

FLORIDA PUBLIC SERVICE COMMISSION  
Capital Circle Office Center, 2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

RECEIVED

AUG - 6 1997

MEMORANDUM

FPSC - Records/Reporting

AUGUST 6, 1997

TO : DIRECTOR OF RECORD AND REPORTING (BAYO)

FROM : DIVISION OF APPEALS (MOORE) *CTM DES*  
DIVISION OF ELECTRIC AND GAS (WHEELER, GOAD, BREMAN) *DMW*  
DIVISION OF RESEARCH & REGULATORY REVIEW (HEWITT) *RT CAT PD*

RE : DOCKET NO. 960623-EI - 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

AGENDA: AUGUST 18, 1997 - REGULAR AGENDA - RULE PROPOSAL - INTERESTED PERSONS MAY PARTICIPATE

RULE STATUS: PROPOSAL MAY BE DEFERRED

SPECIAL INSTRUCTIONS: S:\PSC\APP\WP\960623EI.RCM

CASE BACKGROUND

This proposed rule amendment resulted from a joint petition to initiate rulemaking filed by the four major investor-owned electric utilities on May 21, 1996. The petition requested amendments to Rules 25-6.078(3) and 25-6.082(1) to allow the utilities to update their underground residential distribution tariffs every three years, instead of the existing requirement that they be updated every year. These tariffs contain standard one-time charges for new residential customers who request optional underground service, in lieu of the standard overhead service.

Following two staff workshops and discussions with the utilities, the staff is proposing the attached rule amendments. The proposed amendments will decrease utility filing requirements, and will decrease Commission and Commission staff workload, while insuring that any significant changes to the costs of underground service relative to overhead service will be reflected in the rates charged to ratepayers in a timely manner.

DOCUMENT NUMBER-DATE

07944 AUG-65

FPSC-RECORDS/REPORTING

DOCKET NO. 960623-EI  
DATE: August 6, 1997

### DISCUSSION OF ISSUES

ISSUE 1: Should the Commission propose changes to Rules 25-6.077, 25-6.078 and 25-6.082, F.A.C.?

RECOMMENDATION: Yes. The Commission should propose changes to Rules 25-6.077, 25-6.078 and 25-6.082, F.A.C. to change the requirement for filing annual updates to the underground residential distribution tariffs. The proposed change requires a full filing only 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.

STAFF ANALYSIS: The rules that are proposed for amendment contain the requirements for filing updates to the investor-owned electric utilities' underground residential distribution tariffs. These tariffs contain standard one-time charges for new residential customers who request optional underground service, in lieu of standard overhead service. The charges in the tariffs represent the estimated average difference in cost between underground and overhead service which must be paid by the customer.

Under the existing rules, the charges must be updated every year by the four major investor-owned utilities. This update entails the filing of extensive cost data and engineering analyses that develop and justify the proposed new rates for underground service. The joint petition filed by the four utilities had requested that the rule be amended to require updating of the underground differentials only every three years. The utilities stated that since the differential cost of underground service has been relatively stable for several years, it is not necessary to incur the time and expense of updating the charges every year. Staff recognized this benefit from the proposed change, but was also concerned that significant changes in the differentials due to technology change or other factors would not be reflected in rates as rapidly as under the existing rule.

The rule amendments proposed by staff would require that the utilities, by October 15 of each year, file an estimated differential, using updated labor and material costs, for the most frequently requested type of underground service. (Attachment 1) This filing would require substantially less analysis than the full filing which is now required annually. If the estimate of the differential for the low-density single family subdivision provided under the abbreviated filing varies from the existing tariffed differential by more than 10 percent (higher or lower), the utility

DOCKET NO. 960623-EI  
DATE: August 6, 1997

would be required to file, by April 1 of the following year, the full filing as required by the existing rules. If this threshold is not exceeded, the utility would not be required to file for a tariff change. The rule amendment also requires that a full filing be made every three years, regardless of the estimated differential.

