

State of Florida



Public Service Commission  
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TALLAHASSEE, FLORIDA 32399-0850

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COMMISSION CLERK

**DATE:** DECEMBER 26, 2002

**TO:** DIRECTOR, DIVISION OF THE COMMISSION CLERK & ADMINISTRATIVE SERVICES (BAYÓ)

**FROM:** DIVISION OF ECONOMIC REGULATION (SPRINGER) *DPW*  
OFFICE OF THE GENERAL COUNSEL (JAEGER) *ms*

**RE:** DOCKET NO. 021139-EI - PETITION FOR APPROVAL OF REVISED FACILITIES RENTAL AGREEMENT AND REVISED TARIFF BY TAMPA ELECTRIC COMPANY.

**AGENDA:** 01/07/2003 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** 60-DAY SUSPENSION DATE: 01/11/2003

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\ECR\WP\021139.RCM

CASE BACKGROUND

In a petition filed in this docket on November 12, 2002, Tampa Electric Company (TECO) requested Commission approval to revise its Facilities Rental Agreement and respective tariff. The Facilities Rental Agreement was a part of the General Service Industrial Load Management Rider and General Service Industrial Standby Supplemental Load Management Rider approved by the Commission on February 1, 2000, in Docket No. 990037-EI. See Order No. PSC-00-0374-S-EI issued February 22, 2000.

The Commission has jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.06 and 366.07, Florida Statutes.

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DOCKET NO. 021139-EI  
DATE: DECEMBER 26, 2002

**ISSUE 1:** Should the Commission approve Tampa Electric Company's (TECO) petition to revise its Facilities Rental Agreement and respective tariff?

**RECOMMENDATION:** Yes. (SPRINGER)

**STAFF ANALYSIS:** The Facilities Rental Agreement is a contract that allows customers to lease distribution equipment, such as transformers, from TECO. The monthly rental charge under the contract covers the equipment and installation costs, but does not include maintenance expenses. The current Facilities Rental Agreement does not indicate whether the company or the customer is responsible for the costs of maintaining the rented equipment. TECO is proposing to revise its Facilities Rental Agreement by adding language clarifying that maintenance expenses are not included in the monthly rental charge, and any maintenance service furnished by TECO will be billed separately to the customer.

The proposed clarifying language concerning the payment of maintenance expenses is shown below:

As consideration for maintaining the facilities, the Customer shall reimburse the Company for the cost of required maintenance performed by Tampa Electric or a company-approved contractor. Maintenance shall be priced at cost and billed to the Customer as incurred, separate from the monthly rental charge.

Additionally, TECO's Facilities Rental Agreement does not provide a sufficient description of the expenses included in the monthly rental charge. TECO's proposed revision specifies the costs that are included. The new language is shown in bold below:

As consideration for furnishing the Facilities, the Customer shall pay to the Company a monthly rental charge **covering equipment and installation costs.**

TECO has not entered into any Facilities Rental Agreements to date, and thus no current customers will be affected by the proposed revisions. TECO's proposed revisions properly assign the payment of maintenance expenses to the customers that benefit from this service. The proposed language is similar to that found in other utilities' rental agreements, and staff believes these revisions will prevent the general body of ratepayers from absorbing the cost of rental maintenance expenses.

DOCKET NO. 021139-EI  
DATE: DECEMBER 26, 2002

Based upon their review, staff recommends that, pursuant to Sections 366.06 and 366.07, Florida Statutes, the Commission approve TECO's proposal.

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

**RECOMMENDATION:** Yes. If Issue 1 is approved, this tariff should become effective on January 7, 2003. If a protest is filed within 21 days of the issuance of the order, this tariff should remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order. (JAEGER)

**STAFF ANALYSIS:** If Issue 1 is approved, this tariff should become effective on January 7, 2003. If a protest is filed within 21 days of the issuance of the order, this tariff should remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.