

STEEL
HECTOR
& DAVIS

INCORPORATED PARTNERSHIP

Steel Hector & Davis
215 South Monroe, Suite 1011
Tallahassee, Florida 32301-1904
850-222-2400
850-222-8410 Fax
www.steelhector.com

October 19, 1998

Charles A. Guyton
850-222-1424

Blanca S. Bayó, Director
Records and Reporting
Florida Public Service Commission
4075 Esplanade Way, Room 110
Tallahassee, Florida 32399-0850

By Hand Delivery

**RE: FPL/Extension of Experimental Real Time
Pricing Rate, Rate Schedule RTP-GX**

981356-EG

Dear Ms. Bayó

Enclosed for filing on behalf of Florida Power & Light Company (FPL) are the original and fifteen (15) copies of the Petition For Extension of Florida Power & Light Company's Experimental Real Time Pricing Rate, Rate Schedule RTP-GX. Please note that attached to the petition are tariff sheet revisions for two applicable tariff sheets. The tariff sheet revisions are intended to implement the requested extension. No other changes to tariff sheets are involved and none of the other information mentioned by Rule 25-9.005 as information to accompany rate filings is applicable.

If you or your Staff have any questions regarding this filing, please contact me at 222-2300.

RECEIVED & FILED
[Signature]
FPSO BUREAU OF RECORDS

Very truly yours,

[Signature: Charles A. Guyton]
Charles A. Guyton

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Power & Light)
Company For Extension of Experimental Real)
Time Pricing Rate, Rate Schedule RTP-GX)

Docket No.
Filed: October 19, 1998

PETITION FOR EXTENSION OF
FLORIDA POWER & LIGHT COMPANY'S
EXPERIMENTAL REAL TIME PRICING RATE,
RATE SCHEDULE RTP-GX

Florida Power & Light Company ("FPL"), pursuant to Sections 366.06 and 366.075, Florida Statutes (1997) and Florida Administrative Code Rule 28-106.301, hereby petitions the Florida Public Service Commission ("Commission") to extend FPL's Experimental Real Time Pricing Rate, Rate Schedule RTP-GX, through December 2000. The grounds for this Petition are

1. The name and the address of the affected agency are:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

2. FPL's address is 9250 West Flagler Street, Miami, FL 33174. Correspondence, notices, orders and other documents concerning this Petition should be sent to

Charles A. Guyton
Steel Hector & Davis LLP
Suite 601
215 S. Monroe St.
Tallahassee, FL 32301
(850) 222-2300

William G. Walker, III
Vice President, Regulatory Affairs
Florida Power & Light Company
9250 W. Flagler Street
Miami, FL 33174
(305) 552-4981

DOCUMENT FILED DATE

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FLORIDA PUBLIC SERVICE COMMISSION

3. On October 11, 1994 the Commission issued Order No. PSC-94-1232-FOF-EG approving FPL's experimental real time pricing rate, Rate Schedule RTP-GX, as part of a four year real time pricing research program. Rate Schedule RTP-GX has been effective since February 1, 1995 and shall terminate on December 31, 1998, absent further Commission action. As originally proposed, Rate Schedule RTP-GX was an experimental commercial/industrial rate schedule that provided hourly marginal energy prices and was limited to 50 of the 150 potentially eligible customers whose maximum monthly demand was 1,500 kW or greater. The purpose of FPL's real time pricing research program has been to examine customer reaction to marginal price signals. FPL believes that customers will respond to high hourly marginal cost based energy prices by shifting their load and that the resulting peak demand reductions will make the real time pricing rate a cost-effective conservation program.

4. In approving Rate Schedule RTP-GX, the Commission observed that FPL should be allowed to implement its experimental real time pricing research program to collect operating data to support its contention that real time pricing is a conservation program.

We believe that FPL should, however, be granted the opportunity to implement the experimental RTP program pursuant to the amended petition. FPL should be afforded the opportunity to collect the actual operating data needed to support its contention that RTP is a conservation program and should be approved for cost recovery through the ECCR clause.

For these reasons, we approve Florida Power and [sic] Light Company's amended petition to implement the experimental real time pricing RTP-GX rate schedule.

Order No. PSC-94-1232-FOF-EG, at 4.

