

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: April 3, 2014
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Kelley F. Corbari, Staff Attorney, Office of the General Counsel:
RAS Section *KFC*
RE: Documents to File in Docket No. 130290-EI
Initiation of formal proceedings of Complaint No. 1115382E of
Brian J. Ricca against Florida Power & Light, for failing to provide
reasonable service

Please file the 2 attached email correspondences in the docket file. Should you have any questions, please do not hesitate to contact me.

KFC

cc: Mr. Brian J. Ricca
Florida Power & Light
Office of Public Counsel
Division of Engineering
Office of Consumer Assistance & Outreach

RECEIVED-FPSC
14 APR -3 PM 1:53
COMMISSION
CLERK

Patti Daniel

From: Patti Daniel
Sent: Friday, August 02, 2013 8:04 AM
To: Paul Vickery
Subject: Re: Complaint 1115382E - Ricca

Are the cost for poles etc reasonable?

Sent from my iPhone

On Aug 1, 2013, at 3:16 PM, "Paul Vickery" <PVickery@PSC.STATE.FL.US> wrote:

Patti,

We have reviewed Mr. Hampshire's complaint and are in agreement with FPL's estimate for providing service. This service request falls within the CIAC tariff which has been approved. I am unsure as to whether or not Mr. Hampshire could have the work performed by his own contractor. He would have to contact FPL to see if he could.

We have difficulty with Mr. Hampshire's suggestion that FPL tap the fiber project that is occurring on I-75. This is not an electric utility project and would not be capable of supplying the voltages required for a residential customer. There are also right of way issues within the I-75 corridor that could experience denial just as FPL's was for the canal crossing.

From: Clayton Lewis
Sent: Wednesday, July 31, 2013 10:03 AM
To: Paul Vickery
Cc: Penny Buys
Subject: FW: Complaint 1115382E - Ricca

As you requested.

From: Penny Buys
Sent: Wednesday, July 31, 2013 9:50 AM
To: Clayton Lewis
Subject: RE: Complaint 1115382E - Ricca

Clay,

Per your request, I reviewed the FPL tariff filing and the prices listed in FPL's response. It appears that FPL is quoting Mr. Ricca per their tariff. On the original Sheet No. 6.199 of FPL's tariff it states:

11.1.1 CONTRIBUTION-IN-AID OF CONSTRUCTION (CIAC)

A CIAC shall be required from Applicants requesting new or upgraded facilities prior to construction of the requested facilities based on the formulas presented below.

(a) The CIAC for new or upgraded overhead facilities (CIAC_{OH}) shall be calculated as follows:

$$\text{CIAC}_{\text{OH}} = \frac{\text{Total estimated work}}{\text{order job cost of}} - \frac{\text{Four years expected}}{\text{incremental base}} - \frac{\text{Four years expected}}{\text{incremental base}}$$

To: Patti Daniel

Subject: Re: Complaint 1115382E - Ricca

The PSC was unable to find any fault with the quote but I still disagree. I believe it is in my best interest to pursue other ways to have the power ran for free or less money. I may contact some local government officials for further review. Can you please look into the projects directly behind the home on the Interstate? I have reason to believe that underground utilities exist or are being built. There is a camera on the Interstate heading North, not far from the house. I believe the lines being ran are public utilities which are serviced by FPL. I would imagine the type of power is close to the same requirements needed for the home. There is no reason that I should not be able to take advantage of the recent upgrades directly behind the home. A lot of work is being done. Please see the below info and note highlighted sections:

SARASOTA AND MANATEE COUNTIES, FL (April 26,2012) - World Fiber assembles an expertly qualified team to provide a total turnkey solution for the I-75 FMS deployment. Teaming with the I-85 Hot Lanes (GA) design partner, Jacobs Engineering, as well as Activu for video wall integration, the World Fiber Team will design, construct, integrate, and maintain the project corridor over the next two years. The Sarasota/Manatee County ITS deployment extends the District's existing I-75 Freeway Management System approximately 56 miles from one mile north of the Charlotte/Sarasota County line near mile marker 172 to the I-75/I-275 interchange in Manatee County near mile marker 228.

