

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to further) DOCKET NO. 961302-EG
extend BuildSmart Pilot Program) ORDER NO. PSC-97-0020-FOF-EG
by Florida Power & Light) ISSUED: January 6, 1997
Company.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION
ORDER EXTENDING THE BUILDSMART PILOT PROGRAM

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

In March 1994, Florida Power and Light Company (FPL) introduced its BuildSmart pilot program. This program educates builders and customers about energy-efficient building practices and their benefits. FPL inspects qualifying new single family detached (SFD) homes to verify installations of conservation measures and rates these new homes for energy-efficiency. FPL then awards Bronze, Silver or Gold Certificates to qualifying homes that exceed Florida's Energy Efficiency Code requirements by more than 10, 20 or 30 percent respectively. To qualify for BuildSmart certification, the new home must have a whole-house electric air-conditioning unit. Also, each participating builder must sign a BuildSmart Program Contract or an Agreement with FPL, and comply with all national, state, and local codes and ordinances. FPL currently offers this program in Charlotte, Lee, Glades, Hendry, and Collier counties.

DOCUMENT NUMBER-DATE
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FPSC-RECORDS/REPORTING

When we approved the pilot program, FPL intended to have its evaluation completed during the first quarter of 1995. Because FPL did not complete its analysis of the BuildSmart program, FPL filed a petition to extend its BuildSmart offerings through December 31, 1995 which we approved in Order No. PSC-95-0611-FOF-EG.

FPL filed a second petition on December 7, 1995, to extend its BuildSmart pilot program to March 30, 1996, which we granted in Order No. PSC-96-0116-FOF-EG.

At the same time that FPL filed its second petition for extension of the BuildSmart pilot program, it also filed a petition seeking approval of a permanent BuildSmart program. The petition regarding the permanent BuildSmart program was assigned Docket No. 951536-EG. FPL wants to add this program to its approved DSM plans, and make it available to all residential customers that constructed a SFD home in FPL's service territory. On April 18, 1996, Staff recommended that we not approve the permanent BuildSmart program as originally filed, because the program was not cost-effective. This was true for both the Rate Impact Measure Test (RIM) and the Total Resource Cost Test (TRC). Before we considered staff's recommendation, FPL requested that we delay our decision until FPL modified the BuildSmart program to make it cost-effective under its current planning assumptions.

On February 28, 1996, because staff revised the schedule for the permanent BuildSmart program beyond March 30, 1996, to conduct a more thorough investigation, FPL filed a third request for an extension of the BuildSmart pilot program. We issued Order No. PSC-96-0404-FOF-EG, granting FPL's third request to extend the BuildSmart pilot program to December 31, 1996.

On July 17, 1996, FPL filed a Motion for Leave to Amend its December 7, 1995, Petition in Docket No. 951536-EG regarding FPL's permanent BuildSmart program. On September 11, 1996, the Prehearing Officer issued Order No. PSC-96-1145-PCO-EG, granting FPL's Motion for Leave to Amend Petition.

FPL maintains that it is unlikely that we will consider its petition for a permanent BuildSmart program by December 31, 1996. Therefore, FPL filed a petition requesting an additional extension of its BuildSmart pilot program.

DECISION

Previously, we issued Order No. PSC-96-0404-FOF-EG approving a spending cap of \$6,750,000 for the New Home Construction R&D Project and allowing the BuildSmart pilot program's prudent and reasonable expenses to be recovered through the Energy Conservation Cost Recovery Clause (ECCR) through December 31, 1996. As of the third quarter of 1996, FPL has spent \$6.26 million on the New Home Construction R&D Project. In order to avoid a lapse in cost-recovery, FPL requests that we allow the BuildSmart pilot program to continue and approve recovery or reasonable and prudent expenses through ECCR for approximately \$80,000 from January 1, 1997 through December 31, 1997.

We will allow continuation of the funding for the BuildSmart pilot program until an Order is issued regarding FPL's petition for a permanent BuildSmart program (Docket No. 951536-EG) or no later than December 31, 1997. However, we approve the BuildSmart pilot program's extension with the understanding that the permanent BuildSmart program will be handled in an expedited manner. Additionally, FPL shall continue to submit quarterly reports.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power and Light Company's petition to extend its BuildSmart pilot program, as discussed above, is approved. It is further

ORDERED that Florida Power and Light Company may recover reasonable and prudent expenses through the Energy Conservation Cost Recovery Clause, as discussed above. It is further

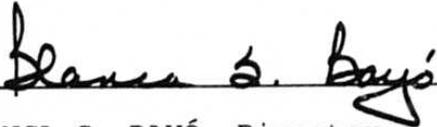
ORDERED that Florida Power and Light Company shall submit quarterly reports on the BuildSmart pilot program. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

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ORDERED that in the event this Order becomes final, this Docket shall be closed.

By ORDER of the Florida Public Service Commission, this 6th day of January, 1997.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 27, 1997.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.