

FLORIDA PUBLIC SERVICE COMMISSION
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Tallahassee, Florida 32399-0850

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DECEMBER 4, 1997

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TO : DIRECTOR OF RECORDS AND REPORTING (BAYO) ^{10:45} FPSC Records/Reporting

FROM : DIVISION OF ELECTRIC AND GAS (DRAPER) ^{EXP}
DIVISION OF LEGAL SERVICES (CRUZ-BUSTILLO) ^{RUE} JDJ

RE : DOCKET NO. 971463-EI - PETITION BY TAMPA ELECTRIC COMPANY FOR APPROVAL OF SPECIAL LIGHTING CONTRACT TO PROVIDE PREMIUM OUTDOOR LIGHTING SERVICE TO CITY OF OLDSMAR UNDER EXISTING RATE SCHEDULE OL-3

AGENDA: DECEMBER 16, 1997 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\EAG\WP\971463EI.RCM

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve Tampa Electric Company's petition for approval of special lighting contract to provide premium outdoor lighting service to the City of Oldsmar?

RECOMMENDATION: Yes.

STAFF ANALYSIS: Tampa Electric Company (TECO) currently provides Premium Outdoor Lighting Service (rate schedule OL-3) to the City of Oldsmar (Oldsmar). Any customer requesting service under the OL-3 rate schedule is required to sign a Premium Outdoor Lighting Agreement (standard agreement) with TECO. This agreement is a standard form of contract, which is shown in Tariff Sheets Nos. 7.450-7.453. Oldsmar currently plans to add 29 Victorian concrete poles and 29 classic fixtures to its downtown area. TECO will provide service to these new poles and fixtures under the existing OL-3 rate schedule, but requests that the Commission approve a special lighting contract between TECO and Oldsmar. The special lighting contract does not change the rates for service, but changes three provisions of the standard agreement.

The first change is to change the initial term of service from seven to five years. The standard agreement requires the customer to sign an initial 7-year contract with TECO.

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Oldsmar expressed the desire to have the option to purchase the lighting system at the end of five years.

The second change to the standard agreement is to provide language regarding Oldsmar's ability to purchase the lighting system any time after the 5-year initial term has ended. The purchase price for the lighting equipment will be \$83,184.50, minus depreciation at the rate of 4.9 percent per year from the date of installation to the date of purchase. The purchase price of \$83,184.50 represents the total cost, including material and contractor cost, of all the poles and fixtures Oldsmar will purchase from TECO. If replacement or enhancement modifications have been made to the equipment, the purchase price will be adjusted to reflect the modifications. If Oldsmar decides to purchase the lighting system after 10 years from the date of installation, the purchase price thereafter shall be adjusted to its fair market value. The fair market value will be determined through an appraisal.

The third change is to revise language in the existing standard agreement providing Oldsmar the ability to install banners upon the poles. Currently TECO does not allow any banners or decoration on its poles. The lighting system will be in the downtown area and Oldsmar requested to ability to put banners on the poles for aesthetic reasons during town events. Only non-commercial banners reflecting holiday or community events will be allowed. The special contract contains specific guidelines under which Oldsmar can attach banners to the poles.

Staff recommends that the special lighting contract to provide premium outdoor lighting to Oldsmar be approved. Since the rates for service do not change, TECO's ratepayers will not be affected by this proposal. The agreed upon purchase price and other changes to the standard lighting agreement appear reasonable.

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ISSUE 2: What should be the effective date of the proposed special contract?

RECOMMENDATION: The special contract should become effective the day after the Commission's Proposed Agency Action Order becomes final.

STAFF ANALYSIS: The special contract should become effective the day after the Commission's Proposed Agency Action Order becomes final.

ISSUE 3: Should this docket be closed?

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

STAFF ANALYSIS: If no person whose substantial interests are affected by the Commission's order in this docket files a protest within 21 days of the issuance of the order, this docket should be closed.