

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: June 27, 2018

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Economics (Doherty, Draper) *RD EJA PR*
Division of Engineering (Salvador) *LS*
Office of the General Counsel (Trierweiler) *TKS WJ JSC*

RE: Docket No. 20180092-EQ – Petition for approval of arrangement for totalized meter interconnection service, by Tampa Electric Company.

AGENDA: 07/10/18 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On April 9, 2018, Tampa Electric Company (TECO or utility) filed a petition for approval of an arrangement for totalized meter interconnection service (arrangement). The proposed arrangement is a special contract between TECO and MacDill Air Force Base (MacDill). MacDill is a United States Air Force Base located in Tampa, Florida. Pursuant to Rule 25-9.034, Florida Administrative Code, special contracts must be approved by the Commission.

On May 1, 2018, staff held a noticed informal meeting between staff and TECO to discuss the proposed arrangement. The Office of the Public Counsel participated in the meeting. The Commission has jurisdiction over this matter pursuant to Sections 366.04, 366.05, and 366.06, Florida Statutes.

Discussion of Issues

Issue 1: Should the Commission approve the proposed arrangement between TECO and MacDill, as shown in Attachment A, effective July 10, 2018?

Recommendation: Yes. The Commission should approve the proposed arrangement between TECO and MacDill, as shown in Attachment A, effective July 10, 2018 (Doherty, Draper)

Staff Analysis: The proposed arrangement between TECO and MacDill provides for the application for totalized metering, which is the summation of adjacent metering equipment readings serving the same property. Totalized metering is permissible under TECO's current tariff; however, TECO's tariff does not address MacDill's unique circumstances. Therefore, TECO filed the instant petition for an arrangement. The proposed arrangement does not contain a special rate for MacDill; MacDill will continue to pay TECO's tariffed charges.

Overview of MacDill

MacDill is located south of Tampa at the end of the Interbay peninsula in Hillsborough County and receives electric service from TECO at the MacDill substation (shown on the map in Attachment B to this recommendation as MacDill – 23 D). MacDill is a federal enclave and owns and operates its distribution system behind the meter at the MacDill substation. TECO does not own any distribution system on the base and provides service to MacDill at primary voltage pursuant to rate schedule, General Service – Demand Time-of-Day.

The MacDill operations center operates continuously; therefore, reliability is a major concern. TECO explained that during hurricane season MacDill is at risk to storm surge and flooding due to being just four feet above sea level and at the end of a peninsula. MacDill owns a standby generator; however, the generator only has three days worth of diesel fuel as a reserve.

MacDill is planning to add new load which could exceed the existing MacDill substation's capacity. To accommodate the incremental MacDill load as well as growth in the surrounding area, TECO is building a new substation (Interbay substation, shown on Attachment B). The Interbay substation is directly west 1.4 miles from the current MacDill 23 – D substation. Once the Interbay substation is constructed, MacDill will be served by both substations. TECO stated that the Interbay substation will be operational in July or August 2018.

Proposed Arrangement

TECO's current tariff sheet No. 5.075 addresses totalized metering. Totalized metering can be provided by the utility when single circuit metering is impractical because the customer's load exceeds the loading criteria of one standard transformer. To illustrate, a large warehouse's demand cannot be served by one standard transformer. TECO, therefore, would install two transformers, and two metering circuits, and combine the readings from the two meters.

The tariff provides for certain criteria the customer must meet to qualify for totalized metering: (1) all the services totalized must be at the same voltage level; (2) the facility's total demand load must exceed the loading criteria for the largest standard transformer; and (3) the facility must be comprised of one building containing a single business operated by one customer. In addition, the tariff states that totalized metering will normally be provided to a single geographical point.

MacDill's circumstances vary from what is contemplated in TECO's current tariff with respect to two criteria. First, the MacDill base, while it is on one unit of property, consists of multiple buildings. Second, MacDill will be served from two points of delivery (the two substations) which are 1.4 miles apart.

The application of totalized metering for the existing and the new interconnection, along with balancing of the MacDill load between the two substations, would provide more capacity and more reliable service to MacDill. In addition, the proposed arrangement would free up capacity at the MacDill substation allowing TECO to meet future capacity and energy needs outside the MacDill base. Currently, the MacDill substation only serves MacDill.

Under the totalized metering arrangement, MacDill will pay one customer charge and the kilowatt hours metered at the two substations will be added together. The demand billed will be the highest totalized (combined) demand registered at both substations.