Staff believes that the proposed change to the filing requirements will be beneficial to staff, the utilities, and to ratepayers. The change will result in a reduction in the number of changes to the underground differential tariffs, with a resulting decrease in workload and filing expenses, as well as an increase in rate continuity for ratepayers. Staff also believes that the rule ensures that significant changes in the differential will be incorporated in the tariffs in a timely manner.

The proposed rule amendments also incorporate by reference Form PSC/EAG 13, which contains the format for the filing requirements contained in the rule. This form has been utilized by the utilities in the past, but was never formally incorporated in the rule. The remaining proposed rule amendments are not substantive, and merely clarify the existing rules.

The Division of Research and Regulatory Review determined that a Statement of Estimated Regulatory Costs is not necessary for the proposed rule changes. (Attachment 2)

**ISSUE 2:** If no requests for hearing or comments are filed, should the rule amendments as proposed be filed for adoption with the Secretary of State and the docket be closed?

**RECOMMENDATION:** Yes.

**STAFF ANALYSIS:** Unless comments or requests for hearing are filed, the rules as proposed may be filed with the Secretary of State without further Commission action. The docket may then be closed.

1 25-6.077 Installation of Underground Distribution Systems  
2 Within New Subdivisions.  
3

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

12 (2) Facilities required to be underground.

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

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

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

CODING: Words underlined are additions; words in  
~~struck-through~~ type are deletions from existing law.

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

7 Specific Authority: 366.05(1), F.S.

8 Law Implemented: 366.03, 366.04(6), 366.041(1)(4), 366.05(1),  
9 366.06(1), F.S.

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

12  
13  
14 25-6.078 Schedule of Charges.

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

CODING: Words underlined are additions; words in  
~~struck through~~ type are deletions from existing law.

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

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

16 ~~(4)(3)~~ Detailed supporting data and analyses ~~study results~~  
17 used to determine the Estimated Average Cost Differential for  
18 underground and overhead distribution systems shall be concurrently  
19 filed by the utility with the Commission and shall be updated  
20 ~~annually~~ using cost data developed from the most recent 12-month  
21 period. The utility shall record these data and analyses on Form  
22 PSC/EAG 13 ( / ). Form PSC/EAG 13, entitled "Overhead/Underground  
23 Residential Differential Cost Data" is incorporated by reference  
24 into this rule and may be obtained from the Division of Electric  
25 and Gas, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-  
0850, 904/413-6700.

CODING: Words underlined are additions; words in  
~~struck through~~ type are deletions from existing law.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

~~(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

CODING: Words underlined are additions; words in  
~~struck through~~ type are deletions from existing law.

1 facilities within a subdivision until satisfactory arrangements for  
2 the construction of facilities and payment of applicable charges,  
3 if any, have been completed between the applicant and the utility  
4 by written agreement. A standard agreement form shall be filed  
5 with the company's tariff.  
6

7 ~~(9)(8)~~ Nothing herein contained shall be construed to  
8 prevent any utility from assuming all cost differential of  
9 providing underground distribution systems, provided, however, that  
10 such assumed cost differential shall not be chargeable to the  
11 general body of rate payers, and any such policy adopted by a  
12 utility shall have uniform application throughout its service area.

13 Specific Authority: 366.04(2)(f), 366.05(1), F.S.

14 Law Implemented: 366.03, 366.041(1)(4), 366.06(1), F.S.

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

17  
18 25-6.082 Records and Reports.

19 (1) To insure the development and availability of appropriate  
20 data necessary to satisfy the ~~annual~~ reporting requirements of Rule  
21 25-6.078~~(2)~~ herein, each utility shall ~~will undertake to establish~~  
22 ~~and~~ maintain separate records or sub-accounts for underground  
23 distribution construction, operation and maintenance costs.

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

CODING: Words underlined are additions; words in  
~~struck-through~~ type are deletions from existing law.



DOCKET NO. 960623-EI  
DATE: August 6, 1997

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

using this practice.

Specific Authority 366.04(2)(f), 366.05(1), F.S.

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

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

\_\_\_\_\_

CODING: Words underlined are additions; words in  
~~struck through~~ type are deletions from existing law.

