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September 20, 1995

BY HAND DELIVERY

ORIGINAL
FILE COPY

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Stipulation Between Florida Power & Light Company and Peoples Gas System, FPSC Docket No. 941170-EG

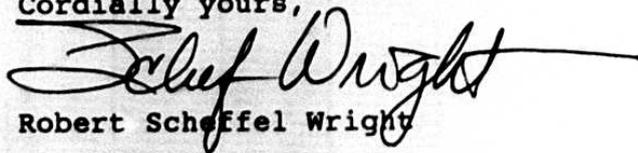
Dear Ms. Bayo:

Enclosed for filing are the original and fifteen copies of the Stipulation of Peoples Gas System, Inc. and Florida Power & Light Company in Docket No. 941170-EG, FPL's DSM Plan Docket.

Please acknowledge this filing by stamping the additional duplicate copy of the Stipulation and returning it to me via our firm's runner.

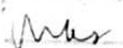
Thank you very much for all your assistance, and for your Division's consistently helpful and professional service. If you have any questions, please give me a call.

Cordially yours,


Robert Scheffel Wright

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Enclosures

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In identifying potential sites Peoples will give priority to existing sites with state of the art technology and identify sites that should yield results which are transferable to other sites;

- d. contribute \$ 35,000.00 to the monitoring and evaluation of FPL's proposed Gas Engine-Driven Chillers Research Project and Gas Engine-Driven DX Air Conditioning Research Project. Peoples' contribution shall be credited to FPL customers as a reduction of the monitoring costs for the two research projects that are passed through FPL's Energy Conservation Cost Recovery ("ECCR") clause; and
- e. not protest the Commission's order approving FPL's Natural Gas End-Use Technology Research and Development Plan.

- 2. In consideration of the actions taken by Peoples pursuant to this stipulation, FPL agrees:
 - a. to allow Peoples to identify potential sites for FPL's proposed Gas Engine-Driven Chillers Research Project and Gas Engine-Driven DX Air Conditioning Research Project. In identifying potential sites Peoples will give priority to existing sites with state of the art technology and identify sites that should yield results which are transferable to other sites.
 - b. to seek a revision of its Gas Engine Driven Chiller Research Project to remove heat recovery requirements so that gas engine-driven chillers with heat recovery would not be an application FPL is actively researching and could be an eligible installation for FPL's BCI patterned gas research and development project, which is more fully described in Paragraph 2.c.;

- c. to file a petition with the Florida Public Service Commission seeking approval of a gas research and development project patterned after FPL's Business Custom Incentive ("BCI") Program. The BCI type gas research and development project will extend for a period of two years from program approval, unless shortened or discontinued upon the Commission's initiative. Under the BCI patterned project Peoples may request cost-effectiveness analyses for no more than twenty-four (24) projects within FPL's service territory. Projects which pass cost-effectiveness and for which incentives are paid must meet a minimum savings of 25 kW individually and may not exceed a savings of 10 MW collectively and 2 MW individually. Except for desiccant cooling, applications which FPL is actively researching, including the applications covered by FPL's Natural Gas End-Use Technology Research and Development Plan, will not be eligible for this gas research and development project unless bundled with equipment that is not eligible for FPL DSM incentives. Small (not larger than 150 kW) self-service package cogeneration applications and hybrid systems will be eligible if they meet other BCI program eligibility criteria. If Peoples proposes applications that are eligible for incentives under Peoples' approved conservation programs, Peoples' incentives will be recognized as a cost reduction in the Participants test analysis performed by FPL; however, if the recognition of the Peoples' incentive combined with FPL's incentive results in less than a two year payback to the customer, both Peoples' and FPL's incentives shall be reduced proportionately to a level such that the customer receives a total incentive that results in a payback of

not less than two years. Any savings achieved by FPL through this gas research and development effort shall be recognized in any determinations of whether FPL has achieved its conservation goals.

