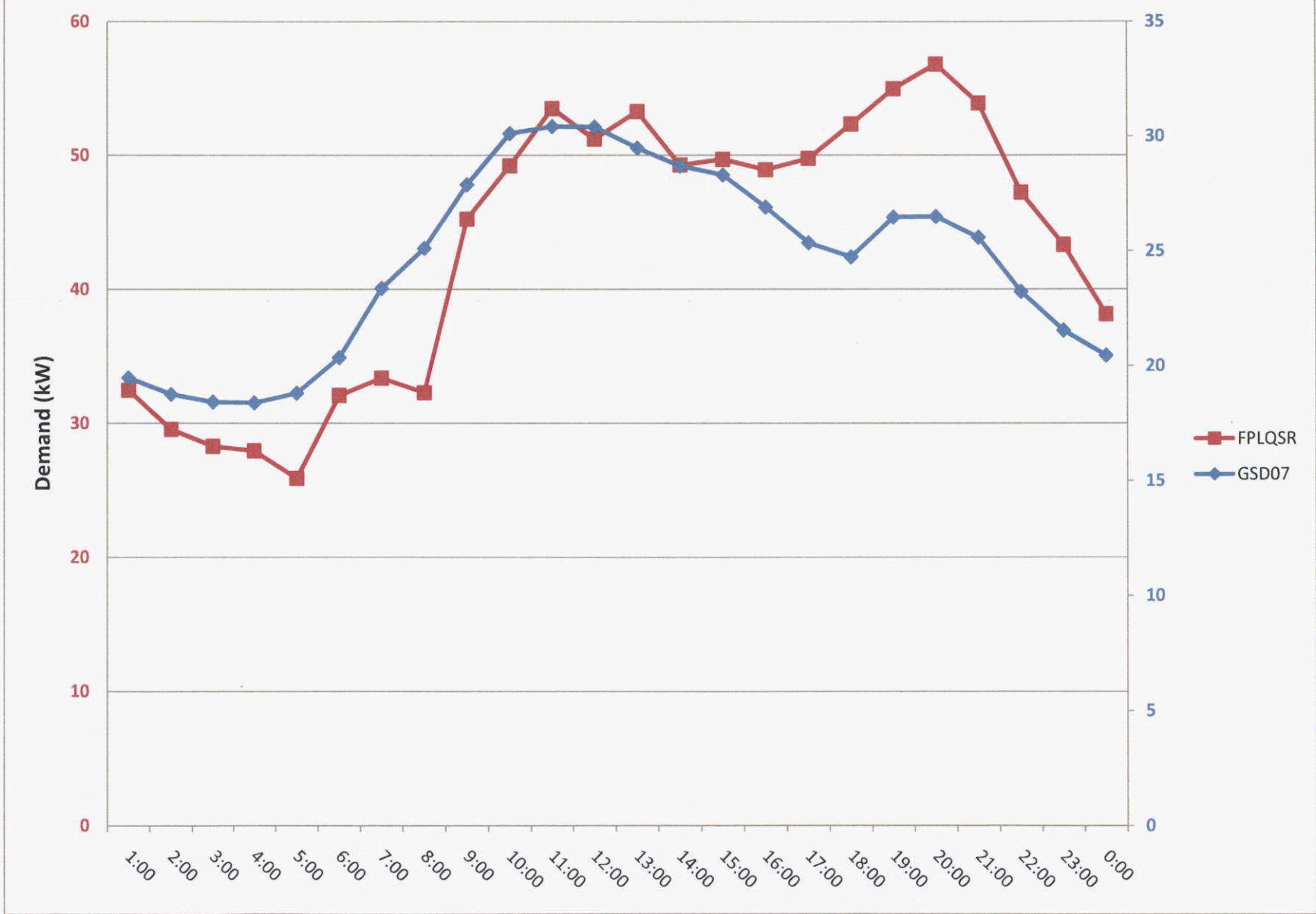
General observations:

- The compare of FPLQSR and GSD monthly load profiles charts of Average Weekday, Average Weekend, Daily Average, Maximum On Peak Demand (KW), Period Maximum Demand (KW) and System Peak generally follow each other as was seen with the yearly load profiles. There is no glaring difference in the pattern of how the FPLQSR and GSD rate class consume energy.
- The Average Energy On-Peak Percentage is the same for nine months. The other three months are within 1%.

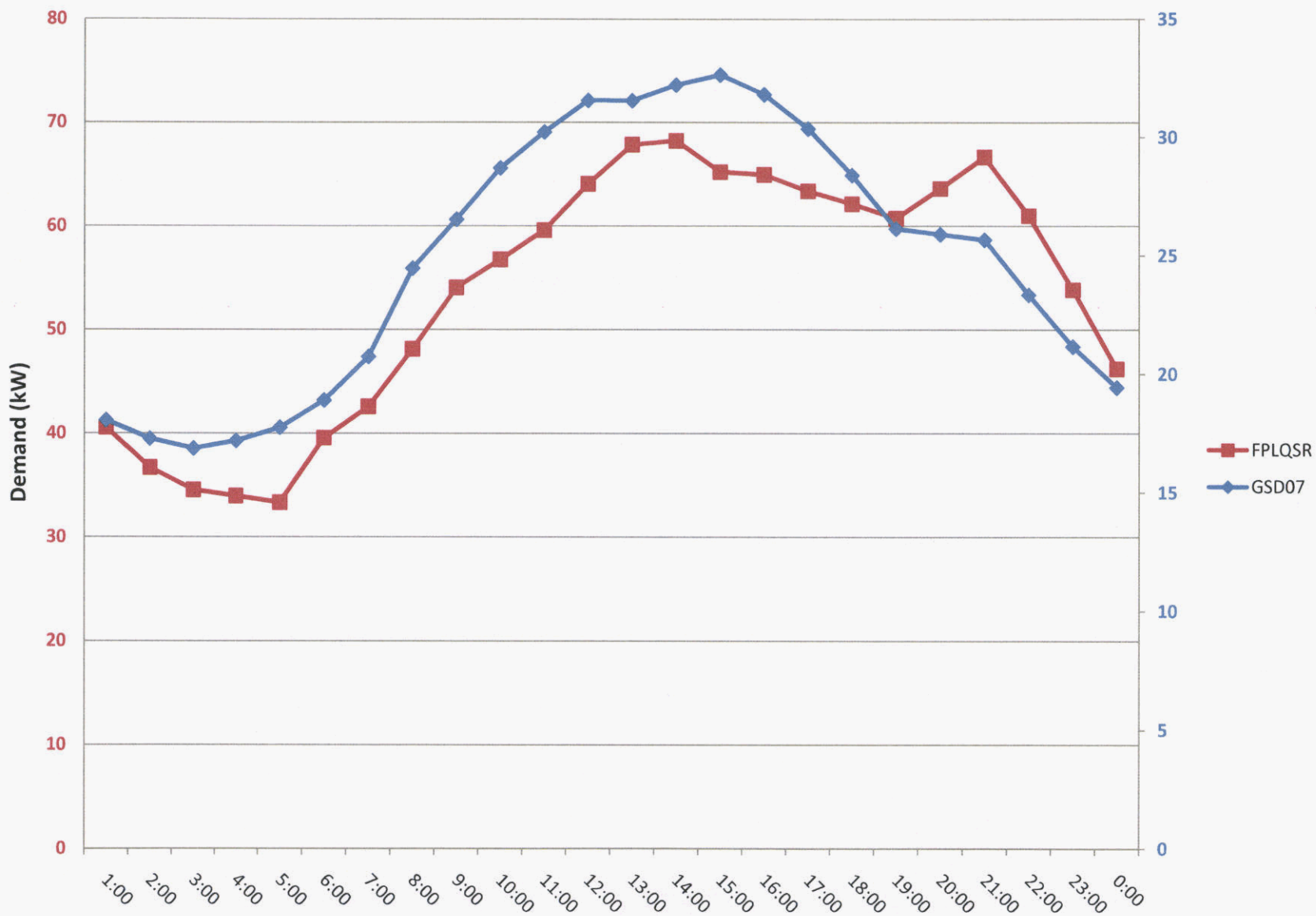
<u>Month</u>	<u>5QSR</u>	<u>GSD</u>
01	25%	26%
02	26%	26%
03	25%	25%
04	32%	32%
05	32%	32%
06	31%	31%
07	32%	32%
08	34%	34%
09	29%	30%
10	34%	34%
11	26%	25%
12	25%	25%



