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March 24, 2017

Ms. Carlotta S. Stauffer
Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

**Re: Docket No. 170002-EG – Florida Power & Light Company’s 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”) hereby submits its annual smart meter progress report. In addition to the information required by Order 0153, this report also includes the data required by 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.

Order 0153, issued by the Commission in conjunction with the approval of FPL’s smart meter deployment, directed the Company to file annual progress reports regarding the status of the program. More specifically, FPL was directed to include a detailed description of how it intended to utilize smart meters to allow customers to better manage and reduce their energy consumption, including new programs or rate offerings associated with smart meters.

FPL’s annual reports filed from 2011 forward have provided the Commission and the public with the information required by Order 0153. FPL has provided detailed descriptions of programs utilizing smart meters and smart meter data that allow customers to better manage and reduce their energy consumption. The Company has also provided substantial information about new programs and rate offerings associated with smart meters.

Additionally, although not required by Order 0153, FPL has reported on the continued deployment of proven smart grid devices at FPL substations and distribution facilities. The

reports have described how 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 have also produced substantial cost savings for our customers.

FPL's smart meter deployment is now essentially complete. Moreover, for many years smart meters have been the Company's standard service. While FPL will continue to report on the metrics associated with its NSMR tariff through March of 2019, the Company respectfully suggests that it has fulfilled the requirements of Order 0153. Consequently, FPL requests direction from the Commission regarding the scope of future smart meter progress reports.

Status of the Smart Meter Deployment Program

Through 2016, FPL successfully deployed more than 4.9 million smart meters to residential, small business, and commercial and industrial customers. In 2016, FPL deployed approximately 1,000 smart meters to commercial and industrial customers and fewer than 1,000 installations remain to be completed in 2017. The activation of these smart meters enabled commercial and industrial customers to better manage their energy usage through access to the Energy Dashboard.

With these installations, by the end of 2017 all FPL customers who are eligible and who have not elected the NSMR will have smart meters.

Programs Associated with Smart Meters

Full-scale deployment of smart meters throughout FPL's service territory has enabled the Company to offer new programs and initiatives that enhance customer service, improve reliability, and allow customers to better manage their energy consumption.

- The Energy Dashboard, which uses smart meter data to enable customers to view their energy usage by the hour, day and month, has been enhanced over the years to include bill projection tools, localized and reliable weather data, seamless data integration with FPL's Online Home Energy Survey, and additional grouping features and display options for business customers with multiple accounts.
- Smart meters have made it possible for field restoration crews to view real-time outage information, allowing restoration specialists to ensure that all customers who were part of an outage have been restored before leaving an area, reducing the need for additional truck rolls and field visits. FPL utilized this practice when Hurricane Matthew impacted its service territory in October 2016, resulting in a better restoration process than would have been possible without smart meters.
- By eliminating the need for most onsite visits, FPL's remote connect, disconnect, and reconnect service provides customers improved response time and convenience when opening accounts, closing accounts, or restoring accounts to good standing.

- The wireless mesh communications network consisting of smart meters and other smart devices on FPL’s system (including sensors and monitors on transformers, breakers and battery banks) provides continuous diagnostic data that FPL’s engineers and operators use to pinpoint equipment problems and resolve outages before they occur. For example, during Hurricane Matthew, certain distribution smart grid devices (i.e., automated feeder switches) helped to avoid more than 118,000 customer interruptions.
- When outages do occur, smart meters provide FPL with real-time information, allowing the Company to respond to thousands of service interruptions per year before customers even report a problem.

These innovative programs and solutions, which are now fully incorporated into FPL’s operations and usual business practices, have decreased operational costs, reduced the need for restoration field visits, improved response time for connect services and expedited the resolution of outage tickets.

In 2015, FPL worked with the FPSC staff to finalize a process that would leverage smart meter data to identify future power quality issues caused by conditions within customer-owned meter enclosures. This tool analyzed the pattern of events and communications coming from the smart meter to proactively identify potential enclosure issues. FPL implemented the new process within a portion of the Company’s service territory in 2016 but through this effort determined that the process did not achieve the expected results. Further analysis of the algorithm and testing of countermeasures conducted during 2016 were not successful in achieving satisfactory performance. FPL has therefore ceased implementation of this new process but will evaluate industry developments and potential vendor solutions as alternative opportunities to proactively identify these conditions.

Information Regarding the Non-Standard Meter Rider Tariff

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 that would otherwise be borne by customers who receive service through standard communicating meters.

In compliance with Order 0026, each year through March 2019¹ 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

¹ Order 0026 includes the following provision: “ORDERED that through March 2019 or until Florida Power & Light Company’s next rate case, whichever occurs first, the company shall annually file the following information regarding the non-standard meter rider tariff: actual participation rates, actual costs associated with the operation and administration of the program, and actual revenues received in the form of customer Enrollment Fees and Monthly Surcharge payments.” Under the terms of Order 0026, the obligation to report these metrics would have expired at the time FPL filed its 2016 rate case. However, FPL has agreed to continue to report these metrics through 2019.

Enrollment Fees and Monthly Surcharge payments. This information is reflected in the following table:

NSMR Project to date as of Dec. 31, 2016

Customers enrolled	6,138
Actual Capital and O&M Costs *	\$5,250,716
Revenue	\$3,269,598

* Project to date revenue requirement, which includes return on investment and O&M, was \$4,564,858 as of 12/31/2016.

Although NSMR revenues continue to be substantially less than the costs of providing this service, FPL is not currently 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.

Conclusion

Following the Commission's approval of FPL's smart meter program in 2010, the communicating smart meter became FPL's standard service. Smart meters and related smart grid technologies have become an important element of FPL's fully integrated utility operations. While smart meter applications and smart grid technologies continue to evolve and develop, the deployment itself is now essentially complete. As a result, while the Company will continue to report on the NSMR metrics through March of 2019 as discussed more fully above, FPL respectfully suggests that it has fulfilled all of the requirements of Order 0153. However, because this report is filed pursuant to the specific language of Order 0153, FPL seeks guidance from the Commission regarding the duration of this requirement and the appropriate scope of future reports.

We look forward to working with the Commission and Staff regarding the matters addressed in this report.

Sincerely,

s/ Kenneth M. Rubin
Kenneth M. Rubin

CERTIFICATE OF SERVICE
Docket No. 170002-EG

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished
by electronic service this 24th day of March 2017 to the following:

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