

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of waiver of CIAC
Rule No. 25-6.064, F.A.C. for new line
extensions serving electric vehicle fast
charging stations, by Tampa Electric
Company.

DOCKET NO. 20200011-EI
ORDER NO. PSC-2020-0108-PAA-EI
ISSUED: April 16, 2020

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman
ART GRAHAM
JULIE I. BROWN
DONALD J. POLMANN
ANDREW GILES FAY

NOTICE OF PROPOSED AGENCY ACTION
ORDER GRANTING PETITION FOR TEMPORAY WAIVER OF OR VARIANCE FROM
RULE 25-6.064(2)(C), F.A.C., SUBJECT TO CONDITION OF ANNUAL REPORTING
REQUIRMENTS AND APPROVING
REVISED TARIFF SHEET

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

I. Background

On January 6, 2020, Tampa Electric Company (TECO) filed a petition for approval of a temporary (5-year) waiver of certain requirements in Rule 25-6.064, Contribution-in-Aid-of-Construction for Installation of New or Upgraded Facilities, F.A.C., for the installation of primary voltage power lines to the location of electric vehicle (EV) fast charging stations. TECO also asks in its petition that we approve a revised tariff sheet to reflect the requested temporary rule waiver.

A. Rule 25-6.064, F.A.C.

The purpose of Rule 25-6.064, F.A.C., is to establish a uniform procedure by which investor-owned electric utilities calculate amounts due as contribution-in-aid-of-construction (CIAC) from customers who request new facilities or upgraded facilities in order to receive electric service. The intent of the rule is to quantify the costs for certain new or upgraded

facilities’ construction in order to accurately determine the appropriate amount of CIAC to be collected. The rule reflects our long-standing policy that, where practical, the person who causes the costs to be incurred should bear the burden of those costs.¹

Subsection (2) of Rule 25-6.064, F.A.C., is the required formula for calculating CIAC for new or upgraded overhead facilities, and states:

$$\text{CIAC} = \begin{array}{l} \text{Total} \\ \text{estimated} \\ \text{work} \\ \text{order job} \\ \text{costs of} \\ \text{installing} \\ \text{facilities} \end{array} - \begin{array}{l} \text{4 years} \\ \text{expected} \\ \text{incremental} \\ \text{base} \\ \text{energy} \\ \text{revenue} \end{array} - \begin{array}{l} \text{4 years} \\ \text{expected} \\ \text{incremental} \\ \text{base} \\ \text{demand} \\ \text{revenues, if} \\ \text{applicable} \end{array}$$

Paragraph (2)(c) of Rule 25-6.064, F.A.C, the subject of TECO’s petition, states:

The expected annual base energy and demand charge revenues shall be estimated for a period ending not more than 5 years after the new or upgraded facilities are placed in service.

Subsection (6) of the rule requires each investor-owned utility to “use its best judgement in estimating the total amount of annual revenues which the new or upgraded facilities are expected to produce.” Subsection (7) of the rule allows an investor-owned utility to waive all or a portion of CIAC for customers, but requires the utility to reduce plant in service as if CIAC had been collected, unless we determine that there is a quantifiable benefit to the general body of ratepayers.

B. TECO’s Petition

TECO states that the purpose of the temporary rule waiver is to create a pilot program to help encourage the growth of EVs in Florida. TECO states that EVs present many benefits to Florida in general and to TECO’s customer base, including lowering reliance on petroleum-based fuels and a new and potentially beneficial electric load over which to spread fixed costs. TECO asserts that “[o]ne of the known barriers to growth of the EV market is the lack of public- and place-of-employment based fast charging stations” and that one of the major barriers to more widespread development of fast charging stations is “the initial cost to extend primary voltage power lines to the location where the fast charger would be most convenient to attract current and potential EV owners.”

¹In re: Initiation of formal proceedings of Complaint No. 1115382E of Brian J. Ricca against Florida Power & Light, for failing to provide reasonable service, Order No. PSC-14-0101-FOF-EI, issued April 23, 2014, in Docket No. 130290-EI.

