

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
SUSAN F. CLARK
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DIVISION OF APPEALS
DAVID E. SMITH
DIRECTOR
(904) 413-6245

Public Service Commission

August 27, 1997

Mr. Carroll Webb
Joint Administrative Procedures
Committee
120 Holland Building
Tallahassee, Florida 32399

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

Dear Mr. Webb:

Enclosed are an original and two copies of the following materials concerning the above referenced proposed rule:

1. A copy of the rules and the form incorporated by reference into the rule.
2. A copy of the F.A.W. notice.
3. A statement of facts and circumstances justifying the proposed rules.
4. A federal standards statement.
5. No statement of estimated regulatory costs was prepared. A memorandum in this regard is attached.

ACK _____
 AFA _____
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG _____
 LEG _____
 LIN _____
 OPC _____
 RCH _____
 SEC 1
 WAS _____
 OTH _____

If there are any questions with respect to these rules please do not hesitate to call on me.

Sincerely,

Christiana T. Moore

Christiana T. Moore
Associate General Counsel

AMDELEC.MRD
Enclosures

cc: Division of Records & Reporting

DOCUMENT NUMBER - DATE

00691 AUG 28 5

FPSC-RECORDS/REPORTING

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

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

11 (2) Facilities required to be underground.

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

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

22 (3) Service connection. The service connection to the
23 building will normally be at or near the part of the building
24 nearest the point at which the underground secondary electric
25 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
2 | installation of a service lateral in excess of ~~seventy five (75)~~
3 | feet, then the applicant may be required to pay for the service
4 | lateral and installation in excess of ~~seventy five (75)~~ feet in
5 | accordance with the utility's tariff rules and regulations on
6 | file with the Commission; except as provided under Rule
7 | 25-6.078(6)(5) herein.

8 | Specific Authority: 366.05(1), F.S.

9 | Law Implemented: 366.03, 366.04(6), 366.041(1)(4), 366.05(1),
10 | 366.06(1), F.S.

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

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

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

1 | system and an equivalent overhead system.

2 | (2) On or before October 15th of each year each utility
3 | shall file with the Commission's Division of Electric and Gas
4 | Form PSC/EAG 13, Schedule 1, using current material and labor
5 | costs. If the cost differential as calculated in Schedule 1
6 | varies from the Commission-approved differential by plus or minus
7 | 10 percent or more, the utility shall file a written policy and
8 | supporting data and analyses as prescribed in sections (1), (3),
9 | and (4) of this rule on or before April 1 of the following year;
10 | however, each utility shall file a written policy and supporting
11 | data and 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
17 | results used to determine the Estimated Average Cost Differential
18 | for underground and overhead distribution systems shall be
19 | concurrently filed by the utility with the Commission and shall
20 | be updated annually using cost data developed from the most
21 | recent 12-month period. The utility shall record these data and
22 | analyses on Form PSC/EAG 13 (/). Form PSC/EAG 13, entitled
23 | "Overhead/Underground Residential Differential Cost Data" is
24 | incorporated by reference into this rule and may be obtained from
25 | the Division of Electric and Gas, 2540 Shumard Oak Boulevard.

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

1 | Tallahassee, Florida 32399-0850, 904/413-6700.

2 | ~~(5)(4)~~ ~~Subject to the provisions of Rule 25-6.079(a),~~
3 | Service for a new multiple-occupancy building shall be
4 | constructed underground within the property to be served to the
5 | point of delivery at or near the building by the utility at no
6 | charge to the applicant, provided the utility is free to
7 | construct its service extension or extensions in the most
8 | economical manner.

9 | ~~(6)(5)~~ ~~The method of recovering~~ of the cost differential
10 | as filed by the utility and approved by the Commission may not be
11 | waived or refunded unless it is mutually agreed by the applicant
12 | and the utility that the applicant will perform certain work as
13 | defined in the utility's tariff ~~do all of the trenching and~~
14 | ~~backfilling~~, in which case the applicant shall receive a credit,
15 | ~~per trench foot for each foot of trenching and backfilling~~
16 | ~~provided by him in accordance with provisions~~ Provision for the
17 | credit shall be set forth in the utility's tariff rules and
18 | regulations, and shall ~~such credit to~~ be no more in amount than
19 | the total charges applicable.