As the final District One I-75 FMS deployment, the project will include all of the ITS devices deployed on the previous two projects south of it with the addition of a power distribution system. This includes the integration of the Sarasota/Manatee County Satellite Transportation Management Center (STMC) in Manatee County which will serve as a redundant management center to the Southwest Interagency Facility for Transportation (SWIFT) Center in Lee County.

World Fiber will deploy the following ITS devices:

- Closed Circuit Television (CCTV) cameras
- Non-intrusive Microwave Vehicle Detection Systems (MVDS)
- Dynamic Message Signs (DMS)
- Highway Advisory Radio (HAR) transmitter sites
- Highway Advisory Radio (HAR) beacon sites
- Road Weather Information Systems (RWIS)
- Fiber optic backbone cable
- Electric service stations
- Communication hubs

Brian J. Ricca
Phone:727-656-5805

Fax:727-865-5295

Web: www.BrianRicca.com

From: Patti Daniel <PDaniel@PSC.STATE.FL.US>
To: brianricca@yahoo.com
Cc: Lynne.Adams@fpl.com; Jim Dean <jdean@PSC.STATE.FL.US>; Rhonda Hicks <RHicks@PSC.STATE.FL.US>
Sent: Monday, July 29, 2013 9:49 AM
Subject: Complaint 1115382E - Ricca

Mr. Ricca,

Your complaint was forwarded to my office for additional review. The attached information was provided by FPL per my request.

It appears that FPL's proposed contribution in aid of construction (CIAC) costs to serve your property at 7556 Hampshire Circle, North Port, Florida are consistent with Rule 25-6.064, Florida Administrative Code, which provides the guidelines for determining the cost for new or upgraded facilities to be passed on to new customers.

Please note that should additional customers connect to the extension of the facilities within 3 years of the in-service date, you would be entitled to a refund of a portion of the cost of those facilities.

I hope this additional information is helpful to you. Please feel free to contact me if you have additional questions.

Sincerely,
Patti Daniel, Bureau Chief, Economic Impact and Rate Design

From: Adams, Lynne [<mailto:Lynne.Adams@fpl.com>]
Sent: Thursday, July 25, 2013 8:49 AM
To: Patti Daniel
Subject: 3-Day Response - 1115382E - Ricca

Patti,
Please find below, the FPL response to your follow-up questions regarding Mr. Ricca. Please contact me if you need additional information.

Thank you,
Lynne Adams
521-3904

On July 19, 2013, FPL received additional information from the FPSC related to the CIAC estimate provided to Mr. Ricca.

1. Do you have a map or legal description of Mr. Ricca's property?

See attachment which includes an aerial view and legal description; **LOT 60 BLK 2165** of Mr. Ricca's property at **7556 Hampshire Cir, North Port., FL**. Attachment also includes

the invoice for the binding estimate and three job prints which were provided to Mr. Ricca at his request.

2. Where is Mr. Ricca's property in relation to FPL's nearest facility?

See aerial view which shows Mr. Ricca's property, 7556 Hampshire Cir, North Port, FL., in relation to FPL's nearest facility highlighted blue line. The proposed power line route is highlighted in red.

FPL has a power line NW of this property on the other side of the canal; however, we were not able to obtain a permit from the City of North Port to cross the canal to serve this property. Mr. Ricca also contacted the City of North Port and his request for a permit to cross the canal to serve his property was denied.

3. Can you provide additional detail regarding the cost estimate provided to Mr. Ricca?

The binding estimate also includes 36 down guys and 18 anchors as noted in **bold**.