TECO states that the intent of the requested temporary rule waiver is to eliminate a barrier to the construction of new EV fast charging stations.² TECO states that annual revenues for fast charging stations are “likely very low when the charger is first installed, partly as it takes considerable time to make its market presence known to attract customers, but also partly because there are not many EVs on the road to take advantage of fast charges.” TECO asserts that the low initial revenue equates to a minimal CIAC credit against what is often a substantial line extension cost to hook up an EV fast charging station. TECO states that this is an imposing barrier to the installation of EV fast charging stations.

To remove this barrier, TECO is asking that a 10-year revenue estimation period be substituted for the 5-year revenue estimation period in Rule 25-6.064(2)(c), F.A.C. TECO states that if this rule waiver is granted, it will “use its best estimates to calculate the highest base rate revenues expected to be received from each station during the 10-year period,” under subsection (6) of the rule. TECO states that use of a 10-year estimation period would result in lower CIAC for those third party customers installing EV fast charging stations and, as a result, encourage more development of EV fast charging stations.

Consistent with its stated intent to create a pilot program, TECO is requesting that the temporary rule waiver be limited to a period of 5 years. TECO states that 5 years will be sufficient to determine whether use of a 10-year estimating period has a beneficial impact on the EV market. It further states that 5 years would give time for the EV charging infrastructure market “to develop and grow to such a point that this waiver can be removed – either because it is no longer necessary to spur development of fast EV charging infrastructure or because the technology no longer needs such support to enable the chargers to be placed into service.”

TECO also asks us to approve a new tariff sheet, Fourth Revised Sheet No. 5.105, to reflect the temporary rule waiver. A copy of the revised tariff sheet is appended as Attachment A.³

C. Procedural Matters

Notice of the petition was published in the Florida Administrative Register (F.A.R.) on January 9, 2020, pursuant to Section 120.542(6), Florida Statutes (F.S.). The F.A.R. notice stated, in accordance with Rule 28-104.003, F.A.C., that interested persons may submit written comments on the petition within 14 days of the notice. No written comments were received on the petition.

Pursuant to Section 120.542(7), F.S., by letter dated January 24, 2020, our staff requested TECO provide additional information on the petition. TECO responded to staff’s letter on February 6, 2020.

²TECO defines EV fast charging stations as direct current fast chargers operating at 50KW or greater and requiring three-phase service at 120/280V or 277/480V.

³The tariff sheet that is attached was filed by TECO on March 12, 2020, and replaces the revised tariff sheet attached to TECO’s petition.

Staff held a noticed, informal meeting on February 25, 2020, to allow the company and other interested persons further opportunity to discuss the petition. Representatives from TECO, the Office of Public Counsel (OPC), and the Southeast Energy Efficiency Alliance participated at the meeting.

We have jurisdiction pursuant to Sections 120.542, 366.03, 366.05, and 366.06, F.S.

II. Discussion

As discussed above, TECO is asking that a 10-year revenue estimation period be substituted for the 5-year revenue estimation period in Rule 25-6.064(2)(c), F.A.C. TECO is requesting that the rule waiver be limited to a period of 5 years and apply only to the installation of primary voltage power lines to the location of EV fast charging stations.

A. Legal Standard for Rule Waivers or Variances

Rule waivers and variances⁴ are governed by Section 120.542, F.S. Section 120.542(1), F.S., provides:

Strict application of uniformly applicable rule requirements can lead to unreasonable, unfair, and unintended results in particular instances. The Legislature finds that it is appropriate in such cases to adopt a procedure for agencies to provide relief to persons subject to regulation.

Section 120.542(2), F.S., states that the agency must grant a rule variance or waiver if the petitioner demonstrates: (1) the purpose of the underlying statutes will be or has been achieved by other means; and (2) that application of the rule would create a substantial hardship or would violate the principles of fairness. A substantial hardship is a “demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver.” Principles of fairness are violated when “the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule.”

