

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to initiate rulemaking to amend Rule 25-6.078, F.A.C., Schedule of Charges, and Rule 25-6.082, F.A.C., Records and Reports, by Florida Power & Light Company, Florida Power Corporation, Tampa Electric Company, and Gulf Power Company.

DOCKET NO. 960623-EI
ORDER NO. PSC-97-1001-NOR-EI
ISSUED: August 21, 1997

The following Commissioners participated in the disposition of this matter:

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

NOTICE OF RULEMAKING

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has initiated rulemaking to amend Rules 25-6.077, 25-6.078, and 25-6.082, Florida Administrative Code, relating to underground residential differential tariffs.

The attached Notice of Rulemaking will appear in the August 29, 1997 edition of the Florida Administrative Weekly.

If timely requested, a hearing will be held at the following time and place:

Florida Public Service Commission
9:30 a.m., Friday, December 12, 1997
Betty Easley Conference Center
Room 148, 4075 Esplanade Way
Tallahassee, Florida

Written requests for hearing and written comments or suggestions on the rules must be received by the Director, Division of Records and Reporting, Florida Public Service

DOCUMENT NUMBER-DATE

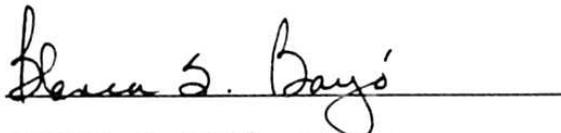
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FPSC-RECORDS/REPORTING

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Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0862,
no later than September 19, 1997.

By ORDER of the Florida Public Service Commission, this 21st
day of August, 1997.

A handwritten signature in cursive script, reading "Blanca S. Bayó", is written over a horizontal line.

BLANCA S. BAYÓ, Director
Division of Records & Reporting

(S E A L)

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FLORIDA PUBLIC SERVICE COMMISSION

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RULE TITLE: RULE NO.:

Installation of Underground Distribution

Systems Within New Subdivisions 25-6.077

Schedule of Charges 25-6.078

Records and Reports 25-6.082

PURPOSE AND EFFECT: The purpose of the rule change is to reduce the annual filing requirements for updates to the underground differential tariffs, with a resulting decrease in workload and filing expenses, as well as an increase in rate continuity for ratepayers, while ensuring that significant changes in the differential will be incorporated in the tariffs in a timely manner.

SUMMARY: The revision to Rules 25-6.077, 25-6.078 and 25-6.082, F.A.C., change the requirement for investor-owned electric utilities to file annual updates to the underground residential distribution tariffs. A full filing is required once every three years, provided that an abbreviated filing made every year shows that the existing tariff would not change by more than 10 percent. The proposed changes also incorporate by reference Form PSC/EAG 13, which is used to file updates to the tariffs.

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Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 366.04(2)(f), 366.05(1), FS.

LAW IMPLEMENTED: 366.03, 366.04(6), 366.041(1)(4), 366.05(1), 366.06(1), 366.04(2)(f), FS.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

HEARING: IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE TIME, DATE, AND PLACE SHOWN BELOW:

TIME AND DATE: 9:30 A.M., December 12, 1997

PLACE: Room 148, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THESE PROPOSED RULES IS:

Director of Appeals, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862.

THE FULL TEXT OF THESE PROPOSED RULES ARE:

25-6.077 Installation of Underground Distribution Systems
Within New Subdivisions.

(1) When required. After acceptance by the utility of a proper application the utility shall define the geographical area described and entailed by said application a "Designated Underground Area." The utility shall design and install a suitable underground electric distribution system with sufficient capacity and suitable materials which, in its judgment, will assure that the applicant will receive reasonably safe and adequate electric service for the reasonably foreseeable future.

(2) Facilities required to be underground.

(a) All service, secondary, and primary distribution conductors with the possible exception of feeder mains shall be underground. Appurtenances such as transformers, pedestal mounted terminals, switching equipment, and meter cabinets may be placed above ground at the discretion of the utility.

(b) At the option of the applicant and subject to requirements of governmental authorities and Rule 25-6.078, new feeder mains or portions thereof required to supply service within the subdivision, supply location distribution, or to serve spot loads may be either overhead or underground.

(3) Service connection. The service connection to the building will normally be at or near the part of the building nearest the point at which the underground secondary electric supply is available to the property to be served. If the service

connection point selected on any building requires the installation of a service lateral in excess of ~~seventy five (75)~~ feet, then the applicant may be required to pay for the service lateral and installation in excess of ~~seventy five (75)~~ feet in accordance with the utility's tariff rules and regulations on file with the Commission; except as provided under Rule 25-6.078 ~~(6)~~ ~~(5)~~ herein.

Specific Authority: 366.05(1), FS.

Law Implemented: 366.03, 366.04(6), 366.041(1)(4), 366.05(1), 366.06(1), FS.

