

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of  
Wireless Internet Service (WIS-  
1) Rate and Service Agreement by  
Florida Power & Light Company.

DOCKET NO. 010443-EI  
ORDER NO. PSC-01-1544-TRF-EI  
ISSUED: July 25, 2001

The following Commissioners participated in the disposition of  
this matter:

E. LEON JACOBS, JR., Chairman  
J. TERRY DEASON  
LILA A. JABER  
BRAULIO L. BAEZ  
MICHAEL A. PALECKI

ORDER APPROVING WIRELESS INTERNET ELECTRIC SERVICE  
RATE AND SERVICE AGREEMENT

BY THE COMMISSION:

On April 5, 2001, Florida Power & Light Company (FPL) submitted a new Wireless Internet Service (WIS-1) Rate and Service Agreement. At the May 29, 2001, Agenda Conference the Commission suspended FPL's proposed WIS-1 rate to allow staff additional time to conduct discovery.

FPL filed the WIS-1 rate as a result of a complaint filed by Metricom, Inc. (Metricom) against FPL on December 22, 2000. See Docket No. 001814-EI. In its complaint, Metricom alleged that FPL violated Sections 366.03 and 366.06(2), Florida Statutes, by refusing to offer Metricom adequate and efficient electric service at fair and reasonable rates.

Metricom provides a wireless communications service that enables users of portable and desktop computers to have continuous mobile access to the internet. This service requires the placement of Microcell Radios (radios) throughout the service area. The radios are shoebox-sized transceivers that are mounted on street light arms. The radios consume a small, predictable amount of

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electricity. Metricom will use FPL-approved contractors to install and maintain the radios.

Metricom requested service from FPL in 1999. FPL indicated that Metricom's radios would be provided service under the General Service - Non Demand (GS-1) rate schedule. Under the GS-1 rate, each radio would be billed as a separate account, and a customer charge would be assessed to each account. Metricom states that it plans to install approximately 3,500 radios in FPL's service territory. Metricom asserted in its complaint that separately billing each radio under the GS-1 rate would result in excessive and unreasonable charges.

Subsequent to Metricom's complaint, FPL and Metricom engaged in further negotiations. On April 6, 2001, Metricom filed a Notice of Voluntary Dismissal of its complaint against FPL following FPL's filing of the WIS-1 rate.

The Commission has jurisdiction over the subject matter pursuant to Sections 366.04, 366.05(1), and 366.06, Florida Statutes.

At our June 25, 2001, Agenda Conference, FPL agreed that for purposes of clarity the new service should be called the Wireless Internet Electric Service (WIES-1).

FPL's proposed WIES-1 rate is a new optional rate that is available for wireless internet devices whose usage is constant and predictable. Service under the rate will be unmetered.

The proposed rate includes the following bill components: (1) a non-fuel energy charge (energy charge) of 19.152 cents per kilowatt hour (kWh); (2) all otherwise applicable GS-1 adjustment clause charges; and (3) all applicable taxes. Customers taking service under the WIES-1 rate will not be assessed a customer charge.

The WIES-1 rate is designed to provide qualifying customers such as Metricom with savings relative to the otherwise applicable GS-1 rate. Under the GS-1 rate, the monthly bill (excluding taxes) for one internet device is \$7.70 including the GS-1 customer charge of \$6 for unmetered service. Under the WIES-1 rate, the monthly

bill for one internet device will total \$4.70. These bills are based on the estimated 20 kWh per month consumption for the radio.

The WIES-1 energy charge is 15 cents per kWh higher than the GS-1 energy charge. This difference in the energy charge is designed to recover the incremental customer-related costs FPL projects to incur as a result of this new rate schedule, and represents the customer component of the WIES-1 rate. FPL provided documentation which identifies the incremental customer-related costs. These costs include annual recurring costs such as account manager's set-up time, tariff administration, and postage. In addition to recurring costs, FPL states that it will incur an initial one-time cost of \$27,140 to program its billing system to accommodate a new class of customers.

FPL's analysis shows that the customer component of revenues is expected to equal the incremental customer-related costs if sales reach 360,000 kWh in year 3. According to FPL, Metricom has represented that it will install the internet devices over a three-year period, and that a consumption of 360,000 kWh in year 3 is consistent with the minimum projections in their business plan. To achieve this consumption level, Metricom must install 1,500 radios.

As a result of the phased installation, FPL believes that the revenues from the customer component of the WIES-1 rate during the first two years may not be adequate to cover all the customer-related costs FPL projects to incur. However, FPL is willing to accept Metricom's representation that the minimum usage will be achieved within three years. To protect the general body of ratepayers from subsidizing a below-cost rate indefinitely, FPL included language in the tariff stating that it may petition the Commission to withdraw this rate schedule and transfer any existing customers to the otherwise applicable rate schedule if the total energy sales under this rate do not reach 360,000 kWh by June 2004.

Service under the WIES-1 will be unmetered. For billing purposes, the monthly usage for each internet device will be the greater of 20 kWh or an estimate based upon information provided by the customer. Metricom, for example, provided information that shows that its internet devices consume on average 19.184 kWh per month. The proposed tariff requires FPL to meter sample points of the customers' devices. In the event that FPL's sample metering

does not support the information on usage provided by the customer, FPL may adjust the kWh consumption for billing purposes to reflect the results of the sample metering.

Customers taking service under the WIES-1 rate will be billed under the provision for summary billing contained in FPL's current tariff sheet No. 6.060. This provision allows customers with ten or more accounts to request a summary bill statement for all accounts included in the summary bill. Individual account information is attached as backup information. Metricom, for example, will receive a summary bill statement for every 100 internet devices.

Based on its review of the cost data provided by FPL, we believe that the proposed rate is reasonable for these unique devices. Therefore, we find that FPL's proposed new tariff is approved, effective June 25, 2001.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light Company's proposed new Wireless Internet Electric Service (WIES-1) Rate and Service Agreement is approved. It is further

ORDERED that Florida Power & Light Company's Wireless Internet Electric Service (WIES-1) Rate and Service Agreement shall be effective as of June 25, 2001. It is further

ORDERED that if a protest is filed within 21 days of issuance of the Order, the tariff shall remain in effect with any charges held subject to refund pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

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By ORDER of the Florida Public Service Commission this 25th  
day of July, 2001.

BLANCA S. BAYÓ, Director  
Division of the Commission Clerk and  
Administrative Services

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records and Hearing  
Services

( S E A L )

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NOTICE OF FURTHER PROCEEDINGS

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 Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal

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proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 15, 2001.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

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.