Section 120.542(1), F.S., further states that an agency may limit the duration of any grant for a variance or waiver and impose conditions on the grant “only to the extent necessary for the purpose of the underlying statute to be achieved.”

B. The Purpose of the Underlying Statutes

Rule 25-6.064, F.A.C., cites as its law implemented Sections 366.03, 366.05(1), and 366.06(1), F.S. Sections 366.05 and 366.06, F.S., authorize us to prescribe just, fair, reasonable,

⁴In its petition, TECO requested a temporary rule waiver. In its request for additional information, staff questioned whether TECO was in fact requesting a temporary rule variance. In its response, TECO stated that it believed that either characterization is accurate and would not object to us treating its petition as a request for variance. We note that the same legal standard applies whether the petition is treated as a temporary rule waiver or a variance.

and compensatory rates. Section 366.03, F.S., requires investor-owned utilities to furnish to each person applying for service reasonably sufficient, adequate, and efficient service upon terms we require and prohibits an investor-owned utility from giving any undue or unreasonable preference to any persons or locality. TECO states that the purpose of these underlying statutes will be achieved by other means if the temporary rule waiver is granted.

TECO states that Sections 366.03, 366.05(1), 366.06(1), F.S., grant us broad discretion in setting utility rates. It argues that substituting a different estimation period for calculating the revenues used to calculate CIAC due from EV fast charger installers will not result in an undue or unreasonable preference to any person and will not impair our ability to prescribe fair, just, and reasonable rates. TECO states that as the EV market develops, high-voltage chargers will be a new source of load over which to spread TECO's system costs, which will benefit all the company's customers. In response to staff's request for additional information, TECO states that:

In the context of [TECO's] petition, the company is not asking to do away with the revenue credit or to even reduce the number of years over which expected revenues are to be counted; rather, the company is seeking to expand the period of time over which the four years of expected incremental base energy revenue can be counted. Therefore, while the company does expect a higher revenue credit to be realized, the concept behind the requested waiver or variance is not materially different than the current policy.

TECO states in its petition that CIAC payments are intended to reduce potential cross-subsidy between the load associated with the new or upgraded facilities and existing customers taking service from existing facilities and acknowledges that cross-subsidization will occur if the petition is granted. TECO further states, however, that it anticipates a de minimis impact on the general body of ratepayers because the company does not expect the revised tariff to result in an amount of line extensions for high-voltage EV chargers that would cause a material impact on the amount of CIAC collected relative to TECO's overall invested capital. In this regard, TECO states:

Thus, despite any initial cross-subsidization that may occur, the result will be providing a reasonable preference for fast charging infrastructure in these early market development years of EVs and be beneficial for Tampa Electric's ratepayers now and into the future. The selection of a further advanced period to calculate the expected base revenues simply defers the period such a subsidy is in place for the period before the four years of base revenues actually occurs. At that point, the subsidy ends and the purposes of the rule are implemented.

TECO states that ratepayers benefit from the addition of more EV fast chargers "which can incent the faster acceptance and choice of EVs by customers." TECO states that EVs reduce emissions and utilize cleaner energy generation by TECO, including solar photovoltaic sites, and reduce reliance on petroleum-based fuels. Moreover, TECO states that EVs may someday be a valuable resource to TECO's general body of ratepayers as a new and potentially beneficial electric load over which to spread fixed costs and "as a source of energy storage and load

shaping to meet future energy infrastructure and energy control mechanisms.” TECO asserts that encouraging market development for EVs meets the statutory directives of Sections 366.81, 366.94, 377.601, 377.815, 403.42, 627.06535, F.S., which it states support actions to facilitate and benefit EVs and aim to reduce reliance on petroleum fuels in Florida.

TECO also asserts that the temporary rule waiver request specifically aligns with Section 366.05(1)(a), F.S., which addresses our authority to “require repairs, improvements, additions, replacements, and extensions to the plant and equipment of any public utility when reasonably necessary to promote the convenience and welfare of the public.” TECO states the temporary rule waiver promotes the convenience and welfare of the public through encouraging the development of fast charging stations “during this important period where there is need for more such chargers to encourage the market for electric vehicles to grow.” TECO further states the revised tariff would not be discriminatory because it will be uniformly applied to any customer seeking a line extension to serve a Level 3 EV charging station during the 5-year temporary variance period.

