

State of Florida



# Public Service Commission

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

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COMMISSION  
CLERK

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

**DATE:** September 8, 2005

**TO:** Director, Division of the Commission Clerk & Administrative Services (Bayó)

**FROM:** Office of the General Counsel (Stern) *MKS ROR*  
Division of Economic Regulation (Wheeler, Baxter, Hewitt) *CPH CW JQJ*

**RE:** Docket No. 050152-EU – Proposed revisions to Rule 25-6.049, F.A.C., Measuring Customer Service.

Docket No. 990188-EI – Generic investigation into requirement for individual electric metering by investor-owned electric utilities pursuant to Rule 25-6.049(5)(a), F.A.C.

**AGENDA:** 09/20/05 – Regular Agenda – Rule Proposal – Interested Persons May Participate

**RULE STATUS:** Proposal May Be Deferred

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\ECR\WP\050152.RCM.DOC

### Case Background

Rule 25-6.049, Florida Administrative Code, pertains to measuring electric service of customers. Paragraph (5)(a) of the rule requires that condominium units be individually metered by the utility. Over the recent past, the Commission granted nine waivers of Rule 25-6.049(5)(a) for condominiums that are operated like hotels, referred to herein as “resort condominiums.” The waivers allow resort condominiums to be master metered, provided certain conditions are met. The Commission asked staff to investigate whether a rule exempting such condominiums from the individual metering requirement should be proposed. Staff recommends that Rule 25-6.049 be amended to allow such condominiums to be master metered under certain narrow and strictly enforced conditions. In addition to proposing amendments to Rule 25-6.049(5)(a), this recommendation proposes a minor clarification to Rule 25-6.049(5).

DOCUMENT NUMBER-DATE

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### **Discussion of Issues**

**Issue 1:** Should the Commission propose amendments to Rule 25-6.049, Florida Administrative Code, allowing condominiums operated like hotels to be master metered?

**Recommendation:** Yes. (Stern/Wheeler/Baxter/Hewitt)

**Staff Analysis:** Rule 25-6.049(5)(a) requires that each occupancy unit of a building built after January 1, 1981, be individually metered by the utility. The rule then lists exceptions - circumstances under which some premises can be master metered. This proposed rule amendment adds resort condominiums to the list of exceptions. The proposed rule is in Attachment 1.

Rule 25-6.049 requires occupancy units to be individually metered because such metering promotes energy conservation. However, individual metering only promotes energy conservation when the occupants of the unit are directly responsible for the energy they consume. The more energy they use, the higher their bill is. Individual metering does not enhance conservation in temporarily occupied units, such as hotels, because the occupant is not subject to price signals related to energy consumption. The hotel guest pays the same room rate regardless of how much energy he or she uses. Likewise, occupants of resort condominiums are not subject to price signals from energy consumption, so long as the condominium is operated like a hotel. If the units of a resort condominium become permanently occupied and the building is master metered, then the occupants have no incentive to conserve energy.

Resort condominiums differ from hotels in that each unit is designed for permanent occupancy. Each unit is owned by an individual, and has the design and amenities needed for permanent occupancy. Thus, any unit could at any time become permanently occupied, regardless of its metering. It is very important to ensure that all or substantially all of the units in a resort condominium be occupied transiently for as long as master metering is in place, otherwise the energy conservation goals of Rule 25-6.049 will not be realized.

The companies that manage resort condominiums often prefer master metered service because it is less expensive and less administratively burdensome than individually metered service. Individually metered units are served under the utility's residential rate schedule, and each unit is billed a residential customer charge in addition to the energy charge. A separate bill is rendered for each unit. When a building is master metered, it is served under a commercial rate schedule, and only one bill is rendered, with a single customer charge. In addition, because the commercial energy rate is typically lower than the residential rate the total bill may be lower. Thus, when a resort condominium is master metered it pays only one customer charge and pays a lower rate for electricity.

The proposed criteria for qualifying for an exemption from individual metering for resort condominiums is found in Sections 25-6.049(5)(g) and (6). The exemption only applies when the following criteria, set out in subsection (5)(g), are met:

1. The declaration of condominium requires that at least 95% of the units are used solely for overnight occupancy;

2. A registration desk, lobby and central switchboard are maintained; and
3. A record is kept for each unit showing check-in and check-out times for each unit.

