

**Ruth Nettles**

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**From:** Stright, Lisa [Lisa.Stright@pgnmail.com]  
**Sent:** Thursday, May 29, 2008 10:43 AM  
**To:** Filings@psc.state.fl.us  
**Cc:** Burnett, John; Connie Kummer  
**Subject:** PEF Appendix to UG Tariff Petition - Dkt# 080200-EI  
**Attachments:** Signed Cover & Appendix.pdf; Attachment A.pdf

**This electronic filing is made by:**

**John T. Burnett**  
P.O. Box 14042  
St. Petersburg, FL 33733  
(727) 820-5184  
john.burnett@pgnmail.com

**Docket No. 080200-EI**

**On behalf of Progress Energy Florida**

**Consisting of 11 pages.**

**Please find attached, on behalf of PEF, an Appendix to the petition filed in the above referenced docket.**

<<Signed Cover & Appendix.pdf>> <<Attachment A.pdf>>

*Lisa Stright*

Regulatory Affairs Analyst - Legal Dept.  
Progress Energy Svc Co.  
106 E. College Ave., Suite 800  
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**DOCUMENT NO.    DATE**  
*04541-08    05/29/08*  
**FPSC - COMMISSION CLERK**



May 29, 2008

**VIA ELECTRONIC FILING**

Ms. Ann Cole, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

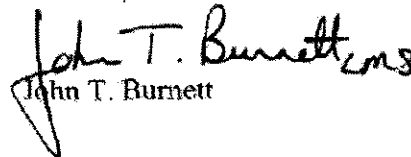
Re: *Petition to modify tariff sheet No. 4.010 regarding underground commercial and industrial services by Progress Energy Florida, Inc.*; Docket No. 080200-EI

Dear Ms. Cole:

Progress Energy Florida, Inc. ("PEF") filed its petition in the aforementioned docket on April 4, 2008. Please find attached an Appendix to accompany the petition.

Thank you for your assistance in this matter. Should you have any question, please call me at (727) 820-5184.

Sincerely,

  
John T. Burnett

JTB/lms  
Attachments

cc: Connie Kummer

Progress Energy Florida, Inc.  
186 F. College Avenue  
Suite 810  
Tallahassee, FL 32301

DOCUMENT NO. DATE  
04541-08 0529,08  
FPSC - COMMISSION CLERK

## Appendix to Docket No. 080200-EI

Petition to modify tariff sheet No. 4.010 regarding underground commercial and industrial services by Progress Energy Florida, Inc.

### History

Prior to 1994, PEF (formerly Florida Power Corporation) installed and maintained underground services for commercial and industrial (C/I) customers. During that time, the language in PEF's Requirements for Electric Meter and Installations Handbook ("Handbook"), Section III (Commercial-Industrial Underground Services), subsection (d) stated:

*"The designated Point of Delivery may be in a company owned distribution box or in a padmount transformer. The Customer shall leave a minimum of five (5) feet of the Service Entrance conductors in position for connection by the Company, unless a shorter length is approved for a specific installation. The conductors shall be marked for phase identification both at the end of the conductors and at a point one foot outside of the conduit."*

For years, PEF maintained this policy because it provided both PEF and its customers flexibility in underground service installation practices. The flexibility in this policy allowed PEF to work with commercial and industrial customers to determine what, how, and if PEF installed underground services based on a particular customer's location, business type, specific property type, and other specific customer needs.

### PEF Policy Change

As a result of the aforementioned policy, PEF began to experience various problems with the multiple types of commercial and industrial underground service applications that resulted throughout PEF's differing service regions. For example, PEF experienced issues such as load fluctuations, over or under sizing of equipment, irregular equipment replacement cycles, frequent requests for reconfiguration of commercial properties requiring extensive equipment replacement, problems determining outage causes and responsibility, and services regularly being cut by customers due to construction projects on the customer's property. Over time, PEF realized that these discrepancies were ineffective for both the Company and its customers due to these problems and issues. In analyzing these issues, PEF determined that from a company perspective, it was better for PEF to adhere to a standardized policy for underground service installation to provide consistency within PEF's service regions and to avoid the additional costs, time, and materials needed to address the aforementioned problems and issues. However, PEF also recognized that it still made sense for customers to maintain the flexibility to install underground services in the manner that best suited a customer's specific needs. To bring these two concepts together, PEF changed its C/I underground service installation policy and added the following language to the Handbook:

