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COMMISSION  
CLERK

# Public Service Commission

May 12, 2006

Mr. Scott Boyd, Executive Director  
Joint Administrative Procedures  
Committee  
Room 120 Holland Building  
Tallahassee, FL 32399-1300

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

Dear Mr. Boyd:

Enclosed is an original copy of the following materials concerning the above referenced  
proposed rule:

1. A copy of the rule.
2. A copy of the F.A.W. notice.
3. A statement of facts and circumstances justifying the proposed rule.
4. A federal standards statement.
5. A statement of estimated regulatory costs.

If there are any questions with respect to this rule, please do not hesitate to call me.

Sincerely,

Larry D. Harris  
Associate General Counsel

CMP \_\_\_\_\_  
 COM \_\_\_\_\_  
 CTR \_\_\_\_\_  
 ECR \_\_\_\_\_  
 GCL \_\_\_\_\_  
 OPC \_\_\_\_\_  
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 SGA \_\_\_\_\_  
 SEC     
 OTH \_\_\_\_\_

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Enclosures

cc: Division of the Commission Clerk  
& Administrative Services

DOCUMENT NUMBER - DATE

04165 MAY 12 06

FPSC-COMMISSION CLERK

1 25-6.049 Measuring Customer Service.

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

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

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

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

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

24 ~~1-(a)~~ In those portions of a commercial establishment where the floor space  
25 dimensions or physical configuration of the units are subject to alteration, as evidenced by

CODING: Words underlined are additions; words in ~~struck through~~ type are deletions  
from existing law.

1 non-structural element partition walls, unless the utility determines that adequate provisions  
2 can be made to modify the metering to accurately reflect such alterations;

3 ~~2~~(b) For electricity used in central heating, ventilating and air conditioning systems,  
4 or electric back up service to storage heating and cooling systems;

5 ~~3~~(c) For electricity used in specialized-use housing accommodations such as  
6 hospitals, nursing homes, living facilities located on the same premises as, and operated in  
7 conjunction with, a nursing home or other health care facility providing at least the same level  
8 and types of services as a nursing home, convalescent homes, facilities certificated under  
9 Chapter 651, Florida Statutes, college dormitories, convents, sorority houses, fraternity  
10 houses, ~~motels, hotels,~~ and similar facilities;

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

14 ~~4~~(e) For separate, specially-designated areas for overnight occupancy, as defined in  
15 subparagraph (8)(b), at trailer, mobile home and recreational vehicle parks and marinas where  
16 permanent residency is not established.

17 ~~5~~(f) For new and existing time-share plans, provided that all of the occupancy units  
18 which are served by the master meter or meters are committed to a time-share plan as defined  
19 in Section 721, Florida Statutes, and none of the occupancy units are used for permanent  
20 occupancy. ~~When a time-share plan is converted from individual metering to master metering,~~  
21 ~~the customer must reimburse the utility for the costs incurred by the utility for the conversion.~~  
22 ~~These costs shall include, but not be limited to, the undepreciated cost of any existing~~  
23 ~~distribution equipment which is removed or transferred to the ownership of the customer, plus~~  
24 ~~the cost of removal or relocation of any distribution equipment, less the salvage value of any~~  
25 ~~removed equipment.~~

CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from existing law.

1           (g) For condominiums that meet the following criteria:  
2           1. The declaration of condominium requires that at least 95 percent of the units are  
3 used solely for overnight occupancy as defined in subparagraph (8)(b) of this rule;  
4           2. A registration desk, lobby and central telephone switchboard are maintained; and,  
5           3. A record is kept for each unit showing each check-in and check-out date for the  
6 unit, and the name (s) of the individual(s) registered to occupy the unit between each check-in  
7 and check-out date.

8           (6) Master-metered condominiums

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

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

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

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

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

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

20           ~~(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.

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1           2. ~~The construction of a new commercial establishment, residential building, marina,~~  
2 ~~or trailer, mobile home or recreational vehicle park shall be deemed to commence on the date~~  
3 ~~when the building structure permit is issued.~~

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

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

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

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

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from existing law.

