

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Revision of tariffs on) DOCKET NO. 960325-EI
underground distribution) ORDER NO. PSC-96-0719-FOF-EI
differential costs for Florida) ISSUED: May 28, 1996
Power & Light Company, Florida)
Power Corporation, Gulf Power)
Company and Tampa Electric)
Company.)
_____)

The following Commissioners participated in the disposition of this matter:

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

**ORDER DENYING IN PART AND APPROVING IN PART THE
UPDATED TARIFF SHEETS AND CHARGES ASSOCIATED
WITH THE INSTALLATION OF UNDERGROUND
DISTRIBUTION FACILITIES**

CASE BACKGROUND

Florida Power Corporation (FPC), Florida Power & Light Company (FPL), Gulf Power Company (Gulf), and Tampa Electric Company (TECO) have filed updated tariffs and charges which are applicable to the installation of underground residential distribution service. Rule 25-6.078, Florida Administrative Code requires that these charges be updated annually. The charges represent the additional costs to provide underground service in place of standard overhead service. The proposed changes were accompanied by work papers explaining their derivation.

DECISION

The method used by Gulf to determine its underground residential distribution charges this year differs from that used in the past. In addition, Gulf has indicated that it intends to file revisions to the tariffs that were filed initially. Therefore, we find that Gulf's updated tariff sheets and charges associated with the installation of underground electric distribution facilities are denied.

DOCUMENT NUMBER-DATE

05832 MAY 28 1996

FPSC-RECORDS/REPORTING

We approve Florida Power & Light Company's, Tampa Electric Company's, and Florida Power Corporation's updated tariff sheets and charges associated with the installation of underground electric distribution facilities. The underground residential distribution (URD) tariffs provide customers with standard charges for certain types of new underground service. Each utility develops the charges based on the same three model subdivisions: a 210-lot low-density single-family home subdivision, a 176-lot high density subdivision served by individual meters, and a 176-lot high density mobile home subdivision served by ganged meters.

This year the utilities are utilizing a new subdivision design for developing the differential for low-density subdivisions. The new design was adopted to reflect the typical subdivision being built today, and was approved for use in the 1996 filings in Docket No. 951199-EI. As reflected in the new design, subdivisions typically employ more curved streets than they have in the past.

The differential rates for each model subdivision are developed by estimating the cost per lot of both underground service and overhead service. The difference between these numbers is the per lot charge that customers must pay when they request underground service in lieu of standard overhead service. The estimates are based on each company's standard engineering and design practices, and incorporate company-wide material costs and labor rates. Table 1 below shows the proposed 1996 differentials.

TABLE 1

1996 UNDERGROUND PER LOT DIFFERENTIAL COSTS

RESIDENTIAL SUBDIVISIONS	FPC	FPL	TECO	GULF
Low Density	\$288	\$277	\$251	N/A
High Density Individual Meters	\$151	\$193	\$195	N/A
High Density Ganged Meters	\$31	\$0	N/A	N/A

Because TECO does not install a large number of ganged meter high density subdivisions, it has not developed a differential for this type of installation. FPL's differential for its ganged meter high density subdivision is \$0 because the differential costs for this subdivision were found to be minimal (\$3.16). FPL has determined that it would not be cost-effective to bill such a small differential, and has rounded the differential to zero. We find that this is reasonable.

In addition to changes to the differentials for each of the subdivision types, the utilities also proposed changes to the credits they offer customers who chose to do their own trenching or other work. Changes were also proposed to the charges for other types of underground service, such as underground service laterals from overhead lines and the undergrounding of primary feeder mains.

FPC has also proposed changes to its fees for binding cost estimates for commercial and residential conversion to underground facilities which are not covered by the tariff for new residential subdivisions. These fees cover the engineering design time required to provide a cost estimate which is valid for 180 days.

Tables 2, 3, and 4 show comparisons between the existing and proposed underground differentials for each subdivision type.

TABLE 2

1996 OVERHEAD VS. UNDERGROUND PER LOT COST DIFFERENTIALS

210-Lot Low-Density Subdivision	1995 Existing	1996 Approved	Percent (%) Change
FPC	\$256.50	\$288.01	12.28
FPL	\$329.33	\$276.85	-15.94
TECO	\$273.75	\$250.67	-8.43
GULF	N/A	N/A	N/A

TABLE 3

1996 OVERHEAD VS. UNDERGROUND PER LOT COST DIFFERENTIALS

176-Lot High-Density Individual Meters	1995 Existing	1996 Approved	Percent (%) Change
FPC	\$174.89	\$151.46	-13.40
FPL	\$182.32	\$192.99	5.85
TECO	\$183.44	\$194.80	6.19
GULF	N/A	N/A	N/A

TABLE 4

1996 OVERHEAD VS. UNDERGROUND PER LOT COST DIFFERENTIALS

176-Lot High-Density Ganged Meters	1995 Existing	1996 Approved	Percent (%) Change
FPC	\$40.84	\$30.78	-24.63
FPL	\$ 8.46	\$ 3.16	-62.65

We approve the revised tariffs, and find that the appropriate effective dates are as follows: FPL, June 6, 1996; FPC, May 7, 1996; TECO, May 7, 1996. This docket will remain open pending resolution of Gulf Power Company's updated tariff. Each utility is severable from the others and if a protest is filed it will be specific to the respective utility's proposed tariff. A protest of one proposed utility's tariff will not delay or prevent another utility's proposed tariff revision from becoming final.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Gulf Power Company's updated tariff sheets and charges associated with the installation of underground electric distribution facilities are denied. It is further

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ORDERED that Gulf Power Company will file new updated tariff sheets and charges associated with the installation of underground electric distribution facilities. It is further

ORDERED that Florida Power & Light Company's, Tampa Electric Company's, and Florida Power Corporation's updated tariff sheets and charges associated with the installation of underground electric distribution facilities, as discussed in the order above, are approved. It is further

ORDERED that each utility is severable from the others and if a protest is filed it shall be specific to the respective utility's proposed tariff.

ORDERED that if a protest is filed in accordance with the requirement set forth below, the tariff for that specific utility shall remain in effect with any increase in revenues held subject to refund pending resolution of the protest. It is further

ORDERED that a protest of one proposed utility's tariff will not delay or prevent another utility's proposed tariff revision from becoming final.

ORDERED that this docket shall remain open pending resolution of Gulf Power Company's updated tariff.

By ORDER of the Florida Public Service Commission, this 28th day of May, 1996.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Dizon
Chief, Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on June 18, 1996.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

Any objection or protest filed in this docket before the issuance date of this Order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the date this Order becomes final, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.