

Steel Hector & Davis

Tallahassee, Florida

Charles A. Guyton
(904) 222-3423

April 29, 1994

ORIGINAL
FILE COPY

By Hand Delivery

Blanca S. Bayo, Director
Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399

94 04 23 - EG

Re: Petition of FPL for Approval of Experimental
Real Time Pricing Rate, Rate Schedule RTP-GX

Dear Ms. Bayo:

Enclosed for filing on behalf of Florida Power & Light Company (FPL) are the original and fifteen (15) copies of the Petition Of Florida Power & Light Company For Approval Of Experimental Real Time Pricing Rate, Rate Schedule RTP-GX.

If you or your Staff have any questions regarding this transmittal, please contact me.

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- RCH _____
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- WAS _____
- OTH _____

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FPSC-BUREAU OF RECORDS

Very truly yours,

Charles A. Guyton

Tallahassee Office
215 South Monroe
Suite 601
Tallahassee, FL 32301-1804
(904) 222-2300
Fax: (904) 222-8410

4000 Southeast Financial Center
Miami, FL 33131-2398
(305) 577-7000
Fax: (305) 358-1418

1900 Phillips Point West
777 South Flagler Drive
West Palm Beach, FL 33401-3998
(407) 650-7200
Fax: (407) 655-1509

DOCUMENT NUMBER - DATE

04054 APR 29 94

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Power) Docket No.
& Light Company for Approval of)
Experimental Real Time Pricing) Filed: April 29, 1994
Rate, Rate Schedule RTP-GX)

PETITION OF FLORIDA POWER & LIGHT COMPANY
FOR APPROVAL OF EXPERIMENTAL REAL TIME
PRICING RATE, RATE SCHEDULE RTP-GX

Florida Power & Light Company ("FPL"), pursuant to Sections 366.06, 366.075, 366.82, Florida Statutes (1993), hereby petitions the Florida Public Service Commission ("Commission") for Approval of an experimental Real Time Pricing ("RTP") rate, Rate Schedule RTP-GX, to offer to a limited number of commercial/industrial customers during a four year experimental research program. In support of its petition, FPL states:

1. FPL is a public utility within the meaning of Section 366.02, Florida Statutes and is subject to the Commission's jurisdiction under Chapter 366, Florida Statutes. Its general office is located at 9250 West Flagler Street, Miami, Florida.

2. All correspondence, notices, orders and other documents concerning this Petition should be sent to:

Charles A. Guyton
Steel Hector & Davis
215 South Monroe Street
Suite 601
Tallahassee, FL 32301

William G. Walker, III
Vice President, Regulatory Affairs
Florida Power & Light Company
9250 West Flagler Street
Miami, FL 33174

3. On December 20, 1993, FPL petitioned the Commission for approval of The Commercial/Industrial Real Time Pricing Research Project. As part of the research project, FPL was to develop and

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seek Commission approval for experimental real time pricing ("RTP") tariffs that allowed participating customers to take service pursuant to one day ahead hourly price quotes based upon projected marginal costs. FPL proposed to evaluate customer response to the RTP tariff to determine whether there was a sufficient peak demand and energy reduction to justify a real time pricing conservation program. FPL's petition seeking approval of an RTP research project and conservation cost recovery approval is still pending.

4. FPL has now developed and is seeking approval of its initial commercial/industrial real time pricing tariff, Rate Schedule RTP-GX, copies of which are attached as Exhibit A. FPL proposes to offer Rate Schedule RTP-GX as an experimental tariff as part of FPL's proposed Commercial/Industrial Real Time Pricing Research Project. FPL proposes to offer Rate Schedule RTP-GX for four years, during which FPL will monitor customers' responses and evaluate data to assess whether there is sufficient, quantifiable demand reduction to justify a real time pricing conservation program.

5. The terms and conditions of Rate Schedule RTP-GX are set forth on Original Sheet Nos. 8.620, 8.621, 8.622, 8.623 and 8.624, copies of which are attached in Appendix A.

6. FPL estimates that between 10 and 30 customers (FPL has proposed to limit eligibility to no no more than 50 customers) will be served under Rate RTP-GX during the research project; the annual revenue to be derived under the rate has not been determined.