In determining the percentage of rooms allowed to be permanently occupied, staff considered the waivers of Rule 25-6.049 granted by the Commission. A table summarizing the rule waivers is contained in Attachment 2. In those waivers, the percentage of rooms allowed to be permanently occupied ranged from 0.7% to 7.6%, and averaged 3.6%. These numbers apply to existing individually metered condominiums that changed their mode of operation to become resort condominiums and wanted to convert to master metering. For new buildings that were to be operated as resort condominiums from the start, percentages could not be calculated because the developers did not know how many units would be occupied transiently. These waivers, however, required "that all or substantially all" of the units be occupied on a temporary basis.

It appears that resort condos require a small percentage of the rooms to be permanently occupied for certain maintenance and management personnel. Based on the waivers and the reasons for permanent occupancy, staff believes that a requirement that at least 95% of the rooms be used for overnight occupancy serves the needs of resort condominiums and ensures that the conservation aims of the rule are fulfilled.

The first criterion requires that the declaration of condominium include a provision that a minimum of 95% of the units be used for overnight occupancy. The declaration of condominium is the instrument by which a condominium is created. The condominium is created when the declaration is recorded in the public records of the county in which the property is located. Any amendments to the declaration must be approved by the unit owners, and also must be recorded in the public records. Requiring that the 95% criterion be stated in the declaration ensures that compliance with this requirement is easily verifiable by the utility and that the unit owners are aware that the units cannot be permanently occupied unless the declaration is amended.

Criteria 2 and 3 were selected because a condominium operated like a hotel would require a mechanism to register guests and record the duration of their stay. Compliance with these criteria can also be easily checked by the utility. Because the utilities are responsible for ensuring that they only provide master-metered service to condominiums that satisfy the above three criteria, it was important to the utilities that the mechanism to assess compliance be as straightforward as possible.

The proposed subsection (6) of the rule sets out the procedure for initially qualifying for master-metered service, the ongoing compliance requirements, and the penalty for failure to comply. Subsection (6)(a) states that to initially qualify for master-metered service, the owner or developer of the condominium, the condominium association, or the customer must attest to the utility that the criteria in subsection (5)(g) are or will be met. This saves the utility from having to do on-site inspections. However, the rule provides that the utility is allowed to inspect the property to determine if it complies with the above three criteria. In addition, the attestation must state that the cost of a future conversion to individual metering, if required, will be borne by the customer. Finally, the subsection states that if the criteria in subsection (5)(g) are not met, then the utility shall not provide master-metered service.

Subsection (6)(b) sets out the requirements for ongoing compliance. It requires that the customer attest annually that the resort condominium meets the criteria in subsection (5)(g), and that the customer notify the utility within 10 days if it ceases to meet the criteria. Subsection (6)(c) allows the utility to inspect the condominium to determine if it complies with the requirements of this rule.

Subsection (6)(d) governs failure to comply. If a resort condominium that is master-metered under this rule fails to meet the criteria in (5)(g) or fails to make the annual attestation required by (6)(b), the utility must notify the customer that it is no longer eligible for master-metered service. The customer then has 30 days to demonstrate that it is in compliance. If the customer does not demonstrate compliance within 30 days, then it has six months to individually meter the condominium. During this six-month period, the utility cannot discontinue service. If the building is not individually metered within six months, the provisions of Rule 25-6.105, governing discontinuation of service, apply. Rule 25-6.105(5)(a) provides that a utility may discontinue service for violation of a state regulation.

As mentioned in the Case Background, a minor clarification is proposed to Rule 25-6.049(5). The proposed amendment makes clear that individual metering of occupancy units in commercial establishments, multi-unit residential buildings, marinas, and trailer, mobile home or recreational vehicle parks, is not required when the construction permit was received before January 1, 1981, and the occupancy units have been master metered continuously since that date.

The Notice of Proposed Rule Development appeared in the March 19, 2004 issue of the Florida Administrative Weekly. A workshop was held on April 13, 2004.

### **STATUTORY AUTHORITY**

The specific authority for this rule comes from Section 366.05(1), Florida Statutes, which allows the Commission to adopt rules to implement and enforce the provisions of Chapter 366. The laws implemented are Section 366.05(1), which gives the Commission power to prescribe service rules to be observed by each public utility, and Sections 366.81 and 82 which address reducing the growth rate of energy consumption.

