

STEEL
HECTOR
& DAVIS

REGISTERED LIMITED LIABILITY PARTNERSHIP

Steel Hector & Davis LLP
215 South Monroe, Suite 601
Tallahassee, Florida 32301-1801
850 222 2300
850 222 8410 Fax
www.steelhector.com

ORIGINAL

RECEIVED
NOV 16 AM 11:38
NOV 16 1998

November 16, 1998

Charles A. Guyton
850 222 3423

By Hand Delivery

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

**Re: Conservation Cost Recovery Clause
Docket No. 980002-EG**

Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Power & Light Company are the original and ten (10) copies of the following:

1. Florida Power & Light Company's Motion for Leave to File Supplemental Testimony and Alternative Relief,
2. Supplemental Testimony of C. Dennis Brandt

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

Very truly yours,

Charles A. Guyton
Charles A. Guyton

RECEIVED & FILED
CB
FPSC-BUREAU OF RECORDS

ACK _____
AFA *Handover*
APP _____
CAF _____
CMI _____
CTR _____ CAG/d

Bullinger
LEG 1 cc All Parties of Record

LIN 3708 test

OPC _____
RCH _____
SEC 1
WAS _____
OTH _____

Miami West Palm Beach Tallahassee Key West

Motion
DOCUMENT NUMBER-DATE
12794 NOV 16 98
FPSC-RECORDS/REPORTING

Testimony
DOCUMENT NUMBER-DATE
12795 NOV 16 98
FPSC-RECORDS/REPORTING

ORIGINAL

BEFORE THE PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY

TESTIMONY OF C. DENNIS BRANDT

DOCKET NO. 980002-EG

NOVEMBER 13, 1998

- 1 **Q. Please state your name and business address.**
- 2 A. My name is C. Dennis Brandt and my business address is 9250
- 3 West Flagler Street, Miami, Florida 33174.
- 4
- 5 **Q. Who is your employer and what position do you hold?**
- 6 A. I am employed by Florida Power & Light Company (FPL) as
- 7 Manager of Sales & Marketing Product Support.
- 8
- 9 **Q. What are your responsibilities and duties as Manager of Sales &**
- 10 **Marketing Product Support?**
- 11 A. I am responsible for managing and supporting products and services
- 12 for FPL's residential and business customers. This includes
- 13 overseeing the development of systems, training, tracking, and
- 14 implementation of the various Demand Side Management (DSM)
- 15 programs offered to residential and business customers. I am also the
- 16 Sales & Marketing business unit liaison for regulatory issues.
- 17

1 **Q. Please describe your education and professional experience.**

2 A. I received a Bachelor of Science Degree in Industrial Engineering from
3 the University of Miami in 1978. I also received my Masters Degree
4 in Industrial Engineering from the University of Miami in 1984. I am
5 a certified Professional Engineer in the State of Florida. I was hired by
6 FPL in 1979 in the Materials Management department and have
7 worked in positions of increasing responsibility in the areas of Load
8 Management, Commercial and Industrial Marketing, Residential and
9 General Business Marketing and Sales & Marketing Product Support.

10

11 In 1991, I was promoted to the position of Manager of Residential and
12 General Business Marketing Support. I held this position until 1993,
13 when I became the Manager of Commercial/Industrial Marketing
14 Support. In late 1996, I became the Manager of Sales & Marketing
15 Product Support.

16

17 **Q. Have you previously testified in this docket?**

18 A. No, I have not testified in this docket.

19

20 **Q. What is the purpose of your testimony?**

21 A. The purpose of my testimony is to provide the current status of
22 FPL's Commercial/Industrial Load Control program and to
23 address concerns raised by the FPSC Staff as part of this docket.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

Q. Please describe the current status of the Commercial/Industrial Load Control Program (CILC).

A. In the conservation goals hearing in Docket No. 941170-EG, the FPSC set DSM goals for FPL's approved conservation programs based upon analyses submitted by FPL. The CILC program makes up a significant portion of FPL's approved goals. It comprises twenty and fifty-six percent of FPL's respective commercial/industrial summer and winter demand reduction goals. The analysis for the CILC Program indicated that in the years 1995 through 2000, FPL could cost-effectively add up to a total of 137 MW of incremental CILC load at the meter. This was in addition to the existing 1994 CILC load of 335 MW.

In 1996, FPL requested that the CILC program be closed to new customers which were not already on the CILC rate or which did not have an executed CILC Agreement. FPL made this request based on its belief that outstanding agreements, which totaled approximately 150 MW were sufficient to meet the cost-effective level of program participation and sufficient for the Company to meet its DSM goals approved by the FPSC.

As of October 31, 1998, FPL had 397 MW participating in the CILC program. This is still 75 MW below the cost-effective level approved

1 the FPSC. FPL expects to reach this level by the year-end 2000.
2 FPL's expectation is based upon moving customers with executed
3 CILC agreements onto the CILC rate between now and then, perhaps
4 increasing CILC service to existing CILC customers and perhaps
5 approving assignments of executed CILC agreements. As of October
6 31, 1998, FPL had 71 MW of customers with executed CILC
7 agreements who were not yet on the CILC rate.

8
9 **Q. How are savings of the CILC program measured?**

10 A. FPL measures savings several ways for program participants. First,
11 when a customer is ready to go on the CILC rate, a test is performed by
12 FPL. This test is used to ensure that the customer can reach its agreed
13 upon load reduction. Second, on an annual basis FPL evaluates the
14 load reduction capability for the program by comparing the coincident
15 peak load of program participants on selected winter and summer peak
16 days.

