

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: April 20, 2023

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Lang, Barrett, Hampson) *JGH*
Office of the General Counsel (Watrous) *JSC*

RE: Docket No. 20230043-EI – Petition for approval of revised underground residential distribution tariffs, by Duke Energy Florida, LLC.

AGENDA: 05/02/23 – Regular Agenda – Tariff Suspension – Participation is at the discretion of the Commission

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 05/30/23 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On March 31, 2023, Duke Energy Florida, LLC (DEF) filed a petition for approval of revisions to its underground residential differential tariffs (URD) and associated charges. These tariffs represent the estimated additional cost, if any, DEF incurs to provide underground service in place of overhead service in new residential subdivisions. The petition was filed pursuant to Rule 25-6.078(3), Florida Administrative Code (F.A.C.), which states, in part, “If the cost differential as calculated in Form PSC 1031 (08/20) varies from the Commission-approved differential by plus or minus 10 percent or more, the utility shall file a written policy and supporting data and analyses as prescribed in subsections (1), (4) and (5) of this rule on or before April 1 of the following year.”

In its petition, DEF is proposing revised URD charges reflecting changes in cost differentials between overhead and underground services. For example, revisions are proposed for the per-

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foot charges for the feeder differential where DEF is installing the circuit and for the per lot charge for high-density subdivisions where DEF is supplying and installing the underground conduit. In addition, DEF states that higher material and labor costs are increasing for both overhead and underground construction estimates, but more so for underground construction. This recommendation is to suspend the proposed tariffs.

The Commission has jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should DEF's proposed underground differential tariffs be suspended?

Recommendation: Yes. Staff recommends that the tariffs be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposals. (Lang)

Staff Analysis: Staff recommends that the tariffs be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposals.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such a change a reason or written statement of good cause for doing so within 60 days. Staff believes that the reason stated above is a good cause consistent with the requirement of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: This docket should remain open pending the Commission's decision on the proposed tariffs. (Watrous)

Staff Analysis: This docket should remain open pending the Commission's decision on the proposed tariffs.