

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 130223-EI

PETITION FOR APPROVAL
OF OPTIONAL NON-STANDARD
METER RIDER, BY FLORIDA
POWER & LIGHT COMPANY.

_____ /

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 6

COMMISSIONERS
PARTICIPATING: CHAIRMAN ART GRAHAM
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER RONALD A. BRISÉ
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Tuesday, January 7, 2014

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: LINDA BOLES, CRR, RPR
Official FPSC Reporter
(850) 413-6734

P R O C E E D I N G S

* * * * *

1
2
3 **MS. DRAPER:** Commissioners, Elizabeth Draper
4 with staff. Item number 6 is FPL's petition --

5 **CHAIRMAN GRAHAM:** Ms. Draper, hold on just a
6 second. I just want to make sure everybody is down and
7 got their stuff out in front of them.

8 (Pause.)

9 Okay. Please.

10 **MS. DRAPER:** Item number 6 is FPL's petition
11 for approval of an optional non-standard meter rider
12 tariff or opt-out tariff. The tariff would apply to
13 customers who declined installation of a Smart Meter and
14 includes a one-time enrollment fee of \$105 and a monthly
15 surcharge of \$16.

16 Since 2009, FPL has installed over 4.5 million
17 Smart Meters for its residential and small commercial
18 customers. The approximately 24,000 customers who
19 object to the installation of a Smart Meter have been
20 placed on a postpone list.

21 In reviewing the tariff, staff identified
22 three areas where staff believes that FP&L has
23 overestimated its cost support: The recovery period for
24 upfront system and communication costs, the number of
25 customer care employees required to administer the

1 tariff after year two, and the need for meter reading
2 lead position after year two.

3 Staff's recommended adjustments would reduce
4 the enrollment fee from \$105 to \$95 and the monthly
5 surcharge from \$16 to \$14. Since the Commission can
6 only approve or deny a tariff, staff recommends that you
7 deny the tariff as filed and give FPL the option to file
8 a revised tariff within ten days of the Commission's
9 vote for administrative approval for staff.

10 FPL and the Office of the Public Counsel are
11 here to address the Commission.

12 **CHAIRMAN GRAHAM:** Thank you.

13 We actually have a, a -- one of our ratepayers
14 that's called in that wants to comment. We're going to
15 give her three minutes to comment. We're going to allow
16 Commissioners, if they have any questions to ask of her
17 while she's on the phone, to ask those questions at that
18 time. And then from there we'll go to OPC and to FP&L.

19 Ms. Larson, are you there?

20 **MS. LARSON:** Yes, dear.

21 **CHAIRMAN GRAHAM:** If I can get you to state
22 your name and address for the record, and then your
23 comments, please.

24 **MS. LARSON:** Alexandria Larson, 16933 West
25 Carlana, Carlana Drive, Loxahatchee, Florida 33470.

1 **CHAIRMAN GRAHAM:** Thank you, ma'am. Please
2 continue.

3 **MS. LARSON:** Okay. Do you want me to make my
4 statements now?

5 **CHAIRMAN GRAHAM:** Yes, ma'am.

6 **MS. LARSON:** Okay. Sorry.

7 **CHAIRMAN GRAHAM:** That's all right.

8 **MS. LARSON:** Okay. You know, I was listening
9 to the young lady giving the numbers to you, and the
10 4.5 million I have a concern with when they said they
11 installed 4.5 million when large business, large
12 businesses do not have Smart Meters. So I'm wondering,
13 when I look at hospitals and malls and different things,
14 that's probably about 400,000 customers that don't have
15 Smart Meters, and I'm guessing at that number, but let's
16 start with that. And I find that disturbing that they
17 keep making the statement "4.5 million" over and over of
18 the amount of customers they have but they're not
19 deleting the business customers.

20 The other thing that bothers me, businesses
21 already pay less. As per the last rate case, they were
22 given lower rates than the regular ratepayers with the,
23 with the analogy that they're closer and they're bigger
24 and they use more, you know. We're giving some really
25 excellent exemptions to businesses, and we pay those

1 bills as ratepayers. We spent \$800 million on these
2 Smart Meters. And the thing that wasn't bought into the
3 cost was I don't have a Smart Meter, so I didn't incur
4 that cost. What was the cost of the original
5 installation of a Smart Meter? Say it's \$232 -- I'm
6 guessing. I didn't incur that cost because I don't have
7 a Smart Meter. So we're being double taxed, double
8 charged on, you know, something that didn't happen.

9 I find it -- I'm kind of worried about the
10 fact that we're being held to calling, write in, or
11 email that we want to opt in to something that's
12 charging us. And I think, this is my humble opinion,
13 there's five little dials on my current electric meter.
14 I could read them or punch them into a phone every month
15 and incur no cost to anyone. And they could do it on an
16 honor system; they could come out and audit my house
17 once a year. There's a fee that the staff listed for
18 77.06, FPL and staff, for a one-time come out and check
19 my meter. Why? They're already reading my meter every
20 month. If there was a problem, they'd come across that.
21 I mean, it's just a thought.

