



Kenneth M. Rubin
Senior Counsel
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 691-2512
(561) 691-7135 (Facsimile)
ken.rubin@fpl.com

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-VIA ELECTRONIC DELIVERY -

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

Re: Docket 160002-EG - Smart Meter Progress Report

Dear Ms. Stauffer:

Pursuant to Order No. PSC-10-0153-FOF-EI (“Order 0153”), issued March 17, 2010, in Docket Nos. 080677-EI and 090130-EI, Florida Power & Light Company (“FPL” or the “Company”) submits this annual progress report on its implementation of smart meters. This report also includes the additional information identified in Order No. PSC-15-0026-FOF-EI (“Order 0026”) issued January 7, 2015 in Docket No. 130223-EI related to FPL’s Non-Standard Meter Rider (“NSMR”). FPL is providing this informational update in the Energy Conservation Cost Recovery docket, as required by Orders 0153 and 0026.

Progress Report

Through 2015, FPL successfully deployed more than 4.8 million smart meters to residential, small business, and commercial and industrial customers. In 2014, FPL initiated the last phase of smart meter deployment to the Company’s remaining commercial and industrial customers and completed the majority of these installations by the end of 2015. The Company also continued to expand the deployment of proven smart grid devices at FPL substations and distribution facilities.

These innovative technologies continue to enhance the value proposition to our customers by lowering costs and increasing benefits. Smart meters and other associated smart grid technologies have delivered important customer benefits, including more reliable electric service and unprecedented customer control over energy usage.

Importantly, smart meters also produce substantial cost savings for our customers. In 2015, the Company achieved more than \$46 million in annual O&M savings from smart meters.

Status of the Smart Meter Deployment Program

In 2015, FPL installed and activated more than 40,000 smart meters for our remaining large commercial and industrial customers. The activation of these smart meters enabled these customers to better manage their energy usage through access to the “Energy Dashboard.” In 2016, FPL will begin installing smart meters to 2,000 commercial and industrial customers that require load profile interval data. FPL expects this final deployment to be completed in 2017.

Greater Value for Customers through Strong System Performance

FPL sets high standards for the performance of its remote meter-reading system, which continues to achieve exceptional results. The 2015 billing “read rate,” which is the percentage of successful remote meter reads each month, continued to be outstanding at 99.86 percent. Another example of the exceptional network performance was the 99.40 percent completion rate for FPL’s Remote Connect Service (“RCS”) transactions. This highly dependable smart meter network enables FPL to continue to improve customer service.

Enhancing Customer Outreach and Engagement

FPL’s Energy Dashboard provides customers with personalized tools to understand the energy consumption patterns of their homes and businesses. The FPL Energy Dashboard is updated daily with hourly, daily and monthly energy usage data, monthly bill amounts and local temperature readings – information that helps customers track and manage their energy costs. In 2015, customers accessed the Energy Dashboard more than 3.5 million times, and FPL continued to make enhancements to the FPL Energy Dashboard based on feedback from customers. These enhancements included more localized and reliable weather data, the ability to utilize alternative Internet browsers, additional field selection options for downloading and new grouping features for business customers. The new grouping features allow business customers with multiple accounts to display data in ways that better match how they manage their facilities by allowing them to add user-defined units (e.g., number of students, patients, meals served, guests, etc.).

Continued Customer Benefits through Smart Meter Technology

FPL continues to expand the benefits that smart meter technology provides to customers. This technology helps FPL deliver on its commitment to provide customers with highly reliable, affordable electricity. Each year, smart meters increasingly help identify power outages and further reduce service restoration times while improving operational efficiencies. These smart meter benefits contribute to FPL’s ability to offer its customers

a typical residential 1,000-kWh bill that is lower than it was 10 years ago and about 30 percent lower than the national average.

Better system reliability, fewer outages and faster restoration times

The reliability gains associated with FPL smart meters and smart grid technologies continue to drive significant benefits for our customers. For the years 2012 through 2015, FPL had about 200,000 fewer restoration field visits based upon information received through smart meters and the smart grid. FPL also continues to improve its ability to use smart meter data to expedite outage tickets. Through 2015, more than 75,000 outage tickets were supplemented with beneficial information obtained with the help of smart meters.