ELECTRIC UTILITY OVERHEAD/UNDERGROUND  
RESIDENTIAL DIFFERENTIAL COST DATA

FOR \_\_\_\_\_  
(Name of Company)

Florida Public Service Commission  
Form PSC/EAG 13  
( /97)

PSC/EAG FORM 13 FOR REPORTING  
 THE OVERHEAD/UNDERGROUND RESIDENTIAL DIFFERENTIAL COST DATA  
RULES 25-6.074 THROUGH 25-6.083

Schedule No.	Title	Page
1-4	Low Density - 210 Lot Subdivision	
1	Overhead vs. Underground Summary Sheet	2
2	Cost Per Service Lateral Overhead Material and Labor	3
3	Cost Per Service Lateral and Underground Material and Labor	4
4	Low Density - 210 Lot Subdivision Typical Layout for both Overhead and Underground Designs	5
5-11	High Density - 176 Lot Subdivision	
5	Overhead vs. Underground Summary Sheet (Company Owned Service Laterals)	6
6	Cost per Service Lateral Overhead Material and Labor (Company Owned Service Laterals)	7
7	Cost per Service Lateral Underground Material and Labor (Company Owned Service Laterals)	8
8	Overhead vs. Underground Summary Sheet (Customer Owned Service Laterals from Meter Centers)	9
9	Cost Per Dwelling Unit Overhead Material and Labor (Customer Owned Service Laterals from Meter Centers)	10
10	Cost Per Dwelling Unit Underground Material and Labor (Customer Owned Service Laterals from Meter Centers)	11
11	High Density - 176 Lot Subdivision Layouts for both Overhead and Underground Designs	12
12	Average Underground Feeder Costs	13
13	Actual Operating and Maintenance Distribution Expenses for Overhead and Underground	14
14	Signature Page	15

Notes:

- Mark all schedules from 2 through 13 which do not apply to the current filing as not applicable. Attach additional sheets for clarification and justification if necessary.
  - The signature page, Schedule 14, must be filed with every filing.
- PSC/EAG Form 13 (xx/xx)

COMPANY: \_\_\_\_\_

DATE: \_\_\_\_\_

OVERHEAD VS. UNDERGROUND SUMMARY SHEET

- Low Density 210 Lot Subdivision -  
- Cost per Service Lateral -

ITEM	OVERHEAD	UNDERGROUND	DIFFERENTIAL
Labor			
Material			
O&M(Optional)			
TOTAL			

COMPANY: \_\_\_\_\_

DATE: \_\_\_\_\_

COST PER SERVICE LATERAL OVERHEAD MATERIAL AND LABOR

- Low Density 210 Lot Subdivision -

ITEM	MATERIAL <sup>1</sup>	LABOR <sup>4</sup>	TOTAL
Service <sup>2</sup>			
Primary			
Secondary			
Initial Tree Trim			
Poles			
Transformers			
Subtotal			
Stores Handling <sup>3</sup>			
Subtotal			
Engineering <sup>5</sup>			
TOTAL			

<sup>1</sup>Includes Sales Tax  
<sup>2</sup>Includes \_\_\_\_\_  
<sup>3</sup> % of \_\_\_\_\_  
<sup>4</sup>Includes \_\_\_\_\_  
<sup>5</sup> % of \_\_\_\_\_  
 \_\_\_\_\_ % of \_\_\_\_\_

COMPANY: \_\_\_\_\_

DATE: \_\_\_\_\_

COST PER SERVICE LATERAL UNDERGROUND MATERIAL AND LABOR

- Low Density 210 Lot Subdivision - "

