

# ENNIS LEON JACOBS, JR.

ATTORNEY AT LAW  
P. O. BOX 1101  
TALLAHASSEE, FL 32302

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August 15, 2014

Carlotta S. Stauffer  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

**RE: Docket No. 130223-EI**

Dear Ms. Stauffer:

Please find enclosed for electronic filing in the above-referenced docket the Prehearing Statement of Intervenors, filed behalf of intervenors Shari R. Anker, Alexandra Ansell, Stephanie & Peter J. Austin, Martha Babson, William G. & Margo A. Bigelow, Kathleen Bolam, Patricia DeNunzio, Jeri E. Friedman, George Fuller, Cathy & Mario Grippi, Shirley D. Jackson, Jamie & Douglas Lehman, Marilynne Martin, Victor J. Rohe, Sandra L. Smart, and David E. Watkins.

Please feel free to contact me at (850) 222-1246, or at email address: [ljacobs50@comcast.net](mailto:ljacobs50@comcast.net) should you have any questions related to this filing.

Sincerely

/s/ Ennis Leon Jacobs, Jr.

Ennis Leon Jacobs, Jr.  
Attorney for Shari R. Anker, Alexandra Ansell, Stephanie  
& Peter J. Austin, Martha Babson, William G. & Margo A.  
Bigelow, Kathleen Bolam, Patricia DeNunzio, Jeri E.  
Friedman, George Fuller, Cathy & Mario Grippi, Shirley D.  
Jackson, Jamie & Douglas Lehman, Marilynne Martin,  
Victor J. Rohe, Sandra L. Smart, and David E. Watkins

cc: Counsel for all parties of record ( w/encl/)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of optional non-standard meter rider, by Florida Power & Light Company.

DOCKET NO. 130223-EI

FILED: August 15, 2014

PREHEARING STATEMENT OF INTERVENORS  
MARILYNNE MARTIN, ET. AL.

Intervenors Shari R. Anker, Alexandra Ansell, Stephanie & Peter J. Austin, Martha Babson, William G. & Margo A. Bigelow, Kathleen Bolam, Patricia DeNunzio, Jeri E. Friedman, George Fuller, Cathy & Mario Grippi, Shirley D. Jackson, Jamie & Douglas Lehman, Marilynne Martin, Victor J. Rohe, Sandra L. Smart, and David E. Watkins, pursuant to the Order Establishing Procedure in this docket, Order No. PSC-14-0104-PCO-EI, issued February 18, 2014, as amended by Order No. PSC-14-0270-PCO-EI, issued May 29, 2014, submit this Prehearing Statement.

APPEARANCES:

Ennis Leon Jacobs, Jr.  
Florida Bar Number: 0714682  
P.O. Box 1101  
Tallahassee, FL 32302  
Telephone: (850) 222-1246  
Fax: (850) 599-9079  
E-Mail: ljacobs50@comcast.net  
On behalf of the Intervenors Marilynne Martin, et. al..

1. WITNESSES:

Marilynne Martin.

2. EXHIBITS:

DESCRIPTION

SPONSOR

MM-1

Resume of Marilynne Martin

Marilynne Martin

MM-2            Non-Standard Meter Capital            Marilynne Martin  
                         Avoidance Anaysis

MM-3            National Action Plan            Marilynne Martin  
                         Communications Plan Umbrella  
                         Action Guide

### 3. STATEMENT OF BASIC POSITION

The proposed Non-standard Meter Rider (“NSMR”) in this docket should be denied because it imposes unfair and discriminatory rates on customers of Florida Power & Light (“FPL”) who decline the installation of a smart meter at their service address. The NSMR tariff charges are based on purported incremental costs that are not cost-based, and also are arbitrary and speculative. The methodology and underlying inputs for the calculation of purported incremental costs for the NSMR are significantly flawed, and, as proposed in this docket, do not support a detailed, thoughtful rate analysis, and are not consistent with historical tariff requirements by the Commission. The NSMR terms proposed by FP&L in this matter represent a punitive policy towards consumers seeking a legitimate alternative to measuring electric service by smart meters. In addition, the tariff introduces unnecessary challenges into the Commission’s oversight responsibility due to confusion and contradiction over assumptions and calculations of miscellaneous service charges assimilated into the recent settlement setting FPL’s base rates, in the context of the full deployment of AMI meters.