7. FPL is not aware of any disputed issues of material fact.

8. Approval of Rate Schedule RTP-GX as an experimental tariff offering as part of FPL's Commercial/Industrial Real Time Pricing Research Project should advance the policy objectives of the Florida Energy Efficiency Conservation Act and Rule 25-17.001, Florida Administrative Code, by allowing FPL to assess whether customer response will be a cost-effective reduction of the growth of weather-sensitive peak demand. It should also strengthen the Commission's application of its Time of Day Standard.

WHEREFORE, FPL respectfully petitions the Commission to approve experimental Rate Schedule RTP-GX attached in Appendix A as part of FPL's Commercial/Industrial Real Time Pricing Research Project and allow recovery of the expenditures for the development and administration of Rate Schedule RTP-GX, including positive and negative net marginal reliability cost and net marginal recovery balances through FPL's conservation cost recovery clause.

Respectfully submitted,

STEEL HECTOR & DAVIS
215 South Monroe Street
Suite 601
Tallahassee, FL 32301
(904) 222-2300

Attorneys for Florida Power
& Light Company

BY: 

CHARLES A. GULTON

EXHIBIT A

RATE SCHEDULE RTP-GX

REAL-TIME PRICING - GENERAL SERVICE
(OPTIONAL EXPERIMENTAL SCHEDULE)

RATE SCHEDULE RTP-GX:

AVAILABLE:

In all territory served. This is an experimental rate available through the execution of a Real Time Pricing Program Agreement with FPL. Availability is limited to 50 customers, with priority established based on the date that the Agreement is executed by both the Customer and FPL.

Service under this experimental schedule shall terminate on December 31, 1998, unless extended by order of the Florida Public Service Commission.

APPLICATION:

For electric service provided to any Customer served under Schedule GSLD-2, GSLDT-2, GSLD-3 or GSLDT-3 and to any Customer served under Schedule GSLD-1 or GSLDT-1 with a measured demand of at least 1500 kW during the historical period used for CBL development. The Customer shall enter into a Real Time Pricing Program Agreement with FPL for service under this schedule.

SERVICE:

Three phase, 60 hertz at any available standard voltage.

Transformation Rider - TR, where applicable, shall only apply to the Customer's Maximum Demand for the period represented in the Customer Baseline Load (CBL) for delivery voltages below 69 kv. Standby Service is not available hereunder. Resale of service is not permitted hereunder.

REAL-TIME PRICING:

Customers participating in Real Time Pricing service under Schedule RTP-GX purchase energy at hourly prices that are based on FPL's projected hourly marginal costs. Hourly prices for energy are posted by FPL on a day-ahead basis, or on the last business day prior to weekends and holidays. In addition to the Usage Charge, RTP-GX service includes a monthly Access Charge and an Administrative Charge.

The RTP Access Charge is customer-specific and is calculated such that each Customer's monthly bill under RTP-GX is equal in amount to the bill which would otherwise have been generated under the Customer's otherwise applicable rate schedule for the energy consumption identical to the Customer's CBL. The Customer's monthly bill under RTP-GX will vary from this billing amount only as a result of consumption which varies from the Customer's CBL as measured on an hourly basis.

(Continued on Sheet No. 8.621)

Issued by: S. E. Frank, President
Effective:

(Continued from Sheet No. 8.620)

MONTHLY RATE:

RTP Administrative Charge \$ 100.00

RTP Usage Charge:

The monthly RTP Usage Charge is the sum of the hourly RTP Usage Charges for the billing period, where each hourly RTP Usage Charge is equal to the RTP Energy Price for that hour, as posted by FPL, times the kWh consumption for that hour.

RTP Access Charge:

The RTP Access Charge is calculated each month for each Customer as the difference between:

1. The total bill under the Customer's otherwise applicable rate as calculated using the Customer's CBL billing demand and CBL level of energy consumption for each hour of the billing period; and
2. The CBL-based Usage Charge, calculated in the same manner as the monthly RTP Usage Charge, but based on the level of consumption reflected in the Customer's CBL for that month.

The Fuel Charge, Conservation Charge, Capacity Payment Charge, Oil Backout Charge, and Environmental Cost Recovery Charge are only applicable to the calculation of the RTP Access Charge, to the extent that they affect the amount of the bill that would otherwise be generated under the Customer's otherwise applicable rate schedule.