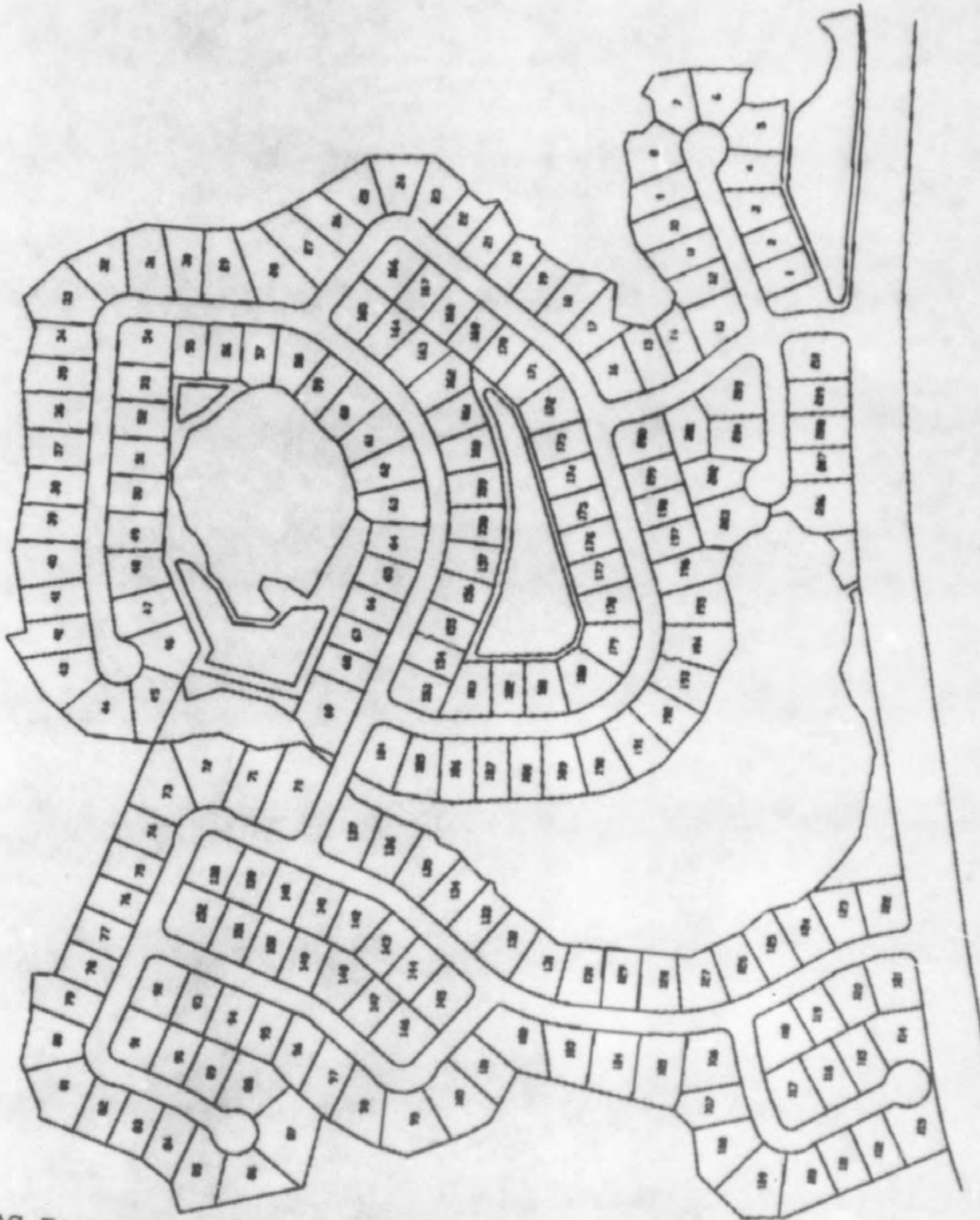
ITEM	MATERIAL <sup>1</sup>	LABOR <sup>4</sup>	TOTAL
Service <sup>2</sup>			
Primary			
Secondary			
Transformers			
Primary Trenching			
Secondary Trenching			
Service Trenching			
Subtotal			
Stores Handling <sup>3</sup>			
Subtotal			
Engineering <sup>5</sup>			
TOTAL			

<sup>1</sup>Includes Sales Tax  
<sup>2</sup>Includes \_\_\_\_\_  
<sup>3</sup>\_\_\_\_\_ % of \_\_\_\_\_  
<sup>4</sup>Includes \_\_\_\_\_  
<sup>5</sup>\_\_\_\_\_ % of \_\_\_\_\_  
\_\_\_\_\_ % of \_\_\_\_\_

