



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

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

RECEIVED-FPSC  
OCT 26 AM 11:45  
RECORDS AND REPORTING

**DATE:** OCTOBER 26, 2000

**TO:** DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYÓ)

**FROM:** DIVISION OF ECONOMIC REGULATION (GING, SPRINGER) *DPW*  
 DIVISION OF LEGAL SERVICES (WALKER) *RVE*  
 DIVISION OF REGULATORY OVERSIGHT (YAMBOR) *JAG CAN*  
 DIVISION OF SAFETY AND ELECTRIC RELIABILITY (BREMEN, LEE) *WAM JDJ*

**RE:** DOCKET NO. 000826-EI - REQUEST FOR APPROVAL OF REVISIONS TO GENERAL RULES AND REGULATIONS REGARDING INSTALLATION OF UNDERGROUND ELECTRIC DISTRIBUTION FACILITIES TO SERVE SMALL COMMERCIAL/INDUSTRIAL CUSTOMERS, BY FLORIDA POWER & LIGHT COMPANY.

**AGENDA:** 11/07/00 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** SUSPENDED ON 9/5/2000 - 8 MONTH DEADLINE 3/10/2001

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\ECR\WP\000826B.RCM

### CASE BACKGROUND

On July 10, 2000, FPL filed a petition requesting approval of revisions to its small Commercial/Industrial underground tariff differentials. By Order No. PSC-00-1753-PCO-EI, issued September 5, 2000, in this docket, the Commission suspended Florida Power & Light's (FPL) petition to allow FPL time to submit additional supporting documentation. The information has been received. Jurisdiction over this matter is vested in the Commission by Sections 366.04, 366.05 and 366.06, Florida Statutes. This is staff's recommendation concerning the proposed revisions.

DOCUMENT NUMBER-DATE

13716 OCT 26 8

FPSC-RECORDS/REPORTING

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission approve Florida Power & Light Company's (FPL) petition for approval of revisions to its small commercial/industrial underground tariff differentials?

**RECOMMENDATION:** Yes. The Commission should approve FPL's proposed revisions to its small commercial/industrial underground tariff differentials. (GING, SPRINGER)

**STAFF ANALYSIS:** FPL's small commercial/industrial underground tariff differentials were originally established by Commission Order No. PSC-93-1712-FOF-EI. The charges are similar in design to those for underground residential service, which are required under provisions of Rule 25-6.078, Florida Administrative Code. The Commission does not require specific tariffed differentials for commercial and industrial customers, and FPL is the only Investor Owned Utility (IOU) to include such charges in its tariff.

The proposed charges were derived from cost estimates of underground commercial facilities and the equivalent overhead designs. The estimates were made using standard FPL design and estimating practices, and system-wide unit costs which were in use at year-end 1999. The work papers supporting the cost development were submitted by FPL with the tariff filing and through subsequent requests.

The revised tariff contains the following proposed differential charges:

a) Primary lateral:

	<u>From Overhead Termination Point</u>
1) Single phase radial	\$658
2) Two phase radial	\$1,223
3) Three phase radial (150 Kva)	\$1,627
4) Three phase radial (300 Kva)	\$0
5) Single phase loop	\$1,537
6) Two phase loop	\$2,673
7) Three phase loop	\$2,499

DOCKET NO. 000826-1  
DATE: OCTOBER 26, 2000

	<u>From Existing Underground Termination Point</u>
5) Single phase loop	\$1,026
6) Two phase loop	\$1,917
7) Three phase loop	\$1,609
b) Secondary riser and lateral	
1) Small single phase	\$310
2) Large single phase	\$544
3) Small three phase	\$403
4) Large three phase	\$773
c) Handhole and Padmounted Secondary Junction Box	
1) Handhole	
a. Small - per handhole	\$166
b. Intermediate - per handhole	\$205
c. Large - per handhole	\$564
2) Pad Mounted Secondary Junction Box	\$1,281
d) Primary splice box including splices and cable pulling set-up.	
1) Single Phase - per box	\$912
2) Two Phase - per box	\$1,259
3) Three Phase - per box	\$1,383
e) Additional installation charge for underground primary laterals including trench and cable-in-conduit which exceed the limits set in 13.3.12 a).	
1) Single Phase - per foot	\$1.59
2) Two Phase - per foot	\$3.37
3) Three Phase - per foot	\$3.85
f) Additional installation charge for underground primary laterals including trench and cable-in-conduit extended beyond the Company designated point of delivery to a remote point of delivery.	
1) Single Phase - per foot	\$5.11
2) Two Phase - per foot	\$7.84
3) Three Phase - per foot	\$9.27

13.2.13 Contribution Adjustments

a) Credits will be allowed to the Applicant's contribution in Section 13.2.12. where, by mutual agreement, the Applicant provides trenching and backfilling for the Company's facilities.

	<u>Credit to the Applicant's Contribution</u>
1) Credit per foot of primary trench	\$1.90
2) Credit per foot of secondary trench	\$1.80

b) Credits will be allowed to the Applicant's contribution in section 13.2.12. Where, by mutual agreement, the Applicant installs Company-provided conduit per Company instructions.

1) Credit per foot of 2" conduit	\$.33
2) Credit per foot of 4" conduit	\$.46

c) Credits will be allowed to the Applicant's contribution in section 13.2.12. Where, by mutual agreement, the Applicant installs Company-provided handhole per Company instructions.

1) Credit per large handhole/primary splice box	\$128
2) Credit per small handhole	\$34

d) Credits will be allowed to the Applicant's contribution in section 13.2.12. Where, by mutual agreement, the Applicant installs Company-provided concrete pad-mounted transformer per Company instructions.

Credit per pad	\$20
----------------	------

Overall FPL's revised underground differential costs are decreasing. These decreases are attributable primarily to two factors: 1) An increase in the overhead labor rate of about 20%, compared to an increase in the underground labor rate of about 6% since FPL's 1993 filing; and 2) An 18.85% reduction in the engineering overhead rate. A reduction in the engineering overhead rate lowers the overall cost of underground facilities more than the cost of overhead facilities because it is being applied to a larger dollar base in the case of underground facilities. This results in a reduction in the difference between underground and overhead facilities.

DOCKET NO. 000826-~~EI~~  
DATE: OCTOBER 26, 2000

The staff has reviewed the proposed charges and accompanying work papers. Staff also requested and reviewed additional information and analyses that supported FPL's initial filing. Based on a review of the information provided, staff believes that the proposed charges are reasonable, and should be approved.

**ISSUE 2:** What is the appropriate effective date for FPL's small commercial/industrial underground tariff differentials?

**RECOMMENDATION:** The appropriate effective date for FPL's small commercial/industrial underground tariff differentials is November 7, 2000. (GING, SPRINGER)

**STAFF ANALYSIS:** If the Commission approves the small commercial/industrial underground tariff differentials at its November 7, 2000, Agenda Conference, it should become effective on that date.

**ISSUE 3:** Should this docket be closed?

**RECOMMENDATION:** Yes, if no protest is filed within 21 days of the issuance of the order. (WALKER)

**STAFF ANALYSIS:** If a protest is filed within 21 days of the Commission order approving this tariff, the tariff should remain in effect pending resolution of the protest, with any charges held subject to refund pending resolution of the protest. If no protest is filed, this docket should be closed upon issuance of the Consummating Order.