

REQUEST TO ESTABLISH DOCKET
(PLEASE TYPE)

Date 10/26/00

Docket No. 061615-E1

1. Division Name/Staff Name ECR / Springer, E. Draper

2. OPR ECR

3. OCR _____

4. Suggested Docket Title Petition by Florida Power and Light Company for Extension of Experimental Real Time Pricing Rate

5. Suggested Docket Mailing List (attach separate sheet if necessary)

- A. Provide NAMES ONLY for regulated companies or ACRONYMS ONLY regulated industries, as shown in Rule 25-22.104, F.A.C.
- B. Provide COMPLETE name and address for all others. (Match representatives to clients.)

1. Parties and their representatives (if any)

<u>Florida Power and Light Company</u>	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

2. Interested Persons and their representatives (if any)

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

6. Check one:

- Documentation is attached.
- Documentation will be provided with recommendation.

October 25, 2000

Blanca S. Bayo, Director
Records and Reporting
Florida Public Service Commission
4075 Esplanade Way
Room 110
Tallahassee, Florida 32399-0850

Via Hand Delivery

**Re: FPL Modification and Extension of Experimental
Real Time Pricing Rate, Rate Schedule RTP-GX
Docket Number 000902-EI**

Dear Ms. Bayo:

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

If you or your Staff have any questions regarding this filing, please contact me at 222-2300.

Very truly yours,



Charles A. Guyton

CAG/ld
Enclosure

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Power & Light Company) Docket No. 000902-EI
Company For Modification And Extension of)
Experimental Real Time Pricing Rate, Rate Schedule) Filed: October 25, 2000
RTP-GX)

**PETITION FOR EXTENSION OF
FLORIDA POWER & LIGHT COMPANY'S
EXPERIMENTAL REAL TIME PRICING RATE,
RATE SCHEDULE RTP-GX**

Florida Power & Light Company ("FPL"), pursuant to Sections 366.06 and 366.075, Florida Statutes (1999) and Florida Administrative Code Rule 28-106.301, hereby petitions the Florida Public Service Commission ("Commission") to extend through March 31, 2001 FPL's Experimental Real Time Pricing Rate, Rate Schedule RTP-GX. The grounds for this Petition are:

1. The name and the address of the affected agency are:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

2. FPL's address is 9250 West Flagler Street, Miami, FL 33174. Correspondence, notices, orders and other documents concerning this Petition should be sent to:

Charles A. Guyton
Steel Hector & Davis LLP
Suite 601
215 S. Monroe St.
Tallahassee, FL 32301
(850) 222-2300

William G. Walker, III
Vice President, Regulatory Affairs
Florida Power & Light Company
9250 W. Flagler Street
Miami, FL 33174
(305) 552-4981

3. On October 11, 1994 the Commission issued Order No. PSC-94-1232-FOF-EG approving FPL's experimental real time pricing rate, Rate Schedule RTP-GX, as part of a real time pricing research program. Rate Schedule RTP-GX became effective on February 1, 1995 and would have terminated on December 31, 1998, absent further Commission action. As originally proposed, Rate Schedule RTP-GX was an experimental commercial/industrial rate schedule that provided hourly marginal energy prices and was limited to 50 of the 150 potentially eligible customers whose maximum monthly demand was 1,500 kW or greater. The purpose of FPL's real time pricing research program has been to examine customer reaction to marginal price signals. FPL believes that customers will respond to high hourly marginal cost based energy prices by shifting their load and that the resulting peak demand reductions will make the real time pricing rate a cost-effective conservation program.

4. In November 1995, FPL petitioned the Commission to modify Rate Schedule RTP-GX to extend eligibility from customers with billing demands of 1500 kW or larger to customers with billing demands of 1,000 kW or larger. FPL's experience under Rate Schedule RTP-GX as originally approved had been that not enough customers were signing up for FPL to gather sufficient data to conduct its real time pricing research. FPL had only 4 customers signed for the rate schedule when FPL petitioned to modify the rate. FPL proposed to lower the demand limit governing availability to increase the number of customers taking service. The Commission agreed to the rate change in Order No. PSC-96-0027-FOF-EI, issued on January 8, 1996. Much of the remainder of 1996 was spent signing customers under the rate schedule. By year end 1996, FPL had signed 39 customers for its experimental Rate Schedule RTP-GX.

