

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for waiver ) DOCKET NO. 970054-EI  
of certain requirements of Rule ) ORDER NO. PSC-97-0379-FOF-EI  
25-6.0437, F.A.C., as they apply ) ISSUED: April 7, 1997  
to General Service Non-Demand )  
rate class and other rate )  
classes, by Florida Power & )  
Light Company. )  
\_\_\_\_\_ )

The following Commissioners participated in the disposition of this matter:

- JULIA L. JOHNSON, Chairman
- SUSAN F. CLARK
- J. TERRY DEASON
- JOE GARCIA
- DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION  
ORDER APPROVING WAIVER OF CERTAIN REQUIREMENTS OF RULE 25-6.0437,  
FLORIDA ADMINISTRATIVE CODE AND APPROVING LOAD RESEARCH PLAN

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 substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On January 10, 1997, Florida Power & Light Company (FPL or the company) requested a waiver of certain requirements of Rule 25-6.0437, Florida Administrative Code, as they apply to certain rate classes, including the General Service Non-Demand rate class. In addition, FPL requested approval of its Load Research Sampling Plan filed on December 10, 1996, for the General Service Non-Demand, General Service Demand, General Service Large Demand, and Residential Service rate classes.

A Notice of Petition for Waiver was submitted to the Secretary of State for publication in the January 31, 1997 Florida Administrative Weekly. No comments were submitted during the comment period which ended March 3, 1997.

DOCUMENT NUMBER-DATE

03554 APR-75

FPSC-RECORDS/REPORTING

Rule 25-6.0437, Florida Administrative Code, addresses the requirements for cost of service load research. Load research is used primarily to allocate costs in rate cases and in the adjustment clauses. The rule prescribes a minimum level of precision for estimates of the summer and winter peak demands, and the average monthly coincident peak demands for each rate class. The rule requires that the estimates be within plus or minus 10% at the 90% confidence level. Upon request by a utility, the Commission may waive the rule's requirements for any rate class.

FPL requests that the precision level required by the rule be relaxed for the winter peak hour for its General Service Non-demand (GS) rate class. The company seeks to design its 1996 load research sampling plan so that it can estimate the GS winter peak within plus or minus 15% at the 90% confidence level. The 15% level requires only 402 meters be installed. FPL estimates that an additional 443 meters will have to be installed to increase the accuracy from the 15% level to the 10% level, at an additional cost of \$506,000. If the waiver is granted, the company will avoid the additional cost of installing and reading the additional sample meters to meet the 10% accuracy level.

The Commission has waived the requirements of Rule 25-6.0437, Florida Administrative Code, with respect to the precision of the winter peak for the GS class for the company's last five sampling plans. A waiver is reasonable when the peak hour for the applicable class does not occur within the season for which the waiver is requested, and if we are not currently using, for any utility, a cost of service methodology which allocates production plant on a single coincident peak hour. The first condition insures that the estimate of the class peak hour used to develop an allocation factor for distribution plant meets the precision requirement of the rule. The second condition insures that the allocation factors developed for production plant used in rate cases and in the recovery clauses meet the accuracy requirements of the rule.

We find that the above conditions are satisfied with respect to FPL's current request for waiver. FPL's GS class peak demand for the last five years has occurred in the summer and we are not currently using a single coincident peak methodology for any utility. In addition, we recognize that variability in the GS class can make estimates of peak demands problematic, and that the cost to obtain the desired accuracy for FPL's winter peak is excessive. Therefore, we find that FPL's request for waiver of the standard for load research set forth in Rule 25-6.0437, Florida Administrative Code, for the General Service Non-Demand (GS) Class for the winter peak hour is reasonable and shall be approved.

In its 1994 sampling plan, FPL proposed to change its former practice of replacing sampling meters every two years to a program of replacing samples every three years. At that time, we believed that the intent of Rule 25-6.0437, Florida Administrative Code, was that the samples be replaced every two years, since the rule requires utilities to submit a current, revised sampling plan and to perform a complete study no less often than every two years. Based on this understanding of the rule, FPL applied for a waiver of the rule requirement with regard to the sampling replacement cycle which we granted in Docket No. 941028-EI.

FPL seeks the same waiver with regard to its 1996 sampling plan. Under the proposed sampling plan, the new GS samples will be installed for use in 1997. By 1998, the new General Service Demand (GSD) and General Service Large Demand (GSLD) meters will be in place. The Residential Service meters will be available for use in 1999. This schedule results in each sample metered class being replaced every three years and will result in estimated savings of \$300,000 when compared to the two-year cycle.

Rule 25-6.0437, Florida Administrative Code, requires that the utilities produce load research results every two years. FPL, however, produces results every year. Thus, if the company is permitted to replace meters every three years, the samples will be used for three years instead of two. We believe the sampled rate classes have been sufficiently stable to justify a three-year cycle. Therefore, we find that the FPL's continued use of the three year replacement cycle is reasonable and shall be approved.

We also find that FPL's Load Research Plan for the General Service Non-Demand, General Service Demand, General Service Large Demand, and Residential Service rate classes is reasonable and shall be approved. Based on our review of the plan, it appears that the company will meet the remaining requirements of Rule 25-6.0437, Florida Administrative Code.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light Company's request for a waiver of certain requirements of Rule 25-6.0437, Florida Administrative Code, as described in the body of this Order, is approved. It is further

ORDERED that Florida Power & Light Company's Load Research Plan as filed on December 10, 1996, is approved. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an



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appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket shall be closed.

By ORDER of the Florida Public Service Commission, this 7th day of April, 1997.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

by: Kay Hegan  
Chief, Bureau of Records

( S E A L )

VDJ

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 28, 1997.

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 substantially 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.