### 4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

**ISSUE 1:**    **Is it appropriate for customers who receive service through a non-standard meter to bear the cost of that service?**

**MM:**            No. The terms of the proposed non-standard meter rider are discriminatory, arbitrary and biased towards FP&L, specifically:

- a. The charges for these and other FPL non-standard services are NOT cost based today;
- b. The existing service charges for smart meter customers do not

reflect the new operating costs and conditions which FPL asserts are the result of the full implementation of the AMI/smart meter program;

- c. The tariff represents an arbitrary and capricious decision by FPL to impose surcharges for this non-standard meter service, in contrast with decisions and rational to integrate other non-standard services into base rates and not impose a surcharge;
- d. The proposed tariff adopts an arbitrary and capricious method of implementation , when contrasted with the more customer centric and rigorous process by which FPL adopted Rule 25-6.115, Florida Administrative Code; and
- e. The purported incremental costs which are stated to support the tariff cannot pass legal scrutiny.

**ISSUE 2: What are the appropriate staffing levels for the customer care employees and the meter reading lead position functions to enroll and serve customers on the NSMR tariff?**

**MM:** Intervenors believe there is insufficient support for any additional staffing levels, a key component of the incremental costs put forth to justify the NSMR. Therefore the NSMR should be denied. FPL is undergoing a very fluid transition of customer support procedures in the scope and nature of services necessary to serve customers who decline a smart meter. Given the assumptions on these specific costs and services woven into FPL's existing base rates, it is inappropriate to assess these costs outside of a detailed rate review for these processes for all customers.

**ISSUE 3: Are the various cost components and their amounts FPL included in developing the charges for the NSMR tariff appropriate? If not, what cost components and their associated amounts, if any, should be excluded from the calculations?**

**MM:** In addition to the views raised in Issue 1, Intervenors contend that: (i) upfront capital costs for system upgrades related to the NSMR ( approximately \$2 million) are more than offset by cost avoidance of operational costs related to the AMI program, and avoided smart meter acquisition costs for NSMR customers; and (ii) upfront costs of marketing and customer engagement are not supported given the active engagement of NSMR customers prior to the tariff through the postponement list .

**ISSUE 4:** **Is the requirement for a manual monthly meter reading by FPL reasonable and justified or should customers be offered alternatives (e.g., self-read or estimated billing options) to ensure fair and reasonable rates are established and costs to FPL are minimized?**

**MM:** No. There are reasonable alternatives to manual, monthly meter readings by FPL personnel which would mitigate operational costs for this service, and not result in any significant billing or customer service challenges, or additional costs for FPL should the NSMR be offered. In order to significantly mitigate costs, FP&L should develop a customer self-read program, using existing procedures, or by utilizing state-of-the-art best practices and technology.

**ISSUE 5:** **Should customers with several non-standard meters at the same property location pay multiple enrollment fees? If not, what is appropriate enrollment fee?**

**MM:** No. Should it be accepted, the proposed tariff relies on the principle that where this non-standard service imposes incremental costs, then the cost causer should pay those incremental costs. However, in this instance, FPL suggests penalties rather than recovery of incremental costs. The rationale suggested by FPL is discriminatory, and arbitrary. An appropriate enrollment fee should be defined by the actual incremental capital and operational costs to reach the single service location, and marginal costs to transition of each customer meter to the new support environment, which is likely very similar to previous meter practices, along with any additional, variable costs to configure the non-standard meters for the process going forward to read or maintain the meters. The idea of penalizing customers with a full enrollment fee for each meter contradicts reasonable ratemaking principles.

**ISSUE 6:** **Are there any cost savings associated with the NSMR program that have not been used in accounting for the NSMR charges? If so, what are the sources of such savings, and what and how should the amounts be reflected in the NSMR calculations?**

**MM:** Yes. The Commission staff identified a number of potential cost savings available in providing the non-standard meter service, however, Intervenor suggest there are additional opportunities. The obvious cost savings are: (i) one-time reduction in operating costs resulting from any salvage value of non-standard meters removed in the AMI program; (ii) the savings resulting from avoidance of costs to buy, install, and configure smart meters , and, costs of storage for data generated by a smart meter for these customers; and (iii) incremental maintenance, configuration and upkeep required for the underlying network and services needed only for the smart meters operation, and avoided for NSMR customers.