5. In November 1995, FPL petitioned the Commission to modify Rate Schedule RTP-GX to extend eligibility from customers with billing demands of 1500 kW or larger to customers

with billing demands of 1,000 kW or larger. FPL's experience under Rate Schedule RTP-GX as originally approved had been that not enough customers were signing up for FPL to gather sufficient data to conduct its real time pricing research. FPL had only 4 customers signed for the rate schedule when FPL petitioned to modify the rate. FPL proposed to lower the demand limit governing availability to increase the number of customers taking service. The Commission agreed to the rate change, and in Order No. PSC-96-0027-FOF-EI, issued on January 8, 1996, the Commission approved FPL's proposed modification to Rate Schedule RTP-GX. Much of the remainder of 1996 was spent signing customers under the rate schedule. By year end 1996, FPL had signed 39 customers for its experimental Rate Schedule RTP-GX.

6. Since the end of 1996 when FPL had secured adequate numbers of customers taking service under Rate Schedule RTP-GX to conduct a meaningful experiment, FPL has not experienced sufficient extreme load conditions on its system which have allowed FPL to gather the data necessary to measure customer responses to Rate Schedule RTP-GX's marginal cost based pricing. By way of illustration, FPL had only one load control event (for fifteen minutes) in 1997 and has had nine such events in 1998. It is at times of extreme system load conditions, typical of when customers would be controlled, that the marginal cost based pricing under Rate Schedule RTP would increase significantly and allow measurement of customer response.

7. Because of the difficulty of initially signing sufficient numbers of customers under Rate Schedule RTP-GX and the subsequent limited extreme system load conditions, FPL does not have sufficient data to draw conclusions regarding customer reaction to the marginal cost based pricing under Rate Schedule RTP-GX. Consequently, FPL seeks to extend the operation of its experimental Rate Schedule RTP-GX through December 2000.

8. Extension of experimental Rate Schedule RTP-GX through December 2000 would permit the originally proposed four years for this research effort, consistent with the original intent of the experimental rate offering. When FPL filed its real time pricing experimental program in 1994, it envisioned a four year experiment. Difficulty in signing up customers and load conditions in 1997 have resulted in FPL having only one good year of data (1998). Extension of Rate Schedule RTP-GX through December 2000 should allow FPL sufficient data to complete its experimental rate offering.

9. To accomplish the extension of the experimental offering of Rate Schedule RTP-GX and to allow for an orderly termination of the experiment, FPL has proposed two changes to its Tariff. First, it proposes to amend Tariff Sheet No. 8.620 so that the AVAILABILITY section reads that service under this experimental schedule shall terminate on December 31, 2000 instead of December 31, 1998, unless extended by order of the Commission. Second, FPL proposes to amend the Tariff Sheet No. 8.624 so that the TERM OF SERVICE provision is clearer that service may be terminated before the end of an annual service term if Rate Schedule RTP-GX is not extended beyond December 31, 2000. Copies of the revised tariff sheets for which FPL seeks approval are attached in final and legislative format as Attachments A and B, respectively.

10. FPL is not aware of any disputed issues of material facts. This petition is not in response to a prior agency decision, so the petitioner cannot state when and how it "received notice of the agency decision." The extension of Rate Schedule RTP-GX through December 2000 should be approved. FPL is entitled to relief under Sections 366.06, 366.075, Florida Statutes (1997)


WHEREFORE, FPL respectfully petitions the Commission to approve an extension of FPL's Rate Schedule RTP-GX through December 2000 and approve Second Revised Sheet No. 8 620 and Second Revised Sheet No. 8 624 attached to this petition

Respectfully submitted,

STEEL HECTOR & DAVIS LLP
215 S. Monroe St., Suite 601
Tallahassee, Florida 32301-1804

Attorneys for Florida Power
& Light Company


By


Charles A. Guyton

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Petition For Extension Of Florida Power & Light Company's Experimental Real Time Pricing Rate, Rate Schedule RTP-GX was mailed this 19th day of October, 1998 to the following:

Jack Shreve, Esquire
Office of Public Counsel
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400



Charles A. Goyton

TAL/25987-1

REAL-TIME PRICING - GENERAL SERVICE
(OPTIONAL EXPERIMENTAL SCHEDULE)

RATE SCHEDULE RTP-GX:

AVAILABLE:

In all territory served. This is an experimental rate available through the execution of a Real Time Pricing Program Agreement with FPL. Availability is limited to 50 customers, with priority established based on the date that the Agreement is executed by both the Customer and FPL.

Service under this experimental schedule shall terminate on December 31, ~~1998~~ 2000, unless extended by order of the Florida Public Service Commission.