20 | ~~(7)(6)~~ The difference in cost as determined by the
21 | utility in accordance with its tariff shall be based on
22 | ~~reasonably~~ full use of the subdivision for building lots or
23 | multiple-occupancy buildings. If any given subdivision is
24 | designed to include large open areas, the utility or the
25 | applicant may refer the matter to the Commission for a special

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

1 filing as provided under Rule 25-6.083.

2 ~~(8)(7)~~ The utility shall not be obligated to install any
3 facilities within a subdivision until satisfactory arrangements
4 for the construction of facilities and payment of applicable
5 charges, if any, have been completed between the applicant and
6 the utility by written agreement. A standard agreement form
7 shall be filed with the company's tariff.

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

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

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

17 History: New 4/10/71, Amended 4/13/80, 2/12/84, formerly
18 25-6.78, Amended

19
20 25-6.082 Records and Reports.

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

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~~struck through~~ type are deletions from existing law.

1 | and maintenance costs.

2 | (2) Records shall also be maintained of experienced results
3 | obtained in the use of joint trenching, in such manner and detail
4 | as will afford an opportunity to evaluate the economies available
5 | using this practice.

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

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

8 | History: New 4/10/71, formerly 25-6.82, Amended _____.

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~~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.	<u>Title</u>	<u>Page</u>
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 ¹	LABOR ⁴	TOTAL
Service ²			
Primary			
Secondary			
Initial Tree Trim			
Poles			
Transformers			
Subtotal			
Stores Handling ³			
Subtotal			
Engineering ⁵			
TOTAL			

¹Includes Sales Tax

²Includes _____

³_____ % of _____

⁴Includes _____

⁵_____ % of _____

_____ % of _____

COMPANY: _____

DATE: _____

COST PER SERVICE LATERAL UNDERGROUND MATERIAL AND LABOR

- Low Density 210 Lot Subdivision -

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

¹Includes Sales Tax

²Includes _____.

³_____ % of _____.

⁴Includes _____.

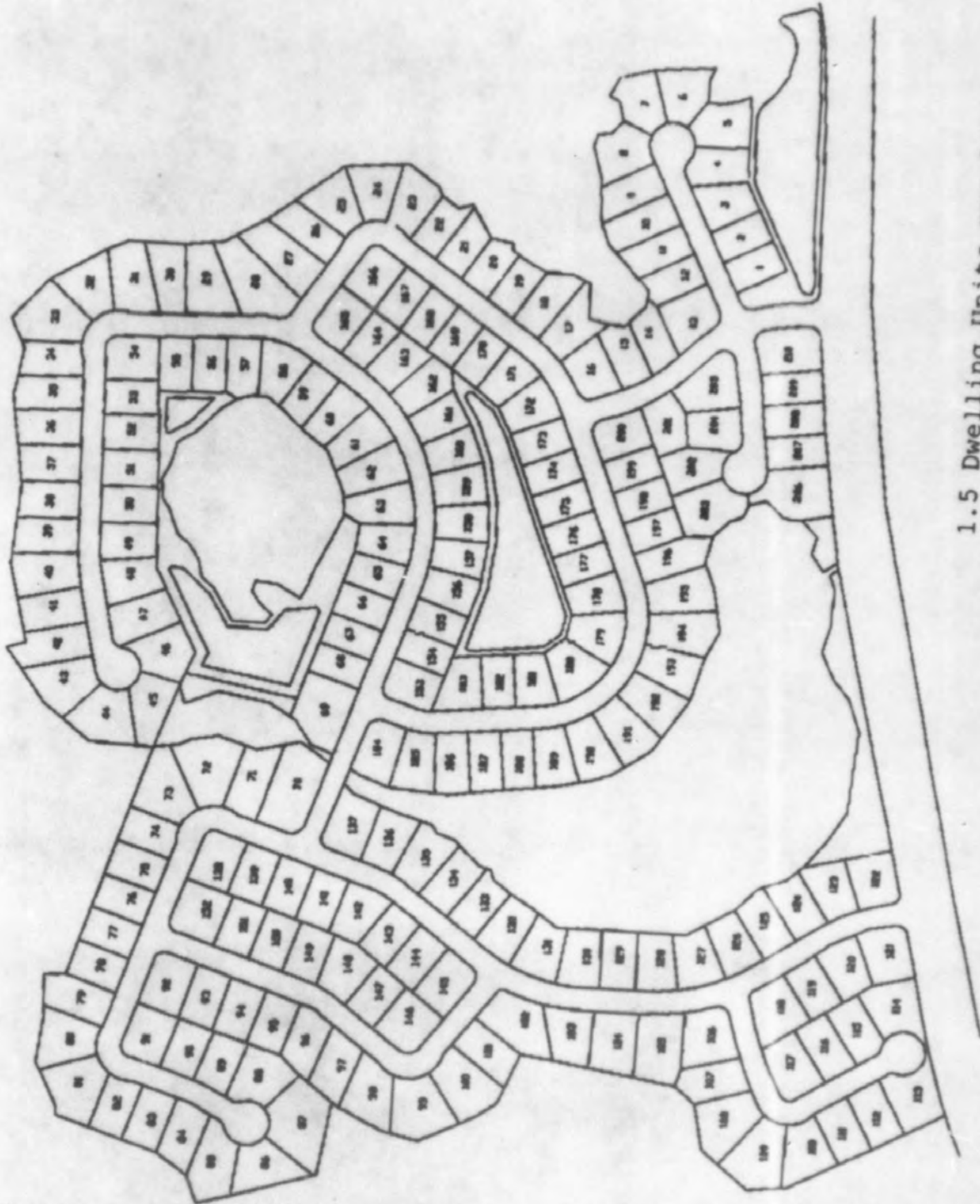
⁵_____ % of _____.

