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# Public Service Commission

November 7, 2003

Mr. Scott Boyd, Interim Director  
Joint Administrative Procedures  
Committee  
Room 120 Holland Building  
Tallahassee, FL 32399-1300

RECEIVED-FPSC  
NOV 10 AM 11:50  
COMMISSION  
CLERK

RE: Docket No. 030975-EI - Proposed Amendment of Rule 25-6.0437, F.A.C., Cost of Service Load Research

Dear Mr. Boyd:

Enclosed is an original copy of the following materials concerning the above referenced proposed rule:

1. A copy of the rule.
2. A copy of the F.A.W. notice.
3. A statement of facts and circumstances justifying the proposed rule.
4. A federal standards statement.
5. No statement of estimated regulatory costs was prepared.

If there are any questions with respect to this rule, please do not hesitate to call me.

Sincerely,

*Christiana T. Moore*  
Christiana T. Moore  
Associate General Counsel

AMEND0437.CTM  
Enclosures  
cc: Division of the Commission Clerk  
and Administrative Services

AUS  
CAF  
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DOCUMENT NUMBER 11190  
DATE NOV 10 2003

FPSC-COMMISSION CLERK

1 | 25-6.0437 Cost of Service Load Research.

2 |       (1) Applicability. This rule shall apply to all investor-  
3 | owned electric utilities over which the Commission has jurisdiction  
4 | and which provide electric service to more than 50,000 retail  
5 | customers at the end of any calendar year ~~had gross annual retail~~  
6 | ~~sales of 500 GWH or more in 1983.~~

7 |       (2) Purpose. The primary purpose of this rule is to require  
8 | that load research that supports cost of service studies used in  
9 | ratemaking proceedings is of sufficient precision to reasonably  
10 | assure that tariffs are equitable and reflect the true costs of  
11 | serving each class of customer. Load research data gathered and  
12 | submitted in accordance with this rule will also be used by the  
13 | Commission to allocate costs to the customer classes in cost  
14 | recovery clause proceedings, in evaluating proposed and operating  
15 | conservation programs, for research, and for other purposes  
16 | consistent with the Commission's responsibilities.

17 |       (3) Sampling Plan. Within 90 days of becoming subject to  
18 | this rule, each utility ~~All utilities subject to this rule shall,~~  
19 | ~~within 90 days of the effective date of this rule,~~ shall submit to  
20 | the Commission a proposed load research sampling plan. The plan  
21 | shall provide for sampling all rate classes that account for more  
22 | than 1 percent of a utility's annual retail sales. The plan shall  
23 | provide that all covered rate classes shall be sampled within two  
24 | years of the effective date of this rule. The sampling plan shall  
25 | be designed to provide estimates of ~~the summer and winter peak~~

CODING: Words underlined are additions; words in ~~struck~~  
~~through~~ type are deletions from existing law.

1 ~~demand by class~~ and the averages of the 12 monthly coincident peaks  
2 for each class within plus or minus 10 percent at the 90 percent  
3 confidence level. The sampling plan shall also be designed to  
4 provide estimates of the summer and winter peak demands for each  
5 rate class within plus or minus 10 percent at the 90 percent  
6 confidence level, except for the General Service Non-Demand rate  
7 class. The sampling plan shall be designed to provide estimates of  
8 the summer and winter peak demands for the General Service Non-  
9 Demand rate class within plus or minus 15 percent at the 90 percent  
10 confidence level Any utility subject to this rule may apply to the  
11 Commission to waive the requirements hereof for any specific  
12 covered rate class.

13 (4) Review of Proposed Plan. Except where a utility has  
14 requested a formal ruling by the Commission, within 90 days after  
15 submission, the Commission's Division of Economic Regulation  
16 ~~Electric and Gas Department~~ shall review each utility's plan to  
17 determine whether it satisfies the criteria set forth in Section 3  
18 above and shall notify the utility in writing of its decision  
19 accepting or rejecting the proposed sampling plan. If a proposed  
20 plan is rejected, the written notice of rejection shall state  
21 clearly the reasons for rejecting the proposed plan. If a  
22 utility's proposed plan is rejected the utility shall submit a  
23 revised sampling plan to the Commission within 60 days after  
24 receiving the notice of rejection. Where a utility has requested  
25 staff review of its sampling plan and the plan has been rejected

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1 the utility may petition the Commission for approval of the plan.  
2 If a utility has not submitted a satisfactory sampling plan within  
3 6 months following the submission of the initially proposed plan,  
4 the Commission may prescribe by order a sampling plan for the  
5 utility.

