

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Energy conservation cost  
recovery clause.

DOCKET NO.: 990002-EG  
ORDER NO. PSC-99-0505-PCO-EG  
ISSUED: March 10, 1999

The following Commissioners participated in the disposition of  
this matter:

J. TERRY DEASON  
SUSAN F. CLARK  
JULIA L. JOHNSON

NOTICE OF PROPOSED AGENCY ACTION  
ORDER APPROVING CONTINUATION OF CILC PROGRAM UNTIL  
DECEMBER 31, 2000

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Pursuant to Order No. PSC-96-0468-FOF-EG, issued April 4, 1996, in Docket No. 960130-EG, we granted Florida Power & Light Company's request to limit the availability of its Commercial Industrial Load Control (CILC) program to existing customers and those which had entered into a CILC agreement as of March 19, 1996.

Section seven of the CILC agreement states:

Within two (2) years of this Agreement, the Customer agrees (I) to perform necessary changes to allow control of a portion of the Customer's load and/or (ii) to install or have in place backup generation equipment to contribute to the Controllable Demand level. Schedule CILC-1 cannot apply earlier than this date unless the Company so agrees. Should the Customer fail to complete the above work by the above-specified date, or should the customer fail to begin taking service under Schedule

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CILC-1 during that year, this Agreement shall become null and void unless otherwise agreed by the Company.

As of February 4, 1999, there were over 100 outstanding CILC Agreements not currently taking service under the CILC rate schedule. At issue is whether these customers should continue to be eligible to take service under the CILC rate. Because there are so many outstanding contracts without customers actually participating in the CILC rate, we are concerned that the outstanding 38 MWS of CILC may not be cost-effective. However, as discussed below, cost-effectiveness is no longer the primary reason for continuing the current CILC program.

Peninsular Florida utilities may be too dependent on non-firm load. While the 38 MWS are minimal from a reliability standpoint, it would be better to at least have the opportunity to enhance reliability. The 38 MWS remaining of CILC may not materialize by the year 2000 as planned by FPL. This is because it is up to FPL's customers to make the decisions and investments necessary to take service under the CILC rate. FPL is already the least dependent, from a percentage basis, on non-firm load of the larger peninsular investor-owned utilities. FPL has indicated that it will be moving away from load management programs. This will be reflected in FPL's upcoming DSM goals filings and should allow for an orderly reduction in the amount of non-firm load as a percentage of reserve margin.

Therefore, while the incremental amount of CILC at issue may not be cost-effective, it could positively impact reliability for FPL's system and Peninsular Florida for the years 1999 and 2000. Because FPL has agreed to reduce the level of CILC in the future and in order to avoid customer confusion, the current CILC rate and associated Agreements, totaling approximately 38 MW, shall remain in effect until December 31, 2000. Any customer who is not taking service under the current CILC rate by this date shall no longer be eligible for the current CILC rate.

FPL agreed to inform its customers of the December 31, 2000, deadline by letter immediately following our vote in this matter. This will allow FPL to administer its tariff.

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Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light Company's current CILC rate and associated agreements, totaling approximately 38 MW, shall remain in effect until December 31, 2000, at which time, any customer who is not taking service under the current CILC rate shall no longer be eligible for the current CILC rate. It is further

ORDERED that this docket shall remain open to allow the Commission to continue to monitor both energy conservation and the associated costs of the affected utilities.

By ORDER of the Florida Public Service Commission this 10th day of March, 1999.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records

( S E A L )

GAJ

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

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Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on March 31, 1999.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.