

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of  
2001 revisions to underground  
residential distribution tariff  
by Florida Power & Light  
Company.

DOCKET NO. 010386-EI  
ORDER NO. PSC-01-1399-TRF-EI  
ISSUED: June 28, 2001

The following Commissioners participated in the disposition of  
this matter:

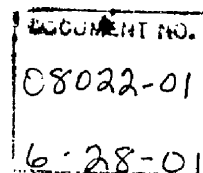
E. LEON JACOBS, JR., Chairman  
J. TERRY DEASON  
LILA A. JABER  
BRAULIO L. BAEZ  
MICHAEL A. PALECKI

ORDER APPROVING REVISIONS TO UNDERGROUND RESIDENTIAL DISTRIBUTION  
TARIFF

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service  
Commission that the action discussed herein is preliminary in  
nature and will become final unless a person whose substantial  
interests are substantially affected files a petition for a formal  
proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

Pursuant to Rule 25-6.078, Florida Administrative Code,  
Florida Power & Light Company (FPL) filed on April 2, 2001, a  
Petition for Approval of 2001 Revisions to Florida Power & Light  
Company's Underground Residential Distribution Tariff. Rule 25-  
6.078 requires utilities to file updated underground residential  
distribution (URD) charges for our approval at least every three  
years, or sooner if a utility's underground cost differential for  
the standard low-density subdivision varies from the last approved  
differential by 10 percent or more. The URD charges represent the  
additional costs the utility incurs to provide underground  
residential service in place of overhead service.



On May 16, 2001, FPL filed a waiver of the 60-day file and suspend period set forth in Section 366.06(3), Florida Statutes. On May 21, 2001, FPL filed an amended petition which contains corrections to the overhead subdivision design. On June 5, 2001, FPL filed a second set of amendments to its Petition. This amended petition contains a correction to the cost estimate of the underground ganged meter subdivision. FPL's Petition and amendments were accompanied by work papers explaining the derivation of the proposed URD tariff charges.

We have jurisdiction over the subject matter pursuant to sections 366.04, 366.05, and 366.06, Florida Statutes.

Costs for underground service have historically been higher than for standard overhead construction. The additional cost to provide underground service is therefore recovered through the URD differential paid by the customer as a contribution in aid of construction.

The URD tariffs provide standard charges for certain types of underground service. FPL develops URD charges based on three model subdivisions: (1) 210-lot low density subdivision with a density of one or more but less than six dwelling units per acre; (2) 176-lot high density subdivision with a density of six or more dwelling units per acre; and (3) 176-lot high density subdivision with a density of six or more dwelling units per acre taking service at grouped meter pedestals. The same standardized model subdivision designs are used by other electric utilities to develop URD differential charges.

The URD differential is developed by estimating the cost per lot of both underground service and overhead service. The difference between these numbers is the per lot charge that customers must pay when they request underground service in lieu of standard overhead service. The estimates are based on the utility's standard engineering and design practices, and incorporate company-wide material and labor rates.

The following table shows FPL's present and proposed URD differentials:

Subdivision	Current URD differential per lot	Proposed URD differential per lot	Percent Change
density of 1 or more but less than 6 dwelling units per acre (low density)	\$268	\$325	+21.27%
density of 6 or more dwelling units per acre (high density)	\$190	\$224	+17.89%
density of 6 or more dwelling units per acre taking service at grouped meter pedestals	\$0	\$0	N/A

FPL's current URD charges were approved in 1998. See Order No. PSC-98-0791-FOF-EI, issued June 8, 1998.

FPL's cost differentials have increased from the existing charges for the low density and high density subdivision design. The increases are largely due to increases in the labor rate and in the engineering and overhead (EO) rate.

FPL states that labor costs have increased due to a large demand in the utility industry for qualified workers combined with a shortage of qualified workers. The EO rate is a fixed percentage that is applied to total material costs. FPL proposes to increase the EO rate from 15.69 percent to 18.73 percent. Payroll related costs represent the majority of the costs included in the EO rate. FPL states that its employees spend more time in construction-related activities due to an increase in construction workload.

In addition to the proposed changes for the two subdivisions, FPL proposed minor changes to the credits they offer customers who chose to do their own trenching and other work. FPL also proposed revisions to the charges for other types of underground service

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such as the undergrounding of primary feeder mains due to changing material and labor costs.

Based on our review of the information provided, we find that the proposed charges are reasonable and approve them.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light Company's Petition for Approval of 2001 Revisions to Florida Power & Light Company's Underground Residential Distribution Tariff is approved. It is further

ORDERED that the tariff shall be effective on June 25, 2001. If a protest is filed within 21 days of the issuance of this Order the tariff shall remain in effect pending resolution of the protest, with any charges held subject to refund pending resolution of the protest. It is further

ORDERED that if no protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 28th day of June, 2001.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records

( S E A L )

MKS

NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on July 19, 2001.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.