As acknowledged by TECO in its petition, CIAC payments are intended to reduce potential cross subsidy between the load associated with the new or upgraded facilities and existing customers taking service from existing facilities. We reviewed TECO’s petition with regard to (1) the potential for cross subsidies that may result over an extended period if this waiver is utilized, and (2) the lack of reliable quantifiable information regarding the projected number of line extensions, line extension costs, and credit amounts (offsetting revenue), which would aid in calculating the CIAC and the amount of the potential subsidy.

It is a long-standing regulatory concept that a cross subsidy occurs when the cost-causer does not fully pay for the costs incurred to provide service, resulting in those unrecovered costs then shifting to the general body of ratepayers. TECO argues that the added cross subsidy associated with this pilot program should be considered in conjunction with anticipated benefits. Primary among these benefits is the incremental load growth expected to be realized from the proposed tariff revision. TECO contends that reducing CIAC for the requested line extensions would allow the utility to serve more high-voltage chargers, and thus spread the fixed costs of its system across such consumption.

We reviewed potential cross subsidy in this case by considering the recovery of costs under the rule versus the proposed rule waiver. By rule, CIAC is calculated using the cost of (in this case) the line extension and subtracting from that cost the expected revenues. The CIAC is the portion of the line extension costs the customer pays upfront when he or she initiates service. The CIAC payment is based on the costs of the new facilities, reduced by 4 years of expected revenue.

Under paragraph (2)(c) of Rule 25-6.064, F.A.C., the 4 years of expected revenue must be estimated within a 5-year period after the new facilities are placed in service. The 4 years of expected base energy and demand revenues represent the time-limited credit allowed to the customer for the portion of the installation costs not paid via the CIAC payment. This credit to CIAC is expected to be offset by revenues from the customer after the 4-year period concludes

within the first 5 years following line extension installation. TECO’s argument is that EV fast charger line extension revenues are expected to be substantially less in years 1-5 than they would be in years 5–10. TECO believes the proposal of a 10-year estimation timeframe “would lower the CIAC barrier for construction of new high-voltage EV chargers, increase the number of such chargers in the service territory and result in faster adoption of electric vehicles.”⁵

The extent and duration of the subsidy in this case is dependent on cost and revenue data. TECO indicated that it has no cost-benefit study or analysis or estimate of the beneficial load growth associated with the program at this time.⁶ A cost-benefit analysis of the program would require data that the utility has indicated is not available, including the number of expected line extensions, total line extension costs, and credit amounts.⁷

TECO indicates that it appears that the subsidy, under the proposed rule waiver, could be expected to continue beyond the rule’s standard 5 years, but declining over this time period.⁸ An example of the potential subsidy based on a hypothetical installation is shown in Table 1-1. In this example, we used TECO’s estimated average EV fast charger line extension cost (\$21,662 per line extension, rounded to \$21,000) and a company estimate of annual base revenue growth associated with a single EV fast charger over a 10-year period.⁹ We emphasize that these revenue estimates are for illustrative purposes only because, according to TECO, each line extension project is unique and requires customers input to estimate.¹⁰

**Table 1-1
Potential Subsidy Under Current Rule Versus Proposed Rule Waiver**

Based on Line Extension cost of \$21,000 serving a single EV fast charger											
Year	1	2	3	4	5	6	7	8	9	10	Total
Revenues	500	1,000	1,250	1,250	1,500	4,000	5,000	5,000	5,000	5,000	29,500
Current Rule Credit \$5,000					Rule Waiver Credit \$20,000						
Offsetting Revenues (\$20,000)											
CIAC (Current) = \$21,000 - \$5,000 = \$16,000						CIAC (Proposed) = \$21,000 - \$20,000 = \$1,000					

Table 1-1 illustrates how CIAC is currently calculated by Rule 25-6.064, F.A.C., versus TECO’s proposed CIAC rule waiver. The current calculation reflects projected revenues of

⁵Document No. 008516-2020, TECO’s Responses to Staff’s Request for Additional Information, No. 2.