Conclusion

The Commission recently approved a special contract between Florida City Gas and U.S. Sugar, a large industrial customer who is facing unique challenges. Similar to the instant petition, the Commission approved a variance from Florida City Gas's tariff to address the challenges faced by U.S. Sugar through a special contract.¹

Staff has reviewed TECO and MacDill's proposed arrangement, or special contract, and data provided during the informal meeting on Tuesday, May 1, 2018. Staff recommends that the Commission approve the proposed arrangement between TECO and MacDill, as shown in Attachment A, effective July 10, 2018.

¹ Order No. PSC-2018-0273-PAA-GU, issued May 31, 2018, in Docket No. 20180043-GU, *In re: Petition for approval of area extension plan rate extension agreement with United States Sugar Corporation, by Florida City Gas.*

Issue 2: Should this docket be closed?

Recommendation: Yes. If no protest is filed by a person whose substantial interests are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order. (Trierweiler)

Staff Analysis: If no protest is filed by a person whose substantial interests are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order.

**ARRANGEMENT FOR
TOTALIZED METER INTERCONNECTION SERVICE**

This Totalized Metering Arrangement ("Agreement") is made and entered into as of this _____ day of _____, by and between MacDill Air Force Base, (hereinafter called in the "Customer") and Tampa Electric Company, a Florida corporation (hereinafter called the "Company"). This agreement is subject to the terms, conditions and provisions of Tariff Sheet Nos. 4.110, 5.075, and 6.330-6.332.

WITNESSETH:

WHEREAS, the Company is an electric utility operating under Chapter 366, Florida Statutes, subject to the jurisdiction of the Florida Public Service Commission or any successor agency thereto (hereinafter called the "Commission"); and

WHEREAS, the Customer is a United States Air Force Base located in Tampa Florida currently receiving retail electric service from the Company under tariff schedule GSDT at the service location described in Exhibit "A"; and

WHEREAS, the Customer has been served from the Company's MacDill Substation at primary voltage (13.2 kV) where, over the past few years, the Customer's load has varied due to expansion on the base offset by implementation of electric conservation and efficiency measures; and

WHEREAS, the Customer is projected to add new load not expected to be offset by conservation and efficiencies in the coming years which could exceed the existing MacDill substation capacity and Customer owned service cable capacity, thereby threatening the Customer's electric service reliability; and

WHEREAS, a new substation and associated service line(s) are needed to enable the Company to reliably serve the Customer's growing electrical needs, and

WHEREAS, the Company has constructed a substation called Inter-bay, to accommodate the incremental Customer load through a second interconnection as well as other new load in the vicinity of the Customer; and

WHEREAS, in this special case the application of totalized metering for the existing and new interconnection, along with balancing of the Customer load between these two service interconnections, would not only provide more capacity and more reliable service to the Customer but would also free up capacity at the MacDill substation for future load needs outside the base in the retail service area around the MacDill substation; and

WHEREAS, the Company provides for totalized metering service under its electric tariff on Sheet No. 5.075, however the authorization provided therein for totalized metering does not contemplate or appropriately address the special

Exhibit "A"

circumstances that arise in the case of this Customer where it would be in the best interests of all concerned, including the general body of ratepayers, that a contract service arrangement be implemented providing totalized metering service for this customer in this case; and

WHEREAS, the anticipated revenues from serving the Customer's incremental load and the electric service requirements of new development in the area outside the base, together with the increased relay service charge assessed for the incremental load provided to the Customer, are sufficient to cover the investment in the new substation and service line(s);

NOW THEREFORE, in consideration of the mutual covenants expressed herein, the Company and Customer agree as follows:

1. **Rate Schedule** - The Company agrees to furnish and the Customer agrees to continue to take power pursuant to the terms and conditions of the Company's tariff, rate schedule GSDT, as currently approved by the Commission or as said tariff and rate schedules may be modified in the future and approved by the Commission. The Customer agrees to abide by all applicable requirements of the tariff and rate schedule, except to the extent specifically modified by this Agreement. Copies of the Company's currently approved rate schedule GSDT is attached as Exhibit "B" and made a part hereof.
2. **Term of Agreement** - The term of this Agreement shall commence on the date an order of the Commission approving it becomes final and non-appealable, and shall continue in effect until superseded by a revised or replacement agreement addressing the matters described herein.
3. **Totalization of Electric Service Billing Meters – Billing determinants** (both energy and demand) measured by electric service billing meters for electric service provided to the Customer through both the Company's MacDill and Inter-bay Substations shall be totalized for billing purposes. "Totalization" is the summation of adjacent metering equipment readings as defined in Tampa Electric's Tariff Sheet No. 4.110. Totalization in this instance will assure no double billing for demand to the Customer in connection with relay switching described in paragraph 4 below which will be controlled by the Customer.
4. **Charges for the Establishment of Two Points of Interconnection to Customer** – The Company will not charge the Customer a CIAC charge for the new service requirements including provision of relay service given the projected increase in load; however, Relay Service charges will be assessed to the increase in load as they are to the current load requirements for the Customer. Relay switching will occur on equipment internal to the Customer and in accordance with switching guidelines established between the Customer and the Company.

5. The Customer agrees that neither the MacDill substation nor the new Inter-bay substation is dedicated to service only to the Customer and the Company will use capacity at both substations for service to other customers.
6. Entire Agreement - This Agreement supersedes all previous agreements and representations either written or oral heretofore made between the Company and the Customer with respect to the matters herein contained. This Agreement, when duly executed, constitutes the only agreement between the parties hereto relative to the matters herein described.
7. Incorporation of Tariff - This Agreement incorporates by reference the terms and conditions of the Company's retail tariff, rate schedule GSDT filed by the Company with, and approved by, the Commission, as amended from time to time. In the event of any conflict between this Agreement and such tariff or rate schedule, the terms and conditions of this Agreement shall control.
8. Notices - All notices and other communications hereunder shall be in writing and shall be delivered by hand, by prepaid first class registered or certified mail, return receipt requested, by courier or by facsimile, addressed as follows:

If to the Company:

Tampa Electric Company
702 North Franklin Street
P.O. Box 111
Tampa, Florida 33601-0111
Facsimile:
Attention:

with a copy to:

Tampa Electric Company
702 North Franklin Street
P.O. Box 111
Tampa, Florida 33601-0111
Facsimile:
Attention:

If to the Customer:

Facsimile:
Attention:

with a copy to:

Facsimile:
Attention:

Except as otherwise expressly provided in this Agreement, all notices and other communications shall be deemed effective upon receipt. Each party shall have the right to designate a different address for notices to it by notice similarly given.

10. Assignment; No Third-Party Beneficiaries - This Agreement shall inure to the benefit of and shall bind the successors and assigns of the parties hereto. No assignment of any rights or delegation of any obligations hereunder shall have the effect of releasing the assigning party of any of its obligations hereunder, and the assigning party shall remain primarily liable and responsible therefore notwithstanding any such assignment or delegation. Nothing in this Agreement shall be construed to confer a benefit on any person not a signatory party hereto or such signatory party's successors and assigns.
11. Waiver - At its option, either party may waive any or all of the obligations of the other party contained in this Agreement, but waiver of any obligation or any breach of this Agreement by either party shall in no event constitute a waiver as to any other obligation or breach or any future breach, whether similar or dissimilar in nature, and no such waiver shall be binding unless in writing signed by the waiving party.
12. Headings - The section and paragraph headings contained in the Agreement are for reference purposes only and shall not affect, in any way, the meaning or interpretation of this Agreement.
13. Counterparts - This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
14. Dispute Resolution - All disputes arising between the Customer and the Company under this Agreement shall be finally decided by the Commission in accordance with the applicable rules and procedures of the Commission.
15. Governing Law - This Agreement shall be construed and enforced in accordance with the laws of the State of Florida.
16. Confidentiality - The matters described within this Agreement, as well as any information supplied by the Customer as a result of negotiations or information requests by the Company and any information developed by the Company in connection therewith are considered confidential, proprietary information of the parties. This Agreement itself will not be considered confidential, proprietary information of the parties. If requested, confidential information associated with

this Agreement shall be made available for review by the Commission and its staff only and such review shall be made under the confidentiality rules of the Commission.

IN WITNESS WHEREOF, the Customer and the Company have executed this Agreement the day and year first above written.

6th Air Mobility Wing

PATRICK BOYETTE
Contracting Officer

TAMPA ELECTRIC COMPANY

by: _____

Its: _____

Attest: _____

Map of MacDill Air Force Base

