

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to Modify) DOCKET NO. 931230-EG
Residential Load Management) ORDER NO. PSC-94-0542-FOF-EG
Program by Florida Power and) ISSUED: May 10, 1994
Light Company.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JULIA L. JOHNSON
DIANE K. KIESLING
LUIS J. LAUREDO

ORDER APPROVING TARIFF

BY THE COMMISSION:

On December 22, 1993, Florida Power & Light Company (FPL) filed a Petition to Modify Its Residential Load Management Program. By Order No. PSC-94-0256-FOF-EG, issued March 8, 1994, the Commission suspended said tariff. On April 12, 1994, FPL filed an Amended Petition to conform the numbering of the proposed revised tariff sheet to show that it was now Sheet No. 8.208. In all other respects the Amended Petition is identical to the original Petition.

FPL's voluntary residential load management program, commonly referred to as the "On-Call" Program, was first approved by the Commission in Order No. 16509, issued August 12, 1986. This program was reviewed in late 1990 as part of FPL's filing of its conservation plan in Docket No. 900091-EG. The On-Call program allows FPL the opportunity to interrupt electric service for up to four customer devices during peak load periods: electric water heaters, swimming pool pumps, central electric air conditioning, and central electric space heating. The customer receives a monthly billing credit for participating in the program.

Customers who participate in the On-Call program may choose to have their air conditioning and space heating equipment interrupted under one of two schedules, Option C or Option S. Option C currently allows air conditioning and space heating equipment to be interrupted a total of 10 minutes during a 30 minute period, with a cumulative interruption time of no more than 120 minutes per day. Option S allows air conditioning and space heating equipment to be interrupted no more than 180 minutes per day.

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FPSC-RECORDS/REPORTING

FPL's petition seeks our approval to make two modifications to its Option C schedule that would affect both new and existing participating customers:

1. an increase in the maximum allowable interruption time from 10 minutes to 15 minutes during a 30 minute period; and
2. an increase in the maximum allowable cumulative interruption time from 120 minutes per day to 180 minutes per day.

FPL does not seek to modify Option S, nor does it seek to modify the interruption schedules for electric water heaters or swimming pool pumps. FPL's proposed modified tariff, incorporating the changes mentioned above, is consistent with other utilities' load control schedules.

In its existing On-Call program, FPL projected a per-participant demand reduction of 1.31 kW on peak days. This value was based on a limited pilot program performed by FPL around 1980, as well as on engineering estimates. In its field monitoring of the existing program, FPL found it was not achieving the projected demand savings and, additionally, discovered a significant variation in the per-participant demand reduction between summer peak days and summer high load days. A peak day is defined as the day that FPL's system experiences the highest demand during the summer season, while a high load day is generally viewed by FPL as a day when the demand reaches 95% of the summer peak. FPL discovered that it was achieving a per-participant demand reduction of only 0.79 kW (of the projected 1.31 kW) on summer peak days and 0.64 kW on summer high load days.

FPL attributes the discrepancy between projected and actual demand savings to two primary factors: 1) appliances are more energy-efficient now than when the engineering estimates were determined in 1980 (consequently, less energy is saved with each appliance that is cycled off via load control); and 2) FPL did not anticipate that more customers would chose the Option C interruption schedule rather than Option S.

It is important to note that while the On-Call program was approved in late 1986, FPL did not begin implementation of the program until 1987. Field monitoring of the program did not commence until the summer of 1990. In addition, because FPL considered the summers of 1990 and 1991 to be mild, the effects of weather on FPL's per-participant demand reduction were not fully known at that time. Further monitoring of the program during the

summers of 1992 and 1993 gave FPL the data which showed that it was not achieving the per-participant demand savings that had been projected. FPL ran computer simulations of the modified interruption schedules, using the new data gathered in field monitoring. FPL found that changing the Option C schedule, as mentioned previously, would increase the per-participant demand reduction from 0.79 kW to 1.29 kW on summer peak days and from 0.64 kW to 1.03 kW on summer high load days.

Because the high load days more accurately represent the demand reduction achieved on typical load control days, FPL uses the high load day value to calculate the On-Call program's cost-effectiveness. The proposed modified On-Call program will continue to be cost-effective, with benefit/cost ratios of 2.68 under the Total Resource Cost (TRC) test and 1.26 under the Rate Impact Measure (RIM) test.

Pursuant to Rule 25-6.0438(4)(c), FPL has sent each participating customer a notice of the proposed change to the Option C interruption schedule for electric air conditioning and space heating equipment. Our Staff received some letters and phone calls in response to FPL's notification. In every case, the customer has complained of not receiving an additional credit for the increase in the load control time. Assuming FPL's field data is correct, participating customers have been subsidized under this program since its inception. The customers have been advised by Staff that FPL activates load management only a few times a year, usually during a weekday. Moreover, customer participation in the On-Call program is voluntary, and tariff provisions allow a customer to cease participation in the program with seven days' notice to FPL. Based on the foregoing, we find that an additional credit is not necessary, nor is it cost-effective.

The criteria used to review the appropriateness of conservation programs is: 1) whether the program advances the policy objectives of Rule 25-17.001, Florida Administrative Code, and Sections 366.80-.85, Florida Statutes, also known as the "Florida Energy Efficiency and Conservation Act" (FEECA); 2) whether the program is directly monitorable and yields measurable results; and, 3) whether the program is cost-effective. The On-Call program continues to meet the policy objectives of Rule 25-17.001, Florida Administrative Code, and FEECA; it has shown itself to be monitorable; it has yielded measurable results (which led to FPL's petition in this docket); and it is cost-effective under all Commission-approved tests.

ORDER NO. PSC-94-0542-FOF-EG
DOCKET NO. 931230-EG
PAGE 4

Based on the foregoing, we approve the modifications to FPL's residential load management program.

ORDERED by the Florida Public Service Commission that the tariff filed by Florida Power & Light Company on December 22, 1993 and amended on April 12, 1994 (First Revised Sheet No. 8.208) is hereby approved. It is further

ORDERED that the tariff shall become effective June 2, 1994. It is further

ORDERED that each of the findings made in the body of this Order is hereby approved in every respect. It is further

ORDERED that if a protest is filed in accordance with the requirements set forth below, the tariff shall remain in effect with any increase in revenues held subject to refund pending resolution of the protest. It is further

ORDERED that if no protest is filed in accordance with the requirements set forth below, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 10th day of May, 1994.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Flynn
Chief, Bureau of Records

(S E A L)
SLE

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.

ORDER NO. PSC-94-0542-FOF-EG
DOCKET NO. 931230-EG
PAGE 5

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), 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 May 31, 1994.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

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 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 date this Order becomes final, 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.