### **STATEMENT OF ESTIMATED REGULATORY COSTS**

The proposed rule amendments should make Commission policy on master-metered condominiums clear and the qualifying process more efficient and less time consuming. Utilities would have less cost for customer billing but a likely net decrease in revenues because of the lower commercial billing rate.

The Commission would benefit from fewer rule waiver requests with a decrease in the time and effort involved. The total cost savings are unknown. The full Statement of Estimated Regulatory Costs is contained in Attachment 3.

Docket Nos. 050152-EU and 990188-EI

Date: September 8, 2005

**Issue 2:** Should Docket No. 990188-EI be closed?

**Recommendation:** Yes. The rule amendment recommended in Issue 1 addresses all the changes that should be made to the rule at this time, and therefore the generic investigation should be closed. (Wheeler)

**Staff Analysis:** Docket No. 990188-EI, entitled a Generic Investigation into Requirement for Individual Electric Metering by Investor-owned Electric Utilities Pursuant to Rule 25-6.049(5)(a), F.A.C., was opened by staff on February 18, 1999, at the direction of the Commission. At the time the investigation was opened, several issues had arisen regarding the interpretation and applicability of the rule. The purpose of the generic docket was to examine those issues. Since that time, based on the staff workshop and continuing monitoring of activity with regard to Rule 25-6.049(5)(a), F.A.C., staff formulated rule amendment proposed herein, which it believes addresses all the changes that should be made to the rule at this time. Staff therefore recommends that the generic investigation be closed.

**Issue 3:** Should Docket No. 050152-EI be closed?

**Recommendation:** Yes, if no comments or requests for hearing are filed, the rule as proposed should be filed for adoption with the Secretary of State and the docket should be closed. (Stern)

**Staff Analysis:** Unless comments or requests for hearing are filed, the rule as proposed may be filed for adoption with the Secretary of State without further action by the Commission. The docket may then be closed.

1

2 25-6.049 Measuring Customer Service.

3 (1) All energy sold to customers shall be measured by commercially acceptable measuring  
4 devices owned and maintained by the utility, except where it is impractical to meter loads,  
5 such as street lighting, temporary or special installations, in which case the consumption may  
6 be calculated, or billed on demand or connected load rate or as provided in the utility's filed  
7 tariff.

8 (2) When there is more than one meter at a location the metering equipment shall be so  
9 tagged or plainly marked as to indicate the circuit metered. Where similar types of meters  
10 record different quantities, (kilowatt-hours and reactive power, for example), metering  
11 equipment shall be tagged or plainly marked to indicate what the meters are recording.

12 (3) Meters which are not direct reading shall have the multiplier plainly marked on the meter.  
13 All charts taken from recording meters shall be marked with the date of the record, the meter  
14 number, customer, and chart multiplier. The register ratio shall be marked on all meter  
15 registers. The watt-hour constant for the meter itself shall be placed on all watt-hour meters.

16 (4) Metering equipment shall not be set "fast" or "slow" to compensate for supply transformer  
17 or line losses.

18 (5)(a) Individual electric metering by the utility shall be required for each separate occupancy  
19 unit of new commercial establishments, residential buildings, condominiums, cooperatives,  
20 marinas, and trailer, mobile home and recreational vehicle parks. However, individual  
21 metering shall not be required for any such occupancy unit for which a construction permit  
22 was issued before, and which has received master-metered service continuously since, is  
23 ~~commenced after~~ January 1, 1981. In addition, individual electric meters shall not, however,  
24 be required:

25        ~~1.~~(a) In those portions of a commercial establishment where the floor space

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from existing law.

1 dimensions or physical configuration of the units are subject to alteration, as evidenced by  
2 non-structural element partition walls, unless the utility determines that adequate provisions  
3 can be made to modify the metering to accurately reflect such alterations;

4 2.(b) For electricity used in central heating, ventilating and air conditioning systems,  
5 or electric back up service to storage heating and cooling systems;

6 3.(c) For electricity used in specialized-use housing accommodations such as  
7 hospitals, nursing homes, living facilities located on the same premises as, and operated in  
8 conjunction with, a nursing home or other health care facility providing at least the same level  
9 and types of services as a nursing home, convalescent homes, facilities certificated under  
10 Chapter 651, Florida Statutes, college dormitories, convents, sorority houses, fraternity  
11 houses, ~~motels, hotels,~~ and similar facilities;

12 (d) For lodging establishments such as hotels, motels, and similar facilities which are  
13 rented, leased, or otherwise provided to guests by an operator providing overnight occupancy  
14 as defined in subparagraph (8)(b).