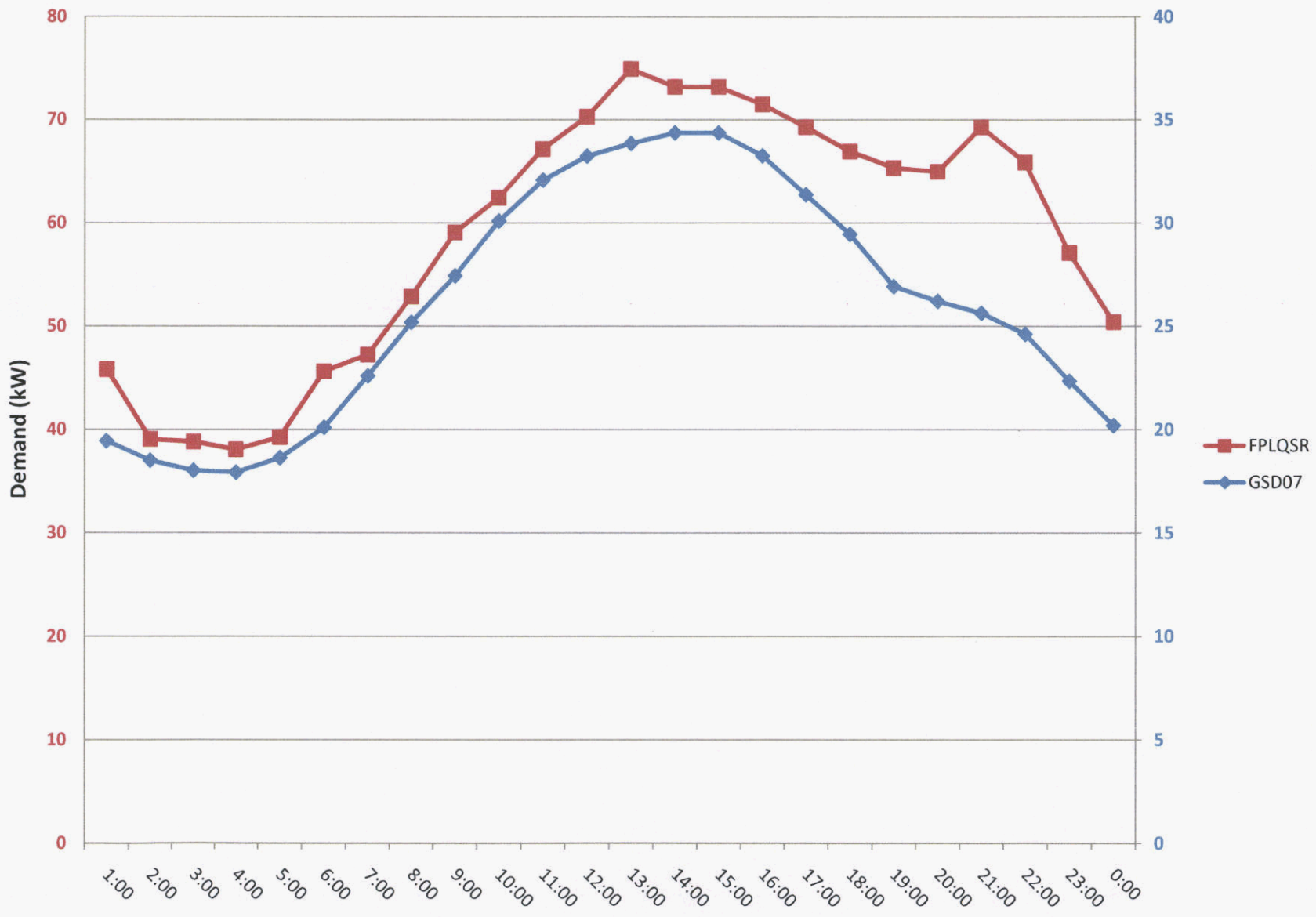
System Peak - February 05, 2009 8:00 AM



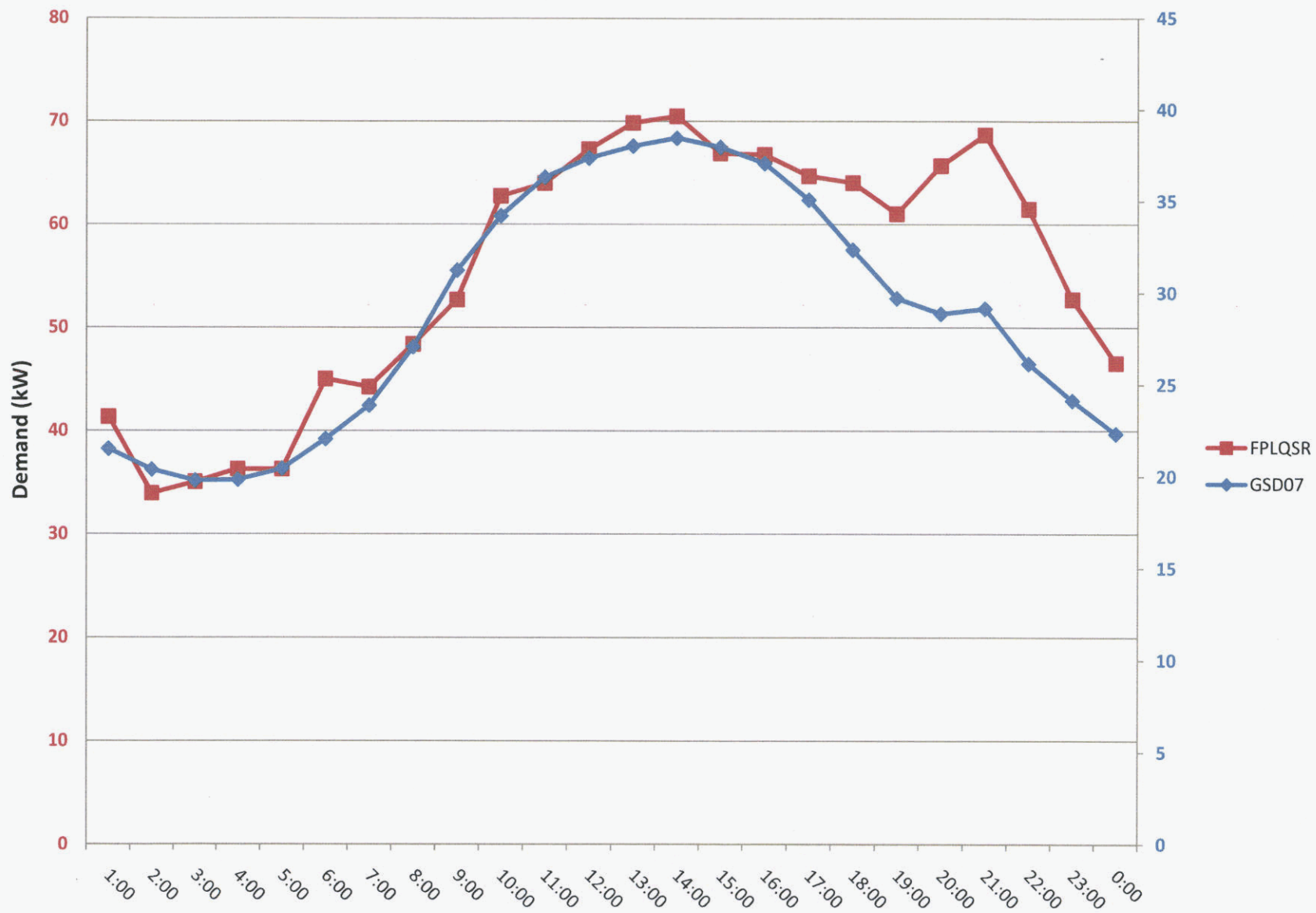
System Peak - March 16, 2009 6:00 PM



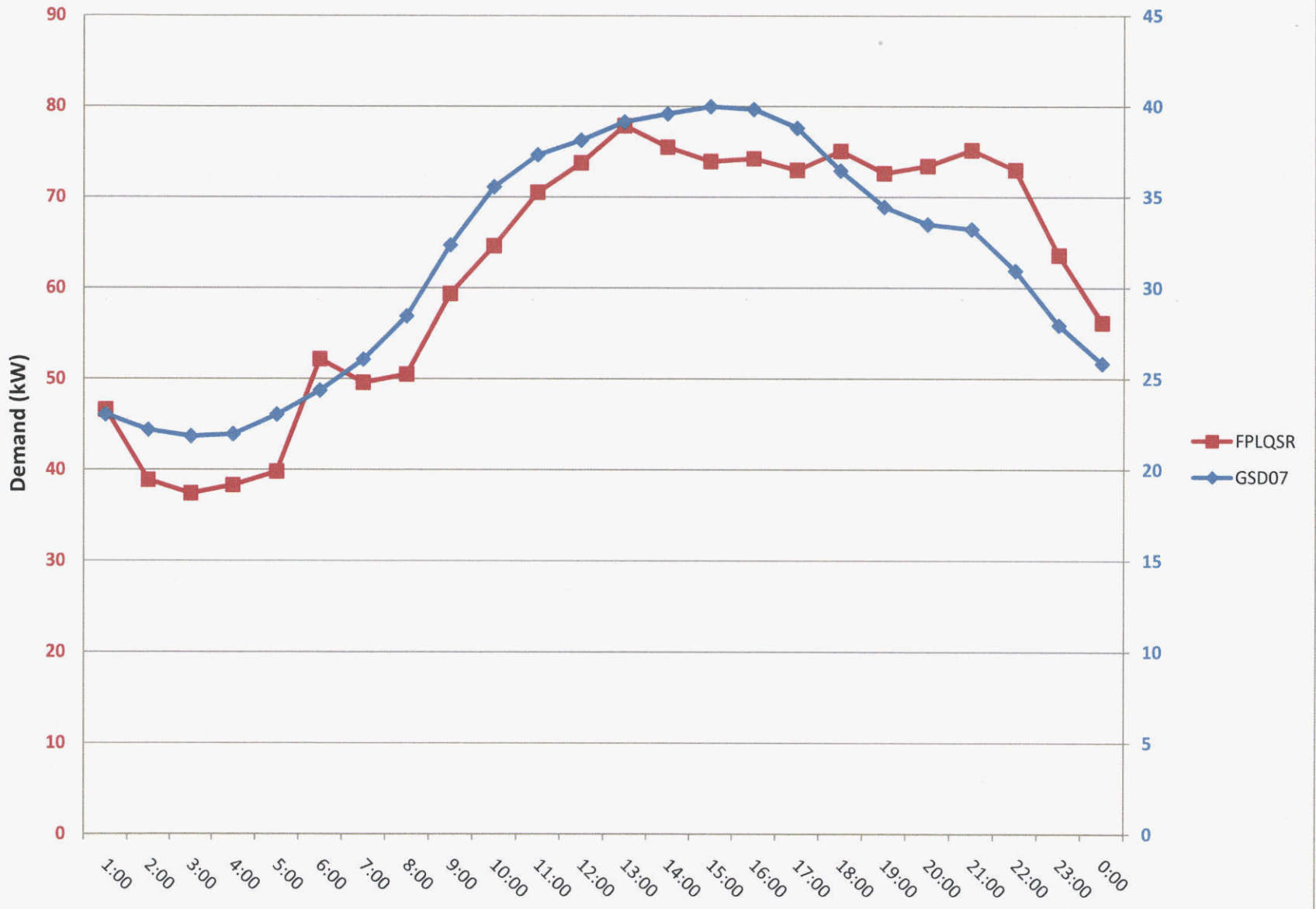
System Peak - April 6, 2009 4:00 PM



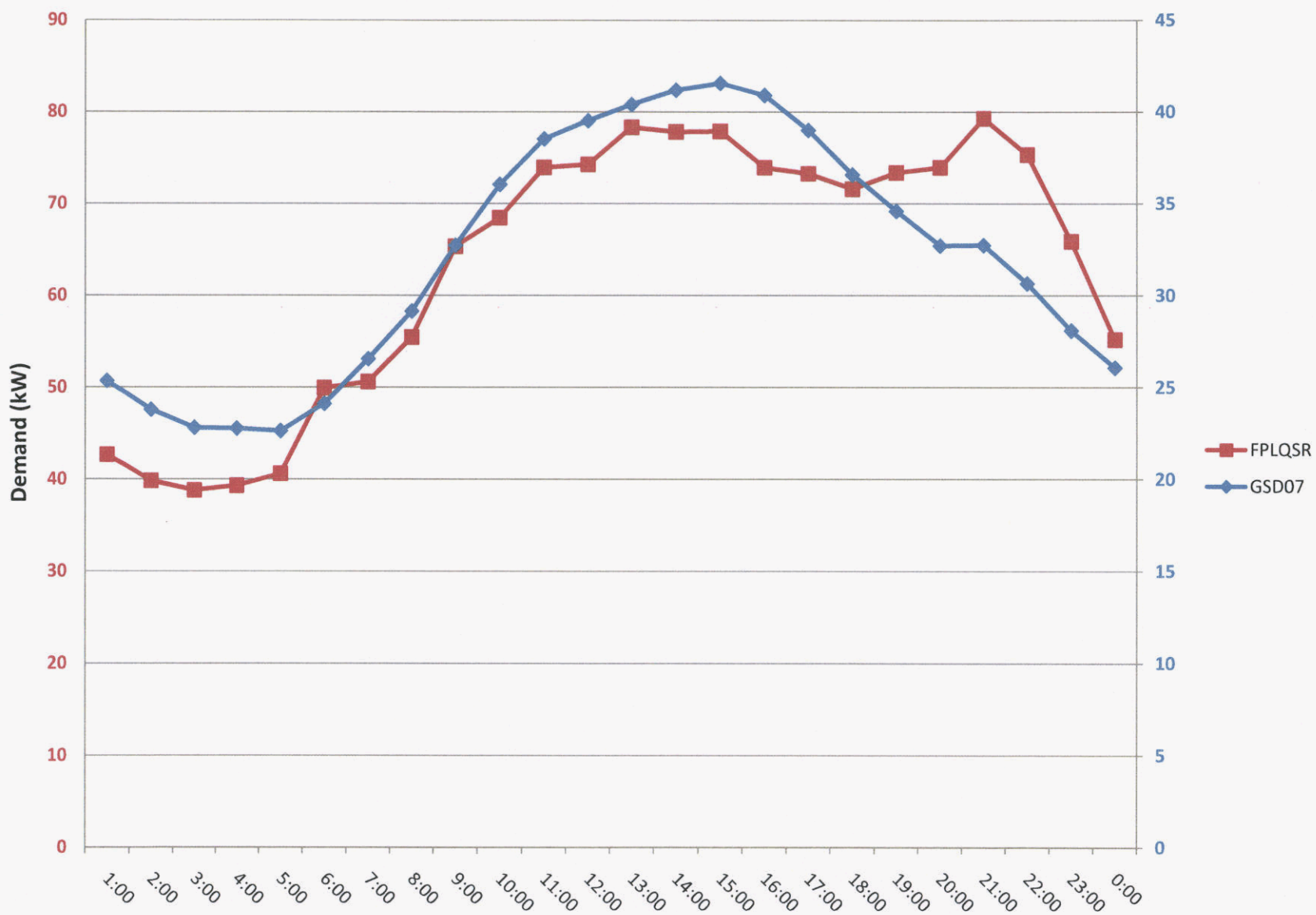
System Peak - May 11, 2009 4:00 PM



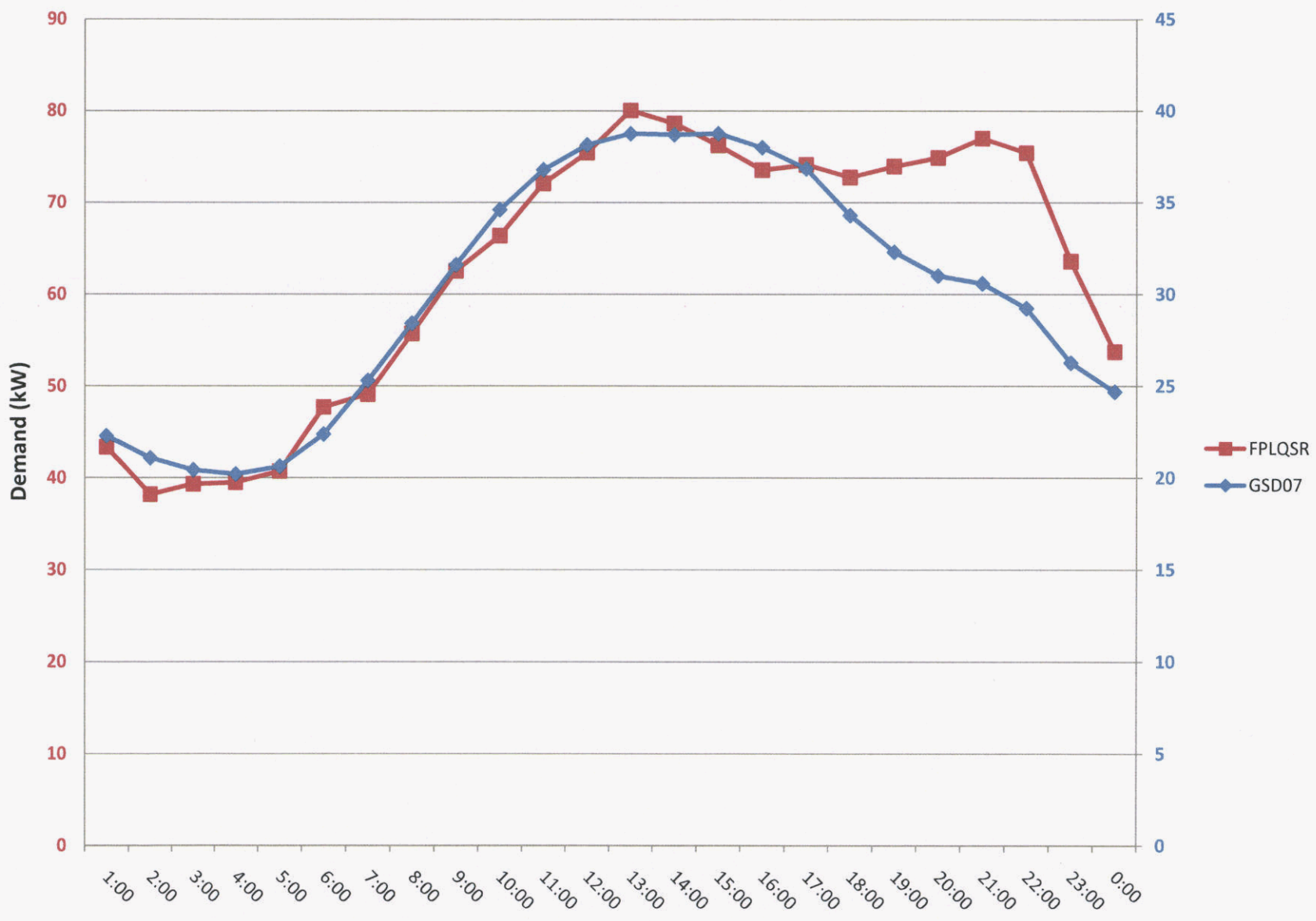
System Peak - June 22, 2009 5:00 PM



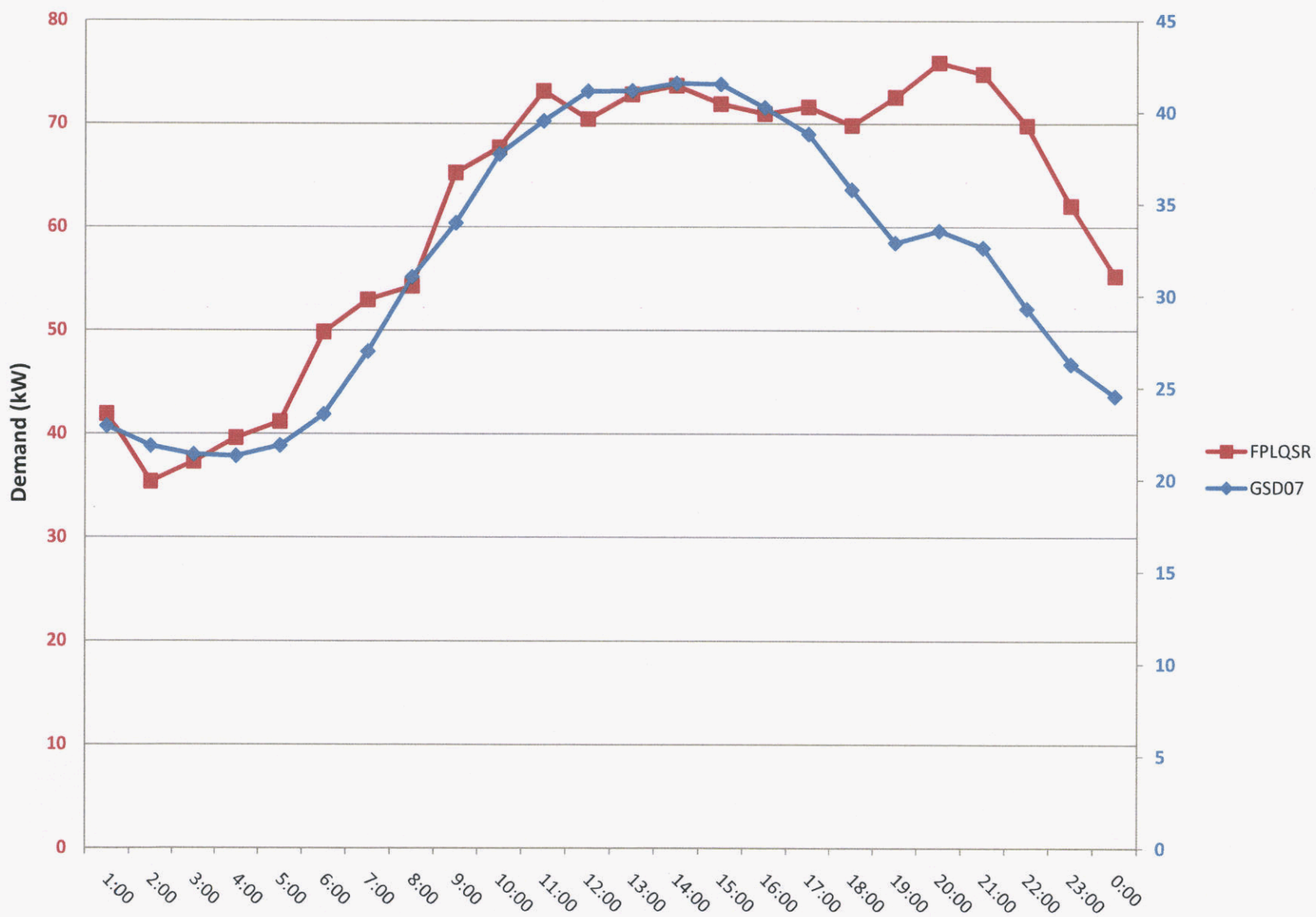
System Peak - July 17, 2009 4:00 PM



