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March 21, 2011

VIA HAND DELIVERY

Ms. Ann Cole
Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
Betty Easley Conference Center
2540 Shumard Oak Boulevard, Room 110
Tallahassee, FL 32399-0850

Re: Docket No. 110002-EG; FPL Smart Meter Progress Report

Dear Ms. Cole:

Pursuant to Order No. PSC-10-0153-FOF-EI, issued March 17, 2010 in Docket Nos. 080677-EI and 090130-EI ("Order 0153"), Florida Power & Light Company ("FPL") provides this annual progress report on its implementation of smart meters. FPL is providing this informational update in the Energy Conservation Cost Recovery ("ECCR") docket, as required by Order 0153.

Progress Report

FPL is following a methodical approach to deploying smart grid technologies. FPL's investments in smart grid technologies include intelligent devices on the electric grid, enhancements to centers that monitor the performance of the grid, and smart meters for 4.5 million customers. As of March 1, 2011, FPL has installed approximately 1.7 million smart meters in its service area, approximately 800,000 of which have been activated, allowing these meters to be read remotely. Activation of the meters typically occurs approximately 6 months after installation to allow adequate time for testing and integration. The meters installed thus far are concentrated in Miami-Dade, Broward and Southern Palm Beach Counties. FPL continues to anticipate it will achieve full deployment of residential smart meters throughout its service area by the fourth quarter of 2013.

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As the Commission will recall, the primary basis for deploying smart meters is to further improve service and reliability for FPL's 4.5 million customers and provide them with tangible benefits today while laying the foundation for a host of potential future benefits. Customers will benefit from reliability improvements, including outage identification and prevention and faster restoration, even if they choose not to change their behavior as a result of having the smart meter and access to usage information.

Overall, FPL's capital costs remain very close to our original projections while expenses are higher than expected. Customers will also benefit from operational savings, recognizing that this is a long-term project in which savings are realized after several complex, interdependent components and processes are fully developed, tested and implemented. FPL continues to project the operational savings will occur, but in order to ensure the best possible experience for our customers, we have extended the time between installation and activation of the new meters to allow for extensive system testing as well as communication with the customer. During this interim period, FPL continues to read the meters in person. This methodical approach requires a temporarily higher staffing level than had been projected.

How FPL Intends to Use Smart Meters to Allow Customers to Better Manage Their Energy Usage and Reduce Energy Consumption (pp. 96, 170, Order 0153)

In regard to managing their energy usage and using smart meters to reduce energy consumption, customers with activated smart meters will have more information and control over their energy consumption. Without a smart meter, customers have little information about how much energy they use until they receive their monthly bill. The additional capabilities of the smart meters now give customers access to more information about their energy consumption.

- Instead of having to wait until the end of the month to see how much energy they used, customers whose smart meters have been activated have access to an online energy portal, where they can see how much energy they are using by the hour, day, and month, as well as what they are spending for electricity during those time intervals, and make informed choices. The average temperature for each day is also available so that customers can correlate the impact weather has on their energy use. Customers can also compare their past energy use information to see trends or patterns in their energy use.
- Customers who do not have access to the Internet can call FPL to speak to a customer service representative who will be able to review their usage over the phone and answer questions.
- FPL is also planning interactive voice response enhancements to enable customers to get usage and other smart meter information by phone or other means. We encourage customers to use this information along with energy-efficiency tips, also available on the FPL website, to better manage their energy usage and lower their bills.

- FPL is also partnering with Miami Dade College to develop a program through the Florida community college system that will help customers create personal energy plans using face-to-face training and hands-on participation – with a special focus on low-income communities, non-English-speaking communities, senior citizens and small business owners with activated smart meters. Training will be delivered at various locations, including college campuses, community centers, senior centers and civic and business association meetings, and will be tailored to meet the specific needs of the audience. This program is funded by a federal American Recovery and Reinvestment Act (“ARRA”) grant from the U.S. Department of Energy. It will be offered free of charge and is scheduled to roll-out in the second quarter of 2011.

New Programs or Rate Offerings Associated With Smart Meters

Before deploying a new program or rate offering to our customers system-wide, we need to conduct pilots to gauge whether full deployment of a program is appropriate and attempt to gain a full understanding of the necessary communications, systems and processes.


The proposed FPL Smart Price dynamic pricing pilot project will enable us to study how dynamic pricing coupled with real-time energy information and different customer load reduction capabilities will impact peak load and energy use. FPL’s proposed pilot is part of our In-Home-Technology Project, which is designed to test emerging in-home technologies and to assess whether a new pricing incentive is effective in helping customers change their energy habits. Participants in the voluntary project will provide valuable feedback as FPL continues to explore new products and services to help our customers gain more control over their energy use and save them money. This pilot is a component of our Energy Smart Florida initiative and is funded by the ARRA grant.

Conclusion

These programs and the online portal discussed above will help FPL provide our customers with more information and control over their energy usage and enable them to use smart meters to reduce their energy consumption.

Thank you for your interest in this informational update. Please do not hesitate to contact me should you have any questions.

Sincerely,



for

Ken Rubin, Senior Attorney
Florida Power & Light Company

cc: All parties on attached service list

CERTIFICATE OF SERVICE
DOCKET NO. 110002-EG

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