_____ % 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 ¹	LABOR ⁴	TOTAL
Service ²			
Primary			
Secondary			
Initial Tree Trim			
Poles			
Transformers			
Subtotal			
Stores Handling ³			
Subtotal			
Engineering ⁵			
TOTAL			

¹Includes Sales Tax
²Includes _____
³_____% of _____
⁴Includes _____
⁵_____% of _____
_____% of _____

COMPANY: _____

DATE: _____

COST PER SERVICE LATERAL UNDERGROUND MATERIAL AND LABOR

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

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

¹Includes Sales Tax

²Includes _____.

³_____% of _____.

⁴Includes _____.

⁵_____% 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 ¹	LABOR ⁴	TOTAL
Service ²			
Primary			
Secondary			
Initial Tree Trim			
Poles			
Transformers			
Subtotal			
Stores Handling ³			
Subtotal			
Engineering ⁵			
TOTAL			

¹Includes Sales Tax

²Includes _____

³ _____ % of _____

⁴Includes _____

⁵ _____ % 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 ¹	LABOR ⁴	TOTAL
Service ²			
Primary			
Secondary			
Transformers			
Primary Trenching			
Secondary Trenching			
Service Trenching			
Subtotal			
Stores Handling ³			
Subtotal			
Engineering ⁵			
TOTAL			

¹Includes Sales Tax

²Includes _____.

³_____% of _____.

⁴Includes _____.

