



# Public Service Commission

## -M-E-M-O-R-A-N-D-U-M-

---

**DATE:** May 20, 1999  
**TO:** Participants and Interested Persons  
**FROM:** Craig Hewitt, Division of Research and Regulatory Review *CH*  
**VIA:** Dan Hoppe, Director, Division of Research and Regulatory Review *DMH*  
**RE:** DOCKET NO. 981104-EU, PROPOSED AMENDMENTS TO RULE 25-6.049(5)(a),  
 F.A.C., MEASURING CUSTOMER SERVICE, DOCKET NO. 981104-EU

---

At the request of the hearing officer in the Rule Hearing on May 5, 1999, attached for your information is a Statement of Estimated Regulatory Cost of the proposed rule amendments in the above-referenced docket.

CBH:DMH:tf/e-mstmtr  
 Attachment

- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- MAS \_\_\_\_\_
- OPC \_\_\_\_\_
- RRR \_\_\_\_\_
- SEC   I
- WAW \_\_\_\_\_
- OTH \_\_\_\_\_

DOCUMENT NO.  
 06431-99  
 5-20-99

MEMORANDUM

May 19, 1999

TO: DIVISION OF APPEALS (BELLAK)

FROM: DIVISION OF RESEARCH AND REGULATORY REVIEW (HEWITT) *CBH-RC Amy*

SUBJECT: REVISED STATEMENT OF ESTIMATED REGULATORY COST FOR PROPOSED AMENDMENTS TO RULE 25-6.049(5)(a), F.A.C., MEASURING CUSTOMER SERVICE, DOCKET NO. 981104-EU

---

SUMMARY OF THE RULE

Currently, Rule 25-6.049, F.A.C., contains the requirements for metering customer consumption of electricity with certain exemptions for special uses and conditions. In particular, the rule requires individual meters for each separate occupancy unit in facilities for which construction began after January 1, 1981. The policy supporting the rule is that individual meters would encourage conservation.

The proposed rule amendment would clarify that the current rule allows only those facilities beginning construction prior to January 1, 1981, and built with master metering, to continue to have master metering. The implicit intent of the cutoff date was to require those buildings constructed after that date to install individual metering for each separate occupancy unit. The current rule was not intended to allow conversion to master metering in older buildings where individual unit metering is already installed. The Commission has been consistent with that policy over the years and reaffirmed it in Order No. PSC-98-0449-FOF-EI.

ESTIMATED NUMBER OF ENTITIES REQUIRED TO COMPLY AND GENERAL DESCRIPTION OF INDIVIDUALS AFFECTED

The five investor owned electric utilities (IOUs) are required to comply with Rule 25-6.049, F.A.C., Measuring Customer Service. Any customer receiving electric service from these entities is subject to the service conditions of complying IOUs. Because the proposed amendment clarifies an existing rule, no IOUs or individuals should be affected.

RULE IMPLEMENTATION AND ENFORCEMENT COST AND IMPACT ON REVENUES FOR THE AGENCY AND OTHER STATE AND LOCAL GOVERNMENT ENTITIES

The proposed rule amendment clarifies the existing policy and rule, and the Commission should not incur any additional implementation and enforcement costs. There also should be no impact on revenues of the agency or other government entities.

ESTIMATED TRANSACTIONAL COSTS TO INDIVIDUALS AND ENTITIES REQUIRED TO COMPLY

There should be no transactional costs, because the proposed clarifying amendment would cause no material change in measuring customer service.

IMPACT ON SMALL BUSINESSES, SMALL CITIES, OR SMALL COUNTIES

There should be no cost to small businesses, cities or counties, because the proposed clarifying amendment would make no material change.

REASONABLE ALTERNATIVE METHODS AND LOWER COST REGULATORY ALTERNATIVES

The proposed clarifying amendment to the rule is necessary, because a misreading of the rule led to a switch of a condominium from individual unit metering at a residential rate to master metering with a commercial rate. Although it has been reported that this has reduced the monthly electric bills for these condominium customers, a complete cost/benefit study has not been performed.

Existing rates and tariffs have been developed to equitably share customer costs and energy costs among comparable rate classes. Allowing switching at will from individual metering at a residential rate to master metering at a commercial rate could shift costs from some ratepayers onto other ratepayers in a discriminatory manner. If there is a net benefit from lower customer service charges from combining multiple bills into one master bill, a tariff could be developed to allow that alternative, with energy charges paid at the appropriate residential rate.

One interested party proposed that a lower cost alternative would be to not adopt the proposed rule change. That proposed lower cost alternative is rejected because it does not have a lower cost. There are two reasons that this alternative is not a lower cost alternative: (1) with no rule change, the possibility of misreading the rule would continue with possible further hearings and litigation costs; and (2) additional conversions of condominiums from individual metering to master metering are not allowed under the existing rule and Order No. PSC-98-0449-FOF-EI unless one of the exceptions in the rule are met. Therefore, condominium dwelling customers would not be able to reduce their electric bills by conversion to a master meter in the absence of a rule change.

CBH:tf/e-mstmr  
cc: David Wheeler