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FPSC - COMMISSION CLERK

*"The designated Point of Delivery may be in a company owned distribution box or in a padmount transformer. The Customer shall leave a minimum of five (5) feet of the Service Entrance conductors in position for connection by the Company, unless a shorter length is approved for a specific installation. The conductors shall be marked for phase identification both at the end of the conductors and at a point one foot outside of the conduit. **The Company will no longer run underground services.**"*

By no longer installing underground commercial and industrial services, PEF obtained a uniform practice throughout its service regions and customers were able to retain the flexibility they needed for their various business applications. This policy change eliminated the problems and issues that PEF and its customers had encountered under the former policy.

### **2007 Addition to the Handbook**

In the late 2006 timeframe, PEF began receiving multiple requests from C/I customers for PEF to repair and/or perform maintenance on customer-owned underground services. PEF informed those customers that PEF does not repair or maintain equipment that PEF does not own, and PEF initiated a change to the Handbook to make this point clear. Thus, in 2007, PEF amended the language in the Handbook which currently states:

*"The designated Point of Delivery may be in a company owned distribution box or in a padmount transformer. The Customer shall leave a minimum of five (5) feet of the Service Entrance conductors in position for connection by the Company, unless a shorter length is approved for a specific installation. The conductors shall be marked for phase identification both at the end of the conductors and at a point 12" outside of the conduit or 12" above pad/pedestal base. **The Company does not maintain existing, or run new underground commercial and industrial services.**"*

### **What PEF Does Now**

FPSC Rule 25-6.037, F.A.C. requires PEF to install and maintain utility-owned equipment up to the customer's point of delivery. That rule, of course, does not require PEF to install, repair, or maintain customer owned equipment. Accordingly, when a C/I customer requests a new installation, PEF, consistent with its policies, informs the C/I customer that the Company does not install underground commercial and industrial services and that the customer is responsible for installing such services. The customer then installs such services in a manner that best suits its needs, subject to applicable codes, and the customer is responsible for repairing and replacing those services when they fail.

In instances where a customer is served by an underground commercial or industrial service line that PEF installed prior to 1994, PEF does not replace those lines when they fail. Rather, when such a line fails, PEF temporarily restores service to a customer, if possible, and then informs the customer served by the failed line that the customer must install a new customer-owned service line just like any new customer taking service is

required to do. Practically speaking, there are very few repairs to underground services, and there is no industry accepted form of maintenance that can be performed on them. Generally, when there is a problem, the service is replaced. This, therefore, becomes a "new" installation of an underground service. As outlined in the 2007 "Requirements for Electric Service and Meter Installations Handbook," PEF does not have the responsibility for maintaining or repairing underground commercial or industrial customer-owned equipment. This process is consistent with the one used in other similar situations such as in PSC Docket No. 961082-EI, Order No. PSC-96-1356-FOF-EI (approving a similar process for a change in service requirements regarding meter enclosures).

### **The Maximo Park Complaint**

To the best of PEF's knowledge, the PSC and PEF have only received one complaint regarding PEF's C/I underground service policy (Maximo Park, City of St. Petersburg, Complaint #764779C). In that complaint, the City raised an issue regarding an underground commercial service that was installed in Maximo Park in 1982. Specifically, the City mistakenly believed that PEF had transferred ownership of that service to the City in 1994 when PEF changed its C/I underground service policy.

In response to that complaint, the PSC propounded several written questions to PEF, to which PEF responded. Those questions and PEF's responses are attached hereto as Attachment A. In its responses, PEF made clear that since the mid-1990's, PEF has not installed underground commercial service lines. Therefore, if an underground commercial service line was installed after that time, it was installed by the customer and is owned by the customer who installed it. If a service line was installed by PEF prior to that time, then PEF did not transfer ownership of that line to the customer that is served by that line. Rather, PEF maintains ownership of any such line until such time that the line fails. Once it fails, PEF informs the customer served by the failed line that the customer must install a new customer-owned service line just like any new customer taking service is required to do.

