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Public Service Commission

November 10, 2010

Mr. Scott A. Goorland, Esq.
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408

STAFF'S FIRST DATA REQUEST

Re: Docket No. 100358-EI - Investigation into the design of Commercial Time-of-Use rates by Florida Power & Light, pursuant to Order No. PSC-10-0153-FOF-EI.

Dear Mr. Goorland:

By this letter, the Commission staff requests that Florida Power & Light Company (FPL or utility) provide responses to the following data requests.

- 1) Order No. 9661, issued November 26, 1980, states "Average **incremental** costs during on-peak and off-peak hours are used to allocate average fuel costs between on and off-peak periods . . ." (emphasis added) A review of FPL's Schedule E-1D, filed in the projections testimony filed on September 1, 2010, in Docket No. 100001-EI, appears to indicate that FPL is using average embedded on-peak and off-peak fuel costs to develop its TOU factors. Please explain whether FPL is complying with Order No. 9661, and if not, why a different methodology is used to calculate the on-peak and off-peak fuel factors.
- 2) Please refer to Progress Energy Florida's (PEF) projection testimony filed by Marcia Olivier on September 1, 2010, in Docket No. 100001-EI, Schedule E1-E, Exhibit MO-2, Part 2, Development of Time of Use Multiplier. It appears the PEF is using marginal fuel costs to develop its on- and off-peak TOU fuel multipliers, as required by Order No. 9661. Please discuss and explain how FPL's development of TOU fuel factors differs from PEF's.
- 3) Please provide a table similar to PEF's Schedule E1-E, showing for 2011 monthly MWH sales, monthly marginal costs, monthly average marginal c/kwh costs, and resulting on- and off-peak TOU fuel multipliers .

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- 4) Please explain and discuss whether FPL believes it would be appropriate to set the fuel on- and off-peak TOU factors based on marginal/incremental fuel costs, instead of average embedded costs.
- 5) This question relates to the Direct Testimony of AFFIRM Witness Klepper, filed in Docket No. 100001-EI, on September 22, 2010. Starting on page 9, Witness Klepper testifies that the average lambdas are about twice as high during the summer months when compared to the winter months. Based on Witness Klepper's conclusion that marginal fuel costs are higher during the summer than during the winter on-peak periods, please discuss whether it would be appropriate to establish different TOU fuel factors for the summer and winter on-peak periods.
- 6) In its recent rate case, Docket No. 080677-EI, the Commission approved FPL's plan to install smart meters over a 5-year period. Please discuss whether FPL plans to use the data provided by the smart meters to implement a multi-period pricing TOU rate for residential and/or commercial customers.
- 7) Please discuss and explain whether the smart meters FPL is installing provide the data necessary to implement a multi-period pricing TOU rate for residential and/or commercial customers.
- 8) Did FPL have to modify its billing system to implement the real-time pricing (RTP) rate FPL offered from 1995 through 2003? If yes, please state the costs FPL incurred to implement the RTP rate.
- 9) On page 12 of its August 2, 2010, TOU report, FPL states that it has offered several new rate options in 2006. Please state if FPL had to make changes to its billing system to offer the SDTR, High Load Factor TOU, and GSCU rates, and if yes, please provide the cost FPL incurred to implement those new rates.
- 10) On page 9 of AFFIRM's response the FPL's report on Time of Use rates in Docket No. 100358-EI, it states that the difference between what AFFIRM terms the "Wing" periods and the shorter 3 hour Summer Peak is "significant," not only in percentage terms but in total MW difference. Does FPL agree that the cited differences are significant in terms of ratemaking and cost causation? If not, why not?
- 11) FPL notes that peak shifting may occur with a shorter peak period. Please provide any empirical evidence FPL has to support that position?

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- 12) On page 15 of AFFIRM's response in Docket No. 100358-EI, AFFIRM takes issue with what it terms FPL's assertion that coincident peak contributions of classes tend to be more correlated with energy sales than demand readings. If this is a correct characterization of FPL's position, please provide data to support the correlation between coincident peak and energy sales.

Please file the original and five copies of the requested information by Wednesday, December 8, 2010, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6230 if you have any questions.

Sincerely,



Lisa C. Bennett
Senior Attorney

LCB:th

cc: Vicki Gordon Kaufman and Jon C. Moyle, Jr., Keefe Law Firm
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