COMPANY: \_\_\_\_\_

DATE: \_\_\_\_\_

**LOW DENSITY - 210 LOT SUBDIVISION TYPICAL LAYOUT**  
for both Overhead and Underground Designs



1.5 Dwelling Units per Acre

COMPANY: \_\_\_\_\_

DATE: \_\_\_\_\_

OVERHEAD VS. UNDERGROUND SUMMARY SHEET

- High Density 176 Lot Subdivision -
- Company Owned Service Laterals -
- Cost per Service Lateral -

ITEM	OVERHEAD	UNDERGROUND	DIFFERENTIAL
Labor			
Material			
O&M(Optional)			
Total			



COMPANY: \_\_\_\_\_

DATE: \_\_\_\_\_

COST PER SERVICE LATERAL OVERHEAD MATERIAL AND LABOR

- High Density 176 Lot Subdivision -
- Company Owned Service Laterals -

ITEM	MATERIAL <sup>1</sup>	LABOR <sup>4</sup>	TOTAL
Service <sup>2</sup>			
Primary			
Secondary			
Initial Tree Trim			
Poles			
Transformers			
Subtotal			
Stores Handling <sup>3</sup>			
Subtotal			
Engineering <sup>5</sup>			
TOTAL			

<sup>1</sup>Includes Sales Tax  
<sup>2</sup>Includes \_\_\_\_\_  
<sup>3</sup>\_\_\_\_\_% of \_\_\_\_\_  
<sup>4</sup>Includes \_\_\_\_\_  
<sup>5</sup>\_\_\_\_\_% of \_\_\_\_\_  
\_\_\_\_\_% of \_\_\_\_\_

COMPANY: \_\_\_\_\_

DATE: \_\_\_\_\_

COST PER SERVICE LATERAL UNDERGROUND MATERIAL AND LABOR

- High Density 176 Lot Subdivision -
- Company Owned Service Laterals -

ITEM	MATERIAL <sup>1</sup>	LABOR <sup>4</sup>	TOTAL
Service <sup>2</sup>			
Primary			
Secondary			
Transformers			
Primary Trenching			
Secondary Trenching			
Service Trenching			
Subtotal			
Stores Handling <sup>3</sup>			
Subtotal			
Engineering <sup>5</sup>			
TOTAL			

<sup>1</sup>Includes Sales Tax \_\_\_\_\_  
<sup>2</sup>Includes \_\_\_\_\_  
<sup>3</sup>\_\_\_\_\_% of \_\_\_\_\_  
<sup>4</sup>Includes \_\_\_\_\_  
<sup>5</sup>\_\_\_\_\_% of \_\_\_\_\_  
\_\_\_\_\_% of \_\_\_\_\_

COMPANY: \_\_\_\_\_

DATE: \_\_\_\_\_

OVERHEAD VS. UNDERGROUND SUMMARY SHEET

- High Density 176 Lot Subdivision -
- Customer Owned Service Laterals -
  - from Meter Centers -
- Cost per Dwelling Unit -

ITEM	OVERHEAD	UNDERGROUND	DIFFERENTIAL
Labor			
Material			
O&M(Optional)			
Total			

COMPANY: \_\_\_\_\_

DATE: \_\_\_\_\_

COST PER DWELLING UNIT OVERHEAD MATERIAL AND LABOR

- High Density 176 Lot Subdivision -
- Customer Owned Service Laterals -
- from Meter Centers -

ITEM	MATERIAL <sup>1</sup>	LABOR <sup>4</sup>	TOTAL
Service <sup>2</sup>			
Primary			
Secondary			
Initial Tree Trim			
Poles			
Transformers			
Subtotal			
Stores Handling <sup>3</sup>			
Subtotal			
Engineering <sup>5</sup>			
TOTAL			

<sup>1</sup>Includes Sales Tax

<sup>2</sup>Includes \_\_\_\_\_.

<sup>3</sup> \_\_\_\_\_ % of \_\_\_\_\_.

<sup>4</sup>Includes \_\_\_\_\_.

<sup>5</sup> \_\_\_\_\_ % of \_\_\_\_\_.

\_\_\_\_\_ % of \_\_\_\_\_.