⁶Document No. 008516-2020, TECO’s Responses to Staff’s Request for Additional Information, No. 36.

⁷Document No. 008516-2020, TECO’s Responses to Staff’s Request for Additional Information, No. 36.

⁸Document No. 008516-2020, TECO’s Responses to Staff’s Request for Additional Information, Nos. 17 and 27.

⁹Document No. 008516-2020, TECO’s Responses to Staff’s Request for Additional Information, Nos. 12 and 25.

¹⁰Document No. 008516-2020, TECO’s Responses to Staff’s Request for Additional Information, No. 11.

\$5,000 in Years 2 through 5 (\$1,000 + \$1,250 + \$1,250 + \$1,500). Subtracting this revenue credit from the estimated line extension cost of \$21,000 results in a \$16,000 CIAC charge. This credit would be offset in Year 5, once the \$5,000 in incremental revenues has been collected.

In contrast, TECO's proposed CIAC rule waiver results in a \$20,000 credit, reflecting projected revenues of \$20,000 in Years 7-10, which is \$15,000 higher than under the rule. This credit to CIAC would not be fully offset by the customer's revenues until Year 9, assuming the projected revenues match the amount actually collected.

Thus, for this illustrative implementation of the CIAC waiver, the subsidy would be greater (\$20,000 rather than \$5,000) and remain longer (9 years rather than 5 years) under the proposed CIAC rule waiver for EV fast charger line extensions. The period of time in which it takes for the credits to CIAC based on expected revenues to be offset by actual revenues represents the subsidization period since that is money that was spent by the utility, not the customer or cost causer.

We note that TECO has installed only one line extension for EV fast chargers to date, yet it has provided EV fast charger service to 13 locations in its service territory, serving over 50 EV fast charger stations. Given the ability of TECO to provide service to a number of potential EV fast charger locations without a line extension, we believe the total impact on net income resulting from the waiver will be smaller than it would otherwise have been.

We find that TECO has adequately demonstrated that the purposes of the underlying statutes will still be achieved if the requested temporary rule waiver/variance is granted for the temporary and limited purpose of the pilot program. We have broad authority pursuant to the underlying statutes to set just, fair, and reasonable rates. Moreover, the temporary rule waiver/variance will not completely do away with the revenue credit or reduce the number of years over which expected revenues are to be counted, it only expands the period of time over which the 4 years of expected incremental base energy revenue can be counted. Thus, third party installers of EV fast charging stations will still have to pay some amount of CIAC to have the electric line extended, just at a lesser amount than required by the rule.

C. Substantial Hardship

TECO alleges that strict application of Rule 25-6.064, F.A.C., will create a substantial hardship. Specifically, TECO states that the 5-year estimating period for calculating CIAC in paragraph (2)(c) of the rule creates a substantial, imposing barrier to more widespread development of EV fast chargers, which in turn discourages the growth of EVs. TECO opines that this is because there is a substantial initial cost to extend primary voltage power lines to the location where the fast charger would be most convenient to attract current and potential EV owners. TECO states that the expected 5-year revenues for a high-voltage EV charger are likely very low when the charger is first installed, and this means there will be a minimal credit against what is often a substantial line extension cost to hook up such a fast charger. TECO asserts that "[t]his creates a significant barrier to achieving the reduced emissions, reduced reliance on

petroleum-based fuels, and potential load growth in TECO's service territory that would benefit ratepayers."