6 (5) Use of Approved Sampling Plan. The approved sampling  
7 plan shall be used for all load research performed for cost of  
8 service studies and other studies submitted to the Commission until  
9 a new sampling plan is approved by the Commission.

10 (6) Revised Sampling Plans. Each utility subject to this  
11 rule shall submit a current, revised sampling plan to the  
12 Commission no less often than every three ~~two~~ years after the most  
13 recent initial sampling plan was required to be submitted is  
14 ~~approved~~. Any new or revised plan shall be developed using data  
15 from the utility's most current load research to determine the  
16 required sampling plan to achieve the precision required in Section  
17 3 of this rule. New or revised plans shall be reviewed by the  
18 Commission pursuant to Section 4 of this rule.

19 (7) Load Research Data to be Reported. Each utility subject  
20 to this rule shall perform a complete load research study in  
21 accordance with the specifications of this rule ~~by December 31,~~  
22 ~~1985~~ and no less often than every three years ~~two years~~ thereafter.  
23 Each utility shall, within 120 days following completion of the  
24 study, submit to the Commission the results of each load research  
25 study completed after the effective date of this rule. The

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~~through~~ type are deletions from existing law.

1 submission shall include a detailed calculation of the average 12  
2 coincident peak and class load factors for each covered rate class  
3 based upon the load research results ~~This submission shall include~~  
4 ~~the hourly load data described in Section (8) for the residential~~  
5 ~~class. The load research results of each study shall be submitted~~  
6 ~~in a form prescribed by the Commission.~~

7 (8) Hourly Data to be Available Upon Request. Each utility  
8 subject to this rule shall make available within 30 ~~90~~ days of a  
9 request by the Commission the estimated hourly demands by class for  
10 all ~~8760~~ hours in the year derived from this Load Research.

11 Specific Authority: 366.05(1), F.S., 350.127(2), F.S.

12 Law Implemented: 350.117, 366.03, 366.04(2)(f), 366.05(1),  
13 366.06(1), 366.82(3)(4), F.S.

14 History: New 3/11/84, formerly 25-6.437, amended.

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17 Rule6-0437.ctm  
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NOTICE OF PROPOSED RULEMAKING

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030975-EI

RULE TITLE:

RULE NO.:

COST OF SERVICE LOAD RESEARCH

25-6.0437

PURPOSE AND EFFECT: To update the rule to reflect current need for information, to reduce the frequency of filing the load research studies, and eliminate reporting data that are no longer used.

SUMMARY: Requires investor-owned electric utilities subject to this rule to submit a current, revised load research sampling plan at least every three years and perform a complete load research study every three years.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 366.05(1), 350.127(2), F.S.

LAW IMPLEMENTED: 350.117, 366.03, 366.04(2)(f), 366.05(1), 366.06(1), 366.82(3)(4), F.S.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS:

Christiana T. Moore, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6098.

THE FULL TEXT OF THE PROPOSED RULE IS:

25-6.0437 Cost of Service Load Research.

(1) Applicability. This rule shall apply to all investor-owned electric utilities over which the Commission has jurisdiction and which provide electric service to more than 50,000 retail customers at the end of any calendar year had gross annual retail sales of 500 GWH or more in 1983.

(2) Purpose. The primary purpose of this rule is to require that load research that supports cost of service studies used in ratemaking proceedings is of sufficient precision to reasonably assure that tariffs are equitable and reflect the true costs of serving each class of customer. Load research data gathered and submitted in accordance with this rule will also be used by the Commission to allocate costs to the customer classes in cost recovery clause proceedings, in evaluating proposed and operating conservation programs, for research, and for other purposes consistent with the Commission's responsibilities.

(3) Sampling Plan. Within 90 days of becoming subject to

~~this rule, each utility~~ ~~All utilities subject to this rule shall,~~  
~~within 90 days of the effective date of this rule,~~ shall submit  
to the Commission a proposed load research sampling plan. The  
plan shall provide for sampling all rate classes that account for  
more than 1 percent of a utility's annual retail sales. The plan  
shall provide that all covered rate classes shall be sampled  
within two years of the effective date of this rule. The sampling  
plan shall be designed to provide estimates of ~~the summer and~~  
~~winter peak demand by class~~ and the averages of the 12 monthly  
coincident peaks for each class within plus or minus 10 percent  
at the 90 percent confidence level. The sampling plan shall also  
be designed to provide estimates of the summer and winter peak  
demands for each rate class within plus or minus 10 percent at  
the 90 percent confidence level, except for the General Service  
Non-Demand rate class. The sampling plan shall be designed to  
provide estimates of the summer and winter peak demands for the  
General Service Non-Demand rate class within plus or minus 15  
percent at the 90 percent confidence level ~~Any utility subject to~~  
~~this rule may apply to the Commission to waive the requirements~~  
~~hereof for any specific covered rate class.~~