22 You have a, you have a parallel study going on
23 right now with some Smart Meters that aren't compatible
24 with the cans or the installation area where you put the
25 meter and that report hasn't come back yet. Are they

1 compatible with the building codes, which are -- they've
2 been in existence since before most of us were born. So
3 I'm kind of worried about the compatibility of meters or
4 non-compatibility of meters.

5 You know, when something doesn't match our
6 home, that should be up to Honeywell and FPL to fix, not
7 the homeowners. Because the, the installation of the
8 meter into the can, if it's not compatible, that's not
9 the house or the homeowner's fault. That's the fault of
10 the, you know, the new meter, and it needs to be -- this
11 is something I hope the Commission will look at or think
12 about.

13 Let's see. What else? You know, I just, I
14 just hope that you'll look into, if we didn't incur that
15 cost and we didn't get a Smart Meter, that should be put
16 into the calculations of the money involved here when
17 you're thinking of the cost to us if we have to opt in
18 to a system. So I hope that the Commission will take
19 this into consideration. And hopefully I've covered
20 everything and not wasted too much of your time and
21 covered what I wanted to cover. Because I do think --
22 look at the consumers, please, and the businesses,
23 because everybody should -- it should be equal and
24 everybody should have to opt in. So thank you.

25 **CHAIRMAN GRAHAM:** Thank you very much,

1 Ms. Larson.

2 Commissioners, are there any questions of
3 Ms. Larson? Okay. I don't have any lights coming on.

4 Ms. Larson, thank you very much for your
5 participation.

6 All right. Mr. Rehwinkel.

7 **MR. REHWINKEL:** Thank you, Commissioners, Mr.
8 Chairman.

9 Public Counsel would like to make a statement
10 with respect to this tariff. At the outset, the Public
11 Counsel is mindful of the tension within the general
12 body of customers taking Smart Meters and those without.
13 We recognize that the Commission's decision to approve
14 Smart Meters for FPL is final. It was made almost four
15 years ago. As officers of this tribunal and attorneys,
16 we are bound by that final decision.

17 Smart Meters, in fact, have been installed at
18 over 99% of FPL's residential customers' premises.
19 Regardless of the policy provisions -- positions, I
20 should say, advocated by various parties, Smart Meters
21 have become the standard FPL meter. This situation has
22 created the potential for the imposition on all
23 customers of the cost of maintaining the non-standard
24 meter who have been paying the costs of implementing the
25 Smart Meters at a cost which came with the promise of

1 savings.

2 Without expressing an opinion about whether
3 the tariff proposed by FPL is the most efficient way to
4 address the notion that some customers are unwilling to
5 be served by Smart Meters, the OPC does acknowledge that
6 FPL's tariff is one reasonable approach based on the
7 fact that it has been implemented by other utilities and
8 commissions around the country.

9 We also accept the concept embodied in FPL's
10 approach that it is reasonable in terms of assumptions
11 with regard to cost and customer subscription levels.
12 Nevertheless, the Public Counsel also submits that there
13 is an inevitable level of subjectivity in the
14 development of the fee and rate -- or surcharge as the
15 tariff calls it -- structure included in the tariff.

16 Specifically, FPL has assumed 12,000 customers
17 out of about 36,000 not currently being served by the
18 AMI or Smart Meter. They've assumed that level will
19 ultimately opt to keep the old meters based on the
20 midpoint of an industry experience number. The midpoint
21 is a reasonable number, but no more reasonable than any
22 other number within the valid range of .02% to .5%.

23 We believe that if the assumed customer
24 account or customer subscription level is increased or
25 experienced at even a modestly higher level within the

1 range, the resulting rates in enrollment fee and monthly
2 rate could approximate \$75 and \$10, given also the
3 adjustments proposed by the staff. We bring this up
4 because it is in line with the California PUC
5 determinations for three large utilities of comparable
6 size and scale to FPL. For this reason, the OPC
7 suggests that the large scale experience of California
8 provides a useful benchmark for the establishment of a
9 fee and rate that provides reasonable cost recovery and
10 provides a reasonable price point for customers who opt
11 not to be served by the non-standard meter. We suggest
12 that the Commission consider this in making your
13 determination on the NSMR tariff.

14 The Public Counsel also asks that FPL
15 acknowledge on the record and that it also be reflected
16 in the order approving an NSMR tariff the following two
17 statements of principle.

18 One, the costs to be recovered through the
19 charges imposed under the NSMR tariff are incremental to
20 and not included in the costs that are being recovered
21 in rates as a result of the rates established in Docket
22 Number 120015-EI.

