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February 28, 1997

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Blanca S. Bayo, Director
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Florida Public Service Commission
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By Hand Delivery

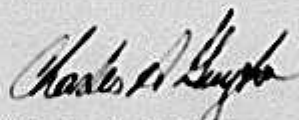
**Re: Petition of Florida Power & Light Company
to Increase Expenditure Cap for BuildSmart™
Pilot Program**

Dear Ms. Bayo:

Enclosed for filing on behalf of Florida Power & Light Company are the original and fifteen (15) copies of Petition of Florida Power & Light Company to Increase Expenditure Cap for BuildSmart™ Pilot Program. Also enclosed is an additional copy of the Petition, which I request you stamp as filed and returned to our runner.

If you or your Staff have any questions regarding this filing, please contact me at 222-2300.

Very truly yours,



Charles A. Guyton
Attorney for Florida Power &
Light Company

CAG:ld
encs
cc - Thomas Ballinger

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FPSC BUREAU OF RECORDS

DOCUMENT # 02246
FEB 28 1997
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In Re: Petition of Florida Power &
Light Company to Increase
Expenditure Cap for BuildSmart™
Pilot Program**)
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Docket No. 951536-EI
Filed: February 28, 1997

**PETITION OF FLORIDA POWER & LIGHT
COMPANY TO INCREASE EXPENDITURE CAP
FOR BUILDSMART™ PILOT PROGRAM**

Florida Power & Light Company ("FPL"), pursuant to Section 366 82(2), Florida Statutes (1995), hereby petitions the Florida Public Service Commission ("Commission") to increase the expenditure cap FPL is allowed to recover through its Energy Conservation Cost Recovery ("ECCR") clause for its BuildSmart™ Pilot Program through 1997 or until final Commission action in Docket No. 951536-EI. The grounds for this petition are:

1 FPL is an investor-owned electric utility regulated by the Commission pursuant to Chapter 366, Florida Statutes. FPL is subject to the Florida Energy Efficiency and Conservation Act ("FEECA"), Section 366 80- 85, 403 519, Florida Statutes (1995), and its ECCR Clause is subject to the Commission's jurisdiction. FPL is substantially affected thereby.

2 FPL's address is 9250 West Flagler Street, Miami, FL 33174. Correspondence, notices, orders and other documents concerning this Petition should be sent to

**Charles A. Guyton
Steel Hector & Davis LLP
Suite 601
215 S. Monroe Street
Tallahassee, FL 32301**

**William G. Walker, III
Vice President, Regulatory Affairs
Florida Power & Light Company
9250 West Flagler Street
Miami, FL 33174**

DOCUMENT NUMBER 951536-EI

02246 FEB 28 1997

FPSD-RECORDS/REPORTING

BACKGROUND

3 In March 1993 the Commission approved the New Home Construction Research Project as part of FPL's Conservation Plan Order No PSC-93-0339-FOF-EG The New Home Construction Research Project was a two year research project designed to investigate, quantify and determine the cost-effectiveness of the conservation opportunities available in the residential, detached, single-family, home construction market

4 A significant part of the New Home Construction Research Project was the creation and offering of a BuildSmart™ Pilot Program that has been used to evaluate the impact of education, inspections, and certification on new home construction energy-efficiency In the BuildSmart™ Pilot Program, FPL has educated builders and customers about energy-efficiency building practices and their benefits, performed new home inspections to verify installations, rated the homes for their energy efficiency, and provided certificates for qualifying new homes (homes that exceed Energy Efficiency Code requirements by more than 10%-Bronze Certificates, 20%-Silver Certificate, and 30%-Gold Certificates)

5 FPL has been offering the BuildSmart™ Pilot Program in Southwest Florida (Charlotte, Lee, Glades, Hendry and Collier counties) The pilot program has been well-received by builders and customers As of December 31, 1996, ninety-five (95) builders have participated and five hundred and ninety-six (596) homes have been certified

6 FPL completed its New Home Construction Research Project and filed a final report with the Commission on June 1, 1995 The final report found that BuildSmart™ had proven preliminarily to be cost-effective

7 Prior to filing its final report, FPL petitioned the Commission to extend FPL's BuildSmart™ Pilot Program through December 31, 1995. FPL requested that its BuildSmart™ activities in Southwest Florida be continued until a system-wide program could be established. The primary justification for the continued offering of BuildSmart™ in Southwest Florida was program continuity. BuildSmart™ had been well-received where it is offered, and there was significant momentum in those markets. Suspension of the BuildSmart™ efforts until a new program could be rolled-out would have forfeited that momentum and adversely affected customer and building contractor acceptance. Therefore, FPL sought Commission approval to continue the BuildSmart™ Pilot Program until FPL could seek and was granted approval of a system-wide BuildSmart™ Program. By Order No. 95-0611-FOF-EG, the Commission granted FPL's request to extend the BuildSmart™ Pilot Program through December 31, 1995.

8 FPL filed a petition seeking Commission approval of a permanent BuildSmart™ Program on December 7, 1995. That petition was assigned Docket No. 951536-EG.

9 At the same time that FPL filed for approval of the permanent BuildSmart™ Program, FPL sought a further extension of the BuildSmart™ Pilot Program until final Commission action in Docket No. 951536-EG. In Order No. PSC-96-0116-FOF-EG, the Commission granted a second extension of the BuildSmart™ Pilot Program through March 30, 1996.