\$44,018.00 Capital - (**36 down guys and 18 anchors**, 24 poles, 4,132 feet of single phase OH primary conductor and labor to install all needed equipment)

\$14,233.00 Engineering & Overhead

\$ 223.00 O&M

\$ 1,239.00 Plant - (1 single phase transformer)

\$59,713.00 Total estimated construction cost

\$ -4,387.41 Estimated Annual Revenue (EAR) for four years

\$55,325.59 Total Contribution In Aid of Construction (CIAC) costs

4. Is there the opportunity for any additional connections to the extension of facilities, such that the cost of the extension could either be pro rated or Mr. Ricca could potentially receive a credit if additional connections are made to the extension within 3 years, pursuant to Rule 26-6.064(6)(b), F.A.C.?

In accordance with F.A.C. Rule 25-6.064, Tariff Sheet 6.199 Sections:

11.1.2 CIAC True-Up

An Applicant may request a one-time review of a paid CIAC amount within 12 months following the in-service date of the new or upgraded facilities. Upon receiving a request, which must be in writing, the Company shall true-up the CIAC to reflect the actual construction costs and a revised estimate of base revenues. The revised estimate of base revenues shall be developed from the actual base revenues received at the time the request is made. If the true-up calculation result is different from the paid CIAC amount, the Company will either issue a refund or an invoice for this difference. This CIAC review is available only to an initial Applicant who paid the original full CIAC amount, not to any other Applicants who may be required to pay a pro-rata share as described in section 11.1.3.

FPL Engineering Lead, Mr. Jeff Houhoulis, discussed the CIAC True-Up option with Mr. Ricca; however, he did not want FPL to recalculate 1 year and possibly bill him additional CIAC, in the event that revenue is less than expected.

11.1.3 Proration of CIAC

CIAC is proratable if more Applicants than the Initial Applicant are expected to be served by the new or upgraded facilities ("New Facilities") within the three-year period following the in-service date. The Company shall collect the full CIAC amount from the Initial Applicant. Thereafter, the Company shall collect, and pay to the Initial Applicant, a pro-rata share of the CIAC from each additional Applicant to be served from these New Facilities until the three-year period has expired, or until the number of Applicants served by the New Facilities equals the number originally expected to be served during the three-year period, whichever comes first. Any CIAC or pro-rata share amount due from an Applicant shall be paid prior to construction. For purposes of this tariff, the New Facilities' in-service date is defined as the date on which the New Facilities are installed and service is available to the Initial Applicant, as determined by the Company.

Mr. Houhoulis estimated that two more homes may be built and served from these facilities within the three-year period. If these expected additional customers are served, each will pay to FPL a pro-rata share in the amount of \$ 18,441.86 [CIAC \$55,325.59 is divided by expected 3 customers in 3 years, including the first] and FPL will reimburse Mr. Ricca.

From: Patti Daniel
Sent: Friday, July 19, 2013 12:52 PM
To: 'Maria_Gonzalez@fpl.com'
Subject: FW: 3-Day Response - 1115382E - Ricca

Ms. Gonzalez, Mr. Ricca's complaint has been referred to my office. Can you provide me with a little more information?

1. Do you have a map or legal description of Mr. Ricca's property?
2. Where is Mr. Ricca's property in relation to FPL's nearest facility?
3. Can you provide additional detail regarding the cost estimate provided to Mr. Ricca?
4. Is there the opportunity for any additional connections to the extension of facilities, such that the cost of the extension could either be pro rated or Mr. Ricca could potentially receive a credit if additional connections are made to the extension within 3 years, pursuant to Rule 26-6.064(6)(b), F.A.C.?

Patti Daniel
850 413-6808

<7556 Hampshire Cir.pdf>

Patti Daniel

From: Patti Daniel
Sent: Friday, August 02, 2013 8:06 AM
To: Paul Vickery
Subject: Fwd: Complaint 1115382E - Ricca

Sent from my iPhone

Begin forwarded message:

From: "Elisabeth Draper" <EDraper@PSC.STATE.FL.US>
Date: August 1, 2013, 2:21:16 PM EDT
To: "Patti Daniel" <PDaniel@PSC.STATE.FL.US>, "Jim Dean" <jdean@PSC.STATE.FL.US>, "Paul Vickery" <PVickery@PSC.STATE.FL.US>
Subject: FW: Complaint 1115382E - Ricca