PEF went on to explain that the Maximo Park service was installed by PEF in 1982. Accordingly, PEF has maintained ownership of this line. At the time of a failure on this line, PEF follows the procedure outlined above: that is - PEF informs the customer of its obligation to install a new customer-owned service line just like any new customer taking service is required to do. Again, this process is consistent with the one used in other similar situations such as in PSC Docket No. 961082-EI, Order No. PSC-96-1356-FOF-EI (approving a similar process for a change in service requirements regarding meter enclosures).

### **Petition to Modify Tariff Sheet No. 4010**

As a result of the Maximo Park complaint, PEF has filed the instant petition to modify Tariff Sheet No. 4.010 in order to more clearly conform the provisions of that tariff sheet to the language set forth in Section III(d) of PEF's Requirements for Electric Service and

Meter Installations. Although the City of St. Petersburg has always had a copy of PEF's Requirements for Electric Service and Meter Installations and has even had a City representative on the advisory committee for that manual for several years, the requested modification to Tariff Sheet No. 4.010 will provide further clarity to all of PEF's customers regarding this issue.



February 1, 2008

**VIA ELECTRONIC MAIL**

Mr. John Baxter  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
[jbaxter@psc.state.fl.us](mailto:jbaxter@psc.state.fl.us)


*Re: City of St. Petersburg Complaint #764779C; Undocketed*

Dear Mr. Baxter:

Please find attached Progress Energy Florida, Inc.'s responses to Staff's data request regarding the above-referenced matter.

Thank you for your assistance with this matter. Should you have any questions, please call me at (727) 820-5184.

Sincerely,

  
John T. Burnett

JTB/lms  
Attachments

**PROGRESS ENERGY FLORIDA, INC.'S RESPONSES TO DATA REQUEST  
REGARDING THE CITY OF ST. PETERSBURG COMPLAINT #764779C**

**Q1. Please provide a system map of the secondary line in dispute underneath Maximo Park in St. Petersburg.**

Answer:

Please see Attachment A.

**Q2. Where is the point of delivery for the secondary line in dispute underneath Maximo Park?**

Answer:

The current point of delivery is at the customer-owned pole to which the relevant light fixture is attached.

**Q3. Does Progress Energy have any copies of written agreements or recorded copies of oral agreements transferring ownership of the secondary line from the company to the City of St. Petersburg?**

Answer:

No. Since the mid-1990's, PEF has not installed underground commercial service lines. Therefore, if an underground commercial service line was installed after that time, it was installed by the customer and is owned by the customer who installed it. In such a case, therefore, PEF would have no such agreements or records. If a service line was installed by PEF prior to that time, then PEF did not transfer ownership of that line to the customer that is served by that line. Rather, PEF maintains ownership of any such line until such time that the line fails. Once it fails, PEF informs the customer served by the failed line that the customer must install a new customer-owned service line just like any new customer taking service is required to do.

In this instance, the line in question was installed by PEF in 1982. Accordingly, PEF has maintained ownership of this line. At the time of a failure on this line, PEF follows the procedure outlined above: that is - PEF informs the customer of its obligation to install a new customer-owned service line just like any new customer taking service is required to do.



**Q4. In changing Section III, Part D, Subsection 3 of the 2007 Requirements for Electric Service and Meter Installations Handbook, did Progress Energy receive formal Commission approval to no longer maintain existing commercial and industrial underground lines?**

Answer:

No, because no such approval was required. As explained in response to Q3 above, PEF ceased installing and owning underground commercial service lines in the mid-1990s. Thus, all such services installed after that time are customer-owned. Despite this fact, PEF still receives calls from customers asking PEF to repair, replace and/or "maintain" underground commercial services even though PEF does not own them. The amendment to PEF's 2007 Requirements for Electric Service and Meter Installations Handbook referenced above was made to simply clarify this point to customers- i.e. that PEF does not have responsibility for customer-owned equipment.

In instances where a customer is served by an underground commercial or industrial service line that PEF installed prior to 1994, PEF does not perform "maintenance" on those lines because there is not any sort of maintenance that is generally accepted by the electric industry that can be performed on those lines. Rather, the two options available for a failed underground service line are to repair the line if possible (e.g. in situations where the line is cut) or to replace it with a new line. As noted in response to Q3 above, when such a line fails, PEF temporarily restores service to a customer if possible and then informs the customer served by the failed line that the customer must install a new customer-owned service line just like any new customer taking service is required to do. This process is consistent with the one used in other similar situations such as in PSC Docket No. 961082-EI, Order No. PSC-96-1356-FOF-EI (approving a similar process for a change in service requirements regarding meter enclosures).