History: New 4-10-71, Amended 4-13-80, 2-12-84, formerly 25-6.77, Amended.

25-6.078 Schedule of Charges.

(1) Each utility shall file with the Commission ~~within 60 days of the applicability of this rule~~ a written policy that shall become a part of the utility's tariff rules and regulations. Such policy shall be subject to review and approval of the Commission and shall include an Estimated Average Cost Differential, if any, and shall state ~~indicate~~ the basis upon which the utility will provide underground service and its method for recovering the difference in cost of an underground system and an equivalent overhead system from the applicant at the time service is extended. The charges to the applicant shall be not

more than the estimated difference in cost of an underground system and an equivalent overhead system.

(2) On or before October 15th of each year each utility shall file with the Commission's Division of Electric and Gas Form PSC/EAG 13, Schedule 1, using current material and labor costs. If the cost differential as calculated in Schedule 1 varies from the Commission-approved differential by plus or minus 10 percent or more, the utility shall file a written policy and supporting data and analyses as prescribed in sections (1), (3), and (4) of this rule on or before April 1 of the following year; however, each utility shall file a written policy and supporting data and analyses at least once every three years.

(3) Differences in operating and maintenance costs between underground and overhead systems, if any, may be taken into consideration in determining the overall Estimated Average Cost Differential.

~~(4)~~ Detailed supporting data and analyses ~~study results~~ used to determine the Estimated Average Cost Differential for underground and overhead distribution systems shall be concurrently filed by the utility with the Commission and shall be updated ~~annually~~ using cost data developed from the most recent 12-month period. The utility shall record these data and analyses on Form PSC/EAG 13 (/). Form PSC/EAG 13, entitled

"Overhead/Underground Residential Differential Cost Data" is incorporated by reference into this rule and may be obtained from the Division of Electric and Gas, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 850/413-6700.

~~(5)(4) Subject to the provisions of Rule 25-6.079(a),~~
Service for a new multiple-occupancy building shall be constructed underground within the property to be served to the point of delivery at or near the building by the utility at no charge to the applicant, provided the utility is free to construct its service extension or extensions in the most economical manner.

~~(6)(5) The method of recovering of the cost differential as filed by the utility and approved by the Commission may not be waived or refunded unless it is mutually agreed by the applicant and the utility that the applicant will perform certain work as defined in the utility's tariff do all of the trenching and backfilling, in which case the applicant shall receive a credit, per trench foot for each foot of trenching and backfilling provided by him in accordance with provisions Provision for the credit shall be set forth in the utility's tariff rules and regulations, and shall such credit to be no more in amount than the total charges applicable.~~

~~(7)(6)~~ The difference in cost as determined by the utility in accordance with its tariff shall be based on ~~reasonably~~ full use of the subdivision for building lots or multiple-occupancy buildings. If any given subdivision is designed to include large open areas, the utility or the applicant may refer the matter to the Commission for a special filing as provided under Rule 25-6.083.

~~(8)(7)~~ The utility shall not be obligated to install any facilities within a subdivision until satisfactory arrangements for the construction of facilities and payment of applicable charges, if any, have been completed between the applicant and the utility by written agreement. A standard agreement form shall be filed with the company's tariff.

~~(9)(8)~~ Nothing herein contained shall be construed to prevent any utility from assuming all cost differential of providing underground distribution systems, provided, however, that such assumed cost differential shall not be chargeable to the general body of rate payers, and any such policy adopted by a utility shall have uniform application throughout its service area.

Specific Authority: 366.04(2)(f), 366.05(1), FS.

Law Implemented: 366.03, 366.041(1)(4), 366.06(1), FS.

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History: New 4-10-71, Amended 4-13-80, 2-12-84, formerly 25-6.78,
Amended.

25-6.082 Records and Reports.

(1) To insure the development and availability of appropriate data necessary to satisfy the ~~annual~~ reporting requirements of Rule 25-6.078(2) herein, each utility shall ~~will~~ ~~undertake to establish and maintain~~ separate records or sub-accounts for underground distribution construction, operation and maintenance costs.

(2) Records shall also be maintained of experienced results obtained in the use of joint trenching, in such manner and detail as will afford an opportunity to evaluate the economies available using this practice.

Specific Authority: 366.04(2)(f), 366.05(1), FS.

Law Implemented: 366.03, 366.04(2)(a)(f), FS.

History: New 4-10-71, formerly 25-6.82, Amended.

NAME OF PERSON ORIGINATING PROPOSED RULES: David Wheeler

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULES:

Florida Public Service Commission.

DATE PROPOSED RULES APPROVED: August 18, 1997

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW:

July 12, 1996

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If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at least five calendar days prior to the hearing. If you are hearing or speech impaired, please contact the Florida Public Service Commission using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).