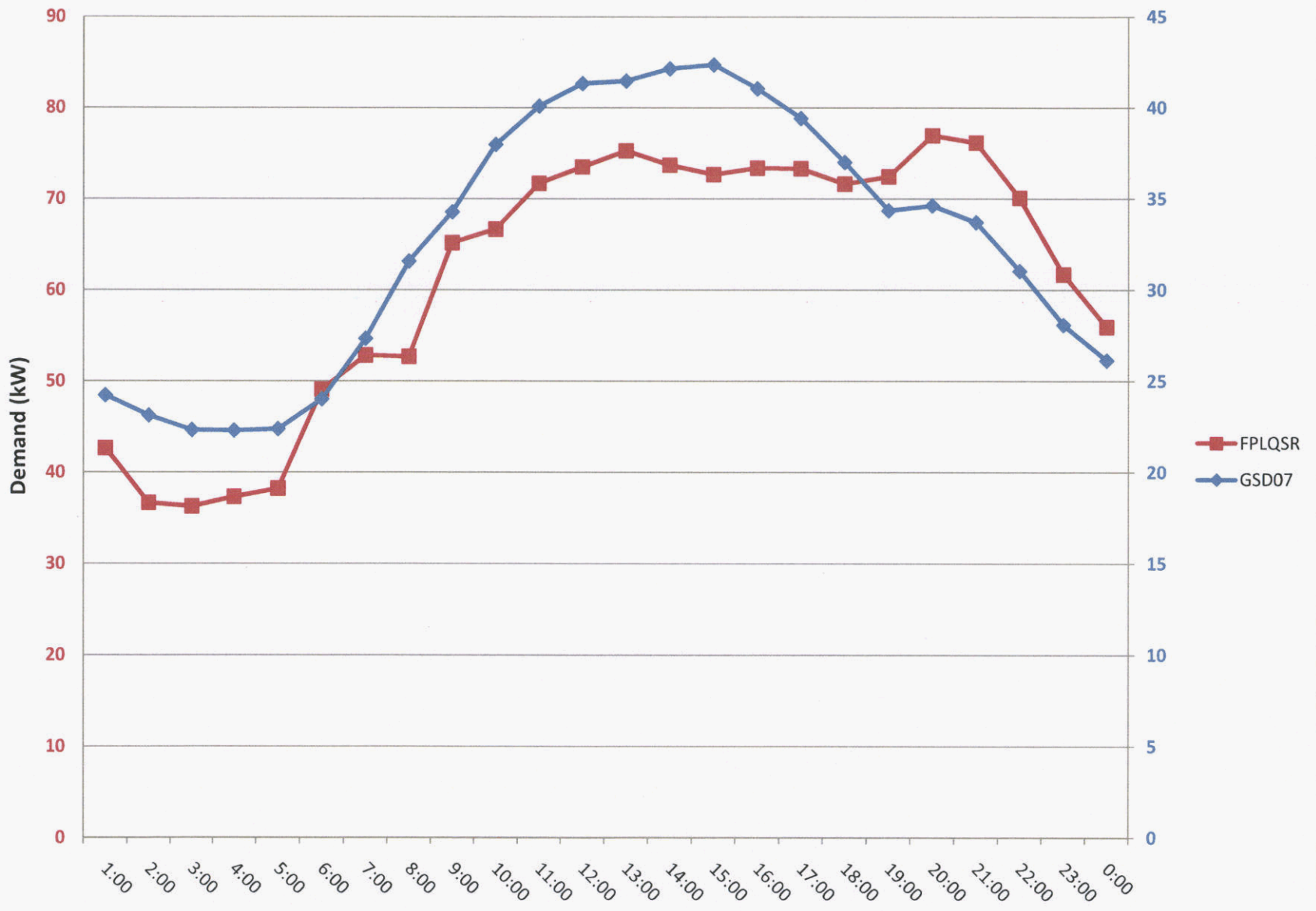
System Peak - August 20, 2009 5:00 PM



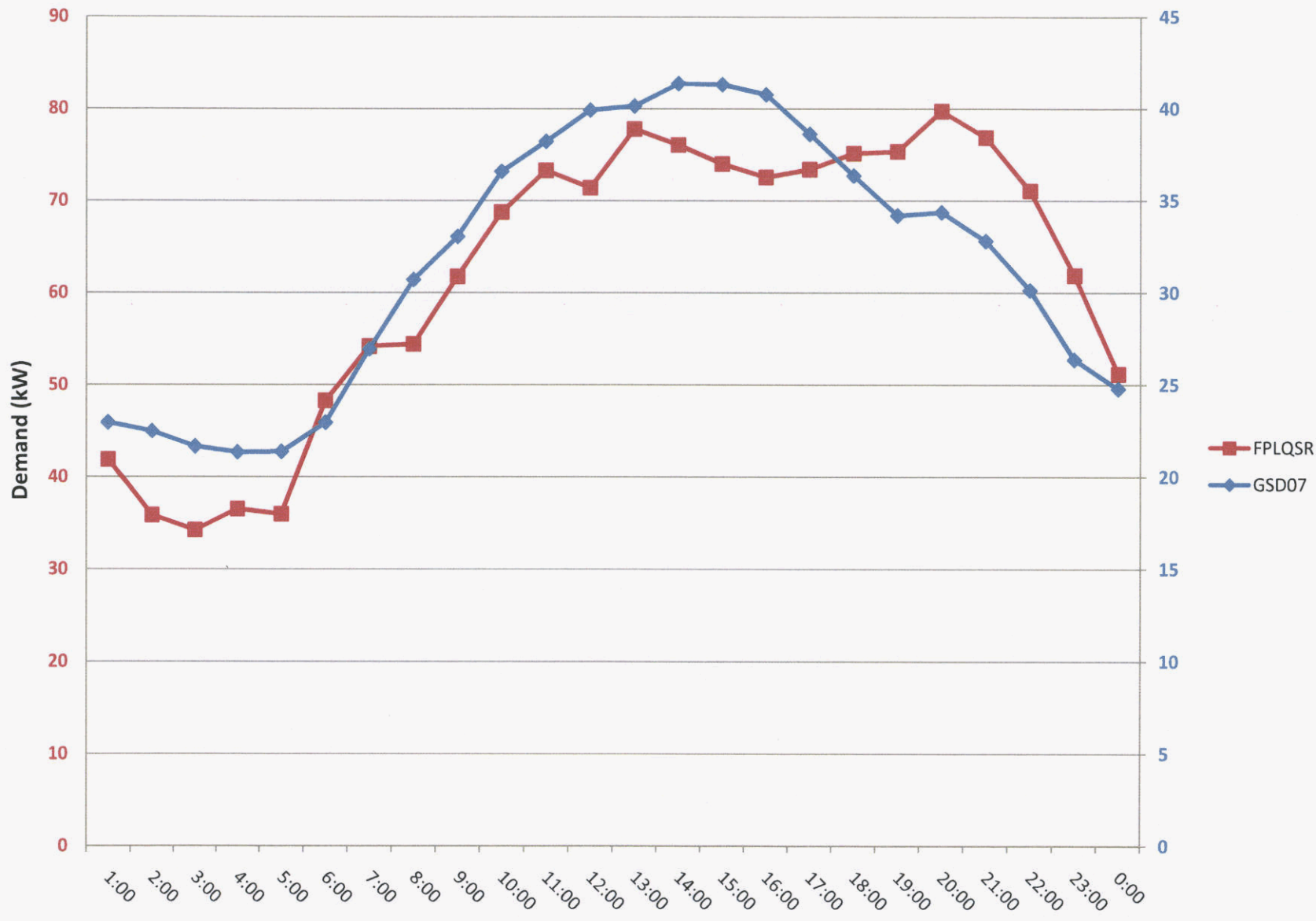
System Peak - September 22, 2009 5:00 PM



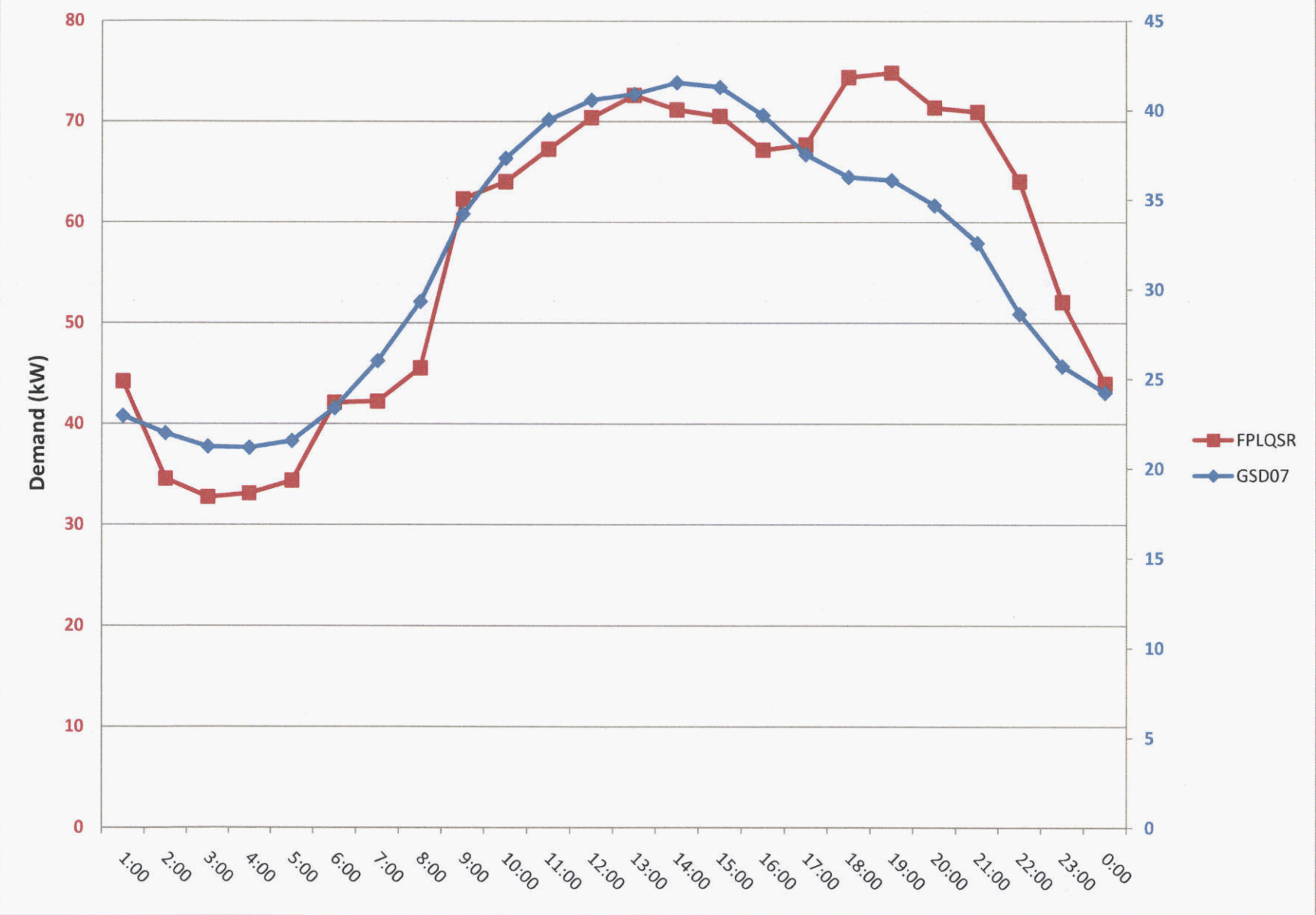
System Peak - October 8, 2009 5:00 PM



System Peak - October 29, 2009 5:00 PM



System Peak - December 9, 2009 7:00 PM



<u>Premise</u>	<u>Customer Name</u>
GSD07	GENERAL SERVICE DEMAND INCLUDING TOU (21-499 KW)
FPLQSR	ANALYSIS OF FIVE QUICK SERVICE RESTAURANTS IN GSD SAMPLE

