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January 9, 1997

Ms. Blanca S. Bayó, Director  
Division of Records and Reporting  
Florida Public Service Commission  
Betty Easley Conference Center  
2540 Snumard Oak Boulevard  
Tallahassee, Florida 32399-0850

970054-EI

**Re: Florida Power & Light Company's Application  
for a Waiver of Certain Requirements of Rule 25-6.0437,  
F.A.C., as They Apply to FPL's General Service  
Non-Demand Rate Class and Other Rate Classes**

Dear Ms. Bayó:

Enclosed for filing are the original and fifteen copies of the above-referenced Application. An additional copy is also enclosed, which I would appreciate having date-stamped as "filed" and returned to me in the enclosed postage-paid envelope. Please also note on this copy the assigned docket number. Thank you.

Very truly yours,

David L. Smith  
Senior Attorney

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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

Application of Florida Power & Light  
Company for a Waiver of Certain  
Requirements of Rule 25-6.0437, F.A.C.,  
as They Apply to FPL's General Service  
Non-Demand Rate Class and Other Rate  
Classes )  
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Docket No. \_\_\_\_\_  
Filed: January 10, 1997

APPLICATION

Pursuant to Rules 25-6.0437(3) and 25-22.036(3), F.A.C., Florida Power & Light Company ("FPL") hereby applies to the Florida Public Service Commission ("Commission") for a waiver of certain requirements of Rule 25-6.0437(3), (6) and (7) as they apply to certain FPL rate classes, including the General Service Non-Demand ["GS(T)"]<sup>1</sup> rate class. In addition, FPL requests approval of its Load Research Sampling Plan as filed on December 10, 1996, for the GS(T), General Service Demand ["GSD(T)"]<sup>2</sup>, General Service Large Demand ["GSLD(T)"]<sup>3</sup> and Residential Service ["RS(T)"]<sup>4</sup> rate

<sup>1</sup> The GS(T) rate class encompasses Rate Schedules GS-1, General Service Non-Demand, and GST-1, General Service Non Demand - Time of Use (Optional); these Rate Schedules apply to commercial customers with monthly electrical demands of 20 kilowatts or less.

<sup>2</sup> The GSD(T) rate class encompasses Rate Schedules GSD-1, General Service Demand, and GSDT-1, General Service Demand - Time of Use (Optional); these Rate Schedules apply to commercial and industrial customers with monthly electrical demands in excess of 20 kilowatts but less than 500 kilowatts.

<sup>3</sup> The GSLD(T) rate class encompasses Rate Schedules GSLD-1, General Service Large Demand, and GSLDT-1, General Service Large Demand - Time of Use (Optional); these Rate Schedules apply to commercial and industrial customers with monthly electrical demands of 500 kilowatts but less than 2,000 kilowatts.

<sup>4</sup> The RS(T) rate class encompasses Rate Schedules RS-1, Residential Service, and RST-1, Residential Service - Time of Use (Optional).

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classes. Any pleading, motion, notice, order or other document required to be served in this proceeding or filed by any other party to this proceeding should be forwarded to the following individuals:

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Vice President  
Regulatory Affairs Department  
Florida Power & Light Company  
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In support of this Application, FPL states as follows:

#### A. BACKGROUND

1. Subsections (1), (6) and (7) of Rule 25-6.0437 require each investor-owned electric utility in Florida which had gross annual retail sales of 500 GWH or more in 1983 to (a) submit a current, revised sampling plan not less than every two years after such utility's initial sampling plan has been approved by the Commission, and (b) perform a complete load research study in accordance with the Rule's specifications not less often than every two years after December 31, 1985, and submit to the Commission the results of each such study within 120 days of the study's completion. FPL submitted its most current Sampling Plan on December 10, 1996. In that transmittal (at page 3), FPL indicated its intention to apply for a waiver of the  $\pm 10\%$  relative accuracy at the 90% confidence level, mandated by Rule 25-6.0437(3), as it would pertain to FPL's GS(T) Rate Class for FPL's 1995 winter peak demand. The GS(T) Rate Class sample size in FPL's



December 10, 1996 filing was based upon a  $\pm 15\%$  relative accuracy with relation to FPL's winter coincident peak statistics. In the same transmittal (at page 1), FPL also indicated its desire to continue to use a three-year replacement cycle for its load research samples for all sampled rate classes, as approved by the Commission in December 1994 (Order No. PSC-94-1501-FOF-EI).

2. The GS(T), GSD(T), GSLD(T) and RS(T) rate classes account for more than one percent of FPL's annual retail electric sales and are therefore required to be included in the sampling plan pursuant to subsection (3) of Rule 25-6.0437. The remaining rate classes which account for more than one percent of FPL's annual retail electric sales are 100% metered with recording meters and therefore do not require sampling.

3. Subsection (3) of Rule 25-6.0437 allows utilities to request a waiver of the requirements identified in paragraph 1 above for any specific rate class.

#### **B. RELATIVE ACCURACY CRITERION**

4. FPL's Load Research Sampling Plan filed on December 10, 1996, satisfies the sampling plan design requirement identified in paragraph 1 above for all classes specified in paragraph 2 above except the GS(T) rate class. The Load Research Sampling Plan is designed to provide an estimate of the GS(T) rate class' winter peak within  $\pm 15\%$  at the 90% confidence level. An accuracy change has been utilized in

FPL's 1986, 1988, 1990, 1992 and 1994 Sampling Plans; and the Commission has approved similar applications of FPL for waivers submitted in conjunction with these five previous Sampling Plans. The Load Research Sampling Plan filed by FPL on December 10, 1996, is designed to otherwise comply with the sampling-related requirements of Rule 25-6.0437.