15 4(e) For separate, specially-designated areas for overnight occupancy, as defined in  
16 subparagraph (8)(b), at trailer, mobile home and recreational vehicle parks and marinas where  
17 permanent residency is not established.

18 5(f) For new and existing time-share plans, provided that all of the occupancy units  
19 which are served by the master meter or meters are committed to a time-share plan as defined  
20 in Section 721, Florida Statutes, and none of the occupancy units are used for permanent  
21 occupancy. ~~When a time share plan is converted from individual metering to master metering,~~  
22 ~~the customer must reimburse the utility for the costs incurred by the utility for the conversion.~~  
23 ~~These costs shall include, but not be limited to, the undepreciated cost of any existing~~  
24 ~~distribution equipment which is removed or transferred to the ownership of the customer, plus~~  
25 ~~the cost of removal or relocation of any distribution equipment, less the salvage value of any~~

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1 ~~removed equipment.~~

2 (g) For condominiums that meet the following criteria:

3 1. The declaration of condominium requires that at least 95 percent of the units are used  
4 solely for overnight occupancy as defined in subparagraph (8)(b) of this rule;

5 2. A registration desk, lobby and central telephone switchboard are maintained; and,

6 3. A record is kept for each unit showing each check-in and check-out date for the unit, and  
7 the name (s) of the individual(s) registered to occupy the unit between each check-in and  
8 check-out date.

9 (6) Master-metered condominiums

10 (a) Initial Qualifications - In addition to the criteria in subsection (5)(g), in order to initially  
11 qualify for master-metered service, the owner or developer of the condominium, the  
12 condominium association, or the customer must attest to the utility that the criteria in  
13 subsection (5)(g) and in this subsection have been met, and that any cost of future conversion  
14 to individual metering will be the responsibility of the customer, consistent with paragraph (7)  
15 of this rule. Upon request and reasonable notice by the utility, the utility shall be allowed to  
16 inspect the condominium to collect evidence needed to determine whether the condominium is  
17 in compliance with this rule. If the criteria in subsection (5)(g) and in this subsection are not  
18 met, then the utility shall not provide master-metered service to the condominium.

19 (b) Ongoing Compliance - The customer shall attest annually, in writing, to the utility that the  
20 condominium meets the criteria for master metering in subsection (5)(g). The utility shall  
21 establish the date that annual compliance materials are due based on its determination of the  
22 date that the criteria in subsections (5)(g) and (6)(a) were initially satisfied, and shall inform  
23 the customer of that date before the first annual notice is due. The customer shall notify the  
24 utility within 10 days if, at any time, the condominium ceases to meet the requirements in  
25 subsection (5)(g).

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1 (c) Upon request and reasonable notice by the utility, the utility shall be allowed to inspect the  
 2 condominium to collect evidence needed to determine whether the condominium is in  
 3 compliance with this rule.

4 (d) Failure to comply - If a condominium is master metered under the exemption in this rule  
 5 and subsequently fails to meet the criteria contained in subsection 5(g), or the customer fails to  
 6 make the annual attestation required by subsection (6)(b), then the utility shall promptly notify  
 7 the customer that the condominium is no longer eligible for master-metered service. If the  
 8 customer does not respond with clear evidence to the contrary within 30 days of receiving the  
 9 notice, the customer shall individually meter the condominium units within six months  
 10 following the date on the notice. During this six month period, the utility shall not discontinue  
 11 service based on failure to comply with this rule. Thereafter, the provisions of Rule 25-6.105  
 12 apply.

13 (7) When a structure or building is converted from individual metering to master metering, or  
 14 from master metering to individual metering, the customer shall be responsible for the costs  
 15 incurred by the utility for the conversion. These costs shall include, but not be limited to, any  
 16 remaining undepreciated cost of any existing distribution equipment which is removed or  
 17 transferred to the ownership of the customer, plus the cost of removal or relocation of any  
 18 distribution equipment, less the salvage value of any removed equipment.