APPLICATION:

For electric service provided to any Customer served under Schedule GSLD-2, GSLDT-2, GSLD-3 or GSLDT-3 and to any Customer served under Schedule GSLD-1 or GSLDT-1 with a measured demand of at least 1000 kW during the historical period used for CBL development. The Customer shall enter into a Real Time Pricing Program Agreement with FPL for service under this schedule.

SERVICE:

Three phase, 60 hertz at any available standard voltage.

Transformation Rider - TR, where applicable, shall only apply to the Customer's Maximum Demand for the period represented in the Customer Baseline Load (CBL) for delivery voltages below 69 kv. Standby Service is not available hereunder. Resale of service is not permitted hereunder.

REAL-TIME PRICING:

Customers participating in Real Time Pricing service under Schedule RTP-GX purchase energy at hourly prices that are based on FPL's projected hourly marginal costs. Hourly prices for energy are posted by FPL on a day-ahead basis, or on the last business day prior to weekends and holidays. In addition to the Usage Charge, RTP-GX service includes a monthly Access Charge and an Administrative Charge.

The RTP Access Charge is customer-specific and is calculated such that each Customer's monthly bill under RTP-GX is equal in amount to the bill which would otherwise have been generated under the Customer's otherwise applicable rate schedule for the energy consumption identical to the Customer's CBL. The Customer's monthly bill under RTP-GX will vary from this billing amount only as a result of consumption which varies from the Customer's CBL as measured on an hourly basis.

(Continued on Sheet No. 8.621)

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(Continued on Sheet No. 8.621)

(Continued from Sheet No. 8.623)

(For each month, the "Load Change" is calculated as the difference between the Customer's total actual usage for the month and the total usage represented by the CBL for the month. When the absolute value of the Load Change exceeds 10% of the total usage reflected in the CBL for that month, a Usage Adjustment will be made to all hours of the CBL for that month, as follows:

$$CBL_1 = CBL_0 \times [1 + (A\text{-factor} \times \text{Load Change} / CBL_0)]$$

where:

- CBL_1 = the new CBL for that month, for use in the next RTP Service Year
- CBL_0 = the current CBL for that month, as used in the current RTP Service Year, as adjusted for adjustments 1 - 4 above
- A-Factor = the adjustment factor, currently equal to 0.50
- Load Change = the difference in that month between the Customer's total usage for the month and the total usage represented by the CBL.

The Annual Usage Adjustment shall not result in any downward usage adjustment greater than 20% of the CBL.)

TERM OF SERVICE:

Service under Schedule RTP-GX is for an initial term of one year and is renewable on an annual basis, subject to termination. Service under this experimental schedule shall terminate on December 31, 2000 unless extended by order of the Florida Public Service Commission. Customers may terminate service under this schedule upon sixty (60) days' written notice to FPL. In addition, failure by a Customer to renew service during the annual renewal period (the last month of each contract term) shall constitute voluntary termination of service under this schedule. FPL may terminate program participation at any time for failure to comply with any of the provisions of this schedule or the Real Time Pricing Program Agreement, after giving the Customer 30 days' notice to comply. Once participation in this program is terminated by the Customer or FPL, a Customer is not eligible to participate again for the duration of the Real Time Pricing experiment.

SPECIAL PROVISIONS:

1. If there is a change in the legal identity of the Customer receiving RTP-GX service, service under this schedule will be terminated unless a new Real Time Pricing Program Agreement, including agreement on an appropriate CBL, is executed.
2. If the Customer's actual load exceeds the CBL by an amount which requires FPL to install additional local facilities to serve the Customer, the Customer will be responsible for any such costs incurred by the Company.
3. The "otherwise applicable rate" for each Customer is defined as the rate under the which the Customer was being billed immediately prior to taking service under Schedule RTP-GX. The "otherwise applicable rate" must be one of the rates listed under APPLICATION. The Fuel Charge, Conservation Charge, Capacity Payment Charge, Oil Backout Charge, and Environmental Cost Recovery Clause are only applicable to the calculation of the RTP Access Charge and as defined in the Customer's otherwise applicable rate schedule.

RULES AND REGULATIONS:

Service under this schedule is subject to orders of governmental bodies having jurisdiction and to the currently effective "General Rules and Regulations for Electric Service" on file with the Florida Public Service Commission. In case of conflict between any provision of this schedule and said "General Rules and Regulations for Electric Service" the provision of this schedule shall apply.

(Continued from Sheet No. 8.623)

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