5. FPL requests that the relative accuracy requirement of Rule 25-6.0437(3) be waived for the GS(T) rate class' winter peak as set forth in FPL's most-current Load Research Sampling Plan because of the following factors:

- (a) The GS(T) rate class' sample is designed to meet the Rule's  $\pm 10\%$  relative accuracy criterion for FPL's summer peak.
- (b) The GS(T) rate class' peak demand, which is used for cost-of-service studies, has occurred during the summer for the past five years.
- (c) During 1995, a 3.78% accuracy was achieved for the GS(T) rate class' twelve-month coincident peak average, which is also used for cost-of-service studies. (See Table 7 contained in FPL's December 10, 1996 filing of its Load Research Sampling Plan.) The 1996 GS(T) Sampling Plan is designed to achieve better than a  $\pm 10\%$  accuracy for this average.
- (d) The GS(T) rate class uses 6.9% of FPL's kWh for the four sampled rate classes but, at a 10% sampling accuracy, would require 61.0% of the samples for the same four sampled rate classes.

- (e) A GS(T) rate class sample size which would satisfy the Rule's relative accuracy criterion of  $\pm 10\%$  for FPL's winter peak would require 443 additional samples (a 110% increase) and would lead to an approximate increase of \$560,000 in metering expenses during the planned three-year life of the sample. These expenses are not cost-justified when one considers the factors enumerated in (a), (b), (c) and (d) above.
- (f) FPL's winter peaks have, for the last few years, been experienced during morning hours, and are driven by the Residential Service rate class.
- (g) Those FPL rate classes affected by Rule 25-6.0437, other than the GS(T) rate class, represent 91.1% of FPL's retail electric sales. (See Table 1 contained in FPL's December 10, 1996 filing of its Sampling Plan.) The Sampling Plan for those classes to be sampled will satisfy the winter peak 10% relative accuracy criterion of Rule 25-6.0437(3). Therefore, the primary purpose of Rule 25-6.0437 as specified in subsection (2) thereof – "that load research that supports cost of service studies used in ratemaking proceedings is of sufficient precision to reasonably assure that [FPL's retail electric] tariffs are equitable and reflect the true costs of [FPL's] serving each class of customer" – will be achieved.



### C. THREE-YEAR REPLACEMENT CYCLE

6. As noted above in paragraph 1 of this Application, FPL indicated in its December 10, 1996 Sampling Plan filing that it desires to continue to replace load research samples every three years (rather than every two years) as was previously approved by the Commission in Order No. PSC-94-1501-FOF-EI. FPL is hereby formally requesting a continued waiver of the two-year turnaround indicated by the Commission in that Order to be contemplated by Rule 25-6.0437(6) and (7) for all components of utilities' sampling plans and load research studies. Per the Commission's instruction in that Order, FPL has monitored customers' migration out of general service demand classes to nonfirm rates and to real time pricing. As indicated in FPL's December 10, 1996 Sampling Plan filing (at pages 1-2), none of the customers in the GSD(T) and GSLD(T) samples installed in 1995 have migrated to nonfirm and real time pricing rate classes.

7. FPL is seeking approval of its continued use of the three-year replacement cycle for the same reasons as those which convinced the Commissions to grant such approval in Order No. PSC-94-1501-FOF-EI:

- (a) FPL Cost Savings – A significant operation and maintenance cost associated with FPL's rate load research sample points is the cost of installation and removal of recording meters (SSDRs). A three-year cycle would spread out FPL employees' workload by

eliminating approximately 1,000 installation/removal activities every six years; and approximately \$300,000 would be saved over that time period.

- (b) Rate Class Stability – The GS(T), GSD(T), GSLD(T) and RS(T) sampled rate classes have been sufficiently stable to justify a one-year extension in the replacement cycle.
- (c) Continuous Sampling – In order to obtain the data needed for the development and evaluation of rates, FPL collects and analyzes rate load research data every year (rather than every other year, as is done by some utilities). The most current data are always available. The change being proposed would add only one year to the time that a sample point may be used.
- (d) Invalid Samples Are Replaced – To maintain randomness, sample points are monitored and replaced as necessary (after all efforts are made to retain the original sample point), with alternates having a similar usage and location.
- (e) Reasonableness of a Three-Year Usage Period – Because FPL conducts continuous, on-going sampling, it is a reasonable alternative to continue the usage of sample points for a three-year period after first installation of an approved sampling plan. FPL will continue to submit sampling plans based on current load research data every two years as required by Rule 25-6.0437(3), (6) and (7).

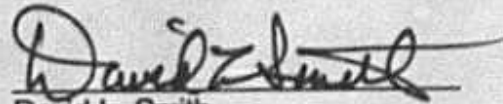


WHEREFORE, FPL respectfully requests the Commission to grant FPL a waiver of the above-specified requirements of Rule 25-6.0437 as they would otherwise apply to FPL's General Service Non-Demand rate class and to the other FPL rate classes specified herein, and to approve FPL's Load Research Sampling Plan as filed on December 10, 1996.

Dated this 9th day of January, 1997.

Respectfully submitted,

By:



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Attorney for Florida Power  
& Light Company