



Public Service Commission

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COMMISSION CLERK
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DATE: JULY 25, 2002

TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK & ADMINISTRATIVE SERVICES (BAYÓ)

FROM: DIVISION OF ECONOMIC REGULATION (E. DRAPER)
OFFICE OF THE GENERAL COUNSEL (ECHTERNACHT)

DR
ED
Walt

RE: DOCKET NO. 020562-EI - PETITION TO ALLOW CUSTOMER-OWNED STREET LIGHT MONITORING SYSTEMS TO TAKE SERVICE UNDER THE SL-1 RATE BY FLORIDA POWER & LIGHT COMPANY.

AGENDA: 8/06/02 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: 9/21/02

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\020562A.RCM

CASE BACKGROUND

On June 5, 2002, Florida Power & Light Company (FPL) submitted a proposed tariff revision to allow customer-owned street light monitoring systems to take service under the Street Lighting (SL-1) rate.

The City of Stuart (City) purchased 40 street light monitoring devices that, when installed on light fixtures, allow the City to remotely monitor whether a photocell and/or lamp is on or off. The devices consume a small and predictable amount of electricity.

Subsequent to the purchase of the devices, the City indicated to FPL that it wanted to find a cost-effective way to purchase electricity from FPL for the devices. The discussions resulted in the proposed tariff revision in this docket.

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In its initial request, FPL indicated to staff that the City would pay FPL the full cost of installing the devices on the streetlights. On the basis of that representation, staff filed a recommendation for the July 23, 2002, Agenda Conference. On July 22, 2002, FPL contacted staff and indicated that the arrangement with the City had been modified, and that now the City would not be liable for the installation costs. Because of this change, staff withdrew its recommendation from the July 23, 2002, Agenda Conference and FPL filed a modified request on July 23, 2002. This recommendation addresses the modified request.

The Commission has jurisdiction pursuant to Sections 366.04 and 366.06, Florida Statutes.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve FPL's proposal to allow customer-owned street light monitoring systems to take service under the Street Lighting (SL-1) rate?

RECOMMENDATION: Yes. The Commission should approve FPL's proposal to allow customer-owned street light monitoring systems to take service under the Street Lighting (SL-1) rate. (E. DRAPER)

STAFF ANALYSIS: On June 5, 2002, FPL submitted a proposal to allow customer-owned street light monitoring systems to take service under the SL-1 rate.

The proposal was filed in response to the City's desire to cost-effectively purchase the small amount of electricity used by a street light monitoring system. The street light monitoring system will consist of 40 small devices that will be mounted on FPL's street light fixtures. The devices transmit information regarding the operation of the photocell and the lamp to a local antenna, which in turn sends the data to a central computer system. This allows the City to remotely monitor the performance of its street lights. The need to patrol or rely on citizens to report malfunctioning lights is therefore eliminated.

Customers will be charged the current SL-1 non-fuel energy charge of 2.060 cents per kilowatt-hour (kWh), all otherwise applicable SL-1 adjustment clause factors, and all applicable taxes. Customers taking service under the SL-1 rate are not assessed a customer charge.

Service under the SL-1 rate will be unmetered. For billing purposes, the monthly usage of the devices will be estimated based upon information provided by the customer. The minimum monthly billed kWh per device will be 1 kWh, and the maximum will be 5 kWh.

In this instance FPL will not charge the City for the installation of the 40 monitoring devices. According to information provided by FPL and reviewed by staff, the cost to install the 40 devices is \$875. In return for installing the devices at no cost, FPL will have full access to the information provided by the City's street light monitoring system. This will allow FPL to evaluate the system and analyze the data it provides. Under the normal operation of FPL's tariff, the customer is

required to reimburse the utility for such costs. However, in this instance, because FPL will obtain a benefit and the cost to install the devices is minimal, staff believes that FPL's arrangement with the City is appropriate.

Staff believes that allowing customer-owned street light monitoring systems that use a minimal amount of energy to take service under the SL-1 rate is appropriate. Requiring customers to purchase electricity under the otherwise applicable General Service Non-Demand (GS-1) rate would be cost prohibitive. Under the GS-1 rate, in addition to the non-fuel energy charge, the City would pay a \$5.58 customer charge for unmetered service for each device. In addition, the low kWh usage of these monitoring devices does not justify the cost of creating a rate designed solely for this type of consumption. The proposal allows FPL to cost-effectively meet the needs of a municipality without negatively impacting the general body of ratepayers. For these reasons, staff recommends that FPL's proposal to allow customer-owned street light monitoring systems to take service under the SL-1 rate should be approved.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, if Issue 1 is approved, this tariff should become effective on August 6, 2002. If a protest is filed within 21 days of the issuance of the order, this tariff should remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order. (ECHTERNACHT)

STAFF ANALYSIS: If Issue 1 is approved, this tariff should become effective on August 6, 2002. If a protest is filed within 21 days of the issuance of the order, this tariff should remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.