**ISSUE 7:** **What is the appropriate projection of the number of FPL customers who may subscribe to the NSMR tariff for purposes of deriving the NSMR charges?**

**MM:** The appropriate projection for FPL should consider the UTC list and the postponement list ( total of 36,000), and it should avoid a negative selection approach. The projection of potential NSMR enrollees, derived by FPL is significantly flawed. Industry standard procedures would have prompted FPL to survey the captive audience ( the postponement list and the UTC list) to assess willingness to pay for the NSMR, and to get reactions to various levels of fees. The customer preferences expressed in this survey should have weighed heavily in FPL's analysis to reach an objective policy in the public interest. FPL purported to survey utilities from other states which implemented a postponement process and then transferred customers from the postponement list to an opt-out program. There are any number of variables and assumptions which were a part of the programs in other states which cannot be duplicated in FPL's programs, or where FPL's approach differed.

**ISSUE 8:** **How should the NSMR charges, if any, be designed?**

**MM:** The Commission should require FPL to resolve the ambiguity between FPL's rationale to impose charges for the NSMR tariff versus other non-standard services where a surcharge was not imposed. Only where a clear justification is presented for requiring a surcharge for this service, and where clear, measurable and meaningful incremental costs

are identified should the Commission authorize recovery of charges which are not recovered or accounted for presently in base rates. Finally, because of the significance of the initial enrollment fee, the NSMR charges should reflect a clear distinction between facts driving the enrollment prior to and at the launch of the NSMR, versus the circumstance in future enrollments after the launch.

**ISSUE 9: What additional information, if any, should FPL be required to file in its annual smart meter progress reports?**

**MM:** Disclosure of projected and actual costs for the entire project should always be disclosed. Intervenors propose that the Commissioner should establish a disclosure and reporting regimen to facilitate proper regulatory oversight, combined in collaboration with OPC , with additional measures of accountability.

**ISSUE 10: Are FPL’s proposed terms and conditions of the NSMR tariff appropriate? If not, what changes should be made?**

**MM:** No position at this time.

**ISSUE 11: Based on the resolution of the previous issues, what are the appropriate NSMR charges?**

**MM:** Intervenors hold that the calculation of fair and reasonable charges for the NSMR requires a complete and thorough analysis, as detailed in earlier positions and FPL’s petition the NSMR tariff should be denied and/or deferred pending further review.

5. **STIPULATED ISSUES:**

None.

6. PENDING MOTIONS:

None.

7. STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:

Intervenors Marilynne Martin et. al. have no pending requests for claims of confidentiality.

8. OBJECTIONS TO QUALLIFICATION OF WITNESSESAS AN EXPERT:

Intervenors Marilynne Martin et. al. do not expect to challenge the qualification of any witness.

9. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

There are no requirements of the Order Establishing Procedure with which the Intervenors Marilynne Martin et. al. cannot comply.

Dated this 15<sup>th</sup> day of August, 2014.

Respectfully submitted,

/s/ Ennis Leon Jacobs, Jr.  
Ennis Leon Jacobs, Jr.  
Florida Bar Number: 0714682  
P.O. Box 1101  
Tallahassee, FL 32302  
Telephone: (850) 222-1246  
Fax: (850) 599-9079  
E-Mail: ljacobs50@comcast.net

## CERTIFICATE OF SERVICE

I CERTIFY that a copy hereof has been furnished by email this 15<sup>th</sup> day of August, 2014, to:

Suzanne Brownless, Esq.  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850  
[sbrownle@psc.state.fl.us](mailto:sbrownle@psc.state.fl.us)

Kenneth M. Rubin, Esq. / Maria Moncada, Esq.  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, FL 33408-0420  
[ken.rubin@fpl.com](mailto:ken.rubin@fpl.com)  
[Maria.Moncada@fpl.com](mailto:Maria.Moncada@fpl.com)

Charles J. Rehwinkel, Esq. / Joseph A. McGlothlin, Esq.  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street, Rm. 812  
Tallahassee, FL 323 99-1400  
[REHWINKEL.CHARLES@leg.state.fl.us](mailto:REHWINKEL.CHARLES@leg.state.fl.us)  
[MCGLOTHLIN.JOSEPH@leg.state.fl.us](mailto:MCGLOTHLIN.JOSEPH@leg.state.fl.us)

Nicholas Randall Jones, Esq.  
Jones Law Firm  
1006 Verona Street  
Kissimmee, FL 34741  
[njones@jonesjustice.com](mailto:njones@jonesjustice.com)

Nathan A. Skop, Esq.  
420 NW 50<sup>th</sup> Blvd  
Gainesville, Fl 32607  
[n\\_skop@hotmail.com](mailto:n_skop@hotmail.com)

/s/ Ennis Leon Jacobs, Jr.  
Ennis Leon Jacobs, Jr.