

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: April 20, 2006

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

FROM: Office of the General Counsel (Harris, Fleming)
Division of Economic Regulation (Kummer, Baxter, Hewitt)

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

Docket No. 990188-EI – Generic investigation into requirement for individual electric metering by investor-owned electric utilities pursuant to Rule 25-6.049(5)(a), F.A.C.

AGENDA: 05/02/06 – Regular Agenda – Rule Proposal – Interested Persons May Participate

RULE STATUS: Proposal May Be Deferred

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\GCL\APP\WP\050152.RCM.DOC

Case Background

Rule 25-6.049, Florida Administrative Code (F.A.C.), pertains to measuring electric service of customers. Paragraph (5)(a) of the rule requires that condominium units be individually metered by the utility. Individual metering was codified by rule in the early 1980's to promote energy conservation. Over the past several years, the Commission granted ten waivers of Rule 25-6.049(5)(a) for condominiums that are operated like hotels, referred to herein as "resort condominiums." These waivers allow resort condominiums to be master metered, provided certain conditions are met. The Commission asked staff to investigate whether a rule exempting such resort condominiums from the individual metering requirement should be proposed. Staff recommends that Rule 25-6.049, F.A.C., be amended to allow resort condominiums to be master metered under certain narrow and strictly enforced conditions.

Docket Nos. 050152-EU and 990188-EI

Date: April 20, 2006

A Notice of Proposed Rule Development appeared in the March 19, 2004 issue of the Florida Administrative Weekly (FAW), and a Rule Development Workshop was held April 13, 2004. Staff filed a Recommendation for the September 8, 2005 Agenda Conference, which was subsequently withdrawn by staff. A second Notice of Proposed Rule Development was issued December 2, 2005, and a second Rule Development Workshop was held December 16, 2005. Comments from both workshops are summarized below. The Commission has jurisdiction pursuant to Sections 366.05(1), 366.81 and 366.82, Florida Statutes.

Discussion of Issues

Issue 1: Should the Commission propose amendments to Rule 25-6.049, Florida Administrative Code, allowing condominiums operated like hotels (resort condominiums) to be master metered?

Recommendation: Yes. (Harris/Kummer/Baxter/Hewitt/Fleming)

Staff Analysis: Rule 25-6.049(5)(a), F.A.C., requires that each occupancy unit of a building built after January 1, 1981, be individually metered by the utility. The rule then lists exceptions - circumstances under which some premises may be master metered. This proposed rule amendment adds resort condominiums to the list of exceptions. The text of the proposed rule is contained in Attachment 1.

There are two reasons master metering may be appropriate for resort condominiums: (1) Resort condominiums operate like hotels in that a unit is typically rented for a short time period for an all inclusive price; and (2) resort condominium owners prefer master metering because the ability to take service on a commercial rate is generally less costly than taking service on a residential rate which would otherwise apply to a condominium.

Rule 25-6.049 requires occupancy units to be individually metered because individual metering promotes energy conservation. However, individual metering only promotes energy conservation when the occupants of the unit are directly responsible for the energy they consume. This requires that they pay for electricity separately or otherwise see a direct impact on their costs for usage. Individual metering does not enhance conservation in temporarily occupied units, such as hotels, because the occupant is not subject to price signals related to energy consumption. The hotel guest pays the same room rate regardless of how much energy he or she uses. Likewise, occupants of resort condominiums are not subject to price signals from energy consumption, so long as the condominium is operated like a hotel. If a resort condominium operates like a hotel, there is no conservation justification for metering or charging for their electricity any differently than for a hotel.

The primary reason the Commission has received multiple rule waiver requests is resort condominium management companies often prefer master metered service because it is less expensive and less administratively burdensome than individually metered service. Rather than handling several hundred individual bills, they prefer one centralized bill. In addition, individually metered units are served under the utility's residential rate schedule, and each unit is billed a residential customer charge in addition to the energy charge. When a building is master metered, it is served under a commercial rate schedule, and only one bill is rendered, with a single customer charge. Not only are construction costs lower due to the installation of fewer meters but the commercial energy rate is typically lower than the residential rate, so the total bill may be lower.

Concern arises because resort condominiums differ from hotels in one important aspect. Each unit is owned by an individual, and has the design and amenities needed for permanent occupancy. Thus, any unit could at any time become permanently occupied, regardless of its metering. It is very important to ensure that all or substantially all of the units in a resort

condominium be occupied transiently for as long as master metering is in place, otherwise the energy conservation goals of Rule 25-6.049 will not be realized.

Proposed Criteria

The proposed criteria for qualifying for an exemption from individual metering for resort condominiums are found in newly proposed Subsections 25-6.049(5)(g) and (6). The exemption would only apply when the following criteria, set out in subsection (5)(g), are met:

1. The declaration of condominium requires that at least 95% of the units are used solely for overnight occupancy;
2. A registration desk, lobby and central switchboard are maintained; and
3. A record is kept for each unit showing check-in and check-out times for each unit.

In determining the percentage of rooms allowed to be permanently occupied, staff considered the waivers of Rule 25-6.049 granted by the Commission. A table summarizing the rule waivers is contained in Attachment 2. In those waivers, the percentage of rooms allowed to be permanently occupied ranged from 0.7% to 7.6%, and averaged 3.92%. These numbers apply to existing individually metered condominiums that changed their mode of operation to become resort condominiums and wanted to convert to master metering. For new buildings that were to be operated as resort condominiums from the start, percentages could not be calculated because the developers did not know how many units would be occupied transiently. Waivers granted in these cases, however, required "that all or substantially all" of the units be occupied on a temporary basis.

It appears that resort condominiums require a small percentage of the rooms to be permanently occupied for certain maintenance and management personnel. Based on the waivers previously granted by the Commission and the reasons for permanent occupancy, staff believes that a requirement that at least 95% of the rooms be used for overnight occupancy serves the needs of resort condominiums and ensures that the conservation aims of the rule are fulfilled.

The first criterion requires that the declaration of condominium include a provision that a minimum of 95% of the units be used for overnight occupancy. The declaration of condominium is the instrument by which a condominium is created. The condominium is created when the declaration is recorded in the public records of the county in which the property is located. Any amendments to the declaration must be approved by the unit owners, and also must be recorded in the public records. Requiring that the 95% criterion be stated in the declaration ensures that compliance with this requirement is easily verifiable by the utility and that the unit owners are aware that the units cannot be permanently occupied unless the declaration is amended.

Criteria 2 and 3 were added because a condominium operated like a hotel would require a mechanism to register guests and record the duration of their stay. Compliance with these criteria can also be easily checked by the utility. Because the utilities are responsible for ensuring that they only provide master-metered service to condominiums that satisfy the above

three criteria, it was important to the utilities that the mechanism to assess compliance be as straightforward as possible.

The proposed new subsection (6) of the rule sets out the procedure for initially qualifying for master-metered service, the ongoing compliance requirements, and the penalty for failure to comply. Subsection (6)(a) states that 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) are or will be met. This saves the utility from having to do on-site inspections. However, this subsection provides that the utility is allowed to inspect the property to determine if it complies with the above three criteria. In addition, the attestation must state that the cost of a future conversion to individual metering, if required, will be borne by the customer. Finally, the subsection states that if the criteria in subsection (5)(g) are not met, then the utility shall not provide master-metered service.

Subsection (6)(b) sets out the requirements for ongoing compliance. It requires that the customer attest annually that the resort condominium meets the criteria in subsection (5)(g), and that the customer notify the utility within 10 days if it ceases to meet the criteria. Subsection (6)(c) allows the utility to inspect the condominium to determine if it complies with the requirements of this rule.

