

State of Florida



Public Service Commission

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COMMISSION
CLERK

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

DATE: December 8, 2005

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

FROM: Division of Economic Regulation (Draper) *EJ D*
Office of the General Counsel (Brown) *MCB RS 1/2*

RE: Docket No. 050548-EI – Petition for approval of revisions to Bright Choices Outdoor Lighting Agreement and associated tariff by Tampa Electric Company.

AGENDA: 12/20/05 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 8-Month Effective Date: April 12, 2006

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\050548A.RCM.DOC

Case Background

On August 12, 2005, Tampa Electric Company (TECO) filed a petition to amend its Bright Choices Outdoor Lighting Agreement (agreement) and associated tariff sheets. The Commission suspended TECO's tariff revisions at the October 4, 2005 Agenda Conference.

The Commission has jurisdiction over the subject matter pursuant to Section 366.06(1), Florida Statutes.

DOCUMENT NUMBER-DATE

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Discussion of Issues

Issue 1: Should the Commission approve TECO's proposed revisions to its Bright Choices Outdoor Lighting Agreement and associated tariffs?

Recommendation: Yes. (Draper)

Staff Analysis: TECO has proposed several changes and clarifications to its Bright Choices Outdoor Lighting Agreement (agreement) and associated tariffs. TECO has not proposed to revise any of the charges currently contained in these tariffs. The agreement contains the terms and conditions for customers wishing to take service pursuant to TECO's SL-2 (street lighting), OL-1 (general outdoor lighting), and OL-3 (premium outdoor lighting) tariffs. Customers have the option of buying poles and fixtures from private contractors or renting them from TECO. If a customer chooses a contractor to provide the lighting facilities, TECO will provide the energy only. If a customer chooses to rent from TECO, the customer will be required to enter into a lighting agreement with TECO and will be responsible for the tariffed fixture, maintenance, and energy charges.

TECO is occasionally involved in disputes between a lighting customer and a neighbor who objects to the light from the fixture, i.e., *errant illumination*. TECO states that its current policy is to inform prospective lighting customers about the potential impact of different fixtures on neighboring properties. If a dispute arises after the lighting has been installed, TECO attempts to address the neighbor's concerns by installing lighting shields, rotating the fixture, or relocating the fixture at no expense to the lighting customer.

TECO is now proposing to require lighting customers to notify neighboring property owners prior to installation of the lighting, and to ensure that they voice no objections. TECO states that it will inform customers of this obligation during initial communications prior to executing the agreement. If TECO is made aware of a potential customer dispute prior to installation of the lighting equipment, TECO can refuse to install the lighting. However, if a dispute arises after TECO installs the lighting equipment, the customer will be responsible for resolving the dispute, including reimbursing TECO for the costs it may incur to resolve a neighbor's complaint.

Under TECO's proposal, if a dispute cannot be resolved, the lighting customer has two choices. First, the customer can continue taking lighting service from TECO despite the neighbor's objections. TECO will continue to provide lighting service provided that the customer is able to indemnify TECO from any repercussions regarding the customer's decision to continue service. This proposed indemnification is consistent with TECO's current *Indemnity to Company* provision, which states that the customer shall indemnify the company from and against all liability arising from the use of electricity on the customer's side of the point of delivery or out of the customer's negligent acts or omissions. TECO's lighting agreement also contains language indemnifying the company against all claims which arise out of the installation, maintenance, or removal of lighting equipment.

Second, the customer can choose to terminate the lighting agreement. If the customer chooses to terminate the agreement prior to the expiration of its term, the customer will pay

TECO an amount equal to the net present value of the monthly charges for the remainder of the term, which is consistent with TECO's current tariff.

TECO has also proposed an initial minimum 10-year term of service for the SL-2, OL-1, and OL-3 tariffs. At present, the minimum term is five years for the SL-2 and OL-1 tariffs, and one year for the OL-3 tariff. A minimum 10-year term of service is reasonable to allow TECO to recover the investment in its lighting installations. Thereafter, customers can renew the agreement for one-year terms.

TECO has also proposed tariffed language to clarify that customers requesting non-standard lighting equipment are responsible for the costs of such equipment. Such equipment may include protective shields or bird deterrent devices. Customers will also be responsible for the costs incurred by TECO to relocate a pole or rotate a fixture. Due to the infrequency of such requests, the recovery of non-standard lighting costs was never explicitly stated in the tariff.

TECO has proposed to collect an up-front deposit for lighting designs of ten or more lights developed at the customer's request. The deposit amount will be based on the labor costs of developing the design and will be applied as a credit on the customer's bill if and when the lighting service commences.

Finally, TECO is proposing to revise and clarify its tree-trimming policy. Currently, TECO's policy is to provide tree trimming for initial installations of lighting equipment. TECO does not provide routine tree trimming for existing lighting installations, however, this policy has not been stated in the tariff. TECO has proposed language stating that it will not provide tree trimming for initial installations or routine tree trimming. TECO will perform tree trimming only if required to prevent damage to its facilities. The proposed revision with respect to initial tree trimming is designed to deter customers from requesting lighting in heavily treed locations.

Staff believes that the proposed changes are reasonable and should be approved. The proposed revisions will allow TECO to provide better lighting service to those customers who chose to enter into a lighting agreement with TECO.

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Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved, this tariff should become effective on December 20, 2005. If a protest is filed within 21 days of the issuance of the order, this tariff should remain in effect. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order. (Brown)

Staff Analysis: If Issue 1 is approved, this tariff should become effective on December 20, 2005. If a protest is filed within 21 days of the issuance of the order, this tariff should remain in effect. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.