

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

RECEIVED-FPSC

APR 21 PM 3:32

-M-E-M-O-R-A-N-D-U-M-

**COMMISSION
CLERK**

DATE: April 21, 2011
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: Jennifer Crawford, Attorney Supervisor, Office of the General Counsel *JSC*
RE: Docket Number 100358-EI - Investigation into the design of Commercial Time-of-Use rates by Florida Power & Light, pursuant to Order No. PSC-10-0153-FOF-EI.

Please place the attached correspondence in the docket file.

JSC

DOCUMENT NUMBER-DATE

02760 APR 21 =

FPSC-COMMISSION CLERK



MEMORANDUM

Date: June 17, 2010

To: Parties to FPL Conference Call on 03 June 2010, 2:00 pm EDT

**From: Russell Klepper 770-751-8379
Dan Moore 770-751-7133**

**Subject: FPL Rate Case Docket No. 080677-EI
Time of Use Rate Design**

On Thursday, June 3, 2010 at 2:00 pm, a conference call was held with representatives of FPL, Commission Staff, AFFIRM and other interested parties to continue discussions to design a new time of use (TOU) rate option as Ordered by the Commission in the subject docket.

Near the conclusion of the call, Steve Romig of FPL requested that AFFIRM provide in writing the specific items for FPL to consider in its review of multi-period TOU pricing. The following paragraphs are provided in response to this request.

- 1) Designation of Summer time periods – AFFIRM requests that FPL give consideration to defining Summer pricing periods as follows:
 - a. On-Peak – Monday through Friday (non-holidays) 2:00 pm to 5:00 pm. Note that this three hour On-Peak period is based on FPL's data for hourly system lambdas for 2006, 2007 and 2008. The hourly system load shape On-Peak period occurs from 3:00 pm to 6:00 pm. AFFIRM has stated our belief that hourly cost is more relevant to pricing than hourly load. FPL could explain this disconnect between load and cost for the benefit of all parties.
 - b. Intermediate - Monday through Friday (non-holidays) Noon to 2:00 pm and 5:00 pm to 8:00 pm
 - c. Off-Peak – All other hours
- 2) Winter time periods –
 - a. On-Peak – Monday through Friday (non-Holidays) 6:00 pm to 9:00 pm
 - b. Off-Peak – All other hours
 - c. It may be justified to designate the months of November, March and April as Off-Peak months where all hours are priced at Winter Off-Peak pricing.

DOCUMENT NUMBER-DATE

02760 APR 21 =

FPSC-COMMISSION CLERK

- 3) Pricing – Pricing for Summer and Winter periods should be determined independently based on system costs. FPL's data shows that Winter pricing should be significantly less costly than Summer pricing for all defined time periods.
 - a. Capacity / Demand - During the call, an FPL representative stated that base rates are driven primarily by demand rather than energy. AFFIRM agrees and believes that under a TOU rate, the monthly billing demand should be determined by the customer's maximum demand during a defined peak period.
 - b. Energy – Non-fuel energy charges should be established for each Summer and Winter pricing period based on system cost data.

Please note that AFFIRM believes that the defined hourly periods for both Summer and Winter months under the proposed TOU rate structure should be used not only for non-fuel energy base rates, but also for time differentiated fuel cost recovery. Such discussions should be held at the appropriate time.

- 4) April – Based on the data provided by FPL, AFFIRM believes that April should be reclassified as a Winter month rather than a Summer month.