

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: May 6, 2010

TO: Office of Commission Clerk (Cole)

FROM: Division of Economic Regulation (Draper, A. Roberts) *EDD*
Office of the General Counsel (Jaeger) *ae* *MS* *CRS* *(w)*
JSB

RE: Docket No. 100166-EI – Petition for approval of revised underground residential and commercial differential tariffs, by Florida Power & Light Company.

AGENDA: 05/18/10 – Regular Agenda –Tariff Filing –Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 05/31/10 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\100166.RCM.DOC

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Case Background

On April 1, 2010, Florida Power & Light Company (FPL) filed a petition for Commission approval of revisions to its Underground Residential Distribution (URD) Tariff Sheet Nos. 6.090, 6.095, 6.100, 6.110, 6.115, 6.120, 6.125, 6.130, and 9.715, and their associated charges. In conjunction, FPL also petitioned the Commission for approval of its Underground Commercial/Industrial Distribution (UCD) Tariff Sheets No. 6.510, 6.520, 6.530, and 6.540, and their associated charges. The URD and UCD tariffs apply to new residential and commercial developments and represent the additional costs FPL incurs to provide underground distribution service in place of overhead service.

Rule 25-6.078(2), Florida Administrative Code (F.A.C.), requires investor-owned electric utilities (IOUs) to file updated URD charges for Commission approval at least every three years,

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or sooner if a utility's underground cost differential for the standard low-density subdivision varies from the last approved charge by 10 percent or more. The rule requires IOU's to file on or before October 15 of each year a schedule showing the increase or decrease in the differential for the low-density subdivision. On October 15, 2009, FPL notified the Commission, pursuant to Rule 25-6.078(2), F.A.C., its underground cost differential for standard low-density subdivision decreased from the last approved differential by 46 percent.

FPL's current URD charges were approved by Order No. PSC-10-0247-FOF-EI¹, issued April 22, 2010. The revised tariff sheets appended to this Petition reflect the changes agreed to and documented by the Settlement relative to the overhead versus underground operational cost differential, along with the additional changes required by and consistent with the "10 percent or more" filing requirement. Unlike FPL's URD tariffs, the UCD tariffs are not governed by Rule 25-6.078, F.A.C.; however, FPL has incorporated the cost effects of storm hardening its overhead system into the calculation of its UCD charges.

The Commission has jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

¹ The Commission approved FPL's proposed settlement agreement in Docket Nos. 070231-EI, 080244-EI (which is the primary docket), and 080522-EI, and associated Tariff Sheet Nos. 6.100, 6.300, and 9.725, at the April 6, 2010, Agenda Conference.

Discussion of Issues

Issue 1: Should the Commission suspend FPL's proposed tariff sheets Nos. 6.090, 6.095, 6.100, 6.110, 6.115, 6.120, 6.125, 6.130, and 9.715, regarding construction of underground residential development?

Recommendation: Yes. (Draper, A. Roberts)

Staff Analysis: Staff is recommending that the tariff be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposal.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such increase a reason or written statement of good cause for doing so within 60 days. Staff believes the reason stated above is good cause consistent with the requirement of Section 366.06(3), F.S.

Issue 2: Should the Commission suspend FPL's proposed tariff sheets Nos. 6.510, 6.520, 6.530, and 6.540, regarding construction of underground commercial/industrial facilities?

Recommendation: Yes. (Draper, A. Roberts)

Staff Analysis: Staff is recommending that the tariff be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed decision.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such increase a reason or written statement of good cause for doing so within 60 days. Staff believes the reason stated above is good cause consistent with the requirement of Section 366.06(3), F.S.

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Issue 3: Should this docket be closed?

Recommendation: No. (Jaeger)

Staff Analysis: This docket should remain open pending the Commission's final decision on the proposed tariff revisions.