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: February 17, 2005

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

FROM: Division of Economic Regulation (Wheeler, Kummer)

Office of the General Counsel (Brown)

RE: Docket No. 050068-EI – Request for approval of standard form underground

conversion contract by Progress Energy Florida, Inc.

AGENDA: 03/01/05 – Regular Agenda – Tariff Filing – Interested Persons May Participate

CRITICAL DATES: 03/15/05 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\050068.RCM.DOC

Case Background

On January 14, 2005, Progress Energy Florida, Inc. (PEF) filed a request for approval of a standard form underground conversion agreement to be included in its tariff. The agreement is intended for use when applicants request that existing overhead electric distribution facilities be relocated underground.

The Commission has jurisdiction over this matter pursuant to Sections 366.03, 366.04, and 366.06, Florida Statutes.

Docket No. 050068-EI Date: February 17, 2005

Discussion of Issues

<u>Issue 1:</u> Should Progress Energy Florida's proposed standard form underground conversion agreement tariff be suspended?

Recommendation: Yes. (Wheeler)

<u>Staff Analysis:</u> On January 14, 2005, PEF requested approval of a standard form underground conversion agreement to be included in its tariff. The agreement would be used when applicants request that existing overhead electric distribution facilities be relocated underground. Staff is recommending that the tariff be suspended to allow staff sufficient time to review the petition in order to present the Commission an informed recommendation on the tariff proposal.

Pursuant to Section 366.06(3), Florida Statutes, 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 that the reason stated above is good cause consistent with the requirement of Section 366.06(3), Florida Statutes.

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Issue 2: Should this docket be closed?

Recommendation: No. (Brown)

Staff Analysis: This docket should remain open until the Commission takes action on the

proposed tariff.