5. Between the end of 1996 when FPL had secured adequate numbers of customers taking service under Rate Schedule RTP-GX to conduct a meaningful experiment and October, 1998, FPL did not experience sufficient extreme load conditions on its system to allow FPL to gather the data necessary to measure customer responses to Rate Schedule RTP-GX's marginal cost based pricing. It is at times of extreme system load conditions that the marginal cost based pricing under Rate Schedule RTP would increase significantly and allow measurement of customer response.

6. Because of the difficulty of initially signing sufficient numbers of customers under Rate Schedule RTP-GX and the subsequent limited extreme system load conditions, FPL did not have sufficient data to draw conclusions regarding customer reaction to the marginal cost based pricing under Rate Schedule RTP-GX. Consequently, FPL sought in October 1998 to extend the operation of its experimental Rate Schedule RTP-GX through December 2000.

7. The Commission granted FPL's October 1998 request for extension of the RTP-GX rate offering through December 2000. Order No. PSC-99-0058-FOF-EG, issued January 6, 1999. In so doing, the Commission noted that the extension was appropriate as long as FPL continued to file monthly reports and did not seek recovery of the Marginal Reliability Cost Transactions and the Marginal Recovery Cost Transactions during the RTP-GX experiment.

8. On July 20, 2000 FPL filed a petition in this proceeding seeking to modify, effective January 1, 2001, and further extend, through December 2002, the RTP-GX rate offering. Program experience to date suggested there was a need for greater price volatility at time of peak pricing and that more appropriate annual changes to customer's baselines were warranted. Thus, FPL proposed to modify, effective January 1, 2001, the MREL and MREC components of the rate to increase price volatility and to make other changes to the rate allowing more participation and more appropriate

volatility and to make other changes to the rate allowing more participation and more appropriate annual adjustments to customer baselines given customers' actual changes in demand. Once these modifications to the rate were made, FPL would need additional time to monitor customer response. Thus, FPL sought to further extend the rate, as modified, from December 2000 through December 2002.

9. It has taken more time to secure approval of FPL's proposed modification to Rate Schedule RTP-GX than FPL anticipated, and FPL has become concerned whether the extension and modification will be approved and effective by December 31, 2000, when the current Rate Schedule RTP-GX will terminate without further Commission action. FPL would also like to have sufficient time between Commission approval, if granted, of the proposed rate modification and the effective date of the modification to provide a notice to customers regarding the rate change. Consequently, to allow more time for Commission review and customer notice, FPL is petitioning to request an extension of the current Rate Schedule RTP-GX through March 31, 2001. The current Rate RTP-GX provides that it "shall terminate on December 31, 2000, unless extended by order of the Florida Public Service Commission." FPL is requesting an order from the Commission extending the current Rate Schedule RTP-GX through March 31, 2000. This will allow sufficient time for the Commission to review the currently pending modification to Rate Schedule RTP-GX and, if the modification is approved, time to provide notice to customers of the change.

10. FPL is not aware of any disputed issues of material facts.

11. This petition is not in response to a prior agency decision, so the petitioner cannot state when and how it "received notice of the agency decision." The extension of the current Rate Schedule RTP-GX through March 31, 2001 should be approved. FPL is entitled to relief under Sections 366.06, 366.075, Florida Statutes (1999).

WHEREFORE, FPL respectfully petitions the Commission to approve the extension of FPL's Rate Schedule RTP-GX through March 31, 2001.

Respectfully submitted,

STEEL HECTOR & DAVIS LLP
215 S. Monroe St., Suite 601
Tallahassee, Florida 32301-1804

Attorneys for Florida Power
& Light Company

By: Charles A. Guyton
Charles A. Guyton

CERTIFICATE OF SERVICE

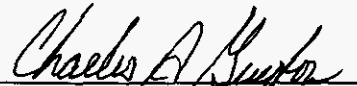
I HEREBY CERTIFY that a true and correct copy of the Petition for Extension of Florida Power & Light Company's Experimental Real Time Pricing Rate, Rate Schedule RTP-GX, was mailed or hand delivered (*) this 25th day of October, 2000 to the following:

Jack Shreve, Esquire
Office of Public Counsel
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400

Michael Springer *
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Room 115F
Tallahassee, FL 32399

Deborah Hart, Esquire *
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Florida Public Service Commission
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Charles A. Guyton