TECO states that our "Review of the 2019 Ten-Year Site Plans of Florida's Electric Utilities" shows that the growth rate for EV adoption is expected to greatly accelerate over the next ten years. TECO states that for this reason, moving from a 5-year to a 10-year estimation period will result in a larger revenue credit, removing a substantial barrier to the development of new high-voltage EV chargers now, and assisting in the development of the EV market overall. TECO states that it believes that given the projected acceleration in the EV adoption rate over the next 10 years and the potential benefit the variance/waiver could provide to improving that adoption rate, moving to a 10-year estimation period would lower the CIAC barrier for construction of new high-voltage EV chargers, increase the number of such chargers in the service territory, and result in faster adoption of EVs.

We first note that Rule 25-6.064(7), F.A.C., allows an investor-owned utility to waive all or a portion of CIAC for customers, but requires the utility to reduce plant in service as if CIAC had been collected, unless we determine that there is a quantifiable benefit to the general body of ratepayers. In response to staff's letter requesting additional information, TECO stated that it could not quantify the benefit to customers at this time.¹¹ The company further stated that the purpose of this program was to determine if those benefits would materialize.¹² It opined that if no third parties avail themselves of the pilot program, then there is no harm, but no benefit. If they do, TECO states that it will try to determine whether the benefits are sufficient to exceed what little subsidy is provided.¹³ TECO states that it intends to use the waiver period to monitor the applicability to new EV fast charger installations, which it believes will assist in future projections.

We find that TECO has adequately demonstrated that complying with Rule 25-6.064, F.A.C., would be a substantial hardship within the meaning of Section 120.542, F.S., for the temporary and limited purpose of the pilot program. We are concerned that there is limited quantifiable information available. However, we see the potential benefit of allowing TECO to explore, for a limited time period, the extent to which the current CIAC methodology presents a barrier to the installation of line extensions to serve EV fast chargers.

D. Condition on Grant of the Temporary Rule Waiver/Variance

Section 120.542(1), F.S., allows agencies to impose conditions on rule waivers/variances, as long as those conditions are necessary for the purpose of the underlying statute to be achieved. Because this petition is a pilot program with the intent to eliminate a barrier to the construction of new EV fast charging stations, and given the lack of quantifiable information, we believe that certain reporting requirements are necessary for monitoring the efficacy of the program and levels of cross subsidy. Therefore, our approval of the petition is conditioned on TECO filing annual reports during the 5-year rule waiver/variance period, with the first report due on March

¹¹Document No. 008516-2020, TECO's Responses to Staff's Request for Additional Information, No. 18.

¹²See *id.*

¹³See *id.*

1, 2021. Each annual report shall include the following information for the preceding calendar year:

- For each EV fast charger line extension installed during the reporting period, the number of EV fast chargers served, the total line extension cost, the CIAC collected, the total annual revenue collected (demand and energy), the line extension usage metrics (demand and energy), and the balance of any related cross subsidy (total cost less CIAC collected less total energy/demand revenue collected to date);
- System-wide Totals (summed for all years since the time the temporary rule waiver/variance was granted) for each of the following: EV fast charger line extensions installed, the number of EV fast chargers served, EV fast charger line extension costs, CIAC collected, total annual revenue collected (demand and energy), line extension usage metrics (demand and energy), and the balance of any related cross subsidy (total cost less CIAC collected less total energy/demand revenue collected to date); and
- Projected annual growth for the next five years in TECO's service territory of EVs, EV fast chargers, and EV fast charger line extensions.

As stated above, our underlying concern with this pilot program, aside from a lack of quantifiable information, relates to the potential level of cross subsidies that may result if this waiver/variance is extensively utilized. However, with the limited nature of the program, along with the monitoring and reporting requirements listed above, the level of the cross subsidies created by this program should be relatively small compared to TECO's net income.

III. Conclusion

For the reasons stated above, we grant TECO's petition for temporary waiver of or variance from Rule 25-6.064(2)(c), F.A.C., subject to the condition that TECO make the annual reporting requirements set forth above. In addition, we approve TECO's Fourth Revised Tariff Sheet No. 5.105, which reflects the temporary rule waiver/variance. The effective date of the revised tariff sheet shall be the date of the Consummating Order.¹⁴ Before the expiration of the 5-year rule waiver/variance period, TECO shall file a revised tariff sheet reflecting the removal of the temporary rule waiver/variance, which staff is hereby given the administrative authority to approve.¹⁵

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Tampa Electric Company's petition for temporary waiver of or variance from Rule 25-6.064(2)(c), F.A.C., is hereby granted

¹⁴If a protest is filed, the revised tariff sheet will not become effective.