23 And, two, FPL has included in the enrollment
24 fee a cost element that equates to an assumed one-site
25 visit per opt-out customer. It is the intent that this

1 one-time charge covers any premises visits related to
2 the NSMR customer's meter unless otherwise expressly
3 provided in the NSMR tariff or supporting exhibits or in
4 other FPL tariff provisions not in conflict with the
5 NSMR tariff. Commissioners, those last two points that
6 I just read, I believe the company can confirm this, the
7 company has agreed with that and they can state that on
8 the record.

9 But those conclude my remarks, and I just
10 offer that for the Commission's consideration. And I do
11 have those last two points on a separate piece of paper
12 if you need to look at them or if they need to be passed
13 out. I've given staff a copy and also the company a
14 copy. Thank you.

15 **CHAIRMAN GRAHAM:** Mr. Rubin.

16 **MR. RUBIN:** Good morning, Commissioners. Ken
17 Rubin for FPL. I'm here with Robert Onsgard, who's the
18 Project Manager. I also have some remarks to make on
19 behalf of FPL.

20 First, FPL strongly supports Smart Meters and
21 their role in the smart grid. With this Commission's
22 support, FPL has successfully completed one of the
23 nation's largest deployments of Smart Meters. More than
24 4.5 million of FPL's customers now have Smart Meters.
25 Customers and the company are already realizing the

1 benefits of Smart Meters.

2 Notwithstanding these facts, a very small
3 percentage of FPL's customers, less than one-half of 1%,
4 have expressed a desire to have a noncommunicating meter
5 rather than the Smart Meter. FPL has worked hard to
6 accommodate these customers: First, by voluntarily
7 creating a postpone list during deployment; and now by
8 developing and proposing a cost-based tariff to recover
9 incremental costs from those customers who choose to opt
10 out of the Smart Meter.

11 FPL's proposed tariff has been developed
12 through a detailed analytical approach that identifies
13 the incremental costs to provide the optional service,
14 and then equitably distributes those costs to the
15 customers who may choose to obtain that service.
16 Through this approach the general body of FPL's
17 customers, more than 99% of FPL's residential customers,
18 did not subsidize the few customers who choose to opt
19 out of the standard service. This approach is entirely
20 consistent with the long-standing principle that the
21 cost causer rather than the general body of customers
22 should bear the cost of a non-standard service like
23 this.

24 FPL and other utilities actively participated
25 in the public Smart Meter workshop conducted by staff

1 that resulted in the briefing earlier this -- I'm
2 sorry -- earlier in 2013. In that briefing, staff
3 stated that with reference to alternatives to Smart
4 Meters, the PSC should allow utilities to voluntarily
5 provide their customers with new services under an
6 approved appropriate tariff. Staff also recommended
7 that any charges associated with such offering should be
8 cost based to ensure that any subsidization should be
9 kept to a minimum and that the filing should clearly
10 detail the purpose of offering the new tariff.

11 FPL has performed and provided an extremely
12 comprehensive analysis of its costs in order to propose
13 a fact-based and a cost-based opt-out tariff for the
14 Commission's consideration. FPL's proposal fully
15 addresses all of the criteria recommended by staff in
16 the February 2013 briefing.

17 During the past weeks FPL has had constructive
18 discussions with Public Counsel regarding today's agenda
19 item. The company understands that Public Counsel
20 favors the California model of \$75 for an upfront fee
21 and \$10 for a monthly surcharge. However, the
22 California model is simply not cost based. In taking a
23 one-size-fits-all approach, the California commission
24 decided that three very different utilities -- Pacific
25 Gas & Electric, Southern Cal Edison, and San Diego Gas &

1 Electric -- should all have the same opt-out fees.
2 Their fees at this point have been established at \$75
3 and \$10 for each of those three utilities. That model
4 is not supported by the data, quite frankly, either in
5 California and certainly not here in Florida, and it is
6 not consistent with the cost causer paying the costs
7 since the general body of customers pays the balance of
8 those costs in California.

9 In FPL's case, the total upfront and one-time
10 non-standard meter cost per customer is approximately
11 \$310. While we are mindful that it is simply not
12 practical to seek recovery of those costs in one lump
13 sum upfront payment, our proposed enrollment fee of
14 \$105 is designed to incent customers to make an informed
15 choice about their meter. Specifically, it is important
16 that the enrollment fee remains high enough both to
17 recover a substantial portion of the one-time costs, in
18 this case about one-third of those costs, and also to
19 encourage customers to make a choice that serves their
20 best interests but also the best interests of the system
21 operations and all other customers.

22 While we disagree with staff's recommendation
23 for a \$95 upfront enrollment fee, we are willing to
24 accept that figure because we believe that an upfront
25 fee of approximately \$100 will still provide a

1 sufficient disincentive to opt out unless the customer
2 is, in fact, committed and willing to pay the real cost
3 of providing that service.

