

State of Florida



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Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 7, 2009

TO: Office of Commission Clerk (Cole)

FROM: Division of Economic Regulation (Piper, Draper, Kummer)
Office of the General Counsel (Saylor)

Handwritten initials and signatures: CLP, EP, K, SB, and others.

RE: Docket No. 090164-EI – Petition for approval of revised tariff sheets for underground residential distribution service, by Tampa Electric Company.

AGENDA: 05/19/09 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 06/01/09 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\090164.RCM.DOC

Case Background

On April 1, 2009, Tampa Electric Company (TECO) filed a petition to modify Tariff Sheet Nos. 5.510, 5.515, and 5.516 regarding construction and conversion of underground residential facilities. This filing addresses two issues. First, TECO is complying with Rule 25-6.078(2), Florida Administrative Code (F.A.C.), which states that electric companies must file updated Underground Residential Distribution (URD) Service tariffs and supporting data at least once every three years. TECO's URD Service tariffs were last revised in 2006.¹

Second, customers who opt to convert their overhead electric distribution system to underground facilities are required to pay TECO a Contribution in Aid of Construction (CIAC)

¹ See Order No. PSC-06-0873-TRF-EI, issued October 23, 2006 in Docket No. 060299-EI, In Re: Petition for approval of revised tariff sheets for Underground residential distribution service, by Tampa Electric Company.

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charge, which represents the conversion costs incurred by TECO. The proposed tariff revisions for conversion of existing overhead facilities to underground installations are designed to implement the requirements of Rule 25-6.115(11)(a), F.A.C. Rule 25-6.115, F.A.C. was amended in February 2007 to require that the net present value of operational costs between underground and overhead systems be included in determining the CIAC paid by the customer.² TECO has also proposed revisions to the binding cost estimate for designing conversion projects, as allowed under Rule 25-6.115(1), F.A.C.

This recommendation is to suspend TECO's proposed tariffs. The Commission has jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, Florida Statutes (F.S).

² See Order No. PSC-07-0043-FOF-EU, issued January 16, 2007, in Docket No. 060172-EU, In Re: Proposed rules governing placement of new electric distribution facilities underground, and conversion of existing overhead distribution facilities to underground facilities, to address effects of extreme weather events.

Discussion of Issues

Issue 1: Should the Commission suspend TECO's proposed Tariff Sheet Nos. 5.510, 5.515, and 5.516 regarding conversion of and construction of underground residential facilities?

Recommendation: Yes. (Piper)

Staff Analysis: Staff is recommending that the tariff be suspended in order to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposal.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such increase a reason or written statement of good cause for doing so within 60 days. Staff believes that the reason stated above is good cause consistent with the requirement of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open pending the Commission vote on the proposed tariff revision. (Piper)

Staff Analysis: This docket should remain open pending the Commission vote on the proposed tariff revision.