BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of charges) DOCKET NO. 890320-EI for underground distribution facilities) by Tampa Electric Company, Florida Power) ORDER NO. 21572 & Light Company and Florida Power) Corporation.) ISSUED: 7-18-89

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman BETTY EASLEY GERALD L. GUNTER JOHN T. HERNDON

ORDER APPROVING REVISION OF TARIFFS RELATING TO UNDERGROUND ELECTRIC DISTRIBUTION FACILITIES

BY THE COMMISSION:

On May 8, 1989, we issued Order No. 21199 approving in part the annual updating of tariff sheets submitted by Florida Power & Light Company (FPL), Florida Power Corporation (FPC) and Tampa Electric Company (TECO) pursuant to the provision of Section 366.06, Florida Statutes, and Rules 25-6.033 and 25-6.078(3), Florida Administrative Code. In reviewing the proposed update our Staff brought to our attention an apparent inconsistency between FPC and FPL in their respective proposed changes to tariffs for removal and conversion of existing overhead services to underground services. In order to allow our Staff time to develop sufficient data to determine the appropriate treatment for those costs, we suspended the proposed changes in Sections 12.3.6 and 12.5 of FPC's tariff and Sections 10.2.13 and 10.5.3 of FPL's tariff.

A workshop was held on May 9, 1989. Representatives of all investor-owned utilities and several municipalities as well as consumer groups attended. Consensus was that the customer contribution for the conversion of residential services from overhead to underground should be calculated by determining the depreciated cost of the facilities removed, plus the cost of removal less salvage, plus the differential between new overhead and new underground installations. FPL's tariff currently reflects this methodology though suspended pending our decision in this matter.

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We agree with Staff's recommendation that FPL's proposed changes to Section 10.5.3 as filed with the Commission on March 28, 1989, be approved. We also agree that FPC's proposed changes to Section 12.5, revised pursuant to the workshop, be approved.

We further agree with Staff that the current language in Section 10.2.13 for FPL and Section 12.3.6 for FPC accurately reflect the proper costing methodology. Therefore, the proposed changes to those sections are denied.

Based upon the foregoing, it is

ORDERED by the Florida Public Service Commission that the tariff changes in Sections 12.3.6 and 12.5 of FPC's tariff are denied and Sections 10.2.13 and 10.5.3 of FPL's tariff are hereby approved as subscribed in the body of this Order. It is further

ORDERED that this docket is hereby closed.

By ORDER of the Florida Public Service Commission, this 18th day of July , 1989 .

STEVE TRIBBLE, Director

Division of Records and Reporting

(SEAL)

MRC