4 FPL's analyses and proposed charges are fully
5 documented. We do recognize, as pointed out in staff's
6 recommendation, that the company's anticipated opt-out
7 population is based in part on the data available from
8 other utilities throughout the United States. Our
9 projections, however, are based on the best available
10 information, though we recognize that the number of
11 customers taking service under the proposed tariff will
12 change as we move forward.

13 In its recommendation, staff has expressed a
14 belief that staffing levels for the program will vary
15 from the projections included in FPL's proposal. Staff
16 has also expressed the opinion that the recovery period
17 for upfront and system communication costs should be
18 extended from three years to five years.

19 In a nutshell, we wish to emphasize to the
20 Commission that extensive time and resources were put
21 into the development of the cost information supporting
22 our filing, and these numbers were stress tested
23 repeatedly prior to the filing. Nonetheless, we
24 appreciate and respect the thorough review conducted by
25 staff, and we are prepared today to accept the

1 modifications included in the staff's recommendation,
2 understanding that future adjustments may be made to
3 ensure that the costs in this program remain cost based.

4 If the Commission votes in accordance with the
5 staff's recommendation, FPL will be filing later today
6 revised tariff sheets which will incorporate the
7 following changes as recommended by staff. Number one,
8 the enrollment fee will be \$95 rather than the
9 \$105 included in FPL's petition. And number two, the
10 monthly surcharge will be \$13 rather than the
11 \$16 requested in FPL's petition. If approved by the
12 Commission, FPL plans to begin the enrollment process
13 once the Commission's order has been entered, with the
14 expectation that customers may begin receiving service
15 under this tariff in May of this year.

16 Finally, Mr. Rehwinkel has accurately
17 characterized the discussions that we had beforehand,
18 and FPL is willing to agree to the statements on the
19 record that Mr. Rehwinkel has read.

20 Mr. Chairman and Commissioners, thank you for
21 the opportunity to offer these remarks.

22 **CHAIRMAN GRAHAM:** Thank you, Mr. Rubin.

23 Before I get comments from the Commission, I
24 think I need to take about a five-minute break to
25 organize some things.

1 **MR. REHWINKEL:** Mr. Chairman, before -- the
2 document I passed out, item number two, there's a typo
3 in it in the first line. It should say "enrollment
4 fee." So the word "fee" should be after "enrollment."

5 **MR. RUBIN:** I agree.

6 **MR. REHWINKEL:** Thank you.

7 **CHAIRMAN GRAHAM:** All right. We're going to
8 take a five-minute break, so we'll back here at -- call
9 it 20 'til 11:00 -- a seven-minute break. Thanks.

10 (Recess taken.)

11 All right. I want to thank all of you for
12 allowing me that time. We heard from staff, OPC, and
13 the utility. Now let me ask a question of staff before
14 I go to the rest of the board.

15 My understanding, if I heard you correctly, is
16 this is just a, basically a yes or no vote. We can't
17 amend this and approve something else that's amended.
18 We just basically just talk about what's in front of us,
19 we can maybe make some suggestions one way or the other,
20 but it's just a simple yes or no. Is that correct?

21 **MS. DRAPER:** Yes. You have to approve or deny
22 the tariff, but you can, I think, offer suggestions to
23 FP&L as to what revisions you would like to see if they
24 choose to file a revised tariff.

25 **CHAIRMAN GRAHAM:** But there is no amending on

1 the fly sort of thing. We just basically give
2 suggestions and then they have to refile another tariff;
3 correct?

4 **MS. DRAPER:** That is correct.

5 **CHAIRMAN GRAHAM:** Okay. Commissioners?
6 Commissioner Balbis.

7 **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.
8 And as we all know, this is an issue that has come to
9 our attention both in correspondence that has come, that
10 has come to our office, and also during FPL's rate case,
11 the customer meetings, several customers brought it to
12 our attention. And as mentioned previously, we held a
13 workshop to discuss it. So I'm glad to see that FPL has
14 moved forward with a tariff that provides an opt-out
15 provision.

16 When we discussed this a few months ago I
17 know -- I believe I made the comment, and other
18 Commissioners, that whatever tariff is brought forward
19 is cost based. So I'm glad to see that FPL has done the
20 analysis and staff has done so as well.

21 I do have a question concerning -- if a
22 customer does opt out, is there any cost savings to FPL,
23 as in they're not going to have to install the Smart
24 Meter, et cetera, or is it purely an incurred cost if
25 they opt out?

1 **MR. ONSGARD:** Good morning. Robert Onsgard,
2 the Project Manager.

3 When we have an opt-out customer, we've gone
4 in and calculated what all the incremental costs would
5 be and that's what's there. There are no savings
6 related to this. As we did our deployment, we had to
7 postpone these customers and we did not install the
8 Smart Meter at that time and they've been receiving
9 this, you know, this service to date at no charge.
10 Ultimately we're going to need to go back and reinstall
11 that Smart Meter that we didn't install and there will
12 be some costs associated with that that we're not
13 billing to the customer. So I don't -- for those
14 customers who are opting out, there's no savings that
15 we're incurring.