Tax Clause: See Sheet No. 8.840

Franchise Fee: See Sheet No. 8.890

RTP ENERGY PRICES

The RTP Energy Price for each hour is the sum of:

1. Marginal Operating Cost (MOP);
2. Marginal Reliability Cost (MREL); and
3. the Marginal Recovery Component (MREC),

as adjusted for revenue taxes using the tax factor applied by FPL in the calculation of the Fuel Cost Recovery Factor, as filed with the FPSC.

The Marginal Operating Costs (MOP) are based on FPL's projected hourly marginal energy costs. The MOP includes incremental fuel and identifiable incremental operating and maintenance (O&M) costs. Incremental fuel cost is projected using FPL's marginal production costing program, which calculates the day-ahead marginal cost to serve a block of load representing RTP load. Operation and maintenance costs are computed annually using the methodology approved by the Commission in Docket No. 860001-EI. The projected incremental fuel and O&M costs are increased for losses based on the Customer's delivery voltage as follows:

For deliveries at secondary voltage, multiply by 1.07975
For deliveries at primary voltage, multiply by 1.05915
For deliveries at transmission voltage, multiply by 1.03952

(Continued on Sheet No. 8.622)

(Continued from Sheet No. 8.621)

The Marginal Reliability Cost (MREL) represents the system reliability impact of an additional kW consumed and is calculated for each hour as:

$$\text{MREL} = R_i \times (\$7.50 - \text{MOP}) \quad \text{where:}$$

R_i is the reliability ratio for each hour i , calculated as the projected unserved kWh per incremental kW of load for the hour, as determined by FPL.

The Marginal Recovery Component (MREC) is calculated as:

$$\text{MREC} = 40\% \times (\text{Reference Price} - (\text{MOP} + \text{MREL})) \quad \text{where:}$$

Reference Price = 5.6¢ for customers from GSLD-1, GSLDT-1, GSLD-2 & GSLDT-2

Reference Price = 4.6¢ for customers from GSLD-3 & GSLDT-3

The MREC shall never be less than zero (0).

NOTIFICATION OF HOURLY RTP ENERGY PRICES:

The hourly RTP Energy Prices shall be made available to RTP-GX Customers by 4:00 p.m. Eastern Time of the preceding business day. Prices for Saturday, Sunday and Monday shall be available by 4:00 p.m. Eastern Time on the preceding Friday. For a recognized holiday and the day following the holiday, prices will be available the preceding business day. FPL retains the right to issue revised prices for a Sunday, Monday, holiday, or the day following a holiday when updated projections would result in significantly different hourly RTP Energy Prices. Such revised prices shall be available not later than 4:00 p.m. on the day prior to their being in effect.

Customers are required to notify FPL by 5:00 p.m. Eastern Time on the day of scheduled communication if the prices are not received, as specified in the Real Time Pricing Program Agreement.

CUSTOMER BASELINE LOAD (CBL):

The Customer Baseline Load (CBL) is specific to each RTP Customer and represents a complete calendar year of hourly energy levels (kWh), as well as the corresponding 12 monthly on-peak and off-peak billing demands based on the Customer's otherwise applicable rate schedule.

CBL DETERMINATION:

CBLs for new RTP-GX customers are determined in two steps:

1. Development of the "Historic Base-Year CBL"

Historic Base-Year CBLs for new RTP-GX subscribers will be developed by FPL using recent continuous one year's (12 consecutive months) hourly load data. The historic period from which the hourly load data will be drawn shall be defined such that the first month falls within eighteen months of the RTP service initiation date for the Customer. For situations in which hourly data are not available, a CBL will be constructed to fit available aggregate metered usage data using load shapes from customers with similar usage patterns, and from engineering and operating data provided by the Customer and verified by FPL.

(Continued on Sheet No. 8.623)

(Continued from Sheet No. 8.622)

2. Calendar-Mapping of the Historic Base-Year CBL to the RTP service year.

To provide the Customer with the appropriate CBL for each day of the RTP service year, each day of the Historic Base-Year CBL is calendar-mapped to the corresponding day of the RTP service year. Calendar-mapping is a day-matching exercise performed to ensure that Mondays are matched to Mondays, Tuesdays are matched to Tuesdays, holidays to holidays, etc. Calendar-mapping also reflects customer shutdown schedules. Calendar-mapping is performed prior to each year of RTP service after adjustments, if any, are made to the CBL.