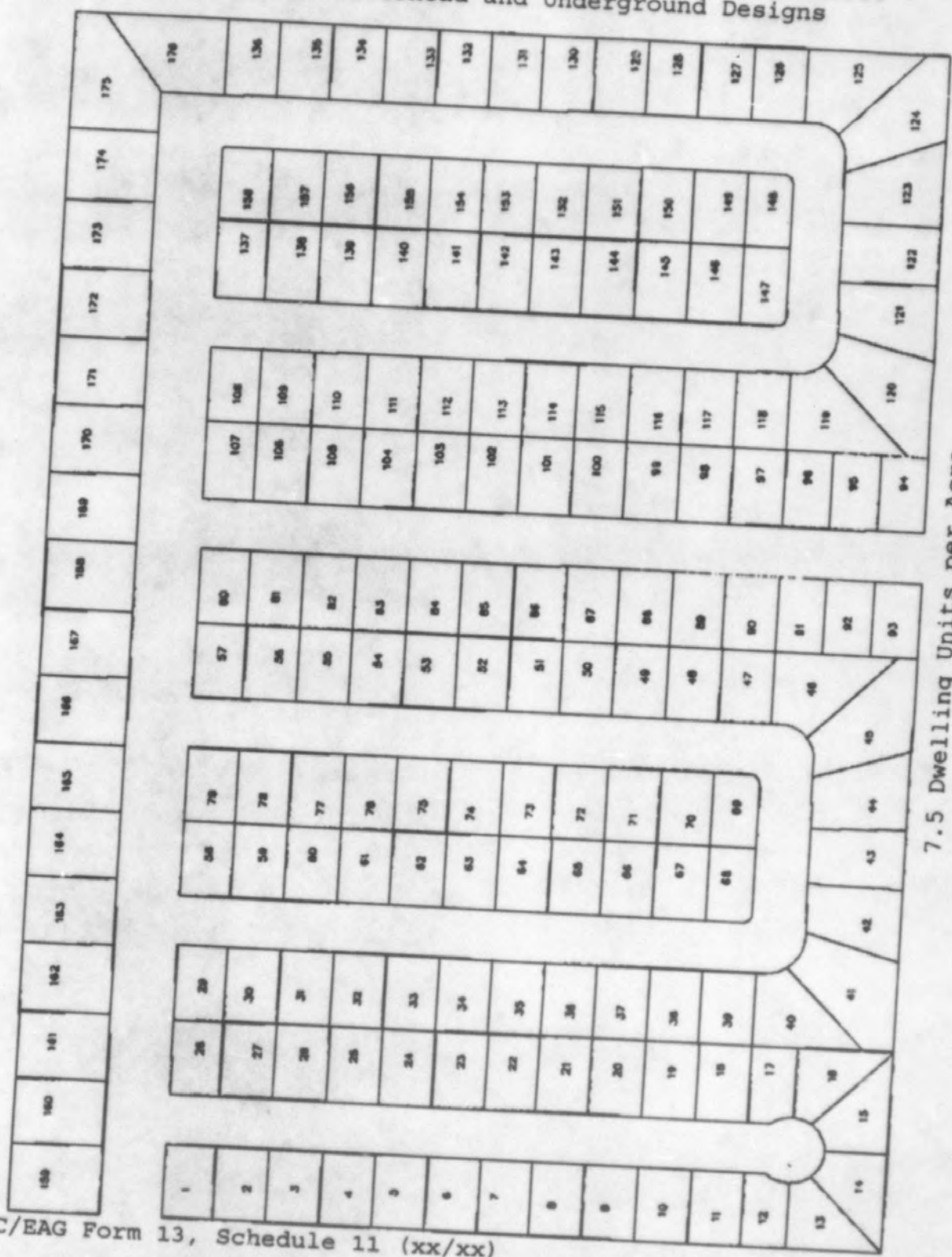
⁵_____% of _____.

_____% 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.

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

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

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 960623-EI

RULE TITLE:

RULE NO.:

Installation of Underground Distribution

Systems Within New Subdivisions

25-6.077

Schedule of Charges

25-6.078

Records and Reports

25-6.082

PURPOSE AND EFFECT: The purpose of the rule change is to reduce the annual filing requirements for updates to the underground differential tariffs, with a resulting decrease in workload and filing expenses, as well as an increase in rate continuity for ratepayers, while ensuring that significant changes in the differential will be incorporated in the tariffs in a timely manner.

SUMMARY: The revision to Rules 25-6.077, 25-6.078 and 25-6.082, F.A.C., change the requirement for investor-owned electric utilities to file annual updates to the underground residential distribution tariffs. A full filing is required 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.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative must do so in writing

within 21 days of this notice.

SPECIFIC AUTHORITY: 366.04(2)(f), 366.05(1), FS.

