

ORIGINAL

8/13/01



From the Desk of the
"Agency Head"

Harold McLean,
I wanted to
be sure you had
a copy of this.
Don't think you can
export on sub 2?

cc: Blanca
Milenta

Mr. T

Item 23

8/14/01
agenda

Docket # 010561-EI

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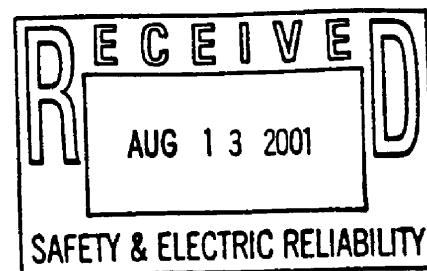
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FPSC-COMMISSION CLERK

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AUG 13 2001
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MEMORANDUM



TO: Bob Elias, Mark Futrell, Tom Ballinger
FROM: Charlie Guyton
RE: FPL's Proposed On Call Pilot Project
DATE: August 13, 2001

As you know from our meeting with you on Thursday, FPL is interested in pursuing revisions to the requested rule waiver and pilot that would make FPL's request more acceptable to the Staff. In that regard, we offer the following alternatives.

First, without accepting Staff's legal conclusion regarding FPL's waiver request, FPL offers the following alternative. Rather than providing all residential customers with a notice that FPL is conducting an On Call experiment, FPL proposes to provide an advance notice only to the 750 existing On Call customers who would be transferred to the new experimental rate. Those customers would receive a notice that their incentives had been lowered. Then, as inheritors and new On Call customers inquire about On Call, randomly selected groups will be told about On Call at the reduced incentives. This alternative would provide notice and remove the need for a waiver of the notice provision. Such a notice would not bias the results of the research, and it should give FPL just the data it needs to conduct a valid experiment.

Second, since alternate Staff has a concern about customers not being told that they would ultimately be made whole after the experiment, FPL is willing to change its filed experimental rate so that the make whole provision is removed. This would not result in undue discrimination, for there is a valid research rationale for charging two separate rates.

If either or both of these alternatives are acceptable to Staff and would cause Staff to change its recommendation to a positive recommendation on Issue 1 and Alternate Staff to a positive recommendation on Issue 2, then FPL is prepared to agree to either or both of these changes. However, given timing constraints, it is important for the Commission to consider this matter at the August 14th Agenda Conference, so we ask that this matter not be deferred. Please call me at 222-2300 if you have any questions, and thank you for your consideration.