COMPANY: \_\_\_\_\_

DATE: \_\_\_\_\_

COST PER DWELLING UNDERGROUND MATERIAL AND LABOR

- High Density 176 Lot Subdivision -
- Customer Owned Service Laterals -
- from Meter Centers -

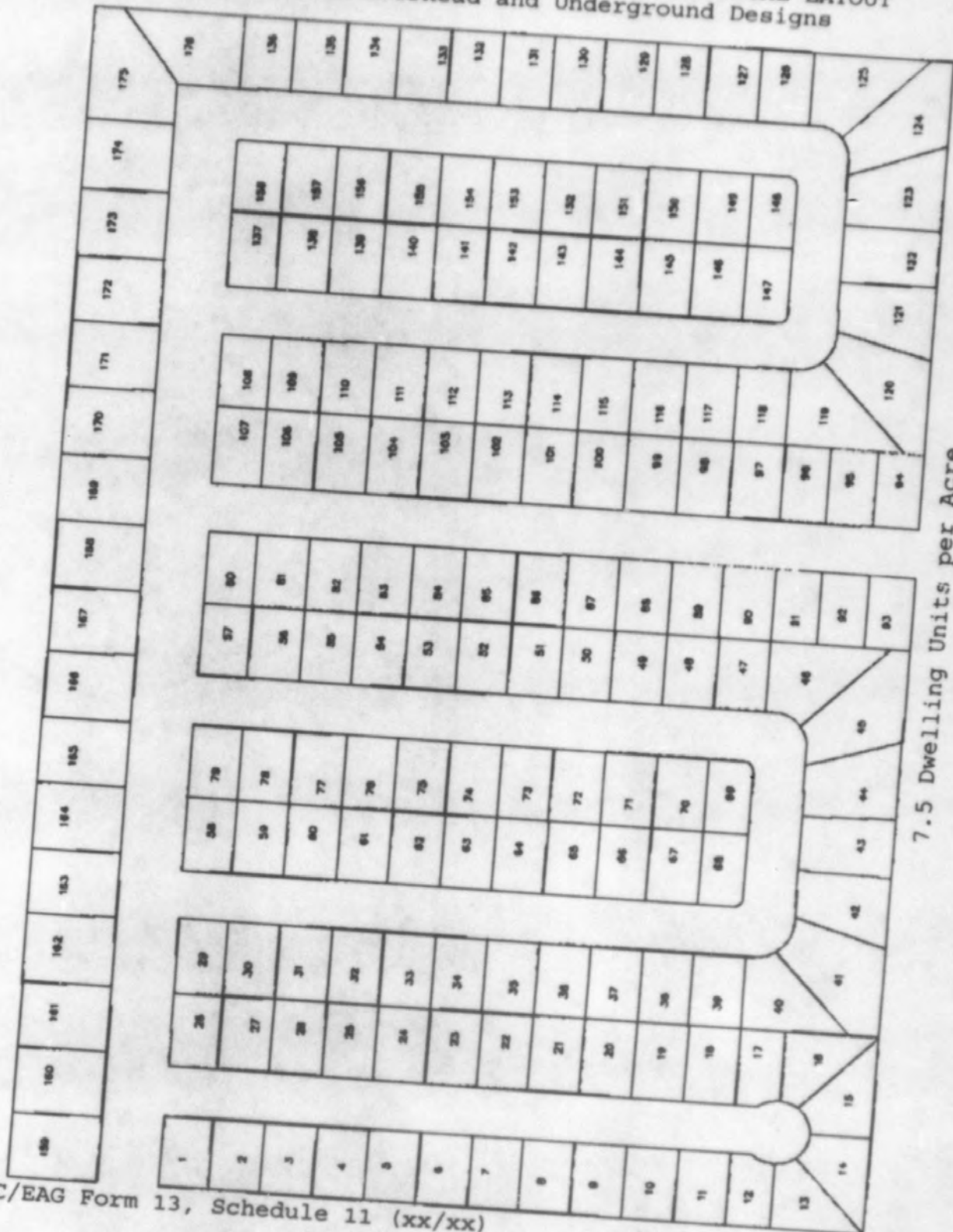
ITEM	MATERIAL <sup>1</sup>	LABOR <sup>4</sup>	TOTAL
Service <sup>2</sup>			
Primary			
Secondary			
Transformers			
Primary Trenching			
Secondary Trenching			
Service Trenching			
Subtotal			
Stores Handling <sup>3</sup>			
Subtotal			
Engineering <sup>5</sup>			
TOTAL			