19 ~~(b)~~(8) For purposes of this rule:

20 1. (a) "Occupancy unit" means that portion of any commercial establishment, single  
 21 and multi-unit residential building, or trailer, mobile home or recreational vehicle park, or  
 22 marina which is set apart from the rest of such facility by clearly determinable boundaries as  
 23 described in the rental, lease, or ownership agreement for such unit.

24 2. ~~The construction of a new commercial establishment, residential building, marina,~~  
 25 ~~or trailer, mobile home or recreational vehicle park shall be deemed to commence on the date~~

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1 ~~when the building structure permit is issued.~~

2       3.(b) "Overnight Occupancy" means use of an occupancy unit for a short term such as  
3 per day or per week where permanent residency is not established.

4       4. ~~The term "cost", as used herein means only those charges specifically authorized by~~  
5 ~~the electric utility's tariff, including but not limited to the customer, energy, demand, fuel, and~~  
6 ~~conservation charges made by the electric utility plus applicable taxes and fees to the customer~~  
7 ~~of record responsible for the master meter payments. The term does not include late payment~~  
8 ~~charges, returned check charges, the cost of the distribution system behind the master meter,~~  
9 ~~the cost of billing, and other such costs.~~

10       (6)(9)(a) Where individual metering is not required under Subsection (5) and master  
11 metering is used in lieu thereof, reasonable apportionment methods, including sub-metering  
12 may be used by the customer of record or the owner of such facility solely for the purpose of  
13 allocating the cost of the electricity billed by the utility. The term "cost", as used herein  
14 means only those charges specifically authorized by the electric utility's tariff, including but  
15 not limited to the customer, energy, demand, fuel, conservation, capacity and environmental  
16 charges made by the electric utility plus applicable taxes and fees to the customer of record  
17 responsible for the master meter payments. The term does not include late payment charges,  
18 returned check charges, the cost of the customer-owned distribution system behind the master  
19 meter, the customer of record's cost of billing the individual units, and other such costs.

20       (b) Any fees or charges collected by a customer of record for electricity billed to the  
21 customer's account by the utility, whether based on the use of sub-metering or any other  
22 allocation method, shall be determined in a manner which reimburses the customer of record  
23 for no more than the customer's actual cost of electricity.

24       (c) Each utility shall develop a standard policy governing the provisions of  
25 sub-metering as provided for herein. Such policy shall be filed by each utility as part of its

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1 tariffs. The policy shall have uniform application and shall be nondiscriminatory.

2 Specific Authority 366.05(1) FS.

3 Law Implemented 366.05(1), ~~366.05(3)~~, 366.80, 366.81, and 366.82, FS.

4 History--Amended 7-29-69, 11-26-80, 12-23-82, 12-28-83, Formerly 25-6.49, Amended  
5 7-14-87, 10-5-88, 3/23/97.

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WAIVERS OF MASTER METERING REQUIREMENTS  
RULE 25-6.049(5)(A), FLORIDA ADMINISTRATIVE CODE

NAME OF DEVELOPER & DOCKET NO.	UNITS	NEW/ CONVERSION	CONDITIONS IMPOSED BY COMMISSION
Holiday Villas (HV)  980667	72 total  2 occupied permanently (2.7%)	Conversion	<ul style="list-style-type: none"> <li>* Effective so long as condominium is operated and licensed pursuant to Section 509.242(1), F.S.</li> <li>* At time no longer so operated and licensed, HV must contact utility and utility will install individual meters on all occupancy units.</li> </ul>
Sundestin  001543	280 total  2 occupied permanently (.7%)	Conversion	<ul style="list-style-type: none"> <li>* The cost of electricity to the permanently occupied units must be allocated using the reasonable apportionment method (Rule 25-6.049(6)(a), F.A.C.)</li> <li>* Effective only so long as the condominium is operated and licensed as a transient occupancy facility.</li> <li>* At time no longer so operated and licensed, Sundestin must immediately inform utility and utility will install individual meters on all occupancy units.</li> <li>* Sundestin shall reimburse utility for costs the utility incurs due to the conversion to master metering, including costs of relocating or removing utility equipment.</li> </ul>
Dunes of Panama (DP)  001544	274 total  21 occupied permanently (7.6%)	Conversion	<ul style="list-style-type: none"> <li>* The cost of electricity to the permanently occupied units must be allocated using the reasonable apportionment method (Rule 25-6.049(6)(a), F.A.C.)</li> <li>* Effective only so long as the condominium is operated and licensed as a transient occupancy facility.</li> <li>* At time no longer so operated and licensed, DP must immediately inform utility and utility will install individual meters on all occupancy units.</li> <li>* DP shall reimburse utility for costs the utility incurs due to the conversion to master metering, including costs of relocating or removing utility equipment.</li> </ul>