Rate Class	System Peak Date/Time	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00	0:00	
GSD07	Thursday, January 22, 2009	19.99	19.65	19.31	19.36	19.44	21.1	23.27	24.95	28.2	28.88	29.52	30.6	29.31	29.13	28.47	27.76	26.18	25.46	27.43	26.45	24.84	22.63	21.23	20.31	
FPLQSR	Thursday, January 22, 2009	32.16	31.2	27.25	25.65	25.49	33.99	37.15	32.8	46.63	48.64	51.46	49.92	52.09	53.8	51.81	53.09	51.31	52.07	56.88	55.08	50.71	46.84	40.88	36.49	
GSD07	Thursday, February 05, 2009	19.48	18.76	18.43	18.39	18.81	20.35	23.37	25.12	27.89	30.12	30.42	30.4	29.48	28.7	28.3	26.9	25.34	24.73	26.46	26.49	25.58	23.22	21.53	20.44	
FPLQSR	Thursday, February 05, 2009	32.45	29.53	28.27	27.93	25.87	32.07	33.35	32.27	45.22	49.21	53.48	51.2	53.25	49.26	49.67	48.89	49.74	52.32	54.96	56.81	53.89	47.21	43.3	38.13	
GSD07	Monday, March 16, 2009	18.06	17.28	16.87	17.19	17.75	18.9	20.74	24.47	26.53	28.7	30.22	31.56	31.55	32.21	32.64	31.81	30.36	28.4	26.14	25.9	25.67	23.35	21.16	19.44	
FPLQSR	Monday, March 16, 2009	40.55	36.68	34.52	33.95	33.31	39.54	42.56	48.12	54.04	56.75	59.58	64.06	67.84	68.23	65.2	64.93	63.35	62.12	60.73	63.6	66.64	60.99	53.84	46.21	
GSD07	Monday, April 06, 2009	19.45	18.51	18.02	17.93	18.63	20.1	22.6	25.19	27.44	30.1	32.08	33.25	33.86	34.37	34.37	33.26	31.37	29.45	26.92	26.21	25.63	24.62	22.34	20.2	
FPLQSR	Monday, April 06, 2009	45.81	39.05	38.81	38.06	39.25	45.63	47.24	52.85	59.05	62.44	67.17	70.3	74.92	73.19	73.18	71.5	69.3	66.92	65.31	64.95	69.26	65.86	57.1	50.4	
GSD07	Monday, May 11, 2009	21.52	20.39	19.79	19.84	20.44	22.06	23.89	27.07	31.24	34.22	36.32	37.36	38.02	38.46	37.96	37.08	35.08	32.35	29.71	28.87	29.15	26.14	24.13	22.33	
FPLQSR	Monday, May 11, 2009	41.34	33.93	35.04	36.28	36.26	45.01	44.24	48.36	52.68	62.73	63.98	67.25	69.82	70.47	66.86	66.76	64.66	64.02	61	65.66	68.66	61.45	52.7	46.52	
GSD07	Monday, June 22, 2009	23.05	22.2	21.85	21.96	23.04	24.37	26.07	28.45	32.36	35.56	37.32	38.13	39.14	39.58	39.98	39.83	38.8	36.44	34.45	33.49	33.22	30.94	27.93	25.83	
FPLQSR	Monday, June 22, 2009	46.59	38.86	37.39	38.29	39.78	52.15	49.56	50.48	59.33	64.61	70.48	73.74	77.84	75.47	73.9	74.22	72.93	75.05	72.59	73.39	75.14	72.96	63.58	56.15	
GSD07	Friday, July 17, 2009	25.36	23.79	22.81	22.77	22.63	24.12	26.55	29.15	32.73	36.04	38.52	39.52	40.4	41.18	41.55	40.9	38.99	36.57	34.58	32.7	32.72	30.65	28.08	26.06	
FPLQSR	Friday, July 17, 2009	42.65	39.82	38.78	39.3	40.59	49.91	50.59	55.42	65.32	68.42	73.91	74.24	78.28	77.8	77.85	73.89	73.23	71.57	73.34	73.91	79.24	75.3	65.87	55.19	
GSD07	Thursday, August 20, 2009	22.29	21.09	20.44	20.21	20.63	22.39	25.3	28.42	31.61	34.61	36.79	38.14	38.76	38.7	38.76	37.99	36.84	34.29	32.3	31	30.58	29.23	26.26	24.68	
FPLQSR	Thursday, August 20, 2009	43.35	38.18	39.32	39.49	40.71	47.7	49.1	55.69	62.53	66.36	72.07	75.41	80.03	78.61	76.21	73.53	74.11	72.72	73.93	74.87	76.99	75.41	63.59	53.72	
GSD07	Tuesday, September 22, 2009	22.92	21.85	21.38	21.3	21.87	23.57	26.98	31.03	33.97	37.72	39.52	41.15	41.17	41.59	41.53	40.25	38.81	35.78	32.89	33.54	32.62	29.31	26.29	24.55	
FPLQSR	Tuesday, September 22, 2009	41.91	35.36	37.31	39.59	41.17	49.82	52.95	54.26	65.24	67.68	73.16	70.43	72.84	73.7	71.92	70.97	71.61	69.82	72.57	75.91	74.81	69.82	62.04	55.24	
GSD07	Thursday, October 08, 2009	24.23	23.13	22.33	22.3	22.38	24.02	27.34	31.58	34.28	37.98	40.1	41.33	41.47	42.15	42.37	41.05	39.42	37.01	34.35	34.62	33.7	31.03	28.08	26.13	
FPLQSR	Thursday, October 08, 2009	42.64	36.64	36.26	37.3	38.2	49.05	52.82	52.67	65.15	66.65	71.69	73.48	75.24	73.67	72.64	73.37	73.29	71.61	72.42	76.92	76.14	70.08	61.69	55.92	
GSD07	Thursday, October 29, 2009	22.96	22.49	21.67	21.35	21.38	22.96	26.95	30.72	33.05	36.59	38.23	39.93	40.15	41.37	41.32	40.77	38.62	36.36	34.19	34.37	32.81	30.14	26.37	24.78	
FPLQSR	Thursday, October 29, 2009	41.88	35.85	34.24	36.51	35.97	48.26	54.17	54.41	61.74	68.72	73.27	71.39	77.78	76.04	73.98	72.52	73.38	75.13	75.33	79.72	76.86	71.06	61.88	51.17	
GSD07	Wednesday, December 09, 2009	22.95	21.98	21.24	21.18	21.56	23.39	26.02	29.33	34.21	37.32	39.47	40.58	40.91	41.55	41.3	39.73	37.54	36.27	36.09	34.68	32.58	28.63	25.71	24.23	
FPLQSR	Wednesday, December 09, 2009	44.21	34.56	32.73	33.1	34.36	42.1	42.21	45.53	62.3	64.01	67.24	70.38	72.59	71.15	70.51	67.17	67.67	74.38	74.84	71.36	70.93	64.03	52.07	43.97	

ATTACHMENT 2



MEMORANDUM

Date: June 17, 2010

To: Parties to FPL Conference Call on 03 June 2010, 2:00 pm EDT

**From: Russell Klepper 770-751-8379
Dan Moore 770-751-7133**

**Subject: FPL Rate Case Docket No. 080677-EI
Time of Use Rate Design**

On Thursday, June 3, 2010 at 2:00 pm, a conference call was held with representatives of FPL, Commission Staff, AFFIRM and other interested parties to continue discussions to design a new time of use (TOU) rate option as Ordered by the Commission in the subject docket.

Near the conclusion of the call, Steve Romig of FPL requested that AFFIRM provide in writing the specific items for FPL to consider in its review of multi-period TOU pricing. The following paragraphs are provided in response to this request.

- 1) Designation of Summer time periods – AFFIRM requests that FPL give consideration to defining Summer pricing periods as follows:
 - a. On-Peak – Monday through Friday (non-holidays) 2:00 pm to 5:00 pm. Note that this three hour On-Peak period is based on FPL's data for hourly system lambdas for 2006, 2007 and 2008. The hourly system load shape On-Peak period occurs from 3:00 pm to 6:00 pm. AFFIRM has stated our belief that hourly cost is more relevant to pricing than hourly load. FPL could explain this disconnect between load and cost for the benefit of all parties.
 - b. Intermediate - Monday through Friday (non-holidays) Noon to 2:00 pm and 5:00 pm to 8:00 pm
 - c. Off-Peak – All other hours
- 2) Winter time periods –
 - a. On-Peak – Monday through Friday (non-Holidays) 6:00 pm to 9:00 pm
 - b. Off-Peak – All other hours
 - c. It may be justified to designate the months of November, March and April as Off-Peak months where all hours are priced at Winter Off-Peak pricing.

- 3) Pricing – Pricing for Summer and Winter periods should be determined independently based on system costs. FPL's data shows that Winter pricing should be significantly less costly than Summer pricing for all defined time periods.
 - a. Capacity / Demand - During the call, an FPL representative stated that base rates are driven primarily by demand rather than energy. AFFIRM agrees and believes that under a TOU rate, the monthly billing demand should be determined by the customer's maximum demand during a defined peak period.
 - b. Energy – Non-fuel energy charges should be established for each Summer and Winter pricing period based on system cost data.

Please note that AFFIRM believes that the defined hourly periods for both Summer and Winter months under the proposed TOU rate structure should be used not only for non-fuel energy base rates, but also for time differentiated fuel cost recovery. Such discussions should be held at the appropriate time.

- 4) April – Based on the data provided by FPL, AFFIRM believes that April should be reclassified as a Winter month rather than a Summer month.

ATTACHMENT 3

SEASONAL DEMAND – TIME OF USE RIDER – SDTR
 (OPTIONAL)

RIDER: SDTR

AVAILABLE:

In all territory served.

APPLICATION:

For electric service required for commercial or industrial lighting, power and any other purpose with a measured Demand in excess of 20 kW. This is an optional rate available to customers otherwise served under the GSD-1 GSDT-1, GSLD-1, GSLDT-1, GSLD-2 or GSLDT-2 Rate Schedules.

SERVICE:

Single or three phase, 60 hertz and at any available standard voltage. All service required on premises by Customer shall be furnished through one meter. Resale of service is not permitted hereunder.

MONTHLY RATE:

OPTION A: Non-Seasonal Standard Rate

Annual Maximum Demand	<u>21-499 kW</u>	<u>500-1,999 kW</u>	<u>2,000 kW or greater</u>
Customer Charge:	\$22.77	\$50.13	\$179.19
Demand Charges:			
Seasonal On-peak Demand Charge Per kW of Seasonal On-peak Demand	\$7.70	\$8.55	\$9.00
Non-Seasonal Demand Charge Per kW of Non- Seasonal Maximum Demand	\$5.58	\$7.26	\$7.22
Energy Charges:			
Base Seasonal On-Peak Per kWh of Seasonal On-Peak Energy	5.608¢	3.614¢	2.949¢
Base Seasonal Off-Peak Per kWh of Seasonal Off-Peak Energy	0.952¢	0.622¢	0.582¢
Base Non-Seasonal Energy Charge Per kWh of Non-Seasonal Energy	1.382¢	0.903¢	0.845¢
Capacity Charge:	See Sheet No. 8.030		
Conservation Charge:	See Sheet No. 8.030		
Environmental Charge:	See Sheet No. 8.030		
Additional Charges:			
Fuel Charge:	See Sheet No. 8.030		
Franchise Fee:	See Sheet No. 8.031		
Tax Clause:	See Sheet No. 8.031		

Issued by: S. E. Romig, Director, Rates and Tariffs
 Effective: March 1, 2010

(Continued from Sheet No. 8.830)

OPTION B: Non-Seasonal Time of Use Rate

Annual Maximum Demand	<u>21-499 kW</u>	<u>500-1,999 kW</u>	<u>2,000 kW or greater</u>
Customer Charge:	\$22.77	\$50.13	\$179.19
Demand Charges:			
Seasonal On-peak Demand Charge Per kW of Seasonal On-peak Demand	\$7.70	\$8.55	\$9.00
Non-Seasonal Demand Charge Per kW of Non- Seasonal Peak Demand	\$5.58	\$7.26	\$7.22
Energy Charges:			
Base Seasonal On-Peak Per kWh of Seasonal On-Peak Energy	5.608¢	3.614¢	2.949¢
Base Seasonal Off-Peak Per kWh of Seasonal Off-Peak Energy	0.952¢	0.622¢	0.582¢
Base Non-Seasonal On-Peak Per kWh of Non-Seasonal On-Peak Energy	3.107¢	1.865¢	1.718¢
Base Non-Seasonal Off-Peak Per kWh of Non-Seasonal Off-Peak Energy	0.952¢	0.622¢	0.582¢
Capacity Charge:	See Sheet No. 8.030		
Conservation Charge:	See Sheet No. 8.030		
Environmental Charge:	See Sheet No. 8.030		
Additional Charges:			
Fuel Charge:	See Sheet No. 8.030		
Franchise Fee:	See Sheet No. 8.031		
Tax Clause:	See Sheet No. 8.031		

Minimum Charge: The Customer Charge plus the currently effective Demand Charges.

NON-SEASONAL RATING PERIODS (OPTION B only):

Non-Seasonal On-Peak Period:

November 1 through March 31: Mondays through Fridays during the hours from 6 a.m. to 10 a.m. and 6 p.m. to 10 p.m. excluding Thanksgiving Day, Christmas Day, and New Year's Day.

April 1 through May 31 and October 1 through October 31: Mondays through Fridays during the hours from 12 noon to 9 p.m. excluding Memorial Day.

Non-Seasonal Off-Peak Period:

All other hours.

(Continued On Sheet No. 8.832)

(Continued from Sheet No. 8.831)

ANNUAL MAXIMUM DEMAND:

The highest monthly Maximum Demand recorded during the last 12 months, as determined from the Company's metering equipment for the 30-minute period of Customer's greatest use, as adjusted for power factor.

SEASONAL ON-PEAK DEMAND:

The kW to the nearest whole kW, as determined from the Company's time of use metering equipment for the 30-minute period of Customer's greatest use, as adjusted for power factor between the hours of 3 p.m. and 6 p.m. on weekdays during the billing months of June through September, excluding Memorial Day, Independence Day and Labor Day.

SEASONAL ON-PEAK ENERGY:

The kWh consumed during the hours of 3 p.m. and 6 p.m. on weekdays during the billing months June through September, excluding Memorial Day, Independence Day and Labor Day.

SEASONAL OFF-PEAK ENERGY:

All other hours during the billing months of June, July, August and September.

NON-SEASONAL DEMAND:

The kW to the nearest whole kW, as determined from the Company's metering equipment, for the 30-minute period of the Customer's greatest use during the month as adjusted for power factor during the billing months of January through May and October through December.

NON-SEASONAL ENERGY (OPTION A):

The kWh consumed during the billing months of January through May and October through December.

NON-SEASONAL ON-PEAK ENERGY (OPTION B):

The kWh consumed during Non-Seasonal On-Peak Period.

NON-SEASONAL OFF-PEAK ENERGY (OPTION B):

The kWh consumed during Non-Seasonal Off-Peak Period.

TERM OF SERVICE:

Initial term is one year with automatic, successive one year extensions unless terminated in writing by either the Company or the Customer at least ninety (90) days prior to the expiration of the current Term of Service.

