

In re: Petition for extension  
of Conservation Research and  
Development Program by Florida  
Power & Light Company.

DOCKET NO. 020897-EG  
ORDER NO. PSC-02-1447-PAA-EG  
ISSUED: October 21, 2002

The following Commissioners participated in the disposition of  
this matter:

LILA A. JABER, Chairman  
J. TERRY DEASON  
BRAULIO L. BAEZ  
MICHAEL A. PALECKI  
RUDOLPH "RUDY" BRADLEY

NOTICE OF PROPOSED AGENCY ACTION

ORDER APPROVING EXTENSION OF CONSERVATION RESEARCH  
AND DEVELOPMENT PROGRAM BY FLORIDA POWER & LIGHT COMPANY

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 May 8, 2000, we approved Florida Power and Light Company's  
(FPL) "Demand Side Management Plan for the 2000's" in compliance  
with Order No. PSC-99-1942-FOF-EG in Docket No. 971004-EG. This  
plan contains 21 programs including six research and development  
(R&D) programs. One of the R&D programs approved was to extend the  
Conservation Research and Development Program (CRD Program) for one  
year, through December 31, 2002, and keep the existing spending cap  
of \$1,500,000. This program was first approved in 1990 in Order  
No. 23560. Since then, we have approved modifications to the CRD  
Program in five separate Orders. The CRD Program is intended to  
serve as an umbrella program for the research and development of  
promising conservation technologies. Because approval for this

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program will end this year, FPL filed a petition on August 16, 2002, to extend the CRD program. We have jurisdiction to consider this matter pursuant to Section 366.82(2), Florida Statutes.

FPL's petition states that it needs to continue the CRD program in order to maintain ongoing research to determine if demand side concepts can be developed into programs available to FPL's customers. In addition, FPL contends that the CRD program should continue in order to respond to emerging cost-effective demand side management technologies. Further, an extension of the CRD Program would allow FPL to collect data that is needed to measure the cost-effectiveness of these new technologies. FPL's activities under the CRD program have resulted in recent petitions for approval of several new conservation programs. These include the BuildSmart and the C/I Building Envelope Program, both of which have been approved by this Commission.

FPL seeks an extension of the CRD Program until December 31, 2003. However, FPL does not seek to increase the current \$1,500,000 expenditure cap for the CRD Program, and no cost effectiveness tests were performed for this program extension. Because of the research nature of the program, no direct demand or energy reductions are quantifiable. However, we find that this program does advance the policy objectives of the Florida Energy Efficiency and Conservation Act (FEECA) through the development of demand side measures.

Accordingly, this program extension shall be approved, and FPL shall be allowed to recover reasonable and prudent expenditures up to the limits previously discussed for the CRD Program through the energy conservation cost recovery clause.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light's Petition seeking an extension of its Conservation Research and Development Program is hereby approved. It is further

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

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of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is 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 the date set forth in the "Notice of Further Proceedings" 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 21st day of October, 2002.

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

By: \_\_\_\_\_

  
Kay Flynn, Chief  
Bureau of Records and Hearing  
Services

( S E A L )

LAH

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 that is available under Section 120.57, 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 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. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal 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 November 11, 2002.

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/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.