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January 26, 2001

ORIGINAL

## BY HAND DELIVERY

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

RECEIVED-FPSC  
01 JAN 26 PM 2:48  
RECORDS AND REPORTING

Re: Proposed Adoption of New Rule 25-6.116, F.A.C.,  
Utility Collection of Underground Fees

010000

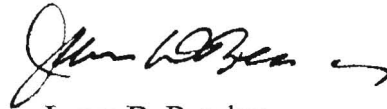
Dear Ms. Bayo:

Enclosed for filing in the above referenced are the original and fifteen (15) copies of Tampa Electric Company's Post-Workshop Comments.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,



James D. Beasley

APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP \_\_\_\_\_  
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JDB/bjd  
Enclosures

cc: Katrina Tew  
Richard Bellak

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*Handwritten initials*  
FPSC-BUREAU OF RECORDS

*Done 2/05/01*

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

In re: Proposed Adoption of New )  
Rule 25-6.116, F.A.C., Utility )  
Collection of Underground Fees. )  
\_\_\_\_\_ )

UNDOCKETED  
FILED: January 26, 2001

**TAMPA ELECTRIC COMPANY'S  
POST-WORKSHOP COMMENTS**

Tampa Electric Company offers the following Post-Workshop Comments concerning the draft rule on utility collection of underground fees:

1. Tampa Electric believes that the imposition of any surcharge to cover the cost of undergrounding should be on the benefited customers within the unit of local government requesting the undergrounding. Who benefits should be a decision for the unit of local government.

2. Consideration should be given to applying the rule to smaller units of local government than municipal or county governments. For example, the rule could apply to Community Development Districts established under Chapter 190, Florida Statutes, or to municipal service taxing units or benefit units. This could help ensure that the cost of undergrounding is collected from those utility customers who take service in the area where the benefits of the undergrounding are enjoyed, rather than from customers taking service in an area of a county or municipality that is far distant from the area where the undergrounding service is provided.

3. The rule should require that the utility customers who will be required to pay the surcharge be afforded notice and an opportunity to agree or object to the imposition of the

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FPSC-RECORDS/REPORTING

surcharge, either through a public vote of the city commission or through a referendum or through some other means.

4. It is important that an electric utility be allowed to recover all costs it incurs in implementing the proposed rule. This could be calculated prior to performing the underground installation and collected by the utility as a component of the contribution in aid of construction the unit of government pays on the front end. Tampa Electric does not know at this juncture whether the cost of implementing the proposed rule would differ based on the size of the governmental entity requesting undergrounding. This could be determined on a case-by-case basis and included in the CIAC payment.

5. Consideration should be given to allowing the rule to apply not only to undergrounding but also to other enhanced electric services requested by a unit of local government. This could include, for example, reliability enhancing construction features which are over and above standard engineering practices that a unit of local government might request in order to accommodate the needs of a hospital or a high technology park or any other facility requiring higher than normal electric reliability. Tampa Electric's proposal in this regard applies only to other activities directly relating to the provision of electric service and not to other unrelated types of services.

6. Tampa Electric concurs with the views expressed at the workshop conducted on January 8 that the cost of undergrounding should be recouped by the utility for the local government entity over a long enough period of time to avoid an inequitable allocation of the cost of undergrounding to customers who may not be able to afford higher payments or who may not remain customers of the utility long enough to enjoy the undergrounding benefit for which they are required to pay.


7. The charge for undergrounding should appear as a separate line item on the affected customers' bills. The rule should not prescribe the particular basis for recovery (i.e., energy charge versus customer charge) in order to allow the utility the flexibility to do whatever is reasonable on a case-by-case basis.

8. The Commission should carefully consider the issue of whether an undergrounding surcharge could be fashioned in a way that avoids the potential for local and state taxes and franchise fees to be applied to the surcharge, thus effecting a tax on a tax surrogate. Absent some means of avoiding this result, electric utility customers could end up paying more for undergrounding through the surcharge mechanism than they would be required to pay if the CIAC requirement were funded directly with tax dollars by the unit of local government requesting the underground service.

9. The rule should specifically address how partial payment and nonpayment of the surcharge should be treated by the utility and whether or not utility customers may be terminated for nonpayment of the surcharge.

DATED this 26<sup>th</sup> day of January, 2001.

Respectfully submitted,

  
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ATTORNEYS FOR TAMPA ELECTRIC COMPANY