16 **COMMISSIONER BALBIS:** Okay. And you mentioned
17 what I was going to ask for my second question, and that
18 is what happens when you have an opt-out customer that
19 moves out and you have a new resident or tenant that
20 comes in and opens an account? Walk us through that
21 process. Would it default to a Smart Meter then?

22 **MR. ONSGARD:** It would. There could be a
23 situation where the leaving customer calls up and says
24 that they're canceling, and the customer who's coming in
25 immediately comes in and says, "And we'd like to opt out

1 too." That would be a very rare occurrence, but it
2 could happen, and it's possible that we would not go out
3 and deploy a Smart Meter. We would, of course, just
4 leave the meter that's there. But I think in the vast
5 majority of occurrences that meter is going to be reset
6 with a Smart Meter. There wouldn't be a double opt out
7 in the same premise.

8 **COMMISSIONER BALBIS:** Okay. And in your
9 estimation on the number of customers that opt out, are
10 you comfortable with your estimate following those
11 industry standards for, for the opt-out provision?

12 **MR. ONSGARD:** Yes, we are.

13 **COMMISSIONER BALBIS:** Okay. That's all I had.

14 **CHAIRMAN GRAHAM:** Commissioner Brisé.

15 **COMMISSIONER BRISÉ:** Thank you, Mr. Chairman.

16 Just a couple of questions. Are you
17 comfortable that the impact of the 12,000 customers,
18 that the assumption is that they will never opt in to
19 the Smart Meters, that the impact to the grid won't be
20 that bad?

21 **MR. ONSGARD:** So I understand your question to
22 be on network operations and whether or not we're going
23 to incur any degradation in our, in our network. No, we
24 don't anticipate that that would be a, that would be a
25 problem, nor have we reflected any costs because it is

1 such a highly unlikely or very difficult to, to
2 calculate. If there were a density of opt-out
3 customers, it is conceivable that we would have some
4 network issues. They do mesh, they do talk to each
5 other. We haven't experienced that in our postponement
6 population, we haven't seen any indication that there
7 would be that type of density issue, and we haven't
8 included any cost for that type of network problem.

9 **CHAIRMAN GRAHAM:** Okay. And the second
10 question I have, in terms of the -- there's a \$77 fee
11 that's associated here and it's incremental for four
12 specific provisions. Do we have, and I asked staff this
13 yesterday, do we have a sense of how much each one of
14 those actions would cost if a customer opted out and,
15 let's say, we didn't approve this type of regime and
16 just said, look, for each one of these instances, if you
17 are a customer and you wanted to have one of these
18 things addressed, how much would the individual customer
19 pay for that if we wanted to go with the a la carte
20 system instead?

21 **MR. ONSGARD:** And we have included that cost.
22 It is the \$77. But we have assumed that there would
23 only be one site visit for the term of the opt out, and
24 that is based, that was based on our first three-year
25 projection. So we had included one site visit for three

1 years. We've now agreed with the staff's recommendation
2 to extend that to five. So we are now also agreeing
3 that we would hold that to recover only one site visit
4 over five years, which we thought would be over three
5 years.

6 **COMMISSIONER BRISÉ:** So basically you're
7 saying that the cost of the site visit would in essence
8 be \$77 for any --

9 **MR. ONSGARD:** That's correct.

10 **COMMISSIONER BRISÉ:** Okay. All right. Thank
11 you.

12 **CHAIRMAN GRAHAM:** Commissioner Brown.

13 **COMMISSIONER BROWN:** Thank you.

14 And thank you for your responses in the data
15 request. I thought they were pretty thorough.

16 Mr. Rehwinkel, a question about number two on
17 here. I'm having a hard time understanding how that
18 differs from what the tariff in the attachment says.
19 Could you explain number two?

20 **MR. REHWINKEL:** I apologize. I didn't hear.
21 You said you're having a hard time --

22 **COMMISSIONER BROWN:** Understanding number
23 two on there regarding that one-time site visit. I had
24 some questions in my briefing as well regarding that
25 one-time visit. Could you just explain to me what this

1 does?

2 **MR. REHWINKEL:** Here's the -- what I believe
3 this means is that the 95 or 105, whatever it ends up
4 being, the enrollment fee, it is based on several types
5 of costs. And one of the -- the biggest chunk of it is
6 \$77.06 of cost that is essentially a pot of dollars that
7 are for all reasons you would roll a truck out to the
8 premises, whether to put a meter in or to, to do a test
9 on it, or any other reason to go out and look at that
10 meter, all those costs were rolled up, and then they are
11 basically divided in a rough way over these 12,000 units
12 to come up with this \$77. Because the customers --
13 whether they have one visit or five visits over the, the
14 five- or three-year period, whatever is used, they're
15 only going to pay the 105 or the 95 one time. But that
16 cost represents all these other reasons that you would
17 go out there. So the customer is not going to pay
18 multiple charges for, for truck rolls to that meter.