17
18 **Q. How are projected savings calculated for customers who
19 signed an agreement but are not yet on the
20 Commercial/Industrial Load Control rate?**

21 A. Projected savings are determined by examination of the customer's
22 current 12 months demand profile and comparing it's coincident peak
23 load profiles for the appropriate CILC rate class.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Q. Are the continued efforts by FPL to add additional customers to the Commercial/Industrial Load Control program consistent with the FPSC approved program?

A. Yes, the current Commercial/Industrial Load Control program tariff, which is included as Exhibit __ (CDB-1), states that this program is available to "to any commercial or industrial customer to which the load provisions of this schedule can feasibly be applied, who, as of March 19, 1996, was either taking service pursuant to this schedule or had a fully executed copy of a Commercial/Industrial Load Control Agreement with the Company." In addition, the Commercial/Industrial Load Control Agreement, which is included as Exhibit __ (CDB-2), states in Section 7 that the agreement may be extended if desired by FPL.

Q. The currently approved program agreement provisions state that the agreements are for 2 years unless otherwise agreed by the company. Explain how the Company administers this provision?

A. From FPL's perspective, these agreements do not become null and void because, consistent with the agreement, the Company has "otherwise agreed" that they will not become null and void. FPL has

1 agreed not to let the agreements become null and void for several
2 reasons.

3
4 In some cases FPL knows of customer commitments, such as the
5 procurement of backup generation, that the customer is in the process
6 of completing in anticipation of taking service under the rate.

7 Preventing such a customer from taking service under the rate would
8 result in financial hardship to the customer. FPL has tried to avoid
9 creating an unfair situation for customers who relied upon the prospect
10 of taking service under the rate.

11
12 In addition, FPL has "otherwise agreed" that the CILC agreements will
13 not become null and void in order to assist FPL in achieving its
14 conservation goals. In the conservation goals hearing in Docket No.
15 941170-EG, the Commission set very aggressive DSM goals for FPL.
16 FPL's DSM goals far exceeds FPL's forecast of reasonably achievable,
17 cost-effective potential. The Commission also stated in that docket
18 that failure to achieve DSM goals could result in a penalty. Thus, the
19 Commission has provided FPL an incentive to achieve or exceed its
20 DSM goals.

21
22 When FPL filed requesting the Commission to close the CILC
23 program to new customers, it did so in reliance upon the outstanding

1 executed CILC agreements. FPL had outstanding agreements totaling
2 approximately 150 MW. Achieving the maximum cost-effective level
3 of CILC is important to FPL in achieving its overall DSM goals. FPL
4 believed that those agreements, and modest attrition of some of those
5 customers, would allow FPL to achieve but not exceed its cost
6 effective level of CILC, assisting FPL to achieve its conservation goals
7 as well as keeping FPL in compliance with the Commission's non-firm
8 service rule.

9
10 So, to retain its ability to achieve its DSM goals and avoid a potential
11 penalty, and to avoid harming some customers who have relied upon
12 their executed agreements and made investments that they will not
13 recoup without being able to take CILC service, FPL exercised its
14 option under the agreements to allow these agreements not to become
15 null and void.

16
17 **Q. Can you provide addition information regarding the harm to**
18 **customers, who have an executed CILC agreement that are not**
19 **currently on the CILC rate, if they are not permitted to switch to**
20 **the CILC rate during 1999 and 2000?**

21 A. FPL does not track the status of each customer who has an executed
22 CILC agreement that is not yet on the CILC rate. FPL is aware of
23 approximately 20 customers who are in the process of preparing their

1 facilities so that they can transfer to the CILC rate. The investments
2 being made by these customers range from moderate, for changes such
3 as new wiring or re-configuration of their internal electrical
4 distribution, to \$375,000 for the purchase of backup generation. Not
5 allowing these customers to transfer to the CILC rate will result in
6 substantial financial hardship for these customers. In order to honor
7 our policy of not disclosing customer specific information without
8 their prior approval, I am unable to disclose the specific situation of an
9 individual customer at this time.

10
11 **Q. If the Company is unable to meet the maximum cost-effective MW**
12 **level of CILC with the currently executed program agreements,**
13 **how will it achieve the maximum cost-effective level of CILC?**

14 A. Based upon FPL's continuing review of its ability to meet its DSM
15 goals, FPL has concluded that even with increasing CILC service to
16 existing CILC customers and the extension of the CILC agreements,
17 there may be customers upon which FPL is relying to meet its DSM
18 goals that may not ultimately take CILC service. Consequently,
19 consistent with Section 13 of the CILC agreement, FPL intends to
20 work with customers with executed CILC agreements and assist them
21 in finding other FPL customers to which they might assign their CILC
22 agreements. Such assignments would not cause FPL to exceed the
23 previously identified maximum cost-effective level of CILC of 472

1 MW, but it should assist FPL in achieving its DSM goals.

2

3 **Q. Why have you filed your supplemental testimony?**

4 A. Staff raised two issues in its Prehearing Statement which my
5 supplemental testimony is intended to address. Although Staff has
6 informed FPL it does not intend to try these issues at the November
7 hearing, Staff has been unwilling to agree that any subsequent
8 resolution of these issues will not relate back to when they raised these
9 issues. This puts FPL in the position of possibly having its ongoing
10 administration of its CILC Program at risk, although just what the risk
11 may be has not been stated by the Staff. Neither FPL nor FPL's
12 customers benefit from such uncertainty. Consequently, FPL has filed
13 this testimony in an attempt to resolve these issues and remove
14 continuing uncertainty regarding the administration of the CILC
15 Program.

