



# Public Service Commission

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

**DATE:** JANUARY 25, 2001

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

**FROM:** DIVISION OF COMPETITIVE SERVICES (MAKIN, BULECZKA, BANKS)  
DIVISION OF LEGAL SERVICES (K. WALKER) *KOW RVE*

**RE:** DOCKET NO. 001755-GU - PETITION FOR APPROVAL OF MODIFICATION TO TARIFF PROVISIONS GOVERNING MAIN AND SERVICE EXTENSION AMORTIZATION SURCHARGE BY TAMPA ELECTRIC COMPANY d/b/a PEOPLES GAS SYSTEM

**AGENDA:** FEBRUARY 6, 2001 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** 60-DAY SUSPENSION DATE: FEBRUARY 3, 2001  
COMPANY WAIVES THE 60-DAY SUSPENSION DATE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\CMP\WP\001755.RCM

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### CASE BACKGROUND

Tampa Electric Company d/b/a Peoples Gas System (Peoples) extends main pipelines and service facilities in accordance with Rule 25-7.054, Florida Administrative Code, and the provisions of its approved tariff. The rule requires each utility to maintain a standard policy governing the amount of main and service extension that will be made at not cost to a new customer. Extensions are to be made at no cost to the customer when the capital investment necessary to extend the facilities to provides service is equal to, or less than, the maximum allowable construction cost (MACC). When the required capital investment is more the MACC, Peoples will extend service subject to either a construction deposit agreement (contribution-in-aid-of-construction), or a Main and Service Extension Amortization (MSEA) Surcharge. The MSEA Surcharge allows the cost in excess of the MACC, to be collected from the customer over time as an additional bill item.

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This recommendation addresses Peoples' petition.

Jurisdiction over this matter is vested in the Commission by Sections 366.04, 366.05, and 366.06, Florida Statutes.

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission grant Tampa Electric Company d/b/a Peoples Gas System's petition for approval of modifications to tariff provisions governing main and service extension amortization surcharge?

**RECOMMENDATION:** Yes. The Commission should approve Tampa Electric Company d/b/a Peoples Gas System's petition for approval of modifications to tariff provisions governing main and service extension amortization surcharge, effective February 6, 2001. (MAKIN, BULECZA-BANKS)

**STAFF ANALYSIS:** On December 5, 2000, Peoples filed its petition for approval of modifications to its tariff provisions governing main and service extension amortization surcharge. Currently, the MSEA Surcharge is calculated as a single per-therm charge that would apply to any customer(s) in the area served by the extended main and service facilities for which the MSEA Surcharge is levied, regardless of rate class.

Under the Company's proposed modification, the MSEA Surcharge would vary by rate class, same as in an interim increase calculation. The MSEA Surcharge would be calculated as follows:

<u>MSEA Non-fuel Revenue Requirement</u>	X	<u>Revenue of Customer's Rate Class</u>
Total Non-fuel Revenue		Projected Therm Consumption of Customer's Rate Class

and amortized over a period not to exceed 10 years. The other provisions of the MSEA Surcharge tariff would remain unchanged.

Staff believes that Peoples' proposed modification to its tariff provisions governing main and service extension amortization surcharge is reasonable and should be approved. The tariff should

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become effective February 6, 2001, the date of the Commission's vote in this matter.

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

**RECOMMENDATION:** Yes. If no protest is filed by a person whose substantial interests are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order. (K. WALKER)

**STAFF ANALYSIS:** If a protest is filed by a person whose substantial interests are affected 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 the issuance of a Consummating Order.