

FLORIDA PUBLIC SERVICE COMMISSION  
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Tallahassee, Florida 32399-0850

MEMORANDUM

October 23, 1997

RECEIVED

11:40

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF LEGAL SERVICES (JAYE) *JAYE* RVE  
DIVISION OF ELECTRIC & GAS (BOHRMANN) *THOR* Joy

RE: DOCKET NO. 970999-EU - JOINT PETITION OF TAMPA ELECTRIC COMPANY AND THE CITY OF LAKE LAND FOR APPROVAL OF TEMPORARY POWER SERVICE BY LAKE LAND TO A CUSTOMER LOCATED IN TAMPA ELECTRIC'S SERVICE AREA

AGENDA: 11/04/97 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\LEG\WP\970999EU.RCM

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission grant the Joint Petition of Tampa Electric Company and the City of Lakeland for Approval of Temporary Power Service by Lakeland to a Customer Located in Tampa Electric's Service Area?

RECOMMENDATION: Yes. Staff recommends that the Commission approve TECO and the City's request to allow the City to provide temporary power service to Tenorock. Staff believes that approval of TECO and the City's joint petition minimizes cost to the customer, avoids placing undue burden upon TECO's ratepayers, and is in the public interest. However, TECO and the City should return to the Commission for further review of the temporary power services arrangement, and possible modification of the territorial agreement, if TECO has not begun providing permanent electric service to the Tenorock site by April, 1998.

DOCUMENT NUMBER-DATE

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**STAFF ANALYSIS:** On August 04, 1997, Tampa Electric Company (TECO) and the City of Lakeland (City) filed a joint petition to allow the City to provide temporary power service to Tenorock Fish and Game Preserve (Tenorock) which is located within Tampa Electric's service area. Tenorock would operate a one horsepower pump at its site which would use approximately 6,692 KWH annually. Based upon the current rates and charges for the GS rate schedule, Tenorock would pay approximately \$592 annually when it becomes a permanent TECO customer.

TECO and the City's territorial agreement which the Commission approved in Order No. PSC-92-0570-FOF-EU (06/25/92), states in part:

TECO and LAKELAND recognize that in exceptional circumstances, economic constraints on either utility or good engineering practices may indicate that a Customer's temporary end use and/or small discrete service areas and/or future retail Customers should not be immediately served by the utility in whose service territory they are located. In such instances, upon written request by the utility in whose territory the end use facility is located to the other utility, the other utility may agree in writing to provide service to such Customer's temporary end use, small discrete service areas, and future retail customers.

The Tenorock site is located approximately 5400 feet from the closest City-owned distribution facility. Under the temporary power service arrangement, the City would extend its distribution facilities northeasterly along Tenorock Mine Road at a cost of approximately \$12,400. The City will not require a CIAC payment from either Tenorock or TECO.

The City will remain connected to the Tenorock site until TECO can economically install the necessary equipment to provide the site with permanent electric service. At that time, the City will disconnect its service line and once again abide by the terms and conditions of the territorial agreement. TECO would reimburse the City for the costs of removing the City's distribution facilities serving the Tenorock site. The City has estimated its removal costs at \$1,700.

Currently, TECO estimates that it can provide permanent electric service to the Tenorock site by April, 1998. TECO plans to

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construct between .75 and 1.50 miles of single phase (7.6 kV) distribution overhead pole line to the Tenorock site. At the site, TECO would install a 10 kVa pole-mounted transformer, service, and meter. TECO estimates its total construction and installation costs between \$13,000 and \$30,000.

As the Commission stated in Tampa Electric Company Notification of Intent to Provide Electric Service on an Interim Basis in Peace River Electric Cooperative, Inc.'s Service Area, Order No. PSC-92-0415-FOF-EU (5/27/92), staff is concerned that the temporary power service arrangement could be provided indefinitely on a virtually permanent basis outside the Commission's purview in violation of the Commission's intent when approving the territorial agreement between the City and TECO. Staff recommends that the Commission should approve the temporary power services arrangement with the condition that the City and TECO return to the Commission for further review of the temporary power services arrangement, and possible modification of the territorial agreement, if TECO has not begun providing permanent electric service to the Tenorock site by April, 1998.

Under Rule 25-6.064(11), Florida Administrative Code, if TECO waives collection of CIAC even when it is found to be owing, the commission "will reduce the utility's net plant in service by an equal amount for ratemaking purposes, as though the CIAC had been collected, except when the company's annual revenues from a customer are sufficient to offset the unpaid line extension CIAC under subsection (4) or (5) [of Rule 25-6.064]. Each utility shall maintain records of amounts waived and any subsequent changes that served to offset the CIAC." Rule 25-6.064(11), Florida Administrative Code.

**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** Yes. If no person whose substantial interests are affected by the Commission's proposed agency action files a protest within 21 days of the order, this docket should be closed.

**STAFF ANALYSIS:** If no person whose substantial interests are affected by the Commission's proposed agency action files a request

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for hearing within 21 days of the order, no further action will be required and this docket should be closed.