Subsection (6)(d) governs a resort condominium's failure to comply with the requirements of the rule. If a resort condominium that is master-metered under this rule fails to meet the criteria in subsection (5)(g) or fails to make the annual attestation required by subsection (6)(b), the utility must notify the customer that it is no longer eligible for master-metered service. The customer then has 30 days to demonstrate that it is in compliance. If the customer does not demonstrate compliance within 30 days, then it has six months to individually meter the condominium. During this six-month period, the utility cannot discontinue service. If the building is not individually metered within six months, the provisions of Rule 25-6.105, governing discontinuation of service, apply. Rule 25-6.105(5)(a) provides that a utility may discontinue service for violation of a state regulation.

In addition to the requirements for master metering resort condominiums, staff is proposing a minor clarification to the effective date of the individual metering requirements set forth in Rule 25-6.049(5). The proposed amendment makes clear that individual metering of occupancy units in commercial establishments, multi-unit residential buildings, marinas, and trailer, mobile home or recreational vehicle parks, is not required when the construction permit was received before January 1, 1981, and the occupancy units have been master metered continuously since that date.

Staff is proposing another technical change, moving the definition of the term "cost" from Subsection 5(b)(4) of the current rule to the end of re-numbered Subsection 9(a) (page 7, lines 15-21 in Attachment A). The purpose of this move is to clarify that only actual electricity usage charges can be collected by the customer of record of the master meter from the owners of the individual occupancy units, and is not intended to have broader applicability.

Workshop Comments

An initial Rule Development Workshop was held on April 13, 2004. Following the Workshop, Post-Workshop Comments were submitted by Florida Power & Light Company, Gulf Power Company, and Tampa Electric Company (the "Utilities"). The comments generally approved of staff's proposed rule, while suggesting a number of technical changes

The Utilities submitted a second set of Post-Workshop Comments on October 18, 2004. Additional suggestions included adding the proposed Subsection (6) of the draft rule. In particular, the Utilities suggested that the applicant provide initial certification that the proposed resort condominium project met the requirements of the rule, and the requirement for annual updates that the project continues to comply with the rule. The intent of these changes was to ensure that the rule was clear that the burden of demonstrating compliance with the rule rested on the applicant, not the Utilities. These comments were incorporated into staff's proposed rule as Subsections 6(a) and 6(b).

On September 8, 2005, staff filed a Recommendation that the Commission propose amendments to Rule 25-6.049, F.A.C. The Recommendation was scheduled for the Commission's consideration at the September 20, 2005 Agenda Conference. Subsequent to the filing of the Recommendation, staff was contacted by Mr. Marc Mazo, Senior Partner with Power Check Consultants. Mr. Mazo represented that he had only become aware of the proposed rule amendments with the filing of the Recommendation, and had a number of comments and suggestions. Due to the nature of the comments Mr. Mazo presented, staff determined that the Recommendation should be withdrawn, and a second Rule Development Workshop should be scheduled. A second Notice of Rule Development was published in the FAW, and a second Rule Development Workshop was held on December 16, 2005.

At the December 16, 2005 workshop, Mr. Mazo presented a number of comments. It appears that the bulk of Mr. Mazo's comments addressed one central theme. Mr. Mazo believed that the 95% occupancy requirement in the Declaration of Condominium is not only unrealistic, but presents a serious threat to the ability of these types of projects to be developed. Mr. Mazo represented that placing such a requirement in the Declaration would convert the project from a real estate purchase into an investment security, which would require the project comply with Securities and Exchange Commission (SEC) requirements regarding the sale of securities. For example, Mr. Mazo believed these projects would have to be sold through securities brokers, not real estate agents.

Following the workshop, both Mr. Mazo and the Utilities submitted Post-Workshop Comments. Mr. Mazo reiterated his belief that the 95% transient occupancy rate was too high, suggesting instead a 75% rate. Mr. Mazo proposes additional criteria be included in Subsection 5(g), which he believes would tend to ensure the resort condominium was being operated similarly to a hotel. Mr. Mazo suggests adding criteria that the resort condominium maintain a PBX or Central Switchboard; maintain comprehensive rental records; employ a professional on-site manager or professional management company; and engage in regular advertising to the general public. Mr. Mazo believes that these activities are only engaged in by resort condominiums that are operated primarily as hotels, and would not take place in a resort condominium that has significant permanent occupancy.