NAME OF DEVELOPER	UNITS	NEW/ CONVER- SION	CONDITIONS IMPOSED BY COMMISSION
Luxury Resorts (LRI)  021005	129 total  won't know number to be permanently occupied until after closing on all units	New	<ul style="list-style-type: none"> <li>* The cost of electricity to the permanently occupied units must be allocated using the reasonable apportionment method (Rule 25-6.049(6)(a), F.A.C.)</li> <li>* Effective only so long as the condominium is operated and licensed as a transient occupancy facility.</li> <li>* At time no longer so operated and licensed, CCA must immediately inform utility and utility will install individual meters on all occupancy units.</li> <li>* In event of conversion to individual metering, Atlantic will be solely responsible for cost of conversion.</li> <li>* Effective only so long as all or substantially all of the units are operated on a transient basis.</li> <li>* Must file a report with Commission 12 months after the date of closing on the sale of the first unit. Report must include number of units sold, number of units participating in voluntary rental program.</li> <li>* Waiver shall continue until the Commission acts otherwise, and so long as LRI continues to be operated and licensed as a transient occupancy facility.</li> </ul>
18001 Collins Avenue Condo Association (CCA)  020944	400  20 occupied permanently (5%)	Conversion	<ul style="list-style-type: none"> <li>* The cost of electricity to the permanently occupied units must be allocated using the reasonable apportionment method (Rule 25-6.049(6)(a), F.A.C.)</li> <li>* Effective only so long as the condominium is operated and licensed as a transient occupancy facility.</li> <li>* At time no longer so operated and licensed, CCA must immediately inform utility and utility will install individual meters on all occupancy units</li> </ul>

NAME OF DEVELOPER	UNITS	NEW/ CONVER- SION	CONDITIONS IMPOSED BY COMMISSION
Fontainebleau II  030557	463 total  won't know number to be permanently occupied until after closing on all units	New	<ul style="list-style-type: none"> <li>* The cost of electricity to the permanently occupied units must be allocated using the reasonable apportionment method (Rule 25-6.049(6)(a), F.A.C.)</li> <li>* Effective only so long as the condominium is operated and licensed as a transient occupancy facility or until Commission acts otherwise.</li> <li>* At time no longer so operated and licensed, Fontainebleau must immediately inform utility and utility must install individual meters on all occupancy units.</li> <li>* In event of conversion to individual metering, Fontainebleau will be solely responsible for cost of conversion.</li> <li>* Effective only so long as all or substantially all of the units are operated on a transient basis.</li> <li>* Must file a report with Commission 12 months after the date of closing on the sale of the first unit. Report must include number of units sold, number of units participating in voluntary rental program.</li> </ul>

NAME OF DEVELOPER	UNITS	NEW/ CONVER- SION	CONDITIONS IMPOSED BY COMMISSION
St. Maarten at Silver Shell Condo Assoc. (St. Maarten)  030974	102 total  2 occupied permanently (1.9%)	Conversion	<ul style="list-style-type: none"> <li>* The cost of electricity to the permanently occupied units must be allocated using the reasonable apportionment method (Rule 25-6.049(6)(a), F.A.C.)</li> <li>* St. Maarten is responsible for all of the costs associated with the conversion from individual to master metering.</li> <li>* Effective only so long as the condominium is operated and licensed as a transient occupancy facility or until Commission acts otherwise.</li> <li>* At time no longer so operated and licensed, St. Maarten must immediately inform utility and utility must install individual meters on all occupancy units.</li> <li>* In event of conversion to individual metering, St. Maarten will be solely responsible for cost of conversion.</li> <li>* Effective only so long as all or substantially all of the units are operated on a transient basis.</li> </ul>
Jetty East Condominium Assoc. (JECA)  040525	198 total  8 occupied permanently (4.0%)	Conversion	<ul style="list-style-type: none"> <li>* The cost of electricity to the permanently occupied units must be allocated using the reasonable apportionment method (Rule 25-6.049(6)(a), F.A.C.)</li> <li>* JECA is responsible for all of the costs associated with the conversion from individual to master metering.</li> <li>* Effective only so long as the condominium is operated and licensed as a transient occupancy facility or until Commission acts otherwise.</li> <li>* At time no longer so operated and licensed, JECA must immediately inform utility and utility must install individual meters on all occupancy units.</li> <li>* In event of conversion to individual metering, JECA will be solely responsible for cost of conversion.</li> <li>* Effective only so long as all or substantially all of the units are operated on a transient basis.</li> </ul>