In the great majority of cases, customers with smart meters do not have to call FPL to report an outage. In 2015, FPL generated over 8,000 outage tickets before a customer reported the outage and, in about 1,600 of these incidents, power was restored before any customer called to report the outage. When customers do call with a power problem, FPL can quickly determine if the problem is with the Company's system or customers' equipment, thereby facilitating and expediting both customers' and the Company's ability to efficiently respond when repairs are required.

Enhanced Customer Service and Operational Efficiencies

Remote Connect Service: In addition to the highly efficient completion rate for transactions (99.40% in 2015), FPL's Remote Connect Service enables greater operational efficiencies and improved customer service with:

- Faster, more convenient service connection for customers who are opening new accounts;
- Faster, more convenient service disconnection at the customer's request (e.g., moving out of a home or business); and
- Faster service reconnection when payment is received for accounts that have been disconnected for non-payment.

Detection of power quality issues: In 2015, FPL worked with the FPSC staff to finalize a process that would leverage a new proactive tool used to identify future power quality issues caused by conditions within customer-owned meter enclosures. This tool analyzes the pattern of events and communications coming from the smart meter to proactively identify potential enclosure issues. An implementation and customer notification plan was developed. The new process is scheduled to commence in 2016. This process will allow FPL to share valuable information with customers about the condition of their meter enclosure, which is essential to the safe and efficient delivery of electricity.

Responding to Customer Concerns

As outlined in FPL’s Smart Meter Progress Report filed in Docket 150002-EG, during smart meter deployment FPL addressed the requests of a small number of customers to forgo the use of a smart meter with the adoption of a Commission-approved NSMR. The structure of the NSMR was essential to minimize any cross subsidy borne by customers who receive service through standard, communicating meters.

In compliance with Order 0026, each year through March 2019, or until its next rate case, whichever comes first, FPL will report in its annual Smart Meter Progress Report actual NSMR participation rates, actual costs associated with the operation and administration of the program, and actual revenues received in the form of Enrollment Fees and Monthly Surcharge payments. This information is reflected in the following table:

NSMR Project to date as of Dec. 31, 2015

Customers enrolled	6,341
Actual Capital and O&M Costs *	\$4,543,045
Revenue	\$2,256,682

* Project to date revenue requirement, which includes return on investment and O&M, was \$3,255,789 as of 12/31/2015.

Although NSMR revenues continue to be substantially less than the costs of providing this service, FPL is currently not requesting an increase to the NSMR fees. In order to provide rate stability to the customers of its NSMR service, FPL intends to leave existing NSMR rates in place at this time. FPL will continue to report NSMR participation, cost, and revenue data to the Commission annually through at least March 2019, which is beyond FPL’s next rate case, which is currently docketed.

Recognition for Leadership in Providing Smart Grid Benefits to Customers

FPL’s successful implementation of its smart meter program and related smart grid technologies continue to receive accolades from industry and governmental organizations.

2015 ReliabilityOne™ Awards, PA Consulting Group (November 2015):

The ReliabilityOne™ Awards are given annually to utilities in North America that have achieved outstanding reliability performance and excelled in delivering the most reliable electric service to their customers. In 2015, FPL was named winner of the 2015 National ReliabilityOne™ Reliability Excellence Award. FPL won the Outstanding Reliability Performance in the Southeast region of the U.S. award, making the company eligible for the national award. FPL was also awarded the 2014 and 2015 Outstanding Technology and Innovation in the U.S. award. FPL believes that smart meters and other smart grid technologies have been an integral part of achieving these outstanding results.