TERMINATION PROVISIONS:

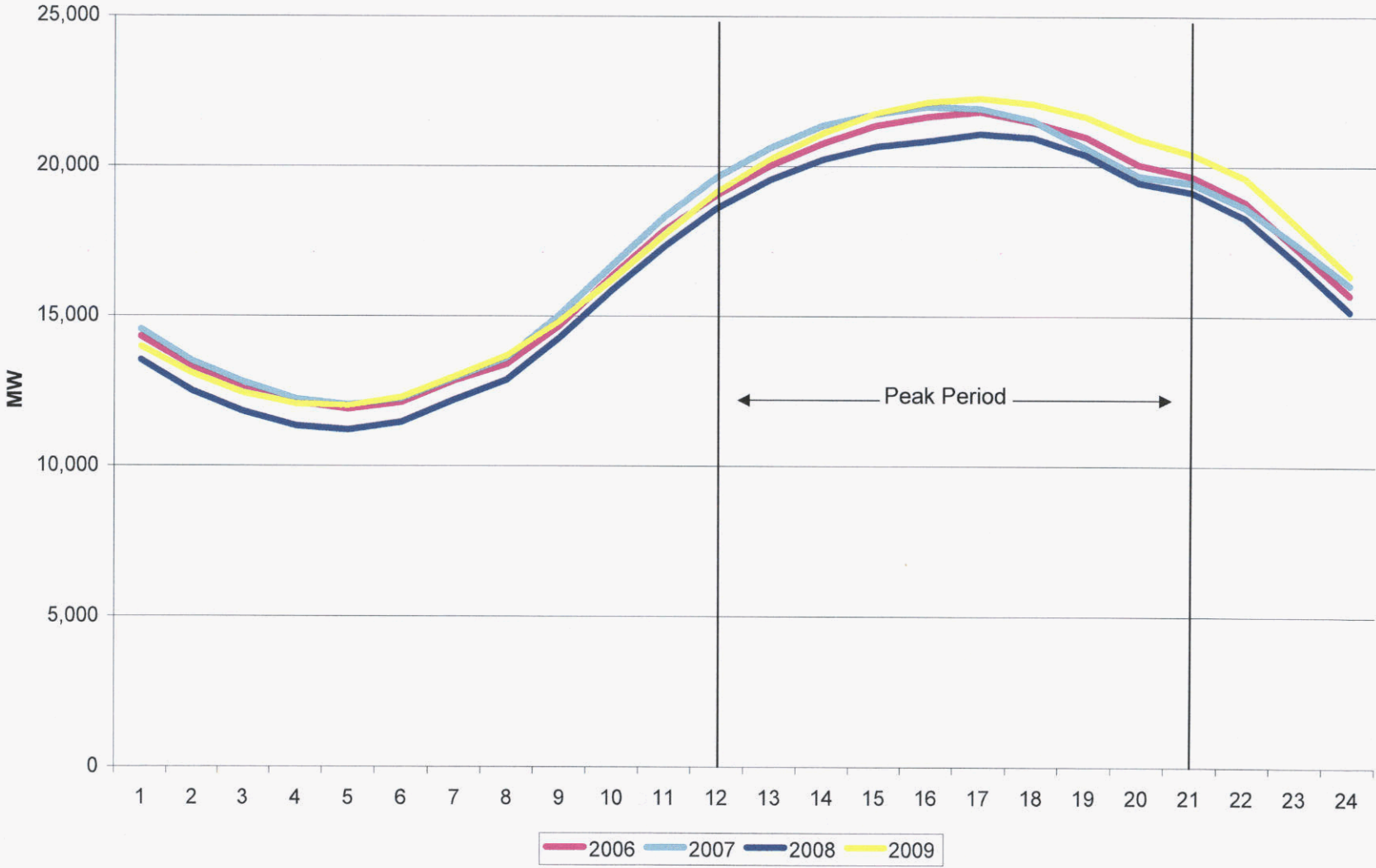
Customers terminating service before the end of their current Term of Service shall be rebilled under the otherwise applicable rate for the lesser of 1) total period of time in which service under the Seasonal Demand Time of Use Rider was taken or 2) the most recent twelve months. Customers terminating service under the Seasonal Demand Time of Use Rider shall not be eligible to receive service under the Rider for a period of twelve months.

RULES AND REGULATIONS:

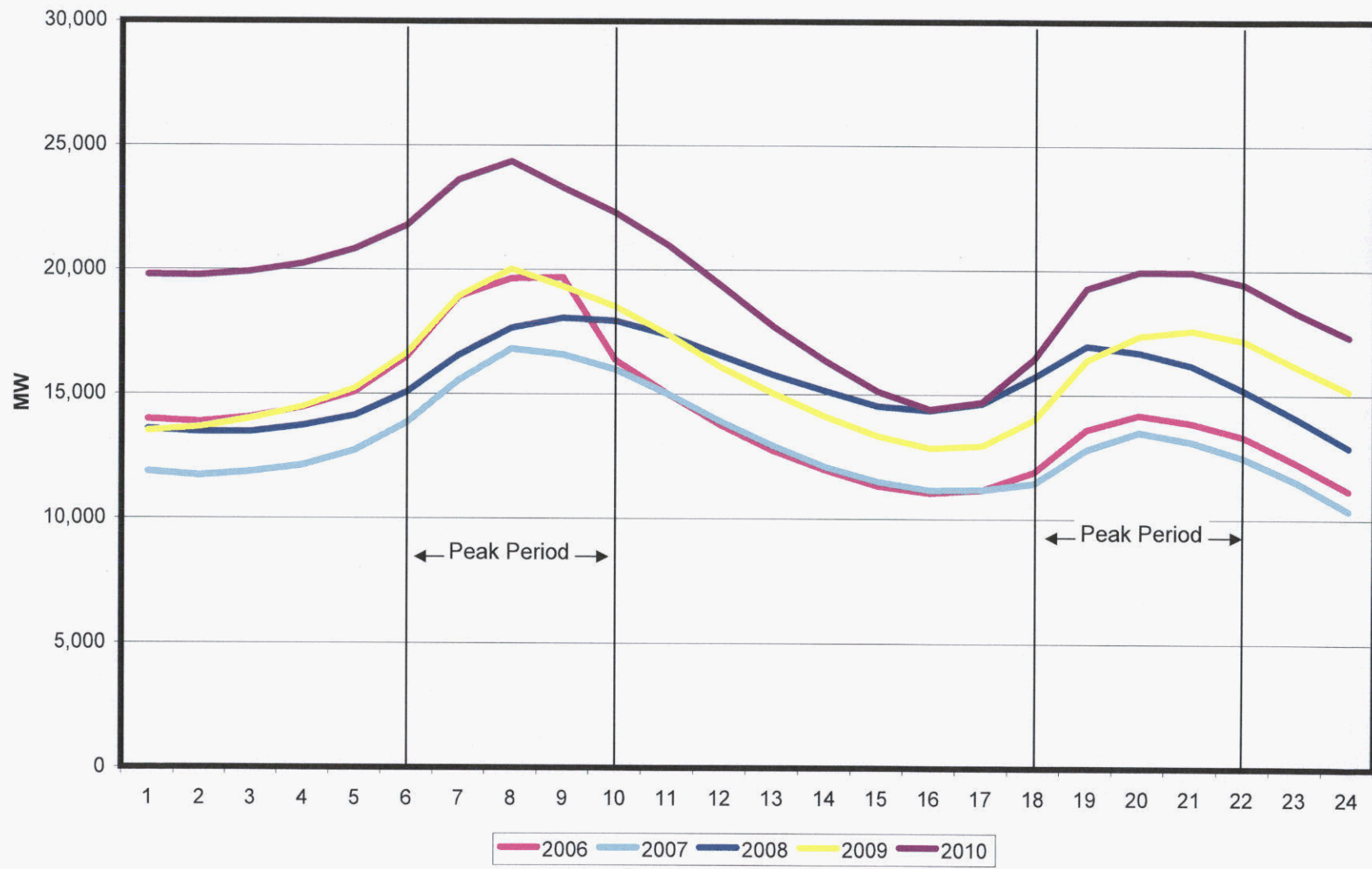
Service under this Rider is subject to orders of governmental bodies having jurisdiction and to the currently effective "General Rules and Regulations for Electric Service" on file with the Florida Public Service Commission. In case of conflict between any provisions of this Rider and said "General Rules and Regulations for Electric Service" the provisions of this Rider shall apply.

ATTACHMENT 4

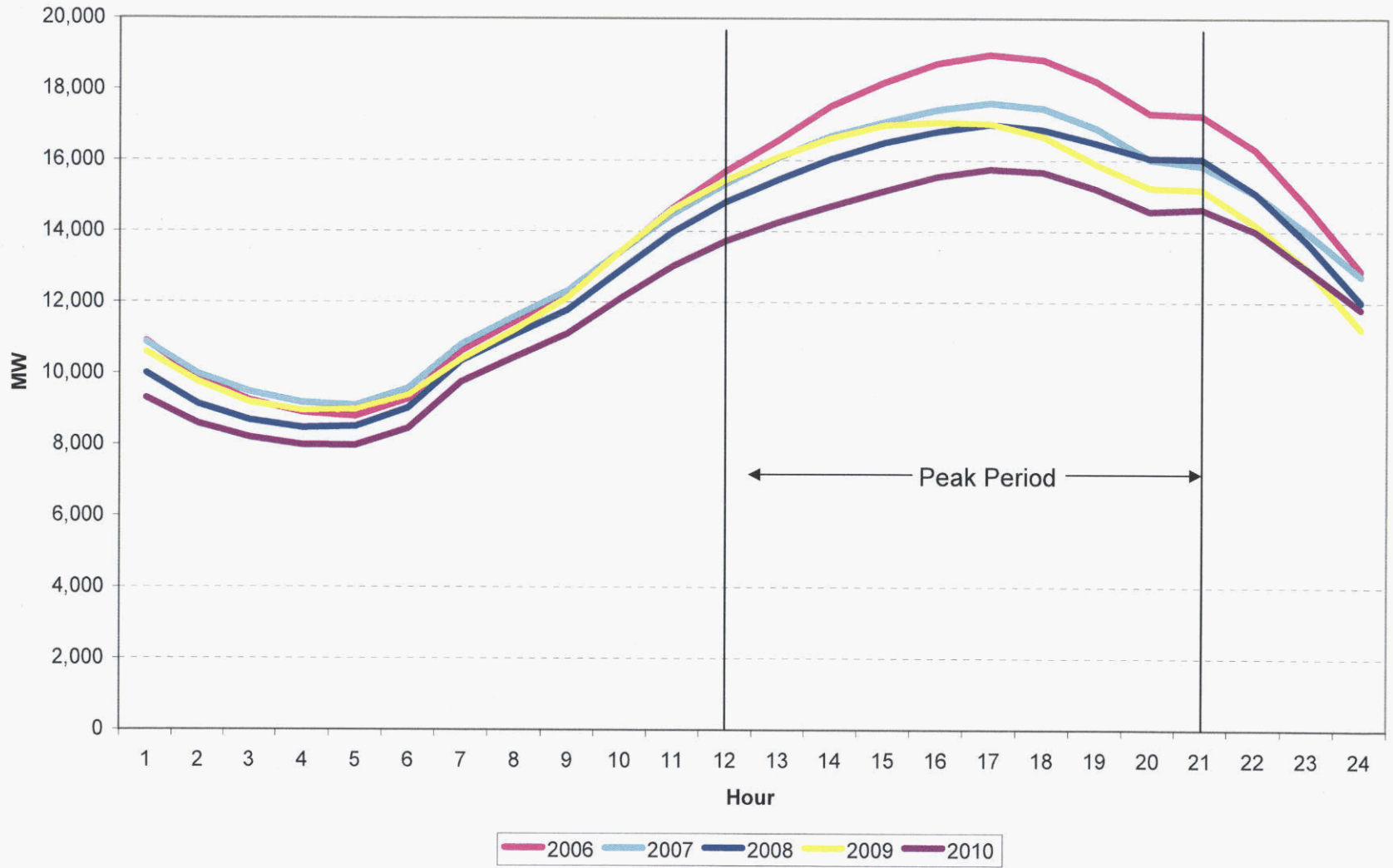
FPL Summer Peak Day 2006-2009



FPL Winter Peak Day 2006-2010



FPL April Peak Days 2006-2010



Annual, Winter, and Summer Peaks

Year	Annual			Winter			Summer		
	Peak (MW)	Date of Peak	Time of Peak	Peak (MW)	Date of Peak	Time of Peak	Peak (MW)	Date of Peak	Time of Peak
1975	7,076	08/25/75	5-6 PM	5,807	01/15/75	8-9 AM	7,076	08/25/75	5-6 PM
1976	7,598	07/15/76	5-6 PM	7,287	01/19/76	8-9 AM	7,598	07/15/76	5-6 PM
1977	8,606	01/19/77	7-8 PM	8,606	01/19/77	7-8 PM	7,841	07/01/77	5-6 PM
1978	8,617	02/23/78	7-8 AM	8,617	02/23/78	7-8 AM	8,345	08/29/78	5-6 PM
1979	8,791	02/02/79	7-8 PM	8,791	02/02/79	7-8 PM	8,650	07/19/79	5-6 PM
1980	9,732	03/03/80	8-9 AM	9,732	03/03/80	8-9 AM	9,623	07/14/80	5-6 PM
1981	10,738	01/13/81	9-10 AM	10,738	01/13/81	9-10 AM	9,738	07/15/81	4-5 PM
1982	10,885	01/12/82	7-8 AM	10,885	01/12/82	7-8 AM	9,862	08/24/82	5-6 PM
1983	10,676	07/25/83	5-6 PM	9,327	01/13/83	8-9 AM	10,676	07/25/83	5-6 PM
1984	10,270	08/09/84	4-5 PM	10,384	12/26/83	9-10 AM	10,270	08/09/84	4-5 PM
1985	12,533	01/22/85	8-9 AM	12,533	01/22/85	8-9 AM	10,654	06/03/85	5-6 PM
1986	12,139	01/28/86	7-8 AM	12,139	01/28/86	7-8 AM	11,022	08/26/86	4-5 PM
1987	12,394	08/07/87	4-5 PM	10,779	01/28/87	7-8 AM	12,394	08/07/87	4-5 PM
1988	12,382	08/03/88	4-5 PM	12,372	01/28/88	7-8 AM	12,382	08/03/88	4-5 PM
1989	13,988	12/24/89	6-7 PM	12,876	02/25/89	8-9 AM	13,425	08/07/89	4-5 PM
1990	13,754	08/01/90	4-5 PM	13,988	12/24/89	6-7 PM	13,754	08/01/90	4-5 PM
1991	14,123	08/12/91	4-5 PM	11,868	02/16/91	9-10 AM	14,123	08/12/91	4-5 PM
1992	14,661	07/09/92	4-5 PM	13,319	01/17/92	7-8 AM	14,661	07/09/92	4-5 PM
1993	15,266	08/04/93	4-5 PM	12,964	03/15/93	7-8 AM	15,266	08/04/93	4-5 PM
1994	15,179	06/24/94	4-5 PM	12,594	02/03/94	7-8 AM	15,179	06/24/94	4-5 PM
1995	16,563	02/09/95	7-8 AM	16,563	02/09/95	7-8 AM	15,813	06/09/95	4-5 PM
1996	18,096	02/05/96	7-8 AM	18,096	02/05/96	7-8 AM	16,064	07/24/96	4-5 PM
1997	16,613	08/14/97	4-5 PM	16,490	01/19/97	8-9 AM	16,613	08/14/97	4-5 PM
1998	17,897	06/05/98	4-5 PM	13,060	02/09/98	7-8 AM	17,897	06/05/98	4-5 PM
1999	17,615	08/30/99	3-4 PM	16,802	01/06/99	7-8 AM	17,615	08/30/99	3-4 PM
2000	17,808	08/25/00	4-5 PM	17,057	01/27/00	7-8 AM	17,808	08/25/00	4-5 PM
2001	18,754	08/16/01	4-5 PM	18,199	01/05/01	8-9 AM	18,754	08/16/01	4-5 PM
2002	19,219	08/01/02	4-5 PM	17,597	01/09/02	7-8 AM	19,219	08/01/02	4-5 PM
2003	20,190	01/24/03	7-8 AM	20,190	01/24/03	7-8 AM	19,668	07/09/03	4-5 PM
2004	20,545	07/14/04	4-5 PM	14,752	02/19/04	7-8 AM	20,545	07/14/04	4-5 PM
2005	22,361	08/17/05	7-8 AM	18,108	01/24/05	7-8 AM	22,361	08/17/05	4-5 PM
2006	21,819	08/02/06	4-5 PM	19,683	02/14/06	7-8 AM	21,819	08/02/06	4-5 PM
2007	21,962	08/10/07	3-4 PM	16,815	02/19/07	7-8 AM	21,962	08/10/07	3-4 PM
2008	21,060	08/07/08	4-5 PM	18,055	01/03/08	8-9 AM	21,060	08/07/08	4-5 PM
2009	22,351	06/22/09	4-5 PM	20,081	02/05/09	7-8 AM	22,351	06/22/09	4-5 PM
2010	24,346	01/11/10	7-8 AM	24,346	01/11/10	7-8 AM	0		