LAW IMPLEMENTED: 366.03, 366.04(6), 366.041(1)(4), 366.05(1), 366.06(1), 366.04(2)(f), FS.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

HEARING: IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE TIME, DATE, AND PLACE SHOWN BELOW:

TIME AND DATE: 9:30 A.M., December 12, 1997

PLACE: Room 148, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THESE PROPOSED RULES IS:

Director of Appeals, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862.

THE FULL TEXT OF THESE PROPOSED RULES ARE:

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

(1) When required. After acceptance by the utility of a proper application the utility shall define the geographical area described and entailed by said application a "Designated Underground Area." The utility shall design and install a suitable underground electric distribution system with sufficient capacity and suitable materials which, in its judgment, will

assure that the applicant will receive reasonably safe and adequate electric service for the reasonably foreseeable future.

(2) Facilities required to be underground.

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

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

(3) Service connection. The service connection to the building will normally be at or near the part of the building nearest the point at which the underground secondary electric supply is available to the property to be served. If the service connection point selected on any building requires the installation of a service lateral in excess of ~~seventy five~~ (75) feet, then the applicant may be required to pay for the service lateral and installation in excess of ~~seventy five~~ (75) feet in accordance with the utility's tariff rules and regulations on file with the Commission; except as provided under Rule 25-6.078 (6) ~~(5)~~ herein.

Specific Authority: 366.05(1), FS.

Law Implemented: 366.03, 366.04(6), 366.041(1)(4), 366.05(1),
366.06(1), FS.

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

25-6.078 Schedule of Charges.

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

(2) On or before October 15th of each year each utility shall file with the Commission's Division of Electric and Gas Form PSC/EAG 13, Schedule 1, using current material and labor costs. If the cost differential as calculated in Schedule 1 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 sections (1), (3), and (4) of this rule on or before April 1 of the following year;

however, each utility shall file a written policy and supporting data and analyses at least once every three years.

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

~~(4)(3)~~ Detailed supporting data and analyses ~~study results~~ used to determine the Estimated Average Cost Differential for underground and overhead distribution systems shall be concurrently filed by the utility with the Commission and shall be updated ~~annually~~ using cost data developed from the most recent 12-month period. The utility shall record these data and analyses on Form PSC/EAG 13 (/). Form PSC/EAG 13, entitled "Overhead/Underground Residential Differential Cost Data" is incorporated by reference into this rule and may be obtained from the Division of Electric and Gas, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 850/413-6700.

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

(9)(8) Nothing herein contained shall be construed to prevent any utility from assuming all cost differential of

providing underground distribution systems, provided, however, that such assumed cost differential shall not be chargeable to the general body of rate payers, and any such policy adopted by a utility shall have uniform application throughout its service area.

Specific Authority: 366.04(2)(f), 366.05(1), FS.

Law Implemented: 366.03, 366.041(1)(4), 366.06(1), FS.

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

25-6.082 Records and Reports.

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

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

Specific Authority: 366.04(2)(f), 366.05(1), FS.

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

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

NAME OF PERSON ORIGINATING PROPOSED RULES: David Wheeler

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULES:

Florida Public Service Commission.

DATE PROPOSED RULES APPROVED: August 18, 1997

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW:
July 12, 1996

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at least five calendar days prior to the hearing. If you are hearing or speech impaired, please contact the Florida Public Service Commission using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).

**STATEMENT OF FACTS AND CIRCUMSTANCES
JUSTIFYING RULE**

The proposed rule changes 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. 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 electric 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 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. In order that significant changes in the differentials due to technology change or other factors are reflected in rates as rapidly as under the existing rule, however, the rule as proposed for amendment provides for an annual but abbreviated report. This filing would require substantially less analysis than the full filing which is now required annually. If the new abbreviated filing shows a change of 10 percent or more, then the full filing is required. The rule amendment also requires that a full filing be made every three years, regardless of the estimated differential.

STATEMENT ON FEDERAL STANDARDS

There is no federal standard on the same subject.

MEMORANDUM

July 14, 1997

TO: DIVISION OF APPEALS (MOORE)

FROM: DIVISION OF RESEARCH AND REGULATORY REVIEW (HEWITT) *CBH P.O. JAA*

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