The Utilities' comments strongly supported the 95% occupancy requirement. The Utilities further requested that language be added to the proposed rule to make clear that the Utilities had no duty to conduct mandatory inspections of the projects, and that the projects should be wired for individual metering at the time of construction/conversion, so that a future conversion from master metering to individual metering could be accomplished more easily.

Staff has carefully considered the post-workshop comments, and does not recommend the attached Rule be changed in any way. Despite requests from staff and the Utilities, Mr. Mazo did not produce the letter ruling from the SEC which he relies upon for his argument that a 95% transient occupancy requirement in the Declaration of Condominium will convert the project from real estate to an investment security. Since neither staff nor the Utilities could independently examine and verify the position of the SEC, staff cannot recommend modification of the 95% transient occupancy requirement.

Further, in Staff's opinion, Mr. Mazo's additional criteria for Subsection 5(g) are already covered by the three criteria staff proposes, and do not add any additional security that substantially all of the occupancy units will be used for transient occupancy only. Staff agrees Mr. Mazo's criteria would indicate the resort condominium has some hotel-like operations. Staff does not agree that Mr. Mazo's additional criteria would guarantee that the majority of occupancy units in a resort condominium were being transiently occupied. Staff believes Mr. Mazo's 75% transient occupancy threshold is too low to comply with the intent of the rule. The 95% occupancy requirement is integral to accomplishing the purpose of the metering rule, namely, to promote conservation and only allow exemptions from individual metering for resort condominiums which are operated in the same manner as hotels.

Staff also does not believe the rule should include an explicit statement that the Utilities have no duty to inspect the developments. Staff believes the phrase "shall be allowed to inspect" in Subsections 6(a) and 6(c) makes clear that inspections are an option for the utility to verify compliance, not a requirement of the rule. Staff also disagrees that the rule should include a requirement that the project developer make the up-front investment to wire units for individual meters. By virtue of this rule, developers will be aware of the need to resume individual metering if they fail to comply with this rule, and may plan accordingly.

Statutory authority

The specific authority for this rule derives from Section 366.05(1), Florida Statutes, which allows the Commission to adopt rules to implement and enforce the provisions of Chapter 366. The laws implemented are Section 366.05(1), which gives the Commission power to prescribe service rules and classifications to be observed by each public utility, and Sections 366.81 and 366.82 which address reducing the growth rate of energy consumption.

Statement of estimated regulatory costs

The proposed rule amendments should make Commission policy on master-metered condominiums clear and the qualifying process more efficient and less time consuming. Utilities would have less cost for customer billing but a likely net decrease in revenues because of the lower commercial billing rate.

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The Commission would benefit from fewer rule waiver requests with a decrease in the time and effort involved. The total cost savings are unknown. The full Statement of Estimated Regulatory Costs is contained in Attachment 3.

Issue 2: Should Docket No. 990188-EI, the Commission's generic investigation docket, be closed?

Recommendation: Yes. The rule amendment recommended in Issue 1 addresses all the changes that should be made to the rule at this time, and therefore the generic investigation should be closed. (Fleming, Harris)

Staff Analysis: Docket No. 990188-EI, entitled a Generic Investigation into Requirement for Individual Electric Metering by Investor-owned Electric Utilities Pursuant to Rule 25-6.049(5)(a), F.A.C., was opened by staff on February 18, 1999, at the direction of the Commission. At the time the investigation was opened, several issues had arisen regarding the interpretation and applicability of the rule. The purpose of the generic docket was to examine those issues. Since that time, based on the staff workshops and continuing monitoring of activity with regard to Rule 25-6.049(5)(a), F.A.C., staff formulated the rule amendment proposed herein, which staff believes addresses all the changes that should be made to the rule at this time. Staff therefore recommends that the generic investigation be closed.