16

17 **Q. Does that conclude your testimony?**

18 A. Yes, it does.

COMMERCIAL/INDUSTRIAL LOAD CONTROL PROGRAM
(OPTIONAL)
(Closed Schedule)

RATE SCHEDULE: CILC-1AVAILABLE:

In all territory served. Available to any commercial or industrial customer to which the load control provisions of this schedule can feasibly be applied, who, as of March 19, 1996, was either taking service pursuant to this schedule or had a fully executed copy of a Commercial/Industrial Load Control Agreement with the Company.

LIMITATION OF AVAILABILITY:

This schedule may be modified or withdrawn subject to determinations made under Commission Rules 25-17.0021(4), F.A.C., Goals for Electric Utilities and 25-6.0438, F.A.C., Non-Firm Electric Service - Terms and Conditions or any other Commission determination.

APPLICATION:

For electric service provided to any commercial or industrial customer as a part of the Commercial/Industrial Load Control Program Agreement between the Customer and the Company, who agrees to allow the Company to control at least 200 kw of the Customer's load, or agrees to operate backup generation equipment (see Definitions) and designate (if applicable) additional controllable demand to serve at least 200 kw of the Customer's own load during periods when the Company is controlling load. A Customer shall enter into a "Commercial/Industrial Load Control Program Agreement" with the Company for service under this schedule. To establish the initial qualification for service under this schedule, the Customer must have had an On-Peak Demand (as defined below) during the summer rating period (April through October) for at least three of the previous twelve (12) months of at least 200 kw greater than the Firm Demand or Controllable Demand (as applicable) level specified in Section 4 of the Commercial/Industrial Load Control Program Agreement. This controlled load shall not be served on a firm service basis until service has been terminated under this rate schedule.

SERVICE:

Three phase, 60 hertz at any available standard voltage.

A designated portion of the Customer's load served under this schedule is subject to control by the Company. Transformation Rider-TR, where applicable, shall only apply to the Customer's Maximum Demand for delivery voltage below 69 kv. Standby Service is not provided hereunder. Resale of service is not permitted hereunder.

(Continued on Sheet No. 8.651)

(Continued from Sheet No. 8.650)

MONTHLY RATE:

Delivery Voltage Level:	<u>Distribution below 69 kv</u>		Transmission
	CILC-1(G)	CILC-1(D)	69 kv & above CILC-1(T)
Maximum Demand Level:	<u>200-499 kw</u>	500 kw & above	
Customer Charge:	\$600.00	\$ 600.00	\$ 3,200.00
Demand Charges:			
Base Demand Charges:			
per kw of Maximum Demand in excess of 10 kw	\$ 2.43	-	-
per kw of Maximum Demand	-	\$2.43	None
per kw of Load Control On-Peak Demand. Where Firm kw is < 10 kw, the Load Control On-Peak Demand shall be adjusted by the difference between 10 kw and Firm kw	\$ 1.16	-	-
per kw of Load Control On-Peak Demand	-	\$1.16	\$ 1.15
per kw of Firm On-Peak Demand in excess of 10 kw	\$ 5.85	-	-
per kw of Firm On-Peak Demand	-	\$5.85	\$ 6.25
Capacity Payment Charge	See Sheet No. 8.030		
Non-Fuel Energy Charges:			
Base Energy Charges:			
On-Peak Period charge per kwh			
Off-Peak Period charge per kwh	1.457¢	1.142¢	0.951¢
Conservation Charge	See Sheet No. 8.030	1.457¢	0.951¢
Environmental Charge	See Sheet No. 8.030		
Additional Charges:			
Fuel Charge	See Sheet No. 8.030		
Franchise Fee	See Sheet No. 8.031		
Tax Clause	See Sheet No. 8.031		
Minimum: The Customer Charge plus the Base Demand Charges.			

(Continued on Sheet No. 8.652)

(Continued from Sheet No. 8.651)

LOAD CONTROL:Control Condition:

The Customer's controllable load served under this rate schedule is subject to control when such control alleviates any emergency conditions or capacity shortages, either power supply or transmission, or whenever system load, actual or projected, would otherwise require the peaking operation of the Company's generators. Peaking operation entails taking base loaded units, cycling units or combustion turbines above the continuous rated output, which may overstress the generators.

Frequency: The Control Conditions will typically result in less than fifteen (15) control periods per year and will not exceed twenty-five (25) control periods per year. Typically, the Company will not initiate a control period within six (6) hours of a previous control period.

Notice: The Company will provide one (1) hour's advance notice or more to a Customer prior to controlling the Customer's controllable load. Typically, the Company will provide advance notice of four (4) hours or more prior to a control period.

Duration: The duration of a single period of load control will typically be four (4) hours and will not exceed six (6) hours.

In the event of an emergency, such as a Generating Capacity Emergency (see Definitions) or a major disturbance, greater frequency, less notice, or longer duration than listed above may occur. If such an emergency develops, the Customer will be given 15 minutes' notice. Less than 15 minutes' notice may only be given in the event that failure to do so would result in loss of power to firm service customers or the purchase of emergency power to serve firm service customers. The Customer agrees that the Company will not be liable for any damages or injuries that may occur as a result of providing no notice or less than one (1) hour's notice.

Customer Responsibility:

Upon the successful installation of the load control equipment and/or any necessary backup generation equipment, a test of this equipment will be conducted between the hours of 7 a.m. and 6 p.m., Monday through Friday, excluding holidays, as specified in the Commercial/Industrial Load Control Program Agreement.

The Customer shall be responsible for providing and maintaining the appropriate equipment required to allow the Company to electrically control the Customer's load, as specified in the Commercial/Industrial Load Control Program Agreement.

The Company will control the controllable portion of the Customer's service for a one-hour period (during designated on-peak periods), once per year for Company testing purposes on the first Wednesday in November or, if not possible, at a mutually agreeable time and date, if the Customer's load has not been successfully controlled during a load control event in the previous twelve (12) months. Testing purposes include the testing of the load control equipment to ensure that the load is able to be controlled within the agreed specifications.

RATING PERIODS:On-Peak:

November 1 through March 31: Mondays through Fridays during the hours from 6 a.m. to 10 a.m. and 6 p.m. to 10 p.m. excluding Thanksgiving Day, Christmas Day, and New Year's Day.

April 1 through October 31: Mondays through Fridays during the hours from 12 noon to 9 p.m. excluding Memorial Day, Independence Day, and Labor Day.

Off-Peak:

All other hours.

(Continued On Sheet No. 8.653)

(Continued from Sheet No. 8.652)

LOAD CONTROL PERIOD:

All hours established by the Company during a monthly billing period in which

1. the Customer's load is controlled (which includes the operation of the Customer's generation equipment), or
2. the Customer is billed pursuant to the Continuity of Service Provision

DEMAND:

Demand is the kw to the nearest whole kw, as determined from the Company's metering equipment, for a 30-minute period as adjusted for power factor.

ON-PEAK DEMAND:

On-Peak Demand is the kw to the nearest whole kw, as determined from the Company's metering equipment, for a 30-minute period of Customer's greatest use for the designated on-peak periods during the month as adjusted for power factor.

MAXIMUM DEMAND:

Maximum Demand shall be the greater of the current month's demand whenever it occurs or the highest demand for the prior twenty-three (23) months. A Customer's Maximum Demand may be re-established to allow for the following adjustments:

1. Demand reduction resulting from the installation of FPL Demand Side Management Measures or FPL Research Project efficiency measures; or
2. Demand reductions resulting from the installation of other permanent and quantifiable efficiency measures, upon verification by FPL; or
3. Permanent changes to customer facilities that result in a permanent loss of electric load, including any fuel substitution resulting in permanently reduced electricity consumption, upon verification by FPL.

The re-established Maximum Demand shall be the higher of the actual demand registered in the next billing period following the Customer's written request or the prior Maximum Demand minus the calculated demand reduction. Requests to re-establish the Maximum Demand may be processed up to twice per calendar year when more than one efficiency measure is installed or where the same efficiency measure is installed in phases.

CALCULATION OF FIRM DEMAND AND LOAD CONTROL ON-PEAK DEMAND

There will be two methods of calculating the Firm Demand and Load Control On-Peak Demand for the Customer, depending on the type of demand designated in the Commercial/Industrial Load Control Program Agreement.

THIS SECTION IS APPLICABLE TO CUSTOMERS DESIGNATING A FIRM DEMAND LEVEL.FIRM ON-PEAK DEMAND:

The Customer's monthly Firm On-Peak Demand shall be the lesser of the "Firm Demand" level specified in the Customer's Commercial/Industrial Load Control Program Agreement with the Company, or the Customer's highest on-peak demand during the month. The level of "Firm Demand" specified in the Customer's Commercial/Industrial Load Control Program Agreement shall not be exceeded during the periods when the Company is controlling the Customer's load.

(Continued on Sheet No. 8.654)

(Continued from Sheet No. 8.653)

LOAD CONTROL ON-PEAK DEMAND.

Load Control On-Peak Demand shall be the Customer's highest demand for the designated on-peak periods during the month less the Customer's "Firm Demand".

PROVISIONS FOR ENERGY USE DURING CONTROL PERIODS FOR CUSTOMERS DESIGNATING A FIRM DEMAND LEVEL:

Customers notified of a load control event should meet their Firm Demand during periods when the Company is controlling load. However, energy will be made available during control periods if the Customer's failure to meet its Firm Demand is a result of one of the following conditions:

1. Force Majeure events (see Definitions) which can be demonstrated to the satisfaction of the Company, or
2. maintenance of generation equipment necessary for the implementation of load control which is performed at a pre-arranged time and date mutually agreeable to the Company and the Customer (See Special Provisions), or
3. adding firm load that was not previously non-firm load to the Customer's facility, or
4. an event affecting local, state or national security, or
5. an event whose nature requires that space launch activities be placed in the critical mode (requiring a closed-loop configuration of FPL's transmission system) as designated and documented by the NASA Test Director at Kennedy Space Center and/or the USAF Range Safety Officer at Cape Canaveral Air Force Station.

The Customer's energy use (in excess of the "Firm Demand") for the conditions listed above will be billed pursuant to the Continuity of Service Provision. For periods during which power under the Continuity of Service Provision is no longer available, the Customer will be billed, in addition to the normal charges provided hereunder, the greater of the Company's As-Available Energy cost, or the most expensive energy (calculated on a cents per kilowatt-hour basis) that FPL is purchasing or selling during that period, less the applicable class fuel charge. As-Available Energy cost is the cost calculated for Schedule COG-1 in accordance with FPSC Rule 25-17.0825, F.A.C.

If the Company determines that the Customer has utilized one or more of the exceptions above in an excessive manner, the Company will terminate service under this rate schedule as described in TERM OF SERVICE.

If the Customer exceeds the "Firm Demand" during a period when the Company is controlling load for any reason other than those specified above, then the Customer will be:

1. billed the difference between the Firm On-Peak Demand Charge and the Load Control On-Peak Demand Charge for the excess kw for the prior sixty (60) months or the number of months the Customer has been billed under this rate schedule, whichever is less, and
2. billed a penalty charge of \$1.00 per kw of excess kw for each month of rebilling.

Excess kw for rebilling and penalty charges is determined by taking the difference between the maximum demand during the Load Control Period and the Customer's "Firm Demand". For rebilling under paragraph 1 above, where Firm kw is <10 kw, the maximum demand during the Load Control Period shall be adjusted by the difference between 10 kw and Firm kw. The Customer will not be rebilled or penalized twice for the same excess kw in the calculation described above.

(Continued on Sheet No. 8.655)

(Continued from Sheet No. 8.654)

THIS SECTION IS APPLICABLE TO CUSTOMERS DESIGNATING A CONTROLLABLE DEMAND LEVEL.FIRM ON-PEAK DEMAND:

The Customer's monthly Firm On-Peak Demand shall be the On-Peak Demand during the month less the "Controllable Demand" level specified in the Customer's Commercial/Industrial Load Control Program Agreement with the Company.

LOAD CONTROL ON-PEAK DEMAND:

Load Control On-Peak Demand shall be the "Controllable Demand" level specified in the Customer's Commercial Industrial Load Control Program Agreement with the Company.

PROVISIONS FOR ENERGY USE DURING CONTROL PERIODS FOR CUSTOMERS DESIGNATING A CONTROLLABLE DEMAND LEVEL:

Customers notified of a load control event should achieve the Controllable Demand Level during periods when the Company is controlling load, except under the following conditions:

1. Force Majeure events (see Definitions) which can be demonstrated to the satisfaction of the Company, or
2. maintenance of generation equipment necessary for the implementation of load control which is performed at a pre-arranged time and date mutually agreeable to the Company and the Customer (See Special Provisions), or
3. adding firm load that was not previously non-firm load to the Customer's facility, or
4. an event affecting local, state or national security, or
5. an event whose nature requires that space launch activities be placed in the critical mode (requiring a closed-loop configuration of FPL's transmission system) as designated and documented by the NASA Test Director at Kennedy Space Center and/or the USAF Range Safety Officer at Cape Canaveral Air Force Station

The Customer's energy use (in excess of the "Firm Demand") for the conditions listed above will be billed pursuant to the Continuity of Service Provision. For periods during which power under the Continuity of Service Provision is no longer available, the Customer will be billed, in addition to the normal charges provided hereunder, the greater of the Company's As-Available Energy cost, or the most expensive energy (calculated on a cents per kilowatt hour basis) that FPL is purchasing or selling during that period, less the applicable class fuel charge. As-Available Energy cost is the cost calculated for Schedule COG-1 in accordance with FPSC Rule 25-17.0825, F.A.C.

If the Company determines that the Customer has utilized one or more of the exceptions above in an excessive manner, the Company will terminate service under this rate schedule as described in TERM OF SERVICE.

If the Customer does not achieve the Controllable Demand level during a period when the Company is controlling load for any reason other than those specified above, then the Customer will be:

1. billed the difference between the Firm On-Peak Demand Charge and the Load Control On-Peak Demand Charge for the rebilling kw for the prior sixty (60) months or the number of months the Customer has been billed under this rate schedule, whichever is less, and

(Continued on Sheet No. 8.656)

(Continued from Sheet No. 8.655)

2. billed a penalty charge of \$1.00 per kw of excess kw for each month of rebilling

The kw for rebilling and penalty charges is determined by taking the difference between the Controllable Demand and the maximum demand actually reduced during the Load Control Period. For rebilling under paragraph 1 above, where Firm kw is <10 kw, the maximum demand during the Load Control Period shall be adjusted by the difference between 10 kw and Firm kw. The Customer will not be rebilled or penalized twice for the same excess kw in the calculation described above.

As long as the Customer's load reduction from the operation of the control circuit results in a demand during the control period that is at or below the calculated Firm Demand for that billing period, the Customer will not be required to pay the penalty and rebilling charges.

TERM OF SERVICE:

During the first year of service under this schedule, the Customer will determine whether or not this program is appropriate for the Customer and may request to exit the program subject to the Provisions for Early Termination. It is intended that the Company will continue to provide and the Customer will continue to take service under this rate schedule for the life of the generating unit which has been avoided by the rate. There is, however, a five-year termination notice provision which will allow either the Customer or the Company to terminate service under this schedule should there be circumstances under which the termination of the Customer's participation or the Company's offering of the program is desired.

Service under this rate schedule shall continue, subject to Limitation of Availability, until terminated by either the Company or the Customer upon written notice given at least five (5) years prior to termination. Should a Customer terminate service or be removed by the Company and later desire to resume service under this rate schedule, the Customer must provide five (5) years' written notice prior to resuming service under this schedule.

The Company may terminate service under this rate schedule at any time for the Customer's failure to comply with the terms and conditions of this rate schedule or the Commercial/Industrial Load Control Program Agreement. Prior to any such termination, the Company shall notify the Customer at least ninety (90) days in advance and describe the Customer's failure to comply. The Company may then terminate service under this rate schedule at the end of the 90-day notice period unless the Customer takes measures necessary to eliminate, to the Company's satisfaction, the compliance deficiencies described by the Company. Notwithstanding the foregoing, if, at any time during the 90-day period, the Customer either refuses or fails to initiate and pursue corrective action, the Company shall be entitled to suspend forthwith the monthly billing under this rate schedule and bill the Customer under the otherwise applicable firm service rate schedule.

PROVISIONS FOR EARLY TERMINATION:

Transfers, with less than five (5) years' written notice, to any firm retail rate schedule for which the Customer would qualify, may be permitted if it can be shown that such transfer is in the best interests of the Customer, the Company and the Company's other customers.

If the Customer no longer wishes to receive electric service in any form from the Company, or decides to cogenerate to serve all of the previously controlled Load Control On-Peak Demand and to take interruptible standby service from the Company, the Customer may terminate the Commercial/Industrial Load Control Program Agreement by giving at least thirty (30) days' advance written notice to the Company.

(Continued on Sheet No. 8.657)

(Continued from Sheet No. 8.656)

If service under this schedule is terminated for any reason, the Customer will not be rebilled as specified in Charges for Early Termination if:

- a. it has been demonstrated to the satisfaction of the Company that the impact of such transfer of service on the economic cost-effectiveness of the Company's CILC program is in the best interests of the Customer, the Company and the Company's other customers, or
- b. the Customer is required to transfer to another retail rate schedule as a result of Commission Rule 25-6 (438, F.A.C.), or
- c. the termination of service under this rate schedule is the result of either the Customer's ceasing operations at its facility (without continuing or establishing similar operations elsewhere in the Company's service area), or a decision by the Customer to cogenerate to serve all of the previously controlled Load Control On-Peak Demand and to take interruptible standby service from the Company, or
- d. any other Customer(s) with demand reduction equivalent to, or greater than, that of the existing Customer(s) agrees to take service under this schedule and the MW demand reduction commitment to the Company's Generation Expansion Plan has been met and the new replacement Customer(s) has (have) the equipment installed and is (are) available to perform load control, or
- e. FPL determines that the Customer's MW reduction is no longer needed in accordance with the FPL Numeric Commercial/Industrial Conservation Goals.

In the event the Customer pays the Charges for Early Termination because no replacement Customer(s) is (are) available as specified in paragraph d. above, but the replacement Customer(s) does(do) become available within 12 months from the date of termination of service under this schedule or FPL later determines that there is no need for the MW reduction in accordance with the FPL Numeric Commercial/Industrial Conservation Goals, then the Customer will be refunded all or part of the rebilling and penalty in proportion to the amount of MW obtained to replace the lost capacity less the additional cost incurred by the Company to serve those MW during any load control periods which may occur before the replacement Customer(s) became available.

Charges for Early Termination:

In the event that:

- a) service is terminated by the Company for any reason(s) specified in this section, or
- b) there is a termination of the Customer's existing service and, within twelve (12) months of such termination of service, the Company receives a request to re-establish service of similar character under a firm service or a curtailable service rate schedule, or under this schedule with a shift from non-firm load to firm service.
 - i) at a different location in the Company's service area, or
 - ii) under a different name or different ownership, or
 - iii) under other circumstances whose effect would be to increase firm demand on the Company's system without the requisite five (5) years' advance written notice, or
- c) the Customer transfers the controllable portion of the Customer's load to "Firm Demand" or to a firm or a curtailable service rate schedule without providing at least five (5) years' advance written notice.

(Continued on Sheet No. 8.658)

(Continued on Sheet No. 8.657)

then the Customer will be:

1. rebilled under the otherwise applicable firm or curtailable service rate schedule for the shorter of (a) the most recent prior sixty (60) months during which the Customer was billed for service under this rate schedule, or (b) the number of months the Customer has been billed under this rate schedule, and
2. billed a penalty charge of \$1.00 per kw times the number of months rebilled in No. 1 above times the highest Load Control On-Peak Demand occurring during the current month or the prior twenty-three (23) months.

SPECIAL PROVISIONS:

1. Control of the Customer's load shall be accomplished through the Company's load management systems by use of control circuits connected directly to the Customer's switching equipment or the Customer's load may be controlled by use of an energy management system where the firm demand or controllable demand level can be established or modified only by means of joint access by the Customer and the Company.
2. The Customer shall grant the Company reasonable access for installing, maintaining, inspecting, testing and/or removing Company-owned load control equipment.
3. It shall be the responsibility of the Customer to determine that all electrical equipment to be controlled is in good repair and working condition. The Company will not be responsible for the repair, maintenance or replacement of the Customer's electrical equipment.
4. The Company is not required to install load control equipment if the installation cannot be economically justified.
5. Billing under this schedule will commence after the installation, inspection and successful testing of the load control equipment.
6. Maintenance of generation equipment necessary for the implementation of load control will not be scheduled during periods where the Company projects that it would not be able to withstand the loss of its largest unit and continue to serve firm service customers.

CONTINUITY OF SERVICE PROVISION:

In order to minimize the frequency and duration of interruptions or requests that the Customer operate its backup generation equipment, the Company will attempt to obtain reasonably available additional capacity and/or energy during periods for which interruptions or operation of the Customer's backup generation equipment may be requested. The Company's obligation in this regard is no different than its obligation in general to purchase power to serve its Customers during a capacity shortage, in other words, the Company is not obligated to account for, or otherwise reflect in its generation planning and construction, the possibility of providing capacity and/or energy under this Continuity of Service Provision. Any non-firm customers so electing to receive capacity and/or energy which enable(s) the Company to continue service to the Customer's non-firm loads during these periods will be subject to the additional charges set forth below.

(Continued on Sheet No. 8.659)

(Continued from Sheet No. 8.658)

In the event a Customer elects not to have its non-firm load interrupted pursuant to this Schedule, the Customer shall pay, in addition to the normal charges provided hereunder, a charge reflecting the additional costs incurred by the Company in continuing to provide service, less the applicable class fuel charge for the period during which the load would otherwise have been controlled (see Sheet No. 8.030). This incremental charge shall apply to the non-firm customer for all consumption above the Customer's Firm Demand during the time in which the non-firm load would otherwise have been controlled. If, for any reason during such period, this capacity and/or energy is (are) no longer available or cannot be accommodated by the Company's system, the terms of this Special Provision will cease to apply and interruptions will be required for the remainder of such period unless energy use is for one of the conditions outlined under "Provisions for Energy Use During Control Periods".

Any customer served under this rate schedule may elect to minimize the interruptions through the procedure described above. The initial election must be made in the Commercial/Industrial Load Control Program Agreement. Any adjustment or change to the election must be provided to the Company with at least 24 hours' written notice (not including holidays and weekends) and must be by mutual agreement, in writing, between the Customer and the Company. In such case, the written notice will replace any prior election with regard to this Continuity of Service Provision.

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(s) of this schedule and said "General Rules and Regulations for Electric Service", the provision(s) of this schedule shall apply.

DEFINITIONS:**Generating Capacity Emergency:**

A Generating Capacity Emergency exists when any one of the electric utilities in the state of Florida has inadequate generating capability, including purchased power, to supply its firm load obligations.

Force Majeure:

Force Majeure for the purposes of this schedule means causes not within the reasonable control of the Customer affected and not caused by the negligence or lack of due diligence of the Customer. Such events or circumstances may include acts of God, strikes, lockouts or other labor disputes or difficulties, wars, blockades, insurrections, riots, environmental constraints lawfully imposed by Federal, State, or local governmental bodies, explosions, fires, floods, lightning, wind, accidents to equipment or machinery, or similar occurrences.

Backup Generation Equipment:

Backup generation equipment shall be Customer-provided generation equipment and switch gear. This generation equipment will be utilized for emergency purposes, including periods when the Company is controlling load.

COMMERCIAL/INDUSTRIAL LOAD CONTROL PROGRAM AGREEMENT

This Agreement is made this _____ day of _____, _____, by and between _____ (hereinafter called the "Customer"), located at _____ in _____, Florida, and FLORIDA POWER & LIGHT COMPANY, a corporation organized under the laws of the State of Florida (hereinafter called the "Company"). This agreement is available and applicable only for customers who, as of March 19, 1996, were either taking service under the CILC Schedule or had fully executed copies of an earlier approved version of this agreement.

WITNESSETH

For and in consideration of the mutual covenants and agreements expressed herein, the Company and the Customer agree as follows:

1. The Company agrees to furnish and the Customer agrees to take electric service subject to the terms and conditions of the Company's Commercial/Industrial Load Control Program Schedule CILC-1 ("Schedule CILC-1") as currently approved or as may be modified from time to time by the Florida Public Service Commission ("Commission"). The Customer understands and agrees that, whenever reference is made in this Agreement to Schedule CILC-1, both parties intend to refer to Schedule CILC-1 as it may be modified from time to time. A copy of the Company's presently approved Schedule CILC-1 is attached hereto as Exhibit A and is hereby made an integral part of this Agreement.
2. Service under Schedule CILC-1 shall continue, subject to Limitation of Availability, until terminated by either the Company or the Customer upon written notice given at least five (5) years prior to termination. Should the Customer terminate service or be removed by the Company and later desire to resume service under Schedule CILC-1, the Customer must provide five (5) years' written notice prior to resuming service under Schedule CILC-1.
3. Service under Schedule CILC-1 will be subject to determinations made under Commission Rules 25-17.0021(4), F.A.C. Goals for Electric Utilities and 25-6.0438, F.A.C., Non-Firm Service -Terms and Conditions, or any other Commission determination(s).
4. The Customer agrees either (i) to not exceed a usage level of _____ kw ("Firm Demand") during the periods when the Company is controlling the Customer's service, or (ii) to provide a load reduction of _____ kw ("Controllable Demand") during periods when the Company is controlling the Customer's service. If the Customer chooses to operate backup generation equipment in parallel with FPL, the Customer shall enter into an interconnection agreement with the Company prior to operating such equipment in parallel with the Company's electrical system. The "Firm Demand" level (as applicable) shall not be exceeded during periods when the Company is controlling load; nor shall the "Controllable Demand" level (as applicable) be reduced during periods when the Company has requested that the Customer operate its equipment to meet the "Controllable Demand" level. Upon mutual agreement of the Company and the Customer, the Customer's "Firm Demand" or "Controllable Demand" may be subsequently raised or lowered, so long as the change in the "Firm Demand" or "Controllable Demand" level is not a result of a transfer of load from the controllable portion of the Customer's load. The Customer shall notify the Company, in writing, at least ninety (90) days prior to either adding firm load, or reducing or removing any of the Customer's backup generation equipment.

(Continued on Sheet No. 9.491)

(Continued from Sheet No. 9.490)

5. Prior to the Customer's receipt of service under Schedule CILC-1, the Customer must provide the Company access at any reasonable time to inspect any and all of the Customer's load control equipment and/or backup generation equipment, and must also have received approval from the Company that the load control equipment is satisfactory to effect control of the Customer's load, and/or the backup generation equipment is satisfactory to contribute to the Controllable Demand level. The Customer shall be responsible for meeting any applicable electrical code standards and legal requirements pertaining to the installation, maintenance and repair of the load control and/or backup generation equipment. It is expressly understood that the initial approval and later inspections by the Company are not for the purpose of, and the Customer is not to rely upon any such inspection(s) for, determining whether the load control and/or backup generation equipment has been adequately maintained or is in compliance with any applicable electrical code standards or legal requirements.
6. The Customer agrees to be responsible for the determination that all electrical equipment to be controlled and/or backed up is in good repair and working condition. The Company shall not be responsible for the repair, maintenance or replacement of the Customer's equipment.
7. Within two (2) years of this Agreement, the Customer agrees (i) to perform the 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 CILC-1 during that year, this Agreement shall become null and void unless otherwise agreed by the Company.
8. Upon completion of the installation of the load control equipment and/or any necessary backup generation equipment, a test of this equipment will be conducted between the hours of 7 a.m. and 6 p.m. Monday through Friday, excluding holidays. Written notice of the test shall be provided to the Company at least five (5) business days in advance of the date of the test, and the Company shall be afforded the opportunity to witness the test. The test of the load control equipment will consist of a period of load control of not less than one hour. Effective upon the completion of the testing of the load control equipment and/or the backup generation equipment, the Customer will agree (as applicable) to either a "Firm Demand" or a "Controllable Demand". Service under Schedule CILC-1 cannot commence prior to the installation of load control equipment or any necessary backup generation equipment and the successful completion of the test.
9. In order to minimize the frequency and duration of interruptions under the CILC Program, the Company will attempt to obtain reasonably available additional capacity and/or energy under the Continuity of Service Provision in Schedule CILC-1. The Customer ~~elects~~ does not elect to continue taking service under the Continuity of Service Provision. Service will be provided only if capacity and/or energy can be obtained by the Company and can be transmitted and distributed to non-firm Customers without any impairment of the Company's system or service to firm Customers. The Customer may countermand the election specified above by providing written notice to the Company pursuant to the guidelines set forth in Schedule CILC-1. The Company's obligations under this Section 9 are subject to the terms and conditions specifically set forth in Schedule CILC-1.

(Continued on Sheet No. 9.492)

(Continued from Sheet No. 9.491)

10. The Company may terminate this Agreement at any time if the Customer's load control equipment fails to permit the Company to effect control of the Customer's load, and/or if the Customer's equipment fails to meet the Controllable Demand level. Prior to any such termination, the Company shall notify the Customer at least ninety (90) days in advance and describe the failure or malfunction of the Customer's load control equipment and/or backup generation equipment. The Company may then terminate this Agreement at the end of the 90-day notice period unless the Customer takes measures necessary to remedy, to the Company's satisfaction, the deficiencies in the load control equipment and/or the backup generation equipment. Notwithstanding the foregoing, if at any time during the 90-day period, the Customer either refuses or fails to initiate and pursue corrective action, the Company shall be entitled to suspend forthwith the monthly billing under the Schedule CILC-1, to bill the Customer under the otherwise applicable firm service rate schedule and to apply the rebilling and penalty provisions enumerated under "Charges for Early Termination" in Schedule CILC-1.
11. The Customer agrees that the Company will not be liable for any damages or injuries that may occur as a result of control of electric service pursuant to the terms of Schedule CILC-1 by remote control or otherwise, and/or installation, operation or maintenance of the Customer's generation equipment to meet the Controllable Demand level.
12. This Agreement supersedes all previous agreements and representations, either written or oral, heretofore made between the Company and the Customer with respect to matters herein contained.
13. This Agreement may not be assigned by the Customer without the prior written consent of the Company. The Customer shall, at a minimum, provide to the Company a copy of the articles of incorporation or partnership agreement of the proposed assignee, and a copy of such assignee's most recent annual report at the time an assignment is requested.
14. This Agreement is subject to the Company's "General Rules and Regulations for Electric Service" and the Rules of the Commission.

IN WITNESS WHEREOF, the Customer and the Company have caused this Agreement to be duly executed as of the day and year first above written.

CUSTOMER (private)

Company: _____
 Signed: _____
 Name: _____
 Title: _____

FLORIDA POWER & LIGHT COMPANY

Signed _____
 Name _____
 Title _____

CUSTOMER (public)

Governmental Entity: _____
 Signed: _____
 Name: _____
 Title: _____

Attest
 By: _____
 Clerk Deputy Clerk