¹⁵TECO has the burden to file a new petition for rule waiver under Section 120.542, F.S., if it wishes to extend the rule waiver beyond the 5 years requested in its petition.

subject to the condition that Tampa Electric Company file the annual reports set forth in the body of this Order. It is further

ORDERED that Tampa Electric Company's Fourth Revised Tariff Sheet No. 5.105 is approved. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that if no timely protest is received to the proposed agency action, a Consummating Order shall be issued upon the expiration of the protest period. It is further

ORDERED that Tampa Electric Company's Fourth Revised Sheet No. 5.105 shall become effective on the date of the issuance of the Consummating Order. It is further

ORDERED that before the expiration of the 5-year rule waiver/variance period, Tampa Electric Company shall file a revised tariff sheet reflecting the removal of the temporary rule waiver/variance, which Commission staff is given the administrative authority to approve. It is further

ORDERED that the docket shall remain open for the annual reports. The docket shall be administratively closed when Tampa Electric Company's revised tariff sheet reflecting the removal of the temporary rule waiver/variance is administratively approved by Commission staff after the 5-year waiver/variance period expires.

By ORDER of the Florida Public Service Commission this 16th day of April, 2020.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SMC

DISSENT

Chairman Clark dissents from the Commission's decision.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on May 7, 2020.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

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Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.



FOURTH REVISED SHEET NO. 5.105
CANCELS THIRD REVISED SHEET NO. 5.105

Continued from Sheet No. 5.100

2.6.1 CONTRIBUTION IN AID OF CONSTRUCTION

The company recognizes its obligation to furnish electric service to customers throughout its entire service area, but necessarily must reserve the right to require a contribution in aid of construction (CIAC) when the additional distribution investment is not considered prudent. A CIAC will normally be required when the cost of the facilities required to serve a customer are in excess of those normally provided by the company. CIAC fees are intended to protect the general body of ratepayers from subsidizing special requests.

If the company considers the prospects of securing additional revenue from additional distribution investment to be favorable, (i.e. in public road right-of-way, other customers and/or additional load) such payment, or portion thereof, may be waived.

When a CIAC is required, the customer shall deposit with the company the specified amount prior to the company commencing construction. The company will install, own, and maintain the electrical distribution facilities up to the company designated point of delivery. Any payment by the customer under the provisions of this policy will not convey to the customer any rights of ownerships.

CIAC for the installation of new or upgraded overhead facilities (CIAC_{OH}) will be calculated as follows:

$$\text{CIAC}_{\text{OH}} = \begin{array}{r} \text{Total estimated work order} \\ \text{job cost of installing the} \\ \text{facilities} \end{array} - \begin{array}{r} \text{Four years expected} \\ \text{incremental base} \\ \text{energy charge revenue} \end{array} - \begin{array}{r} \text{Four years expected} \\ \text{incremental base} \\ \text{demand charge revenue} \end{array}$$

The cost of the service drop and meter shall be excluded in the total estimated work order job cost for new overhead facilities.

The net book value and cost of removal, net of the salvage value, for existing facilities shall be included in the total estimated work order job cost for upgrades to those existing facilities.

For projects that do not include line extensions associated with electric vehicle fast charger projects, investment allowance equal to four years expected annual base energy and demand charge revenue shall be estimated for a period not more than five (5) years after the new or upgraded facilities are placed in service. For line extensions associated with electric vehicle fast charger projects, the revenue estimate shall be for four (4) consecutive years within a period of not more than ten (10) years after the fast chargers are placed in service.

In no instance shall the CIAC_{OH} be less than zero.

Continued to Sheet No. 5.106

ISSUED BY: N. G. Tower, President

DATE EFFECTIVE: