

**BEFORE THE FLORIDA
PUBLIC SERVICE COMMISSION**

**DOCKET NO. 030623-EI
FLORIDA POWER & LIGHT COMPANY**

**IN RE: COMPLAINTS BY SOUTHEASTERN UTILITY
SERVICES, INC. (SUSI) ON BEHALF OF VARIOUS
CUSTOMERS, AGAINST FLORIDA POWER & LIGHT
COMPANY CONCERNING THERMAL DEMAND
METERS**

REBUTTAL TESTIMONY & EXHIBIT OF:

ROSEMARY MORLEY

DOCUMENT NUMBER - DATE
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2 **FLORIDA POWER & LIGHT COMPANY**
3 **REBUTTAL TESTIMONY OF ROSEMARY MORLEY**
4 **DOCKET NO. 030623-EI**
5 **AUGUST 16, 2004**
6

7 **Q. Please state your name and address.**

8 A. My name is Rosemary Morley. My business address is 9250 West Flagler Street,
9 Miami, Florida, 33174.

10 **Q. Have you previously filed testimony in this docket?**

11 A. Yes.

12 **Q. Have you prepared, or caused to be prepared under your direction,**
13 **supervision or control, an exhibit for this proceeding?**

14 Yes. I am sponsoring an exhibit, Document No. RM-4, that provides the refund
15 amounts plus interest for the accounts in this docket.

16 **Q. What is the purpose of your rebuttal testimony?**

17 A. The purpose of my rebuttal testimony is to address the appropriateness of using
18 the change in kW demand following the meter replacement as a method of
19 computing the refund amount. I also address how interest on any refund amount
20 should be calculated.

21 **Q. What is Mr. Brown's proposed method of computing refunds?**

22 A. Mr. Brown proposes using the change in kW demand following the meter
23 replacement, instead of the meter test results, as the method of determining any
24 refund amounts.

1 **Q. Is Mr. Brown's methodology supported by the applicable rules in the Florida**
2 **Administrative Code?**

3 A. No, it is not. The Florida Administrative Code clearly indicates that the meter test
4 results should be used in determining any refund amounts. Florida Administrative
5 Code Rule 25-6.103(1) states "Whenever a meter is found to have an error in
6 excess of the plus tolerance allowed in Rule 25-6.052, the utility shall refund to
7 the customer the amount billed in error as determined by Rule 25-6.058 for one
8 half the period since the last test, said one half period shall not exceed twelve (12)
9 months; except that if it can be shown that the error was due to some cause, the
10 date of which can be fixed, the overcharges shall be computed back to but not
11 beyond such date based upon available records." Florida Administrative Code
12 Rules 25-6.058, in turn, describes the method that should be used to determine the
13 average meter error from the meter test result. Rule 25-6.103(3) further states the
14 **figure to used in calculating** refunds shall be "that percentage of error as
15 determined by the test."

16 **Q. Beyond the fact that it is not supported in the applicable rules, are there other**
17 **problems with Mr. Brown's methodology?**

18 A. Yes. Using the change in kW demand to compute refunds presupposes that, in the
19 absence of a meter error, a customer's kW demand should be constant over time.
20 Mr. Brown's own documents suggest this is not necessarily the case. For example,
21 as provided in Exhibit 5 of his direct testimony, Mr. Brown's graph of the J. C.
22 Penney's account in Bradenton shows that the kW demand for that account was
23 already trending down before the meter replacement. In addition, Mr. Brown's

1 method of computing the change in kW demand is based on a comparison of the
2 12 months before the meter replacement with a post-replacement period which
3 ranges anywhere from 16 to 22 months. In other words, Mr. Brown's method
4 incorporates changes in demand recorded up to one and a half years (or more)
5 after the meter replacement. Because of the inconsistency between the pre-
6 replacement and post-replacement periods, the method also weights certain
7 months more than others in computing the change in demand.

8 **Q. Is the method of calculating refunds described in your direct testimony**
9 **consistent with Florida Administrative Code Rule 25-6.103?**

10 A. Yes. Consistent with Florida Administrative Code 25-6.103, my refund method is
11 based on the meter test results. As shown in Document No. RM-1 of my direct
12 testimony, the 12 accounts eligible for refunds in this docket should be refunded
13 \$30,623.10 based on all applicable rates and charges, including taxes.

14 **Q. Should interest be added to any refund amounts?**

15 A. Yes. I have computed the interest on the refund amounts due in this docket as
16 \$754.43. Thus, the total refund amount with interest is \$31,377.53. The refunds
17 with interest by account are outlined in Document No. RM-4.

18 **Q. How have you computed the amount of interest?**

19 A. Interest has been computed in accordance with Rule 25-6.109 of the Florida
20 Administrative Code. With the exception of deposits and adjustment clauses, this
21 rule governs how refunds should be computed unless otherwise ordered by the
22 Commission. This rule has been cited in a number of Commission orders. More
23 specifically, I am not aware of any cases where the Commission has ordered an

1 investor-owned electric utility to make refunds incorporating a method of
2 computing interest different from that outlined in Rule 25-6.109

3 **Q. Does this conclude your testimony?**

4 A. Yes.

SUMMARY OF ACCOUNTS ELIGIBLE FOR REFUND

Exhibit No. _____
 Document No. RM-4
 Page 1 of 1

<u>NAME</u>	<u>ACCOUNT #</u>	<u>LOCATION</u>	<u>REFUND</u>	<u>INTEREST</u>	<u>TOTAL</u>
OCEAN PROPERTIES	70876-34924	BRADENTON	\$3,120.15	\$96.97	\$3,217.12
J C PENNEY	07064-37886	BRADENTON	\$1,829.91	\$36.71	\$1,866.62
J C PENNEY	90964-37216	NAPLES	\$1,797.32	\$46.21	\$1,843.53
DILLARD	28011-72467	CORAL SPRINGS	\$2,913.87	\$70.31	\$2,984.18
DILLARD	51180-46985	PORT CHARLOTTE	\$2,115.52	\$48.27	\$2,163.79
TARGET	39242-15316	BOYTON BEACH	\$3,086.66	\$74.56	\$3,161.22
TARGET	36908-36659	BRADENTON	\$2,442.24	\$58.77	\$2,501.01
TARGET	13854-10566	DELRAY	\$2,282.82	\$55.22	\$2,338.04
TARGET	42298-19083	FORT MYERS	\$2,481.80	\$60.57	\$2,542.37
TARGET	07710-59334	HOLLYWOOD	\$3,252.32	\$78.70	\$3,331.02
TARGET	10054-45984	PORT CHARLOTTE	\$2,596.79	\$62.76	\$2,659.55
TARGET	59543-43371	VENICE	\$2,703.70	\$65.38	\$2,769.08
TOTAL REFUND FOR ACCOUNTS			<u>\$30,623.10</u>	<u>\$754.43</u>	<u>\$31,377.53</u>