**Q5. If so, please provide a copy of the FPSC letter, docket, or hearing where this occurred.**

Answer:

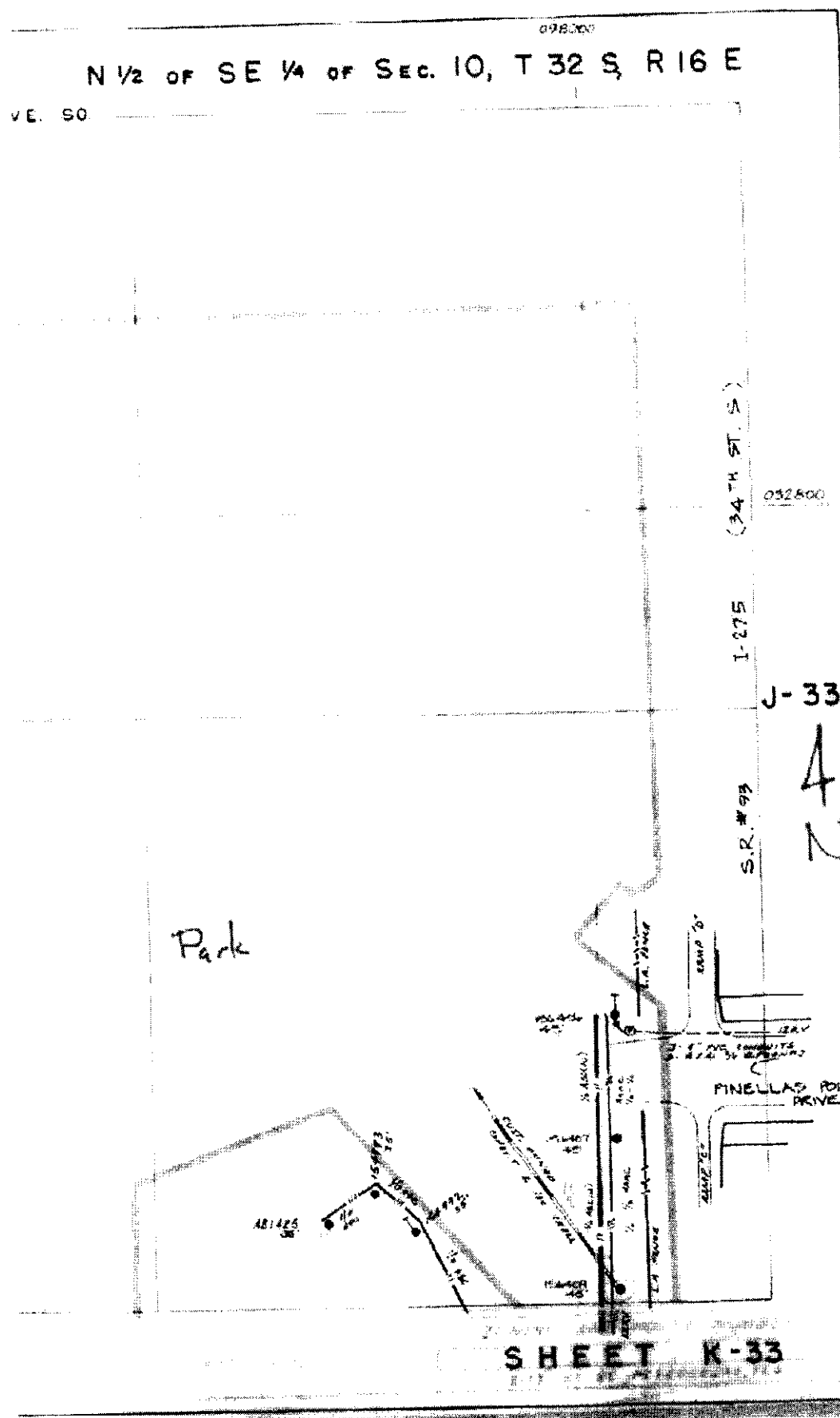
Not applicable. Please see PEF's response to Q4 above.