- d. to share analyzed monitoring and evaluation data provided to FPL by the consultants retained to monitor and evaluate FPL's research projects in its Natural Gas End-Use Technology Research and Development Plan. This data includes any interim and final reports. Upon review of the data, Peoples may contact FPL and request additional data/analysis or raw data used by the consultants. FPL shall not unreasonably withhold agreement from requesting from its consultant the data requested by Peoples; however, FPL will forward to Peoples data which is customer specific only with customer permission and under terms acceptable to the customer. Peoples shall pay any and all costs associated with the provision of the additional data/analysis or raw data.
- e. to share with Peoples, for Peoples to consider in recommending sites, the criteria recommended by FPL's consultants for site selection for FPL's Gas Engine-Driven Chillers Research Project and Gas Engine-Driven DX Air Conditioning Research Project. FPL and Peoples will exchange their site selection analyses used to identify sites for these two projects;
- f. to share with Peoples monitoring and evaluation of data from the participating installations in FPL's BCI patterned gas research and development project, subject to the permission and conditions of customers regarding customer specific information; and

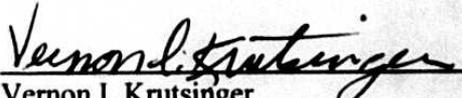
- g. to withdraw its motions and memoranda in opposition to Peoples' petitions requesting a hearing in Docket No. 941170-EG.
3. Although not consideration for actions undertaken by FPL pursuant to this stipulation, Peoples will contract with Maury J. Blalock, P.E., to provide consulting services regarding this agreement and the data to be collected pursuant to this agreement, including site-specific applications and monitoring of electric and gas usage, and all costs incurred by Peoples as mentioned in this stipulation will be collected through Peoples' ECCR clause, but will be recoverable over the period of the research and development projects rather than during the recovery periods when spent.
 4. Nothing in this stipulation shall be construed as requiring FPL: (a) to implement or to continue to offer any DSM option or program that is not cost-effective under the Rate Impact Measure and Participants tests; (b) to modify or refrain from seeking modification of the conservation goals established for FPL in Order No. PSC-94-1313-EG; (c) to modify its proposed DSM Plan in a fashion other than seeking approval of a BCI type gas research and development project as more fully described above in paragraph 2.b.; or (d) to refrain from seeking modification of its DSM Plan.
 5. This stipulation shall become null and void to the extent it is not approved by the Florida Public Service Commission.
 6. This stipulation may not be modified except by the written mutual consent of Peoples and FPL. However, FPL and Peoples recognize the Commission's continuing jurisdiction regarding FPL's and Peoples' DSM activities and that the Commission may suggest changes on its own initiative.

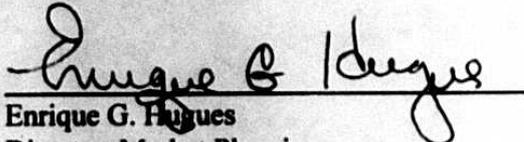
7. This stipulation shall be subject to the jurisdiction of the Florida Public Service Commission, and the Commission shall be the sole body for the resolution of any disputes arising out of the discharge of this agreement.

DATED: September 19, 1995

PEOPLES GAS SYSTEM, INC.

FLORIDA POWER & LIGHT COMPANY


Vernon I. Krutsinger
Manager, Energy Utilization

 9-15-95
Enrique G. Hugues
Director, Market Planning

TAL/12767-1

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served by hand delivery (*) or by United States Mail, postage prepaid, on the following individuals this 20th day of September, 1995:

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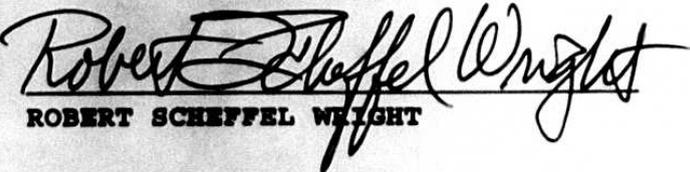
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