19 **COMMISSIONER BROWN:** Okay.

20 **MR. REHWINKEL:** They may pay for other reasons
21 that the company goes out there in other provisions of
22 the tariff, and that's what the language "or other FPL
23 tariff provisions not in conflict" means. So that's all
24 it means, is the customers that are going to opt into
25 this, they have some level of protection that they're

1 not going to be paying multiple charges.

2 **COMMISSIONER BROWN:** Okay. And I had a
3 similar question yesterday, and the utility confirms
4 that they're --

5 **MR. RUBIN:** That's correct.

6 **COMMISSIONER BROWN:** Okay. Thank you.
7 Mr. Chairman, I just have a couple of clarification
8 questions regarding the NSMR tariff.

9 For those customers who get on the NSMR tariff
10 who have the old non-standard meters right now in place
11 and then they decide to get on the Smart Meters, will
12 they be charged a disconnect fee for the non-standard
13 meters and then a connection fee to go to the Smart
14 Meters?

15 **MR. ONGSARD:** No, Commissioner Brown, they
16 would not.

17 **COMMISSIONER BROWN:** No charges?

18 **MR. ONGSARD:** No.

19 **COMMISSIONER BROWN:** Okay. Okay. And for
20 those customers who still have the non-communicating
21 meters and have that 45-day grace period, there was
22 something in your data request that addressed what
23 happens if they refuse to pay the full amount of the
24 NSMR charges. Can you walk us through that process?

25 Say that there's a customer -- that some of

1 those customers just refuse to pay the full tariff
2 charge, what would happen?

3 **MR. ONSGARD:** So our billing system isn't
4 going to be able to differentiate when they send a
5 payment in if they were to just withhold that piece of
6 the payment. So our system is going to recognize this
7 as a not paid and we would start our, our, our efforts
8 to, you know, resolve that. We would certainly talk to
9 the customer and try to understand why they're not
10 paying that fee and offer them to come out of the
11 program. But if they continue to refuse both to pay the
12 fee and to have the Smart Meter installed, you know,
13 we're going to have to follow our normal policy for that
14 type of resolution.

15 **COMMISSIONER BROWN:** Okay. The normal
16 process. All right. And then the annual reports that
17 will be delivered or given to staff during the ECCR
18 clauses, what additional information is going to be
19 included regarding, I guess, updating the Commission on
20 the cost base of these charges?

21 **MR. RUBIN:** Commissioner Brown, specifically
22 we will be able to provide enrollment numbers, actual
23 enrollment numbers, revenues received from the
24 enrollment fee and from the monthly surcharge, and then
25 actual costs associated with this. I believe that

1 the -- it's contemplated in the staff's recommendation
2 that that would allow the Commission, Public Counsel,
3 anyone else who's interested, to look at what the actual
4 numbers are and for the tariff to be revised as
5 necessary going forward.

6 **COMMISSIONER BROWN:** Excellent. Thank you.

7 Ms. Larson said something earlier about those
8 that are on the non-standard meters right now and
9 having -- I thought she said that they read their own
10 meters. Currently what is the process in place for
11 those that are right now on the non-standard meters?

12 **MR. ONSGARD:** We are sending meter readers out
13 to read their meters monthly.

14 **COMMISSIONER BROWN:** Okay. Thank you.

15 **CHAIRMAN GRAHAM:** All right. I have a
16 question or two for Florida Power & Light. I guess the
17 first question I have, I assume that there are still
18 some people out there on the old analog meters?

19 **MR. RUBIN:** That's correct.

20 **CHAIRMAN GRAHAM:** Now if somebody were to opt
21 out of the Smart Meter, are we going to change out the
22 -- assuming that analog meter still works fine, are we
23 going to change that out and put in a new digital meter,
24 are we just going to keep status quo, or --

25 **MR. RUBIN:** At this point our expectation is

1 to leave the meter in place that's there.

2 **CHAIRMAN GRAHAM:** Other question I have, if --
3 let's just assume that this person decides he wants to
4 put a solar panel on top of his roof and now he's
5 getting into the net metering side of things, will the
6 analog meter still handle that or will you have to go to
7 a digital, or is there something that you're just going
8 to switch everybody that starts net metering to a Smart
9 Meter? I mean --

10 **MR. ONSGARD:** So our Smart Meters do handle
11 some of the requirements for net metering and we do
12 supply our current net metering customers with Smart
13 Meters. If we had a situation where we had a net
14 metering customer who wanted to opt out, we'd work with
15 the customer. But it does, it causes there to be less
16 information available. You would need to have the two
17 meters for the, for the net metering function. So we
18 would be able to provide them the service either way.
19 They would be able to opt out, if they wanted to.