<sup>1</sup>Includes Sales Tax  
<sup>2</sup>Includes \_\_\_\_\_  
<sup>3</sup>\_\_\_\_\_ % of \_\_\_\_\_  
<sup>4</sup>Includes \_\_\_\_\_  
<sup>5</sup>\_\_\_\_\_ % of \_\_\_\_\_  
\_\_\_\_\_ % of \_\_\_\_\_

COMPANY: \_\_\_\_\_

DATE: \_\_\_\_\_

HIGH DENSITY - 176 LOT SUBDIVISION TYPICAL LAYOUT  
for both Overhead and Underground Designs



7.5 Dwelling Units per Acre

PSC/EAG Form 13, Schedule 11 (xx/xx)

COMPANY: \_\_\_\_\_

DATE: \_\_\_\_\_

AVERAGE UNDERGROUND FEEDER COSTS

Underground  
\$/Ft... \_\_\_\_\_

Overhead  
\$/Ft... \_\_\_\_\_

Difference  
\$/Ft.. \_\_\_\_\_

COMPANY: \_\_\_\_\_

DATE: \_\_\_\_\_

ACTUAL OPERATING & MAINTENANCE DISTRIBUTION EXPENSES  
IN YEAR  
for Overhead and Underground

AMOUNT

Account 583 Overhead Line Expenses

Account 584 Underground Line Expenses

Account 593 Maintenance of Overhead Lines

Account 594 Maintenance of Underground Lines

Account 595 Maintenance of Line Transformers

Total

\$ \_\_\_\_\_

The accounts shall be in accordance with the Federal Energy Regulatory Commission's Uniform System of Accounts for Public Utilities and Licensees, Code of Federal Regulations, Title 18, Subchapter C, Part 101, as adopted and as modified by Rule 25-6.014, F.A.C.



SIGNATURE PAGE

I certify that I am the person responsible for submitting Form PSC/EAG 13 and that I have examined the attached schedule(s); that to the best of my knowledge, information, and belief, all statements of fact contained in the schedule(s) are true.

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provides in s. 775.082 and s. 775.083.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title, Company Name

MEMORANDUM

July 14, 1997

TO: DIVISION OF APPEALS (MOORE)

FROM: DIVISION OF RESEARCH AND REGULATORY REVIEW (HEWITT) *CBH P.D. JMA*

SUBJECT: STATEMENT OF ESTIMATED REGULATORY COSTS FOR PROPOSED REVISIONS TO RULES 25-6.077, 25-6.078, AND 25-6.082, FAC, UNDERGROUND COST DIFFERENTIAL RULES, DOCKET 960623-EI

Currently, the Underground Residential Differential (URD) Rules contain the requirements for filing updates to the investor-owned electric utilities' (IOUs) underground distribution tariffs. The tariffs give the estimated average construction cost differential between underground and overhead distribution service to the residential meter. The difference in cost is paid as a one-time charge when service is installed.

The proposed rule language revision would reduce the requirement to file annual updates to the URD tariffs. An abbreviated filing would be allowed unless there was a 10 percent or greater change in the differential. A full filing would be required at least every three years. Also, the rule would reference a data filing form that is currently in use. Because no significant additional regulatory burdens would be placed on electric utilities, there should be little or no increase in regulatory costs from the proposed rule revision.

Florida Statutes encourage an agency to prepare a Statement of Estimated Regulatory Costs (SERC) but does not require one for rule changes with no lower cost alternative. There is no reasonable alternative that would achieve the dual purpose of obtaining relevant information and minimizing filing costs. Since no significant additional costs or adverse impacts have been identified, there is no need for preparation of a SERC for the proposed rule changes.

Please keep my name on the CASR.

CBH:e-urdrul  
cc: Mary Andrews Bane  
Hurd Reeves