From: Adams, Lynne [mailto:Lynne.Adams@fpl.com]
Sent: Thursday, August 01, 2013 2:20 PM
To: Elisabeth Draper
Subject: Complaint 1115382E - Ricca

Elisabeth,

Please see additional information below regarding the CIAC calculation for Mr. Ricca:

FPL's \$59K cost estimate to provide service to Mr. Ricca is reasonable and has been calculated consistent with applicable rules and tariffs. To provide service to Mr. Ricca, FPL must install over ¾ of a mile of distribution facilities, including the installation of 24 poles, 18 of which require anchors /downguys due to the many roadway curves and turns. FPL's cost-estimating system utilizes current material costs (which are updated daily) as well as current labor costs (consistent with labor contracts/agreements). Additionally, past experience has indicated that FPL's rigorous negotiation efforts combined with discounts FPL receives due to the volume of products/materials purchased, make it very difficult for others to obtain better materials pricing. FPL also verified that the \$59K estimate is in line with the overhead costs included in FPL's 2011 Underground Residential Distribution Tariff filing (commonly referred to as the URD Tariff), which serves as the basis for FPL's current URD Tariff – reviewed and approved by the Commission in 2011. Using the overhead costs contained in that filing, similar overhead cost/per mile is approximately \$74K/mile, or, based on ¾ of a mile, the overhead cost is approximately \$56K. Additionally, FPL does not allow customers to utilize private contractors to construct FPL distribution facilities, unless it is specifically addressed by the Florida Administrative Code, e.g., 25-6.115, Facility Charges for Conversion of Overhead Investor-owned Distribution Facilities.

From: Patti Daniel [mailto:PDaniel@PSC.STATE.FL.US]
Sent: Tuesday, July 30, 2013 1:35 PM
To: Adams, Lynne
Subject: FW: Complaint 1115382E - Ricca

From: Rhonda Hicks
Sent: Tuesday, July 30, 2013 12:50 PM
To: Patti Daniel
Cc: Jim Dean; Roland, Randy (RRoland@PSC.STATE.FL.US)
Subject: FW: Complaint 1115382E - Ricca

Patti,
See below. Customer did not like your response. Is there anything else you would like to add? Ellen can respond that we've done all that we can do---if that's what you want us to do.

From: Randy Roland
Sent: Tuesday, July 30, 2013 11:37 AM
To: Rhonda Hicks
Subject: FW: Complaint 1115382E - Ricca

This pertains to the recent complaint regarding CIAC charges. We forwarded to ECO and Patti Daniels responded to the customer. Customer has now contacted Senator Detert's office.

From: FAULKNER.RITA [mailto:FAULKNER.RITA@flsenate.gov]
Sent: Tuesday, July 30, 2013 11:16 AM
To: Ellen Plendl
Subject: FW: Complaint 1115382E - Ricca

07/29/2013

Ellen,

Is there anything you can do to help?

Please read below....

Thanks, girl!!

*Rita W. Faulkner
Legislative Assistant
Senator Nancy C. Detert
District 28*

From: Brian J. Ricca [mailto:brianricca@yahoo.com]
Sent: Tuesday, July 30, 2013 10:46 AM
To: DETERT.NANCY.WEB
Subject: Fw: Complaint 1115382E - Ricca

Senator,

I am having difficulty obtaining the primary power line to my property in North Port. Please find the below info. The PSC has been unable to offer any relief in helping me obtain the main power line to my property in North Port. Do you have any other suggestions? FPL standards are not in line with current economy. If more homes were being built, line would be ran free of charge. Fees are excessive irregardless. Please let me know if able to help. Thanks.

Brian J. Ricca
Phone:727-656-5805

Mr. Ricca,

Your complaint was forwarded to my office for additional review. The attached information was provided by FPL per my request.

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I hope this additional information is helpful to you. Please feel free to contact me if you have additional questions.

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Patti Daniel
850 413-6808

Brian J. Ricca
Phone:727-656-5805