20 **CHAIRMAN GRAHAM:** Okay. But I just wanted to
21 make sure that there is not -- I just wanted to make
22 sure there's not something coming down the line --
23 there's not something in the past saying that if they're
24 going to get to net metering, they automatically have to
25 go to Smart Meters. Okay. That's all I have.

1 If there's no more other questions, comment,
2 concerns -- Commissioner Balbis.

3 **COMMISSIONER BALBIS:** Thank you.

4 I guess just to follow up on one of your
5 initial questions for staff, I just want to clarify or
6 ask again nicely. So there's no way that we can modify
7 their tariff here today as we sit? We have to require
8 them to come back and back in front of us again?

9 **MS. HELTON:** I'm assuming you're directing
10 that to me, Commissioner Balbis?

11 **COMMISSIONER BALBIS:** You made the mistake of
12 making eye contact with me, so.

13 **MS. HELTON:** You have the option of denying
14 the tariff and suggesting to the company what tariff,
15 modified tariff you would be willing to approve or to
16 accept, and you could delegate to staff the ability to
17 approve your modification without having to come back
18 before you today. But you, basically you can't -- you
19 can only tweak the tariff if the company agrees to your,
20 your changes to the tariff.

21 **COMMISSIONER BALBIS:** Okay. Well, I
22 personally am comfortable with delegating that authority
23 to staff to approve the tariff that corresponds with the
24 staff's recommendation for the \$95 upfront and the \$13
25 monthly surcharge. I don't know if my fellow

1 Commissioners are comfortable with that. I think that
2 we have, by doing so, we'll allow customers to have an
3 opt-out provision, which a small percentage of customers
4 would like to see, and that it is cost based.

5 So I'm supportive of, supportive of staff's
6 recommendation on these issues if we delegate that
7 authority to approve the revised tariff to the \$95 and
8 the \$13.

9 **CHAIRMAN GRAHAM:** Thank you, Commissioner
10 Balbis.

11 Question, Mary Anne. I think I misheard you,
12 that last part you just said.

13 **MS. HELTON:** And I may not be speaking
14 clearly. I'm not exactly at my best right now.

15 **CHAIRMAN GRAHAM:** It sounded like you said
16 that you can tweak the current tariff if the company is
17 in agreement with that.

18 **MS. HELTON:** And that is, I think, exactly
19 what has happened today. Staff has recommended that you
20 deny the tariff as the company filed and has suggested
21 that you -- a couple of modifications. And if the
22 company agrees with those modifications, then you would
23 delegate to staff the ability to approve the revised
24 tariff. And I believe Mr. Rubin pointed out earlier
25 today that he -- that the company agreed with the

1 modifications suggested by staff. And if you move
2 staff, approve staff's recommendation, they have, they
3 are ready, willing, and able to file a revised tariff
4 today for staff to approve.

5 **CHAIRMAN GRAHAM:** Thanks for that
6 clarification. I, I misunderstood what you said. The
7 way I heard it was that if we tweaked it, they could nod
8 their head yes and we're done. But that's not the case.
9 They still have to refile the tariff, and we can give
10 you approval to, administrative approval to accept that.

11 **MS. HELTON:** Yes.

12 **CHAIRMAN GRAHAM:** Thank you.

13 Commissioner Brisé.

14 **COMMISSIONER BRISÉ:** Okay. Thank you. I
15 forgot how to work this thing. Thank you, Mr. Chairman.

16 So just for my understanding, in essence
17 there's the option of pursuing the staff recommendation,
18 which the company has already stated that they agree to
19 those modifications. If we wanted to modify further,
20 then we would sort of express the modifications that
21 we're interested in. Then the company could say we
22 agree with those modifications, and then we could offer
23 that administrative authority for staff to move forward
24 with that; right?

25 **MS. HELTON:** Yes, sir.

1 **COMMISSIONER BRISÉ:** Okay. Just, just for my
2 sanity.

3 I'm in agreement with Commissioner Balbis. I
4 think that the staff recommendation is, is pretty solid
5 from my perspective.

6 One of the concerns that I had was in terms of
7 the cost causer. If you have the, a particular customer
8 that is going to require multiple roll outs to the
9 house, who ends up paying for that? But that is
10 addressed in essence through the incremental costs and,
11 you know, just sort of the general rule that there may
12 be a house that needs service maybe three or four times
13 during the five years and one that doesn't need any and
14 so forth. So that will balance itself out.

15 And ultimately the risk is no longer borne by
16 the individual customer. It's borne by the general body
17 of those who are opted out. And for those reasons I
18 think that the tariff makes sense. And then it helps
19 the system as a whole by making sure that there's
20 sufficient incentive so that everyone could move in the
21 direction of Smart Meters.