ATTACHMENT 5

Florida Power & Light
Estimate of Effort to Perform System Changes for Multiple New 3-Tier TOU Rate

Activity	Description of Activity	Manday Effort: Information Management	IM Cost per Manday	Manday Effort: Customer Billing	CB Cost per Manday	Total Mandays	Total Cost
Initiation and Analysis	Definition of initial project scope, objectives, timing, and costs. Finalization of all project requirements.	400	\$ 375	50	\$ 300	450	\$ 165,000
Design	<p>Design of system changes, including functional and technical design, according to approved requirements. This encompasses:</p> <ul style="list-style-type: none"> - Identification and mapping of all processes - Definition of business rules and validations - Financial controls and accounting treatment - Online screen design - Reporting definition, design, and layout - Evaluation and design of programming changes needed, including determination of the need for new program modules and identification of changes to existing programs <p>System changes required are:</p> <p>Online Changes: New screens must be developed and existing screens redesigned to handle new Shoulder Peak unit of measure and new financial component for billing.</p> <p>Financial Changes: Modifications of the core financial system within CIS II, including creation of a new Shoulder Peak financial component, balancing, and general ledger entries.</p> <p>Billing/Rebilling: Creation of multiple new rates in CIS II, and modifications of the core billing programs within CIS II in order to bill the new Shoulder Peak component, including changes to detailed billing attachments, and reversal and reapplication of amounts in the event of rebilling.</p> <p>Meter Reading: Modifications of the EMR and AMI meter reading systems to capture the new Shoulder Peak unit of measure and upload the data to CIS II.</p> <p>Data Management: Expansion of the key meter reading, billing, and financial tables in CIS II to store and process the new Shoulder Peak unit of measure.</p> <p>Reporting: Changes to existing billing and receivable reports.</p>	900	\$ 375	150	\$ 300	1,050	\$ 382,500
Construction	Programming, unit testing, and verification of system performance for all of the above activities	2,500	\$ 375	100	\$ 300	2,600	\$ 967,500
System Testing	Includes beginning to end testing of all new and existing functions to ensure all requirements have been met, for all of the above activities	1,400	\$ 375	724	\$ 300	2,124	\$ 742,200
Implementation	Migration and installation of all new components and programs into the existing CIS system, and verification that all functions work as designed in the Production environment	55	\$ 375	50	\$ 300	105	\$ 35,625
Post-Implementation Support	Technical and functional staff required to monitor changes and ensure system continues to perform as planned	85	\$ 375	50	\$ 300	135	\$ 46,875
Subtotal:		5,340		1,124		6,464	\$ 2,339,700
Contingency	Due to uncertainty regarding the specific requirements of the project, a contingency of approximately 15% was added	300	\$ 375	90	\$ 300	390	\$ 139,500
TOTAL:		5,640		1,214			\$ 2,479,200

Florida Power & Light						
Estimate of Metering Technology Operational Costs for New 3-Tier TOU Rate						
Activity	Description of Activity	Manday Effort: Meter Operations	Cost per Manday	Number of Meters	Cost per Meter	Total Cost
Develop New TOU Meter Program	- Develop new meter program	88	\$ 259			\$ 22,792
	- Test new meter program					
	- Program field deployment					
	- Training					
Purchase New Meters and Perform Meter Acceptance Testing	- Purchase Self-Contained Meters			820	\$ 129.08	\$ 105,846
	- Purchase IT-Rated Meters			1,120	\$ 113.20	\$ 126,784
	- Meter Acceptance Testing			2,000	\$ 11.67	\$ 23,340
Install Meters	- Install meters in the field	522	\$ 307			\$ 160,254
TOTAL:		610	\$ 566			\$ 439,016

Note: Costs are not affected by the number of different rates so long as the TOU program remains the same.

ATTACHMENT 6

From: [Goorland, Scott](#)
To: [Dan Moore](#)
Cc: [wigglaw@comcast.net](#); [Russell Klepper](#); [Connie Kummer](#); [Romig, Steve](#); [mcglothlin.joseph@leg.state.fl.us](#); [Kelly.ir@leg.state.fl.us](#); [Wiseman, Kenneth L.](#); [McNeill, Shavla L Capt USAF AFLOA JACL-ULT/AFCESA/CENL](#); [Vicki Gordon Kaufman](#); [Cecilia Bradley](#); [Armstrong, Brian](#); [Deaton, Renae](#); [Elisabeth Draper](#); [Lisa Bennett](#); [Ender, Joe](#); [Perdomo, Alex](#)
Subject: Response to AFFIRM Request for Information
Date: Friday, June 11, 2010 1:55:18 PM
Attachments: [GSDT Example 06112010.doc](#)

Dan,

Prior to the June 3rd conference call, AFFIRM provided a three page document titled "Overview of FPL's General Service Demand Time of Use (GSDT) Rate". In this paper AFFIRM summarized FPL GSD and GSDT revenue and sales data as obtained from the FERC Form 1. AFFIRM calculated the average GSDT revenue to be \$0.1130/kWh with the GSD average coming in at \$0.1033/kWh, a difference of \$0.0097/kWh. AFFIRM takes the position that because the GSDT average customer revenue is higher than the GSD average, the GSDT rate is poorly structured and provides no benefits to customers. During the June 3rd meeting Mr. Klepper expanded on this position stating that it was "mathematically irrefutable" that GSDT customers can not benefit under the existing TOU rate structure adding that FPL would see a revenue loss if these customers were to migrate to the GSD rate.

During our call, Renae Deaton from FPL explained that because the GSDT customers have lower load factors, and thus use less energy, the average per unit GSDT revenue will be higher than the applicable GSD average because it is spread over fewer billing units. However, the GSDT customers still benefit from the TOU rate. FPL committed to provide an example to demonstrate this fact which is provided in the attached document.

Scott A. Goorland, Esq.
Principal Attorney
Florida Power and Light Company
(561) 304-5633

Prior to the June 3rd meeting, AFFIRM provided a three page document titled “Overview of FPL’s General Service Demand Time of Use (GSDT) Rate”. In this paper AFFIRM summarized FPL GSD and GSDT revenue and sales data as obtained from the FERC Form 1. AFFIRM calculated the average GSDT revenue to be \$0.1130/kWh with the GSD average coming in at \$0.1033/kWh, a difference of \$0.0097/kWh. AFFIRM takes the position that because the GSDT average customer revenue is higher than the GSD average, the GSDT rate is poorly structured and provides no benefits to customers. During the June 3rd meeting Mr. Klepper expanded on this position stating that it was “mathematically irrefutable” that GSDT customers can not benefit under the existing TOU rate structure adding that FPL would see a revenue *loss* if these customers were to migrate to the GSD rate.

Ms. Deaton explained that because the GSDT customers have lower load factors, and thus use less energy, the average per unit GSDT revenue will be higher than the applicable GSD average because it is spread over fewer billing units. However, the GSDT customers still benefit from the TOU rate. FPL committed to provide an example to demonstrate this fact which is provided below.

The billing and revenue data used in this example are the previous 12-month averages (up to March 2010) from two actual FPL customers of similar size under effective GSD-1 and GSDT-1 rates.

Average Billing Data for past 12 months

	Customer 1 (GSD-1)	Customer 2 (GSDT-1)
Average Maximum Demand (kW)	240	243
Average On-Peak Demand (kW)	237	204
Average Monthly Energy (kWh)	130,719	18,000
Average Monthly On-Peak Energy (kWh)	36,326	2,390
Average Monthly Load Factor (%)	75%	10%
Revenue Under GSD-1 Rate		
Base Revenue	\$3,179	\$1,585
Fuel Revenue	\$7,022	\$989
Other Clause Revenue Including GRT	\$1,310	\$705
Total Revenue	\$11,512	\$3,278
Average Revenue (¢/kWh)	8.806	18.213
Revenue Under GSDT-1 Rate		
Base Revenue	\$3,359	\$1,357
Fuel Revenue	\$6,996	\$972
Other Clause Revenue Including GRT	\$1,314	\$698
Total Revenue	\$11,668	\$3,028
Average Revenue (¢/kWh)	8.926	16.820
Average Difference Monthly GSDT vs. GSD	\$157	(\$251)

Customer-1 benefits from the standard GSD-1 rate with an average revenue of 8.806 ¢/kWh. Customer-2 has a lower load factor and benefits from the GSDT rate, with a higher average revenue of 16.820 ¢/kWh. These customers are not unique to their class. This example makes clear that it is indeed mathematically possible for customers to benefit from a TOU rate while having an average revenue per kWh that is higher than customers under a corresponding non-TOU rate. Additionally, these customers would be worse off if they were to switch to the alternate rate option.

ATTACHMENT 7

Review of FPL QSR with Available Load Research Data

	QSR-1		QSR-2		QSR-3		QSR-4		QSR-5	
	Projected Annual Power Costs									
GSD-1	\$23,368		\$9,382		\$8,299		\$15,308		\$10,637	
GSDT-1	\$22,338		\$9,421		\$8,283		\$15,139		\$10,698	
HLFT-1	\$22,682		\$9,741		\$8,862		\$15,467		\$11,005	
SDTR-1 (A)	\$23,288		\$9,520		\$8,135		\$15,372		\$10,770	
	Cost/(Savings) Compared to Standard Rate									
GSDT-1	(\$1,030)	-4%	\$39	0%	(\$17)	0%	(\$169)	-1%	\$61	1%
HLFT-1	(\$686)	-3%	\$359	4%	\$563	7%	\$159	1%	\$369	3%
SDTR-1 (A)	(\$79)	0%	\$139	1%	(\$164)	-2%	\$64	0%	\$134	1%

Based on current base rates and 2009 load research data with no assumed changes in usage.

QSR1	GSD-1	GSDT-1	HLFT-1	SDTR-1 (A)
Customer Charge	\$16.44	\$22.77	\$22.77	\$22.77
Demand Charge	\$6.50	\$6.50	\$1.81	
On-Peak Demand Charge (Flat/Seasonal)			\$7.83	\$7.70
Non-Seasonal Demand Charge (Max)				\$5.58
Base Energy Charge	\$0.01382			
On-Peak Energy Charge (Flat/Seasonal)		\$0.03102	\$0.01179	\$0.05608
Off-Peak Energy Charge (Flat/Seasonal)		\$0.00635	\$0.00635	\$0.00952
Flat/On-Peak Energy Charge (Non-Seasonal)				\$0.01382
Max Demand	1,594		1,594	1,033
On-Peak Demand		1,574	1,574	
Seasonal On-Peak Demand				507
Total Energy	926,948	926,948	926,948	926,948
On-Peak Energy		241,015	241,015	42,213
Off-Peak Energy		685,933	685,933	288,828
Non-Seasonal				595,907
	GSD-1	GSDT-1	HLFT-1	SDTR-1 (A)
Customer Charges	\$197.28	\$273.24	\$273.24	\$273.24
Demand Charges	\$10,359.90	\$10,232.69	\$15,211.29	\$9,662.73
Energy Charges	\$12,810.42	\$11,831.95	\$7,197.24	\$13,352.40
Total Charges	\$23,367.60	\$22,337.88	\$22,681.77	\$23,288.37
Difference From GSD-1		(\$1,029.72)	(\$685.83)	(\$79.23)

QSR2	GSD-1	GSDT-1	HLFT-1	SDTR-1 (A)
Customer Charge	\$16.44	\$22.77	\$22.77	\$22.77
Demand Charge	\$6.50	\$6.50	\$1.81	
On-Peak Demand Charge (Flat/Seasonal)			\$7.83	\$7.70
Non-Seasonal Demand Charge (Max)				\$5.58
Base Energy Charge	\$0.01382			
On-Peak Energy Charge (Flat/Seasonal)		\$0.03102	\$0.01179	\$0.05608
Off-Peak Energy Charge (Flat/Seasonal)		\$0.00635	\$0.00635	\$0.00952
Flat/On-Peak Energy Charge (Non-Seasonal)				\$0.01382
Max Demand	721		721	473
On-Peak Demand		709	709	
Seasonal On-Peak Demand				229
Total Energy	325,347	325,347	325,347	325,347
On-Peak Energy		100,285	100,285	18,546
Off-Peak Energy		225,062	225,062	100,192
Non-Seasonal				206,609
	GSD-1	GSDT-1	HLFT-1	SDTR-1 (A)
Customer Charges	\$197.28	\$273.24	\$273.24	\$273.24
Demand Charges	\$4,688.19	\$4,607.72	\$6,856.01	\$4,397.85
Energy Charges	\$4,496.30	\$4,539.98	\$2,611.50	\$4,849.23
Total Charges	\$9,381.77	\$9,420.94	\$9,740.75	\$9,520.32
Difference From GSD-1		\$39.17	\$358.98	\$138.55