(4) Review of Proposed Plan. Except where a utility has  
requested a formal ruling by the Commission, within 90 days after  
submission, the Commission's Division of Economic Regulation  
~~Electric and Gas Department~~ shall review each utility's plan to



determine whether it satisfies the criteria set forth in Section 3 above and shall notify the utility in writing of its decision accepting or rejecting the proposed sampling plan. If a proposed plan is rejected, the written notice of rejection shall state clearly the reasons for rejecting the proposed plan. If a utility's proposed plan is rejected the utility shall submit a revised sampling plan to the Commission within 60 days after receiving the notice of rejection. Where a utility has requested staff review of its sampling plan and the plan has been rejected the utility may petition the Commission for approval of the plan. If a utility has not submitted a satisfactory sampling plan within 6 months following the submission of the initially proposed plan, the Commission may prescribe by order a sampling plan for the utility.

(5) Use of Approved Sampling Plan. The approved sampling plan shall be used for all load research performed for cost of service studies and other studies submitted to the Commission until a new sampling plan is approved by the Commission.

(6) Revised Sampling Plans. Each utility subject to this rule shall submit a current, revised sampling plan to the Commission no less often than every three ~~two~~ years after the most recent initial sampling plan was required to be submitted is ~~approved~~. Any new or revised plan shall be developed using data from the utility's most current load research to determine the

required sampling plan to achieve the precision required in Section 3 of this rule. New or revised plans shall be reviewed by the Commission pursuant to Section 4 of this rule.

(7) Load Research Data to be Reported. Each utility subject to this rule shall perform a complete load research study in accordance with the specifications of this rule ~~by December 31, 1985~~ and no less often than every three years ~~two years~~ thereafter. Each utility shall, within 120 days following completion of the study, submit to the Commission the results of each load research study completed after the effective date of this rule. The submission shall include a detailed calculation of the average 12 coincident peak and class load factors for each covered rate class based upon the load research results ~~This submission shall include the hourly load data described in Section (8) for the residential class. The load research results of each study shall be submitted in a form prescribed by the Commission.~~

(8) Hourly Data to be Available Upon Request. Each utility subject to this rule shall make available within 30 ~~90~~ days of a request by the Commission the estimated hourly demands by class for all ~~8760~~ hours in the year derived from this Load Research. Specific Authority: 366.05(1), F.S., 350.127(2), F.S. Law Implemented: 350.117, 366.03, 366.04(2)(f), 366.05(1), 366.06(1), 366.82(3)(4), F.S.

History: New 3/11/84, formerly 25-6.437, amended\_\_\_\_\_.

NAME OF PERSON ORIGINATING PROPOSED RULE: David Wheeler

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULE:

Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: November 3, 2003

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW:

Volume 29, Number 27, July 3, 2003

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of the Commission Clerk and Administrative Services at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).

**STATEMENT OF FACTS AND CIRCUMSTANCES  
JUSTIFYING RULE**

The existing load research rule has been in effect since 1984, and has not been amended since that time. The Commission has granted several waivers of portions of the rule requirements. It is now appropriate to amend the rule based on the Commission's experience with the existing rule. For the most part, the changes to the rule streamline and ease reporting requirements. Because the results reported for the most recent load research cycles have relatively stable, the rule is amended to require the filing of sampling plans and results every three years, in lieu of the current two-year requirement. The proposed amendment to the precision requirement for the General Service Non-Demand (GS) rate class will decrease the number of sample meters required for the class. The GS class, because of its diversity, has always been problematic, and the Commission has granted several rule waivers that have allowed FPL to design their load research sampling plans for this relaxed precision requirement for the GS class.

The amendment will also eliminate the requirement that hourly load data for the residential class be submitted with the load research results. These data are not used by staff for any purpose at this time, and if they are needed, they must be provided at Commission request pursuant to paragraph 8 of the rule. The amendment adds one new requirement. The utilities would be required to file a calculation of the 12 coincident peak and class load factors for each rate class with their load research results. These load factors are applied in the capacity, conservation, and environmental cost recovery clauses to allocate costs to the rate classes. Because of the importance of these factors, they should be provided as a part of the load research results. Currently, staff must request the calculation of these load factors through the discovery process in each of the recovery clause proceedings. Filing the load factors with the load research results will be more efficient.

**STATEMENT ON FEDERAL STANDARDS**

There is no federal standard on the same subject.