22 **CHAIRMAN GRAHAM:** I'm going to make sure that
23 I understand. My understanding was that it's supposed
24 to be an initial \$105 fee, and then after two years that
25 was going to revert down to \$95, or is it just going to

1 be a \$95 fee?

2 **MS. DRAPER:** It's just going to be \$95.

3 **CHAIRMAN GRAHAM:** Okay. So from straight out
4 the gate it's \$95.

5 **MS. DRAPER:** Correct.

6 **CHAIRMAN GRAHAM:** Okay. I just wanted to make
7 sure I understood that.

8 Okay. I guess we're in position for a motion.

9 **MR. REHWINKEL:** Mr. Chairman, before you
10 undertake that, I just wanted to be clear if there's an
11 understanding that what we were asking with what we
12 passed out to the Commissioners is that that language,
13 with the concurrence of the company, be included in the
14 order, not -- nothing to do with the tariff -- the order
15 approving the tariff or the order addressing the tariff.

16 **CHAIRMAN GRAHAM:** Now you -- see, now you
17 threw this big monkey wrench and confused everything.

18 Now my understanding was that we were just
19 giving a thumbs up or thumbs down and everything else is
20 not in the order. They understood the communication
21 that's here, but I don't know if that goes into the
22 order.

23 **MR. REHWINKEL:** This wouldn't be part of the
24 order. This is just -- I mean, part of the tariff.
25 This is just the order addressing the tariff. That's

1 all we were asking. And I don't think that violates any
2 of the tariff approval or denial principles that the
3 staff enunciated. You can put in the order whatever you
4 want. But the order is going to say, if you go with the
5 staff recommendation, denied, and then you would have
6 the administrative approval with the modifications. And
7 we would just ask that this, this language be included,
8 and I think the staff can draft the order that way.

9 **CHAIRMAN GRAHAM:** So are you saying -- and,
10 Mary Anne, I guess I'll allow you to answer this after I
11 try to clarify -- that we can move staff recommendation,
12 but it's got to be amended so it includes your language
13 in the order?

14 **MR. REHWINKEL:** That, that's our request is
15 that the order reflect this somehow.

16 **CHAIRMAN GRAHAM:** Did you get that?

17 **MS. HELTON:** Well, there, there will be an
18 order associated with your decision today, whatever that
19 decision may be. And I think if I understand
20 Mr. Rehwinkel correctly, he's just asking that this
21 language be included in the order at the appropriate
22 places. And it's my understanding that the company has
23 no issue with the language and that the staff has no
24 issue with the language. So it's really whether you all
25 have an issue with the language.

1 **MR. RUBIN:** And, Mr. Chairman, for FPL, we
2 agree. We don't have any problem with that language
3 being in there, and our intention is to file, again
4 depending upon the Commission's vote, a revised tariff
5 with the only changes being the reflection of the
6 105 down to 95 and the 16 down to 13. So that would be
7 the tariff for staff's administrative approval.

8 **CHAIRMAN GRAHAM:** Well, we have a light on.
9 Let's see if this person has any problems with that.

10 Commissioner Balbis.

11 **COMMISSIONER BALBIS:** Mr. Chairman, I'm okay
12 with that. I was going, I was going to make a motion to
13 that effect.

14 **CHAIRMAN GRAHAM:** Please.

15 **COMMISSIONER BALBIS:** Okay. I move approval
16 of staff's recommendation on Issues 1 and 2, and grant
17 staff administrative authority to approve a tariff that
18 includes a \$95 enrollment fee and a \$13 per month
19 enrollment fee, and have the subsequent order include
20 the language from the Office of Public Counsel
21 paragraphs one and two.

22 **COMMISSIONER BRISÉ:** Second.

23 **CHAIRMAN GRAHAM:** It's been moved and
24 seconded. Any further discussion?

25 Seeing none, all in favor, say aye.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

(Vote taken.)

Any opposed? By your action, you've approved
item number 6 as amended -- as stated.

(Agenda item concluded.)

* * * * *

1 STATE OF FLORIDA)
2 COUNTY OF LEON)

CERTIFICATE OF REPORTER

3
4 I, LINDA BOLES, CRR, RPR, Official Commission
5 Reporter, do hereby certify that the foregoing
6 proceeding was heard at the time and place herein
7 stated.

8 IT IS FURTHER CERTIFIED that I
9 stenographically reported the said proceedings; that the
10 same has been transcribed under my direct supervision;
11 and that this transcript constitutes a true
12 transcription of my notes of said proceedings.

13 I FURTHER CERTIFY that I am not a relative,
14 employee, attorney or counsel of any of the parties, nor
15 am I a relative or employee of any of the parties'
16 attorney or counsel connected with the action, nor am I
17 financially interested in the action.

18 DATED THIS 21st day of January,
19 2014.

20
21
22
23
24
25
Linda Boles

LINDA BOLES, CRR, RPR
FPSC Official Commission Reporters
(850) 413-6734