In conclusion: Smart Meters and associated Smart Grid technologies continue to deliver solid customer benefits and provide for continuing innovative improvements

FPL's smart meter program and the associated smart grid technologies continue to be recognized as one of the most comprehensive, full-scale deployments of its kind. During his January 2016 visit to a number of FPL's facilities, U.S. Secretary of Energy Dr. Ernest Moniz stated that, "modernizing the U.S. electrical grid is essential to reducing carbon emissions, creating safeguards against attacks on our infrastructure and keeping lights on." After touring a number of FPL facilities and meeting with FPL personnel, Dr. Moniz concluded that "FPL really is on the cutting edge of addressing a grid for the 21st century and particularly in the area of resilience." From FPL's perspective, a major component of that modernization has been the deployment of smart meters and the associated smart grid technologies that continue to deliver measurable operational savings and strong customer benefits including improvements in efficiency, reliability and customer service.

Thank you for your interest in this informational update. Please do not hesitate to contact me should you have any questions.

Sincerely,

/s/ Kenneth M. Rubin

Kenneth M. Rubin

SERVICE LIST

Lee EngTan, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
ltan@psc.state.fl.us

J. R. Kelly, Esq.
Patricia Ann Christensen, Esq.
C. Rehwinkel, Esq.
Office of Public Counsel
c/o The Florida Legislature
111 West Madison St., Room 812
Tallahassee, FL 32399-1400
kelly.jr@leg.state.fl.us
christensen.patty@leg.state.fl.us
rehwinkel.charles@leg.state.fl.us

Jeffrey Stone, Esq.
Russell Badders, Esq.
Steven Griffin, Esq.
Beggs & Lane Law Firm
Attorneys for Gulf Power Company
P.O. Box 12950
Pensacola, FL 32591
jas@beggslane.com
rab@beggslane.com
srg@beggslane.com

James D. Beasley, Esq.
J. Jeffrey Wahlen, Esq.
Ashley M. Daniels
Ausley & McMullen
Attorneys for Tampa Electric
P.O. Box 391
Tallahassee, FL 32302
jbeasley@ausley.com
jwahlen@ausley.com
adaniels@ausley.com

James W. Brew, Esq.
Owen J. Kopon, Esq.
Laura A. Wynn, Esq.
Attorneys for PCS Phosphate - White
Springs Agricultural Chemicals, Inc.
Stone Mattheis Xenopoulos & Brew,
PC1025 1025 Thomas Jefferson St., NW
Eighth Floor, West Tower
Washington, DC 20007
jbrew@smxblaw.com
ojk@smxblaw.com
laura.wynn@smxblaw.com

Jon C. Moyle, Jr., Esq.
Moyle Law Firm, P.A.
Attorneys for Florida Industrial Power
Users Groups (FIPUG)
118 North Gadsden Street
Tallahassee, FL 32301
jmoyle@moylelaw.com

Beth Keating, Esq.
Gunster Firm
Attorneys for Florida Public Utilities
Company
215 So. Monroe St., Suite 618
Tallahassee, FL 32301-1804
bkeating@gunster.com

Dianne Triplett, Esq.
Duke Energy Florida, Inc.
299 First Avenue North
St. Petersburg, FL 33701
dianne.triplett@duke-energy.com

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Matthew R. Bernier
Duke Energy Florida, Inc.
106 East College Avenue
Suite 800
Tallahassee, FL 32301
Matthew.bernier@duke-energy.com

Robert Scheffel Wright, Esq.
John T. LaVia, III, Esq.
Gardner, Bist, Wiener, et al
Attorneys for Walmart
1300 Thomaswood Drive
Tallahassee, Florida 32308
schef@gbwlegal.com
jlavia@gbwlegal.com

Robert L. McGee, Jr.
Regulatory and Pricing Manager
Gulf Power Company
One Energy Place
Pensacola, FL 32520
rlmcgee@southernco.com

Paula K. Brown
Manager, Regulatory Coordination
Tampa Electric Company
P.O. Box 111
Tampa, FL 33601
regdept@tecoenergy.com

Mike Cassel
Director/Regulatory and Governmental
Affairs
Florida Public Utilities Company
1750 SW 14th Street, Suite 200
Fernandina Beach, FL 32034
mcassel@fpuc.com