NAME OF DEVELOPER	UNITS	NEW/ CONVER- SION	CONDITIONS IMPOSED BY COMMISSION
Coastal Blue d/b/a Seychelles  040762	197 total	New	<ul style="list-style-type: none"> <li>* The cost of electricity to the permanently occupied units must be allocated using the reasonable apportionment method (Rule 25-6.049(6)(a), F.A.C.)</li> <li>* Effective only so long as the condominium is operated and licensed as a transient occupancy facility or until Commission acts otherwise.</li> <li>* At time no longer so operated and licensed, Seychelles must immediately inform utility and utility must install individual meters on all occupancy units.</li> <li>* In event of conversion to individual metering, Seychelles will be solely responsible for cost of conversion.</li> <li>* Effective only so long as all or substantially all of the units are operated on a transient basis.</li> </ul>



State of Florida



# 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-

**DATE:** June 30, 2005  
**TO:** Office of General Counsel (Stern)  
**FROM:** Division of Economic Regulation (Hewitt) *CBH* *JKS*  
**RE:** Statement of Estimated Regulatory Costs for Proposed Amendments to Rule 25-6.049, F.A.C., Measuring Customer Service

### SUMMARY OF THE RULE

Rule 25-6.049, F.A.C, contains the requirements for measuring energy delivered to electricity customers. Individual electric metering is required for each separate occupancy unit of any new customers except for certain situations or specialized-use housing such as nursing homes, hotels, and college dormitories.

The proposed rule amendments would clarify and expand what type of short term dwelling qualifies for master-metering. Because the Commission has been approving waivers to the rule for condominiums that meet certain criteria, the rule amendments would extend the transient lodging exemption to condominiums that are used for short term overnight occupancy. Criteria for master-metering would be included in the rule and reporting requirements added, consistent with language included in the rule waivers.

### ESTIMATED NUMBER OF ENTITIES REQUIRED TO COMPLY AND GENERAL DESCRIPTION OF INDIVIDUALS AFFECTED

All five electric investor owned utilities (IOUs) and parties interested in installing master-metering for condominiums would be affected by the proposed rule changes.

### RULE IMPLEMENTATION AND ENFORCEMENT COST AND IMPACT ON REVENUES FOR THE AGENCY AND OTHER STATE AND LOCAL GOVERNMENT ENTITIES

The Commission would benefit because there would be less time spent processing meter rule waiver requests for condominiums intended for transient guests. There should be no impact on agency revenues.

There should be no negative impact on other state and local government entities.

ESTIMATED TRANSACTIONAL COSTS TO INDIVIDUALS AND ENTITIES

IOUs would have reduced customer billing costs for a master-metered facility, but would have reduced net revenues from due to a lower commercial class billing rate for the facility and reduced customer charge revenues. IOUs would have initial monitoring costs to ensure compliance with requirements for new and converted master-metered facilities and on-going annual costs to ensure future compliance. The utilities that would be affected have not indicated that there would be any significant cost issue from the proposed rule. Their total costs would depend on the size of the projects master-metered and the total number of projects each year.

Entities interested in master-metering condominiums currently appear before the Commission seeking rule waivers and incur costs in doing so. The proposed rule changes would codify Commission policy of allowing master-metering of condominiums under certain conditions, and should decrease the cost of seeking waivers by some unknown amount. Entities that individually meter their structures would bear the costs of converting to master-metering. If in the future, they fail to meet the standards for master-metering, they would bear the cost of converting back to individual metering, consistent with requirements and rule waivers granted.

IMPACT ON SMALL BUSINESSES, SMALL CITIES, OR SMALL COUNTIES

There should be a benefit to the unregulated small businesses that qualify for master-metering with no negative impacts on small cities, or small counties.

CH:kb

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