CBL ADJUSTMENTS:

In order that the CBL reflect as accurately as possible the energy that the Customer would consume on his otherwise applicable rate schedule, adjustments to the CBL shall be made for:

1. The installation of permanent energy efficiency measures either as a result of participation in FPL's Demand-Side Management Programs or other verifiable conservation or technology efficiency improvement measures;

(CBL adjustments of this type will be made prior to the initial RTP service year, and thereafter, at any time during the RTP service year. These CBL adjustments will be made effective to coincide with the time of the efficiency measures installation.)

2. The permanent removal of customer equipment that results in a permanent loss of electric load, including any fuel substitution resulting in permanently reduced electricity consumption;

(CBL adjustments of this type will be made prior to the initial RTP service year, and thereafter, at any time during the RTP service year. These CBL adjustments will be made effective to coincide with the time of the equipment removal.)

3. The permanent addition of customer equipment;

(CBL adjustments of this type will be made prior to the initial year of RTP service based upon known or reasonably anticipated changes in customer usage and/or demand that are not related to the introduction of RTP.)

4. One-time extraordinary events, such as a hurricane, other natural causes or disasters; and

(CBL adjustments of this type will be made as circumstances dictate in order that the Customer not be unfairly penalized for circumstances that affect his usage but that are not under his control.)

5. Other changes in usage ("Annual Usage Adjustment");

(Annual Usage Adjustments will be made on the Customer's RTP-GX service anniversary date in preparation for the following RTP-GX service year.)

(The Annual Usage Adjustment is based on the variance between the Customer's CBL and the Customer's actual load from the recent 12 months of RTP-GX service.)

(Continued on Sheet No. 8.624)

(Continued from Sheet No. 8.623)

(For each month, the "Load Change" is calculated as the difference between the Customer's total actual usage for the month and the total usage represented by the CBL for the month. When the absolute value of the Load Change exceeds 10% of the total usage reflected in the CBL for that month, a Usage Adjustment will be made to all hours of the CBL for that month, as follows:

$$CBL_1 = CBL_0 \times [1 + (A\text{-factor} \times \text{Load Change} / CBL_0)]$$

where:

CBL_1	=	the new CBL for that month, for use in the next RTP Service Year
CBL_0	=	the current CBL for that month, as used in the current RTP Service Year, as adjusted for adjustments 1 - 4 above
A-Factor	=	the adjustment factor, currently equal to 0.50
Load Change	=	the difference in that month between the Customer's total usage for the month and the total usage represented by the CBL

The Annual Usage Adjustment shall not result in any downward usage adjustment greater than 20% of the CBL.)

TERM OF SERVICE:

Service under Schedule RTP-GX is for an initial term of one year and is renewable on an annual basis, subject to the termination date of this schedule. Failure by a Customer to renew service during the annual renewal period (the last month of each contract term) shall constitute voluntary termination of service under this schedule. FPL may terminate program participation at any time for failure to comply with any of the provisions of this schedule or the Real Time Pricing Program Agreement, after giving the Customer 30 days' notice to comply. Once participation in this program is terminated by the Customer or FPL, a Customer is not eligible to participate again for the duration of the Real Time Pricing experiment.

SPECIAL PROVISIONS:

1. If there is a change in the legal identity of the Customer receiving RTP-GX service, service under this schedule will be terminated unless a new Real Time Pricing Program Agreement, including agreement on an appropriate CBL, is executed.
2. If the Customer's actual load exceeds the CBL by an amount which requires FPL to install additional local facilities to serve the Customer, the Customer will be responsible for any such costs incurred by the Company.
3. The "otherwise applicable rate" for each Customer is defined as the rate under the which the Customer was being billed immediately prior to taking service under Schedule RTP-GX. The "otherwise applicable rate" must be one of the rates listed under APPLICATION. The Fuel Charge, Conservation Charge, Capacity Payment Charge, Oil Backout Charge, and Environmental Cost Recovery Clause are only applicable to the calculation of the RTP Access Charge and as defined in the Customer's otherwise applicable rate schedule.

RULES AND REGULATIONS:

Service under this schedule is subject to orders of governmental bodies having jurisdiction and to the currently effective "General Rules and Regulations for Electric Service" on file with the Florida Public Service Commission. In case of conflict between any provision of this schedule and said "General Rules and Regulations for Electric Service" the provision of this schedule shall apply.

Issued by: S. E. Frank, President

Effective: