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RECORDS AND REPORTING August 16, 1999

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Blanca S. Bayó, Director Records and Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard, Room 110 Tallahassee, Florida 32399-0850

> RE: Florida Power & Light Company's Marketing Conservation Research and Development Program Docket No. 961002-EI

Dear Ms. Bayó:

At the request of Staff, Florida Power & Light Company (FPL) is filing the original and fifteen (15) copies of FPL's Marketing Conservation Research and Development Program Tenth Quarterly Report. The report covers the second quarter of 1999.

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

Very truly yours,

Charles A. Guytor

CMU

cc: Mark Futrell

OPC PAI SEC

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## Marketing Conservation Research and Development Program Tenth Quarterly Report Report Period: Second Quarter 1999

## **Program Status:**

The FPL Marketing Conservation Research and Development Program (MCRD) was approved by the Commission in No. PSC-97-0100-FOF-EI dated January 27, 1997. This program is designed to allow FPL Order the flexibility to develop specific projects to test alternative incentive and / or marketing strategies for existing DSM programs.

During the second quarter of 1999, FPL fielded additional On Call qualitative and quantitative research to investigate the relationship between communications, customer satisfaction and incentive levels. As a result of the research findings, a new communication plan was developed to reposition the On Call program. The primary objectives of the new plan are to communicate the new positioning statement, maintain customer satisfaction levels and ensure program goals are met. In the third quarter of 1999, FPL will initiate execution of the new communications plan. Additionally, in the third quarter of 1999, FPL will field quantitative research to help determine appropriate amounts for a reduced incentive which ensure cost effectiveness while meeting program participation goals. Following that, FPL will be designing an in-market pilot to test the lower incentives with new program participants.

FPL also identified the need to explore different means of increasing the cost-effectiveness and customer satisfaction of the duct test program while meeting participation goals. Since consumer demand is highly seasonal (peak: April – October), during this period, FPL is continuing to evaluate the development of a new off-season incentive program.

## Budget / Expenditures:

The MCRD Program has an approved total cost capped at \$2,646,000 for the time period October 1996 through September 1999, with an annual cap of no more than \$1,134,000.

FPL's annual expenditures are \$67,340. FPL's program-to-date expenditures are \$73,043.

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