10 In February 1996 FPL filed a request for a third extension for the BuildSmart Pilot Program, since the schedule for the Permanent BuildSmart Program had been extended beyond March 30, 1996. Once again, FPL sought Commission approval of the extension of the BuildSmart Pilot Program until final Commission action in Docket No. 951536-EG. By Order No. PSC-96-0404-

FOF-EG, the Commission granted a third extension of the BuildSmart Pilot Program through December 31, 1996.

11 In July 1996 FPL amended its petition for approval of the permanent BuildSmart™ Program in Docket No. 951536-EG. The Commission issued a proposed agency action order denying approval of the amended BuildSmart™ Program on January 27, 1997. Order No. PSC-97-0092-FOF-EG. FPL requested a hearing on the PAA order on February 14, 1997. That matter has not yet been scheduled for hearing.

12 While FPL's amended petition was pending for PAA consideration by the Commission, FPL filed a fourth request for extension of the BuildSmart™ Pilot Project, seeking an extension "until the Commission takes final action on FPL's petition in Docket No. 951536-EG." FPL also sought to recover the costs associated with the extension of its BuildSmart™ Pilot Program after December 31, 1996 until the Commission takes final action in Docket No. 951536-EG. FPL estimated that the cost of extending its BuildSmart™ activities in Southwest Florida through December 31, 1997 would be \$80,000 "in excess of the \$ 6,750,000 of costs originally estimated for FPL's New Home Construction Research Project and the additional amounts authorized in the three prior extensions of the BuildSmart™ Pilot Program." Simply stated, FPL sought recovery through the end of 1997 for the BuildSmart™ Pilot Program of up to \$6,830,000.

13 The Commission granted FPL's request for a fourth extension of the BuildSmart Program in Order No. PSC-97-0020-FOF-EG. However, the Commission only authorized \$80,000 to be expended in 1997 for the further extension of the BuildSmart Pilot Project rather than authorizing FPL to expend \$80,000 in addition to the unspent amount of the \$6,750,00 previously authorized expenditure limit.

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 of [sic] reasonable and prudent expenses through ECCR for approximately \$80,000 from January 1, 1997 through December 31, 1997.

Order No PSC-97-0020-FOF-EG at 3

14 FPL believes that the Commission intended to grant FPL's petition for the further extension of the BuildSmart Pilot Project in its entirety, including an authorization of FPL to spend any unspent amounts from the \$6,750,000 previously authorized for the BuildSmart Pilot Project as well as an additional \$80,000 through December 31, 1997. Unfortunately, the language of Order No PSC-97-0020-FOF-EG limits FPL to \$80,000 of expenditures for 1997. Therefore, FPL files this petition seeking to increase the expenditure limit for the BuildSmart Pilot Project through the end of December 1997 to \$6,830,000. This includes the \$6,750,000 previously authorized for FPL's New Construction Research Project as well as the \$80,000 authorized in Order No PSC-0020-FOF-EG.

15 Through December 31, 1996, FPL has spent \$6,386,441 on the New Construction Research Project and the BuildSmart Pilot Project. Thus, FPL seeks authority to spend during 1997 the remaining \$363,559 as well as the additional \$80,000 requested in Docket No 961302-EG.

16 FPL believes that its BuildSmart™ Pilot Program in Southwest Florida should continue until a system-wide program can be established. The primary justification for the continued offering of BuildSmart™ in Southwest Florida is program continuity. BuildSmart™ has been well-

received where it is offered, and there is significant momentum in those markets. Suspension of the BuildSmart™ efforts until a new program can be rolled-out would forfeit that momentum and adversely affect customer and building contractor acceptance. Therefore, FPL is seeking Commission approval of an increase in the expenditure limit for the Project sufficient for FPL to continue the BuildSmart™ Pilot Program until FPL can seek and is granted approval of a system-wide BuildSmart™ Program.

17 The continued offering of BuildSmart™ will help achieve the goals of FEECA and Commission Rule 25-17.001, Florida Administrative Code. BuildSmart™ has been shown to be cost-effective to both participating and nonparticipating customers. BuildSmart™ has also been demonstrated to be monitorable and to yield measurable results. Therefore, it satisfies the Commission's criteria for approval and cost recovery.

WHEREFORE, FPL respectfully petitions the Commission to increase the expenditure cap for the BuildSmart™ Pilot Program in Southwest Florida to \$6,830,000 through the end of 1997 or until the Commission takes final action in Docket No. 951536-EG, FPL's petition for approval of a permanent BuildSmart™ Program for system-wide implementation.

Respectfully submitted,

STEEL HECTOR & DAVIS LLP
215 S. Monroe St., Suite 601
Tallahassee, FL 32301-1804

Attorneys for Florida Power &
Light Company

By 
Charles A. Guyton

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Petition Of Florida Power & Light Company To Increase Expenditure Cap For BuildSmart™ Pilot Program was mailed this 28th day of February, 1997 to the following

**Lorna Wagner, Esquire
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Gunter Building
Tallahassee, Florida 32399-0850**

**Jack Shreve, Esquire
John Roger Howe, Esquire
Office of Public Counsel
111 West Madison Street
Room 812
Tallahassee, Florida 32399**



Charles A. Guyton

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