1 (c) Each utility shall develop a standard policy governing the provisions of  
2 sub-metering as provided for herein. Such policy shall be filed by each utility as part of its  
3 tariffs. The policy shall have uniform application and shall be nondiscriminatory.  
4 Specific Authority 366.05(1) FS.  
5 Law Implemented 366.05(1), ~~366.05(3)~~, 366.80, 366.81, and 366.82, FS.  
6 History--Amended 7-29-69, 11-26-80, 12-23-82, 12-28-83, Formerly 25-6.49, Amended  
7 7-14-87, 10-5-88, 3/23/97.

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NOTICE OF PROPOSED RULEMAKING

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 050152-EU

RULE TITLE:

RULE NO.:

Measuring Customer Service

Measuring Customer Service

PURPOSE AND EFFECT: The Commission has granted several waivers of the individual metering requirements of Rule 25-6.049, F.A.C., for condominiums that operate in a manner similar to hotels and motels. The Commission is now proposing rule language to create an exemption for these types of facilities.

SUMMARY: The amendment would eliminate the requirement that the occupancy units in certain new and existing residential condominiums and cooperatives that operate like hotels and motels be individually metered for their electricity usage.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The SERC concluded that there should be no negative impact on regulated utilities, the agency, small businesses, cities or county. These entities should benefit as the amendments made the rule clearer.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 366.05(1), F.S.

LAW IMPLEMENTED: 366.05(1), ~~366.05(3)~~, 366.80, 366.81 and 366.82, F.S.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF THE COMMISSION CLERK AND



ADMINISTRATIVE SERVICES, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAW.

THE PERSON TO BE CONTACTED REGARDING THE THESE PROPOSED RULE IS:

Lawrence D. Harris, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6245.

THE FULL TEXT OF THE PROPOSED RULE IS:

25-6.049 Measuring Customer Service.

(1) – (4) No change.

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

1.(a) (1) through (2) renumbered as (a) through (b). No change;

3.(c) For electricity used in specialized-use housing accommodations such as hospitals, nursing homes, living facilities located on the same premises as, and operated in conjunction with, a nursing home or other health care facility providing at least the same level and types of services as a nursing home, convalescent homes, facilities certificated under Chapter 651,

Florida Statutes, college dormitories, convents, sorority houses, fraternity houses, motels, hotels, and similar facilities;

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

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

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

(g) For condominiums that meet the following criteria:

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

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

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

(6) Master-metered condominiums

(a) Initial Qualifications - In addition to the criteria in subsection (5)(g), in order 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) and in this subsection have been met, and that any cost of future conversion to individual metering will be the responsibility of the customer, consistent with paragraph (7) of this rule. Upon request and reasonable notice by the utility, the utility shall be allowed to inspect the condominium to collect evidence needed to determine whether the condominium is in compliance with this rule. If the criteria in subsection (5)(g) and in this subsection are not met, then the utility shall not provide master-metered service to the condominium.

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

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

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

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

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

~~1.~~ (a) No change.

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

~~3.~~(b) No change.

~~4. The term "cost", as used herein means only those charges specifically authorized by the electric utility's tariff, including but not limited to the customer, energy, demand, fuel, and conservation charges made by the electric utility plus applicable taxes and fees to the customer~~

~~of record responsible for the master meter payments. The term does not include late payment charges, returned check charges, the cost of the distribution system behind the master meter, the cost of billing, and other such costs.~~

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

(b) – (c) No change.

Specific Authority: 366.05(1) FS.

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

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

NAME OF PERSON ORIGINATING PROPOSED RULE: Connie Kummer

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULE:

Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: May 2, 2006

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: Volume 31,  
Number 48, December 2, 2005.

STATEMENT OF FACTS AND CIRCUMSTANCES  
JUSTIFYING RULE

Rule 25-6.049, Florida Administrative Code, pertains to measuring electric service of customers. Paragraph 5(a) of the current rule requires that condominium units be individually metered by the utility. Individual metering is intended to promote energy conservation.

Over the last 8 years, the Commission has granted 10 waivers of Rule 25-6.049 for condominiums that are operated like hotels, referred to as “resort condominiums” or “condotels”. The waivers allowed resort condominiums to be master metered, provided certain conditions were met.

These amendments to Rule 25-6.049 are intended to bring the existing rule into compliance with Commission policy as established by the rule waivers granted over the last 8 years.

STATEMENT ON FEDERAL STANDARDS

There is no federal standard on the same subject.

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-

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

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### 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

cc: Mary Andrews Bane  
Chuck Hill  
David Wheeler  
Hurd Reeves