**FLORIDA PUBLIC SERVICE COMMISSION**

 **Fletcher Building**

 **101 East Gaines Street**

 **Tallahassee, Florida 32399-0850**

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

 **November 9, 1993**

**TO: DIRECTOR, DIVISION OF RECORDS & REPORTING**

**FROM: DIVISION OF ELECTRIC AND GAS [BASS, BREMAN, KUMMER, SHEA]**

 **DIVISION OF LEGAL SERVICES [BROWN]**

**RE: DOCKET NO. 930968-EI - PETITION FOR APPROVAL OF MUNICIPAL UNDERGROUND CAPITAL COST RECOVERY TARIFFS BY FLORIDA POWER CORPORATION**

**AGENDA: NOVEMBER 23, 1993 - REGULAR AGENDA**

 **TARIFF FILING/INTERESTED PERSONS MAY PARTICIPATE**

**CRITICAL DATES: 60-DAY SUSPENSION DATE: DECEMBER 2, 1993**

**SPECIAL INSTRUCTIONS: I:PSC\EAG\WP\930968.RCM**

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 **DISCUSSION OF ISSUE**

**ISSUE 1:** Should the municipal underground capital cost recovery tariffs for which Florida Power Corporation (FPC) has requested approval be suspended?

**RECOMMENDATION:** Yes. The proposed tariffs should be suspended to allow Florida Power Corporation time to provide additional information regarding these tariffs.

**STAFF ANALYSIS:** On September 30, 1993, Florida Power Corporation petitioned the Commission for approval of tariffs that provide for recovery of facility charges incurred by franchised municipalities to convert electric distribution facilities from overhead to underground. The company indicated it has received requests for cost estimates pursuant to its underground electric distribution facility charges tariff from a number of municipalities. Several requests have led to extensive follow-up discussions to determine how the cities' undergrounding plans might be effectively implemented. These discussions have focused on ways that the company might facilitate the cities' ability to finance the cost of providing underground service to customers within their boundaries. The current underground tariff provides a procedure for determining a municipality's cost for underground conversion. The tariff proposed on September 30, 1993 provides an optional procedure for the recovery of this cost by the utility from customers within the municipality on whose behalf the conversion was made.

 During discussions with company representatives, staff suggested certain clarifications to the tariff language and requested additional information regarding the costs of administering the tariffs. The company has agreed to review staff's suggested changes and to provide the additional information requested.

 Since the 60-day suspension period expires December 2, 1993, staff recommends that the municipal underground capital cost recovery tariffs be suspended to allow the company additional time to provide the requested information. A recommendation on whether to approve or deny the proposed tariffs will be filed as soon as the additional information is received and reviewed by staff.