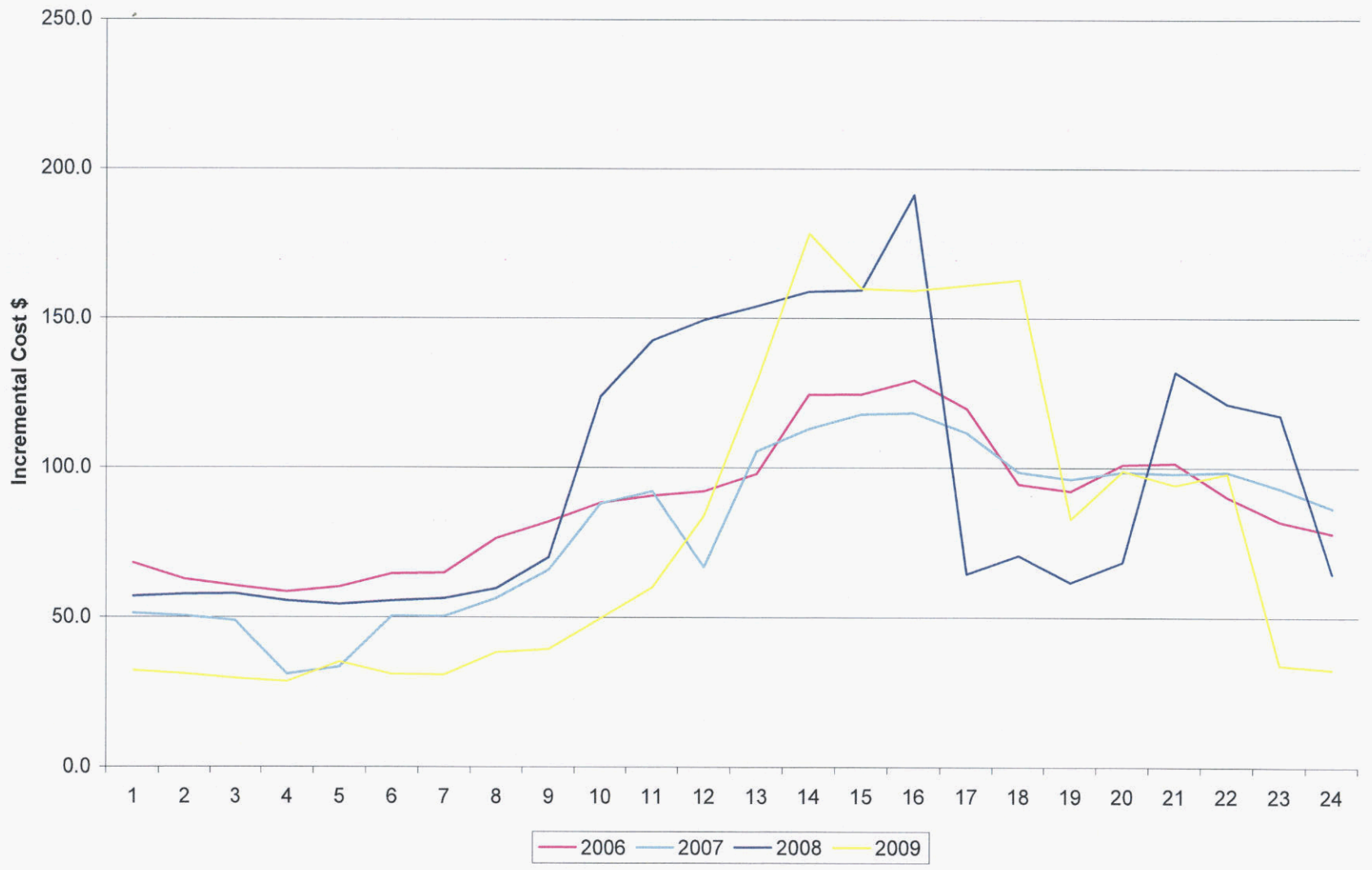
QSR3	GSD-1	GSDT-1	HLFT-1	SDTR-1 (A)
Customer Charge	\$16.44	\$22.77	\$22.77	\$22.77
Demand Charge	\$6.50	\$6.50	\$1.81	
On-Peak Demand Charge (Flat/Seasonal)			\$7.83	\$7.70
Non-Seasonal Demand Charge (Max)				\$5.58
Base Energy Charge	\$0.01382			
On-Peak Energy Charge (Flat/Seasonal)		\$0.03102	\$0.01179	\$0.05608
Off-Peak Energy Charge (Flat/Seasonal)		\$0.00635	\$0.00635	\$0.00952
Flat/On-Peak Energy Charge (Non-Seasonal)				\$0.01382
Max Demand	753		753	432
On-Peak Demand		674	674	
Seasonal On-Peak Demand				247
Total Energy	232,181	232,181	232,181	232,181
On-Peak Energy		87,343	87,343	14,885
Off-Peak Energy		144,838	144,838	67,101
Non-Seasonal				150,194
	GSD-1	GSDT-1	HLFT-1	SDTR-1 (A)
Customer Charges	\$197.28	\$273.24	\$273.24	\$273.24
Demand Charges	\$4,893.14	\$4,380.22	\$6,639.03	\$4,312.84
Energy Charges	\$3,208.74	\$3,629.10	\$1,949.50	\$3,549.26
Total Charges	\$8,299.16	\$8,282.56	\$8,861.77	\$8,135.34
Difference From GSD-1		(\$16.60)	\$562.61	(\$163.82)

QSR4	GSD-1	GSDT-1	HLFT-1	SDTR-1 (A)
Customer Charge	\$16.44	\$22.77	\$22.77	\$22.77
Demand Charge	\$6.50	\$6.50	\$1.81	
On-Peak Demand Charge (Flat/Seasonal)			\$7.83	\$7.70
Non-Seasonal Demand Charge (Max)				\$5.58
Base Energy Charge	\$0.01382			
On-Peak Energy Charge (Flat/Seasonal)		\$0.03102	\$0.01179	\$0.05608
Off-Peak Energy Charge (Flat/Seasonal)		\$0.00635	\$0.00635	\$0.00952
Flat/On-Peak Energy Charge (Non-Seasonal)				\$0.01382
Max Demand	1,137		1,137	720
On-Peak Demand		1,109	1,109	
Seasonal On-Peak Demand				367
Total Energy	558,553	558,553	558,553	558,553
On-Peak Energy		166,680	166,680	30,070
Off-Peak Energy		391,873	391,873	171,124
Non-Seasonal				357,360
	GSD-1	GSDT-1	HLFT-1	SDTR-1 (A)
Customer Charges	\$197.28	\$273.24	\$273.24	\$273.24
Demand Charges	\$7,391.54	\$7,207.40	\$10,740.40	\$6,844.95
Energy Charges	\$7,719.21	\$7,658.81	\$4,453.55	\$8,254.12
Total Charges	\$15,308.03	\$15,139.45	\$15,467.19	\$15,372.31
Difference From GSD-1		(\$168.58)	\$159.16	\$64.28

QSR5	GSD-1	GSDT-1	HLFT-1	SDTR-1 (A)
Customer Charge	\$16.44	\$22.77	\$22.77	\$22.77
Demand Charge	\$6.50	\$6.50	\$1.81	
On-Peak Demand Charge (Flat/Seasonal)			\$7.83	\$7.70
Non-Seasonal Demand Charge (Max)				\$5.58
Base Energy Charge	\$0.01382			
On-Peak Energy Charge (Flat/Seasonal)		\$0.03102	\$0.01179	\$0.05608
Off-Peak Energy Charge (Flat/Seasonal)		\$0.00635	\$0.00635	\$0.00952
Flat/On-Peak Energy Charge (Non-Seasonal)				\$0.01382
Max Demand	809		809	522
On-Peak Demand		799	799	
Seasonal On-Peak Demand				259
Total Energy	374,767	374,767	374,767	374,767
On-Peak Energy		115,471	115,471	21,622
Off-Peak Energy		259,296	259,296	118,326
Non-Seasonal				234,819
	GSD-1	GSDT-1	HLFT-1	SDTR-1 (A)
Customer Charges	\$197.28	\$273.24	\$273.24	\$273.24
Demand Charges	\$5,260.00	\$5,196.10	\$7,724.01	\$4,913.03
Energy Charges	\$5,179.28	\$5,228.44	\$3,007.93	\$5,584.22
Total Charges	\$10,636.56	\$10,697.78	\$11,005.18	\$10,770.49
Difference From GSD-1		\$61.22	\$368.62	\$133.93

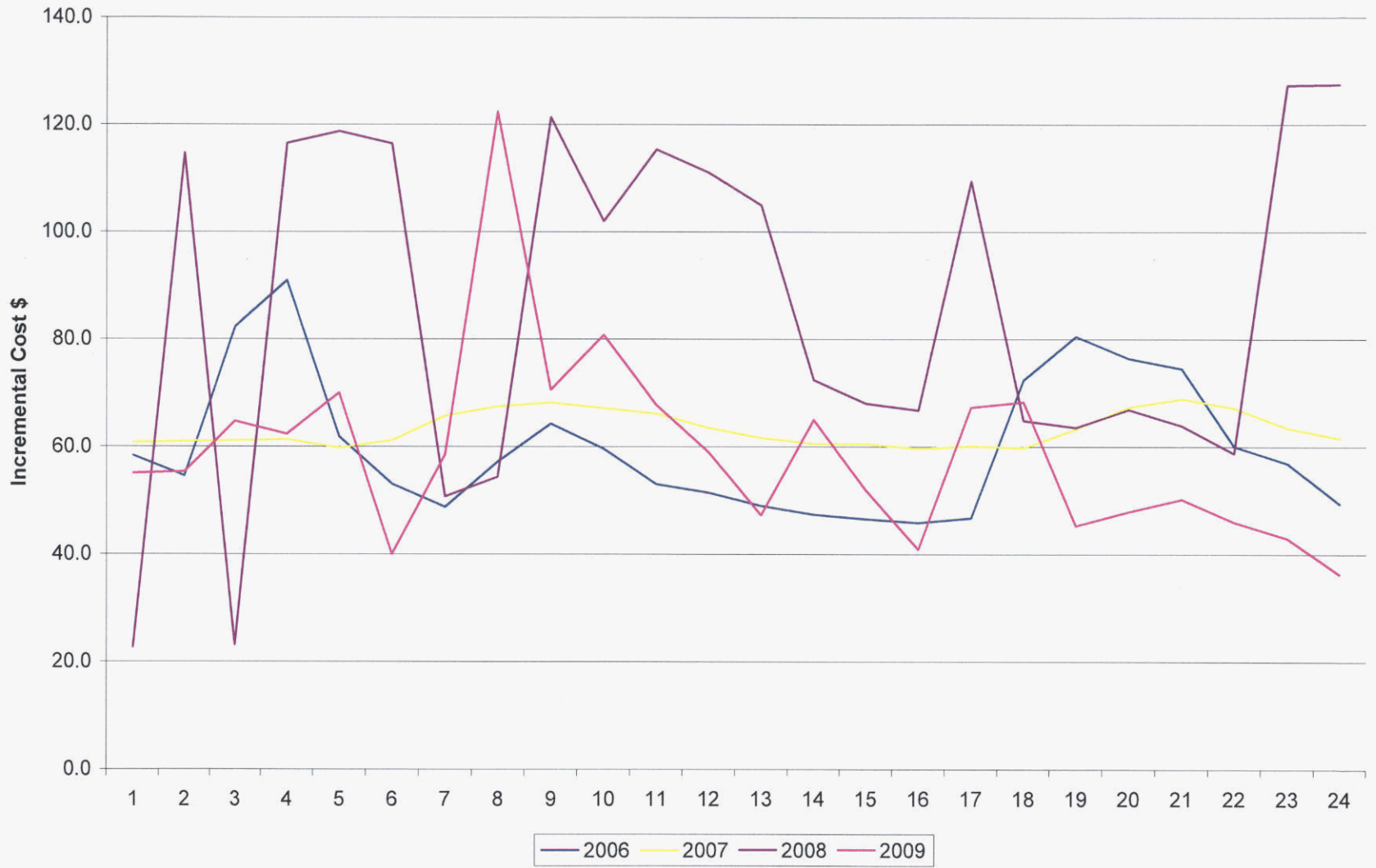
ATTACHMENT 8

System Lambda on Summer Peak Day



85

System Lambda on Winter Peak Day



ATTACHMENT 9

From: Dan Moore [mailto:dmoore@esgconsult.com]
Sent: Monday, April 26, 2010 6:54 PM
To: Goorland, Scott; Romig, Steve; Deaton, Renae; mcglothlin.joseph@leg.state.fl.us; Kelly.jr@leg.state.fl.us; 'Wiseman, Kenneth L.'; 'Lisa Bennett'; 'McNeill, Shayla L Capt USAF AFLOA JACL-ULT/AFCESA/CENL'; 'Vicki Gordon Kaufman'; 'Cecilia Bradley'; 'Armstrong, Brian'
Cc: wigglaw@comcast.net; 'Russell Klepper'; ckummer@psc.state.fl.us
Subject: THU 22 APR 2010 Conference Call Follow-up - FPL Time of Use Rate Design, Docket 080677-EI

All,

Attached is a memorandum (Word file) with two Gulf Power rates attached. The memo serves as initial follow-up to conference call discussions. AFFIRM will provide additional information described in the memo and has requested data from FPL.

Should you have questions or concerns, please call Dan Moore at 770.751.7133 or Russell Klepper at 770.751.8379. Questions to counsel should be directed to Patrick Wiggins at (850) 212-1599.

Sincerely,

Dan Moore
Principal
Energy Services Group, LLC
316 Maxwell Road, Suite 400
Alpharetta, GA 30009
770.751.7133 voice
770.751.1728 fax
404.667.5444 mobile



Memo - FPL Call follow-up
Gulf Power Rate GSDT.pdf
Gulf Power Rate GSTOU.pdf

-----Original Message-----

From: Goorland, Scott [mailto:Scott.Goorland@fpl.com]
Sent: Thursday, April 22, 2010 5:34 PM
To: Dan Moore; Romig, Steve; Deaton, Renae; 'mcglothlin.joseph@leg.state.fl.us'; 'Kelly.jr@leg.state.fl.us'; Wiseman, Kenneth L.; Lisa Bennett; McNeill, Shayla L Capt USAF AFLOA JACL-ULT/AFCESA/CENL; Vicki Gordon Kaufman; Cecilia Bradley; Armstrong, Brian; wigglaw@comcast.net; 'Russell Klepper'
Subject: RE: FPL Rate Case Docket 080677-EI, AFFIRM Member Time of Use Rates - Conference Call Agenda

Per request, here is the list of the participants of today's phone call:

Dan Moore - AFFIRM
Russell Klepper - AFFIRM

Joseph McGlothlin - Office of Public Counsel
Vicki Kaufman - FIPUG
Ken Wiseman - SFHHA
Lisa Bennett - Public Service Commission
Connie Kummer - Public Service Commission
Elisabeth Draper - Public Service Commission
Cecelia Bradley - Attorney General's Office
Rena Deaton - FPL
Steve Romig - FPL
Cole Price - FPL
Scott Goorland - FPL

Scott A. Goorland, Esq.
Principal Attorney
Florida Power and Light Company
(561) 304-5633



MEMORANDUM

Date: July 23, 2010
To: Parties to FPL Conference Call 22 APR 2010
From: Russell Klepper, Dan Moore
Subject: FPL Rate Case Docket No. 080677-EI
Time of Use Rate Design

On behalf of the Members of AFFIRM, the following is submitted with respect to the issues discussed during the subject conference call. ESG appreciates the willingness of FPL to work in good faith with AFFIRM and other interested parties, including the Commission representatives, to structure a time of use electric rate that more accurately reflects cost causation for the members of AFFIRM and other similarly situated customers of FPL.