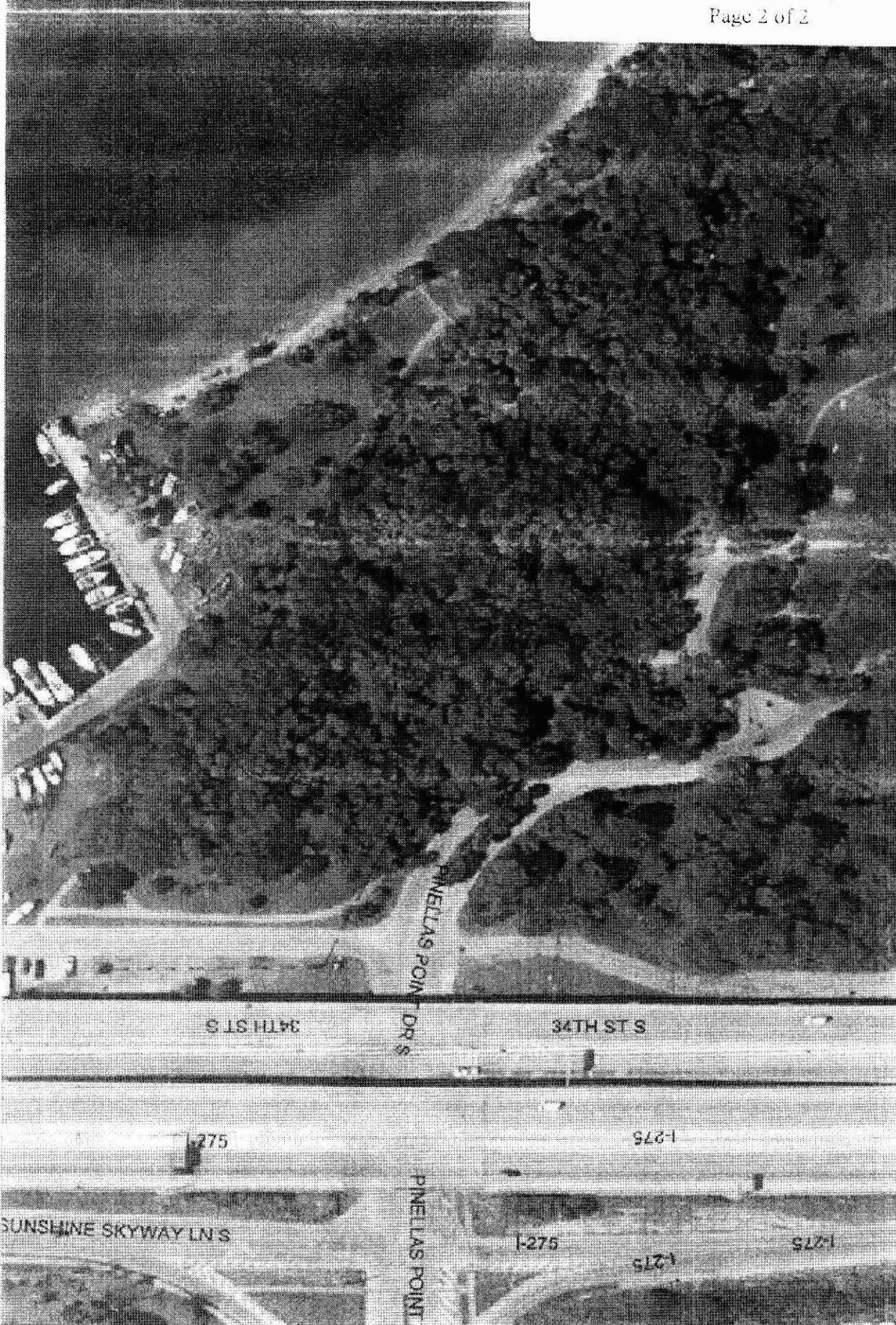
**Q6. If not, please explain why PEF believes adoption of this provision in its Requirements for Electric Service and Meter Installations does not violate Rule 25-6.037.**

Answer:

Please see PEF's response to Q4 above. Rule 25-6.037 requires PEF to maintain utility-owned equipment up to the customer's point of delivery. If the equipment

in question is customer-owned and is beyond PEF's point of delivery, Rule 25-6.037 does not apply. If PEF owns the underground service line in question, then PEF follows the procedure outlined in PEF's responses to Q3 and Q4 above.





Approx. radius of ag service

42