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DIVISION OF APPEALS

JAMES A. MCGEE
SENIOR COUNSEL

February 28, 1996

Ms. Mary Anne Helton, Esquire
Division of Appeals
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket Nos. ~~960020-EU~~ and 960020-EU

Dear Ms. Helton:

Attached is Florida Power's response to the questions contained in your January 29, 1996 memorandum regarding possible revisions to the Master Metering rule, 25-6.049(5), F.A.C.

Please let me know if you or Staff have any questions regarding our response.

Very truly yours,

James A. McGee

JAM/jb
Enclosure

GENERAL OFFICE

3301 Thirty-fourth Street South • Post Office Box 14042 • St. Petersburg, Florida 33733-4042 • (813) 866-5184 • Fax: (813) 866-4921
A Florida Progress Company

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The following are Florida Power Corporation's responses to **SLIT** questions concerning proposed changes to rule 25-6.049.

1a) Q: Is it appropriate to allow time share buildings to be master metered?

A: Yes, for the following reasons time share unit loads differ from normal residential load:

- A. These units are designed to be short term vacation dwellings and typically do not contain the same size or amount of energy consuming appliance as a normal residence would.
- B. As vacation dwellings the life styles and daily schedules differ from normal residential life.
- C. Because of the above, time share loads are more like that of hotels and motels which are currently exempt from individual metering.
- D. The ability and incentive to conserve load for one or two weeks of vacation is not very strong. Instead of trying to get the guest to change their vacation living style it would make more sense to include in the original construction as many energy saving appliances and construction methods as possible.

1b) Q: If time shares were master metered, what would be the impact on the utility, if any?

A: Since the number of these type of facilities that exist (estimated at over 15,000 state wide) in our service area is difficult to determine, the dollar impact is also difficult to determine. However, revenues will be reduced by at least the number of customer charges that will be eliminated, with a corresponding and partially offsetting reduction in metering reading and billing expenses. The impact on energy sales revenue will depend on which rate schedule the master metered account is billed.

2a) Q: Is it appropriate to allow overnight occupancy marinas to be master metered?

A: Yes, overnight occupancy in marinas is no different than overnight RV camping and should be handled in the same way.

2b) Q: If marinas were master metered, what would be the impact on the utility, if any?

A: Since the number of these type of facilities that exist in our service area is difficult to determine the dollar impact is also difficult to determine. However, revenues would be reduced by at least the number of customer charges that would be eliminated, with a corresponding and partially offsetting reduction in metering reading and billing expenses. The impact on energy sales revenue would depend on which rate schedule the master metered account would be billed.

3) Q: Is it appropriate to allow a non-utility to be responsible for the "individual metering" requirements?

A: The Company does not oppose non-utility entities being responsible for submetering under the following condition:

- A. That the same rules for testing and accuracy apply to submetering that apply to utility metering.
- B. That the submetering device measures true power (KWH) or Volts*Amperes*Power Factor, not just current with an assumed constant voltage and power factor.
- C. That the rate the master metered account is billed under is appropriate for residential service and not a General Service (commercial) rate. Where the underlying usage is residential in nature, using a commercial rate is not proper since it was designed to collect the cost of service responsibilities of a class of customers who have different use characteristics than residential. A residential rate designed for multiple unit residential service would be appropriate.
- D. Proper rules and regulations are enacted that give the ultimate customer similar rights and services that they receive currently from the utility.
- E. The utility is fairly compensated for any distribution lines and or equipment that would now be on the customers side of the master meter and is required to continue service to the submetered accounts.

4a) Q: Do you presently bill any master metered customer at residential rate?

A: Florida Power Corporation does not bill any mastered metered accounts on a residential rate.

4b) N/A

5) Q: What problems, if any, have been encountered with those buildings that were grandfathered in under this paragraph?

A: There have been numerous calls from submetered accounts questioning the fairness and accuracy of allocation methods. Also, Florida Power Corporation has been involved in at least one law suit where the submetered customers accused the developer of over collection. Another problem that occurs is that any bill inserts that are included with the monthly bill explaining DSM programs or other issues concerning the Company are not received by the submetered accounts.