

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of) DOCKET NO. 920670-EG
modification to Conservation) ORDER NO. PSC-92-1115-FOF-EG
Research and Development Program) ISSUED: 10/05/92
by FLORIDA POWER AND LIGHT)
COMPANY.)
_____)

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
J. TERRY DEASON
BETTY EASLEY
LUIS J. LAUREDO

PROPOSED AGENCY ACTION

ORDER GRANTING AMENDED PETITION OF FLORIDA POWER AND LIGHT
COMPANY TO MODIFY ITS CONSERVATION
RESEARCH AND DEVELOPMENT PROGRAM

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On February 12, 1990, Florida Power and Light Company (FPL) filed its "Demand Side Management Plan for the 90's" in compliance with Order No. 22176 in Docket No. 900091-EG. This plan was supplemented on June 12, 1990, and included a petition for approval of the Conservation Research and Development program. This program was intended to serve as an umbrella program for the research and development of promising conservation technologies. The Commission approved FPL's plan and this program in Order No. 23560. The program was approved for 1990, 1991, and 1992 with annual caps on expenditures. Because approval for this program will end this year, FPL filed a petition to modify and to continue the program.

In its petition, FPL stated that it needs to continue the CRD program to maintain ongoing research to determine if demand side concepts can be developed into programs available to FPL's customers. In addition, FPL stated that the CRD program should continue in order to respond to emerging demand side management technologies. FPL's activities under the CRD program have resulted in recent petitions for approval of several new conservation programs. These include the C/I Air-Cooled Chiller Replacement,

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High Efficiency Split/Package DX Air-Conditioning, and Efficient Motors.

The CRD program, as previously approved, listed demand side measures it intended to research and develop. However, this list was not intended to limit FPL to program concepts or technologies that could emerge over time. As filed, the CRD program modification does not list programs that the company will investigate. However, FPL will provide more detailed information on the program concepts and technologies it reviewed every six months as part of the Energy Conservation Cost Recovery (ECCR) hearing. The ability of Staff to monitor the CRD program will be enhanced with this additional information.

On September 2, 1992, FPL filed an amended petition after several discussions with Staff. As originally filed, the petition for modification proposed

replacing the current expenditure limits with a more flexible approach that would utilize the ECCR projection process as a forum for Commission review and approval of FPL's CRD Program activities and expenditures on a semi-annual basis.

Staff was concerned that this proposal did not provide for predetermined expenditure limits with a limited term for the program and, thus, would effectively require the Commission to review a program modification every six months and to determine an expenditure cap. As amended, the program allows FPL the flexibility to pursue program concepts at its discretion with a reasonable limit on expenditures and a limited term for making those expenditures. The Commission still maintains effective oversight of expenditures under the program.

FPL anticipates that previously authorized expenditures for 1992 will be spent by the end of September 1992. As amended, FPL proposed that annual (12 months) expenditures for this program be capped at \$800,000 for three years beginning October 1, 1992 through September 30, 1995. This will coincide with the ECCR periods, October-March, and April-September. In addition, any amount under the annual cap not spent at the end of a twelve month period may be added to the \$800,000 cap for the following year.

No cost effectiveness tests were performed for this program. Because of the research nature of the program, no direct demand or energy reductions are quantifiable. However, this program does advance the policy objectives of FEECA through the development of demand side measures.

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Accordingly, we approve of this program modification as amended, and FPL will be allowed to recover reasonable and prudent expenditures up to the limits previously discussed for the CRD program beginning on October 1, 1992 through September 30, 1995.

It is, therefore,

ORDERED by the Florida Public Service Commission that the amended petition by Florida Power and Light Company to modify its conservation research and development program, as discussed within the body of this Order, is granted. It is further

ORDERED that this Order shall become final and this docket shall be closed unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission this 5th day of October, 1992.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

DLC:bmi

by Kay Flynn
Chief, Bureau of Records

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

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The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on October 26, 1992.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.