Request for Further Information and Clarification

During the conference call, Renae Deaton explained that FPL has developed energy consumption data for each hour of the year for the commercial class of customers. We assume that FPL has developed corresponding data for each customer class, and that the total energy consumption for all classes will equal the aggregate load data that FPL provided to all parties prior to the call. **AFFIRM requests that FPL provide hourly load data by class for 2006 through 2008, and 2009 as it becomes available. Please also indicate whether such data was used as the basis for development of cost of service allocations in FPL's 2009 rate case.**

AFFIRM notes that the availability of FPL's commercial and industrial rates establishes criteria that subdivide commercial and industrial customers into four sub-classes based on the level of peak electric demand. These four sub-classes are up to 20 kW, 20 kW to 499 kW, 500 kW to 2000 kW, and 2000 kW and above. In providing the data requested above, please clarify whether the data for the commercial and industrial classes is separate (for each of commercial and industrial) or aggregated (commercial and industrial combined). Please also indicate whether the data for the commercial and/or industrial customers is differentiated by electric demand in the same manner as FPL's rates are established.

Gulf Power Rates

During our conference call, Russell Klepper stated his understanding that Gulf Power offers commercial customers (sized from 20 kW to 499 kW of demand) a time of use rate that differentiates among four periods. Upon further review, in addition to Gulf Power's GSD

Rate (structured identically to FPL's GSD Rate), Gulf Power also offers two commercial time of use rates, summarized below and attached.

Rate GSDT - This rate differentiates among time periods by pricing on demand, rather than on energy.

Rate GSTOU - Approved by the Florida Commission and effective June 7, 2002. The GSTOU pricing and pricing periods are vastly different from GSDT. Summer months, June through September, are divided into three periods:

- On-Peak (Mon-Fri, 1:00 pm to 6:00 pm Central Time),
- Intermediate (Mon-Fri, 11:00 am to 1:00 pm and 6:00 pm to 8:00 pm), and
- Off-Peak (all hours not included above plus two holidays).

Under GSTOU, the summer pricing is completely different from the winter pricing as shown below.

Energy-Demand Charges

Summer

- On-Peak 16.088 ¢/kWh
- Intermediate 5.785 ¢/kWh
- Off-Peak 2.201 ¢/kWh

Non-Summer

- All hours 3.221 ¢/kWh

Note that under GSTOU the winter period has no On-Peak or intermediate hours. The rate sets forth a price for all winter hours that is likely to be less expensive on balance to most customers than the weighted average cost of energy consumption during the summer months.

AFFIRM has not studied Gulf Power's rates and has no load information on Gulf Power. However, the existence of Gulf Power's GSTOU rate is evidence that the Florida Commission has approved a commercial rate that differentiates prices between summer and winter periods, and that further differentiates price between peak, intermediate, and off-peak hours during the summer months.

Additional Information

AFFIRM intends to provide further information for consideration by FPL, the Commission Staff, and the other interested parties. First, in response to the request by FPL, AFFIRM will provide load data for AFFIRM Member locations that ESG has or can readily obtain. In addition, AFFIRM will provide a list of Member FPL account numbers and account names as requested by FPL. In the event that FPL research meters have been installed at these locations, we request FPL provide the data to ESG (we understand a customer release may need to be obtained by FPL). Note to other interested parties – we do not plan to disclose AFFIRM Member's account information, bills and load data as this is considered confidential information.

Second, AFFIRM has asserted and continues to assert that FPL's GSDT is an ineffective rate that cannot be used for the benefit of the AFFIRM Members or the vast preponderance of FPL's commercial customers. AFFIRM will provide an explanation of this assertion.

Third, AFFIRM has performed substantial analyses of the system load data and corresponding system lambdas for 2006, 2007 and 2008, as provided by FPL. AFFIRM will provide an extensive discussion of the results of such analyses.

Other Discussions

During the call, Connie Kummer asked FPL when they had reviewed TOU rating periods. Renae Deaton replied that FPL had done so in the past couple of days. Connie specifically asked if the Company had evaluated multi-period TOU structures and the Company replied that it had not.

AFFIRM looks forward to working with FPL and any other parties to design a new time-of-use rate option that closely matches prices to the Company's cost to serve these loads.

**RATE SCHEDULE GSDT
GENERAL SERVICE - DEMAND
TIME-OF-USE CONSERVATION
(OPTIONAL SCHEDULE)**

URSC: GSDT

PAGE 1 of 4	EFFECTIVE DATE June 7, 2002
----------------	--------------------------------

AVAILABILITY:

Available on a first come - first serve basis subject to meter availability throughout the entire territory served by the Company.

APPLICABILITY:

Applicable as an option to Rate Schedule GSD for general service on an annual basis covering the entire electrical requirements of any Customer whose highest actual measured demand is not less than twenty (20) kilowatts nor more than four hundred ninety-nine (499) kilowatts. Provided, however, that any customer whose highest actual measured demand is less than twenty (20) kilowatts has the option of taking service under this rate schedule. No monthly measured demand shall be more than four hundred ninety-nine (499) kilowatts. Service to two or more premises shall not be combined nor shall service furnished hereunder be shared with or resold to others. All service shall be taken at the same voltage, from a single delivery point, and shall be measured by a single meter.

CHARACTER OF SERVICE:

The delivery voltage to the Customer shall be the voltage of the available secondary distribution lines of the Company for the locality in which service is to be rendered. Three phase service may be furnished at the request of the Customer subject to the Rules and Regulations of the Company which govern the extension of the three phase service.

MONTHLY RATES:

Customer Charge:	\$35.00
Demand Charge:	\$2.58 per kw of max. demand plus; \$2.91 per kw of on-peak demand
Energy Charge:	On-Peak and Off-Peak Period: 1.396¢ per KWH

ISSUED BY: Travis Bowden

(Continued from Rate Schedule GSDT, Sheet No. 6.45)

Fuel Charge: Fuel charges are normally adjusted by the Florida Public Service Commission annually in January. As of June 7, 2002, the amount for fuel was 2.672¢/KWH on-peak, and 2.008¢/KWH off-peak. For current fuel costs included in this tariff, see page 6.34.

DETERMINATION OF THE ON-PEAK PERIOD:

The on-peak period for calendar months April through October is defined as being those hours between 12:00 p.m. and 9:00 p.m. Central Daylight Time/Central Standard Time, Monday through Friday.

The on-peak period for calendar months November through March is defined as being those hours between 6:00 a.m. and 10:00 a.m. and between 6:00 p.m. and 10:00 p.m. Central Standard Time/Central Daylight Time, Monday through Friday.

DETERMINATION OF THE OFF-PEAK PERIOD:

All hours not included above and all hours of the observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas are in the off-peak period.

MINIMUM MONTHLY BILLS:

In consideration of the readiness of the Company to furnish such service, no monthly bill will be rendered for less than the Customer Charge plus the Demand Charge for Maximum Billing Demand and the On-Peak Demand.

DETERMINATION OF BILLING DEMAND:

- (a) Maximum Demand--The kilowatt (kw) billing demand for billing purposes shall be the customer's maximum integrated 15 minute demand to the nearest kilowatt (kw) during each service month.
- (b) On-Peak Demand--The kilowatt (kw) billing demand for billing purposes shall be the customer's maximum integrated 15 minute demand to the nearest kilowatt (kw) during each service month as measured during the hours designated as on-peak.

PAGE 3 of 4	EFFECTIVE DATE June 7, 2002
-----------------------	---------------------------------------

(Continued from Rate Schedule GSDT, Sheet No. 6.46)

REACTIVE DEMAND CHARGE:

When the capacity required to be maintained is one-hundred (100) kilowatts or more, at the option of the Company, the monthly bill calculated at the above rates may be increased in the amount of \$1.00 per kvar for all over 0.48432 kilovars per kilowatt (90% power factor). The kilovars to which this adjustment shall apply shall be the monthly maximum measured kilovar demand or may be calculated as the square root of the difference between the square of the maximum monthly measured kva demand and the square of the maximum monthly measured kw demand.

TRANSFORMER OWNERSHIP DISCOUNT AND PRIMARY METERING VOLTAGE DISCOUNTS:

When the Company renders service under this Rate Schedule at the local primary distribution voltage and any transformers required are furnished by the Customer, the Monthly Rate will be subject to a discount of forty-four (44) cents per kw of the Customer's maximum billing demand as determined above, and an additional discount of one percent (1%) of the Energy Charge and one percent (1%) of the Demand Charge; however, such deduction shall not reduce the minimum monthly bill specified above.

TERM OF CONTRACT:

- (1) Service under this Schedule shall be for a period of not less than one year and thereafter from year to year until terminated by three (3) months' written notice by either party to the other.
- (2) The initial selection of this optional rate schedule by a Rate Schedule GSD Customer may be terminated at any time by written or personal notice from the Customer. After such termination, any subsequent selection of this option by the same Customer for service at the same premises shall have a term of contract as specified in (1) above.

ISSUED BY: Travis Bowden



Section No. VI
First Revised Sheet No. 6.48
Canceling Original Sheet No. 6.48

PAGE 4 of 4	EFFECTIVE DATE June 7, 2002
-----------------------	---------------------------------------

(Continued from Rate Schedule GSDT, Sheet No. 6.47)

DEPOSIT:

A deposit amounting to twice the estimated average monthly bill may be required before service is connected at designated premises. The deposit may be applied to any final bills against the Customer for service.

TAX ADJUSTMENT:

See Sheet No. 6.37

FRANCHISE FEE BILLING:

See Sheet No. 6.37

FUEL CHARGE:

See Sheet No. 6.34

PURCHASED POWER CAPACITY COST:

See Sheet No. 6.35

ENVIRONMENTAL COST:

See Sheet No. 6.36

ENERGY CONSERVATION:

See Sheet No. 6.38

GROSS RECEIPTS TAX ADJUSTMENT:

See Sheet No. 6.37

PAYMENT OF BILLS:

See Sheet No. 6.37

Service under this rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

ISSUED BY: Travis Bowden



Section No. VI
Sixth Revised Sheet No. 6.42
Canceling Fifth Revised Sheet No. 6.42

**RATE SCHEDULE GSTOU
GENERAL SERVICE TIME-OF-USE CONSERVATION
(OPTIONAL SCHEDULE)
URSC: GSTOU**

PAGE 1 of 3	EFFECTIVE DATE June 7, 2002
-----------------------	---------------------------------------

AVAILABILITY:

Available on a first come - first serve basis subject to meter availability throughout the entire territory served by the Company.

APPLICABILITY:

Applicable as an option to Rate Schedule GSD for general service on an annual basis covering the entire electrical requirements of any Customer whose highest actual measured demand is not more than four hundred ninety-nine (499) kilowatts. Service to two or more premises shall not be combined nor shall service furnished hereunder be shared with or resold to others. All service shall be taken at the same voltage, from a single delivery point, and shall be measured by a single meter.

CHARACTER OF SERVICE:

The delivery voltage to the Customer shall be the voltage of the available secondary distribution lines of the Company for the locality in which service is to be rendered. Three phase service may be furnished at the request of the Customer subject to the Rules and Regulations of the Company which govern the extension of the three phase service.

MONTHLY RATES:

Customer Charge: \$35.00

Energy-Demand Charges:

Summer – June through September:
On-Peak 16.088¢ per KWH
Intermediate 5.785¢ per KWH
Off-Peak 2.201¢ per KWH

October through May:
All hours 3.221¢ per KWH

Fuel Charge: Fuel charges are normally adjusted by the Florida Public Service Commission annually in January. As of June 7, 2002, the amount for fuel was 2.206¢/KWH. For current fuel costs included in this tariff, see page 6.34.

ISSUED BY: Travis Bowden



Section No. VI
Third Revised Sheet No. 6.43
Canceling Second Revised Sheet No. 6.43

PAGE 2 of 3	EFFECTIVE DATE June 7, 2002
-----------------------	---------------------------------------

(Continued from Rate Schedule GSTOU, Sheet No. 6.42)

DETERMINATION OF THE SUMMER TIME PERIODS:

The on-peak period for calendar months June through September is defined as being those hours between 1:00 p.m. and 6:00 p.m. Central Daylight Time/Central Standard Time, Monday through Friday.

The intermediate period for calendar months June through September is defined as being those hours between 11:00 a.m. and 1:00 p.m. and between 6:00 p.m. and 8:00 p.m. Central Daylight Time/Central Standard Time, Monday through Friday.

The off-peak period for calendar months June through September is defined as being all hours not included above and all hours of the observed holidays of Independence Day and Labor Day.

MINIMUM MONTHLY BILL:

In consideration of the readiness of the Company to furnish such service, no monthly bill will be rendered for less than the applicable Customer Charge.

TERM OF CONTRACT:

Service under this Schedule shall be for a period of not less than one year and thereafter from year to year until terminated by three (3) months written notice by either party to the other.

DEPOSIT:

A deposit amounting to twice the estimated average monthly bill may be required before service is connected at designated premises. The deposit may be applied to any final bills against the Customer for service.

ISSUED BY: Travis Bowden



Section No. VI
Second Revised Sheet No. 6.44
Canceling First Revised Sheet No. 6.44

PAGE 3 of 3	EFFECTIVE DATE June 7, 2002
-----------------------	---------------------------------------

(Continued from Rate Schedule GSTOU, Sheet No. 6.43)

TAX ADJUSTMENT:

See Sheet No. 6.37

FRANCHISE FEE BILLING:

See Sheet No. 6.37

FUEL CHARGE:

See Sheet No. 6.34

PURCHASED POWER CAPACITY COST:

See Sheet No. 6.35

ENVIRONMENTAL COST:

See Sheet No. 6.36

ENERGY CONSERVATION:

See Sheet No. 6.38

GROSS RECEIPTS TAX ADJUSTMENT:

See Sheet No. 6.37

PAYMENT OF BILLS:

See Sheet No. 6.37

Service under this rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

ISSUED BY: Travis Bowden