Issue 3: Should Docket No. 050152-EI, this rulemaking docket, be closed?

Recommendation: Yes, if no comments or requests for hearing are filed, the rule as proposed should be filed for adoption with the Secretary of State and the docket should be closed. (Harris, Fleming)

Staff Analysis: Unless comments or requests for hearing are filed, the rule as proposed may be filed for adoption with the Secretary of State without further action by the Commission. The docket may then be closed.

1 25-6.049 Measuring Customer Service.

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

7 (2) When there is more than one meter at a location the metering equipment shall be so
8 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 meter.
12 All charts taken from recording meters shall be marked with the date of the record, the meter
13 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 transformer
16 or line losses.

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

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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.~~

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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 used
3 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 unit, and
6 the name (s) of the individual(s) registered to occupy the unit between each check-in and
7 check-out date.

8 (6) Master-metered condominiums

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

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

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

13 (7) When a structure or building is converted from individual metering to master metering, or
14 from master metering to individual metering, the customer shall be responsible for the costs
15 incurred by the utility for the conversion. These costs shall include, but not be limited to, any
16 remaining undepreciated cost of any existing distribution equipment which is removed or
17 transferred to the ownership of the customer, plus the cost of removal or relocation of any
18 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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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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WAIVERS OF MASTER METERING REQUIREMENTS
RULE 25-6.049(5)(A), FLORIDA ADMINISTRATIVE CODE

NAME OF DEVELOPER	DOCKET NO.	TOTAL UNITS	NEW/ CONVERSION	CONDITIONS IMPOSED BY COMMISSION
Holiday Villas (HV)	980667	72 total 2 occupied permanently (2.7%)	Conversion	<p>* Effective so long as condominium is operated and licensed pursuant to Section 509.242(1), F.S.</p> <p>* At time no longer so operated and licensed, Holiday Villas must contact utility and utility will install individual meters on all occupancy units.</p>
Sundestin	001543	280 total 2 occupied permanently (0.7%)	Conversion	<p>* Sundestin must allocate the cost of electricity to the individual unit owners using the reasonable apportionment method (Rule 25-6.049(6)(a), F.A.C.)</p> <p>* Effective only so long as the condominium is operated and licensed as a transient occupancy facility.</p> <p>* At time no longer so operated and licensed, Sundestin must immediately inform utility and utility will install individual meters on all occupancy units.</p> <p>* Sundestin shall reimburse utility for costs the utility incurs due to the conversion to master metering, including costs of relocating or removing utility equipment.</p>

NAME OF DEVELOPER	DOCKET NO.	TOTAL UNITS	NEW/ CONVERSION	CONDITIONS IMPOSED BY COMMISSION
Dunes of Panama (DP)	001544	274 total 21 occupied permanently (7.6%)	Conversion	<p>* DP allocates the cost of electricity to the individual unit owners using the reasonable apportionment method (Rule 25-6.049(6)(a), F.A.C.)</p> <p>* Effective only so long as the condominium is operated and licensed as a transient occupancy facility.</p> <p>* At time no longer so operated and licensed, DP must immediately inform utility and utility will install individual meters on all occupancy units.</p> <p>* DP shall reimburse utility for costs the utility incurs due to the conversion to master metering, including costs of relocating or removing utility equipment.</p>
18001 Collins Avenue Condo Association (CCA)	020944	400 total 20 occupied permanently (5.0%)	Conversion	<p>* CCA allocates the cost of electricity to the individual unit owners using the reasonable apportionment method (Rule 25-6.049(6)(a), F.A.C.)</p> <p>* Effective only so long as the condominium is operated and licensed as a transient occupancy facility.</p> <p>* At time no longer so operated and licensed, CCA must immediately inform utility and utility will install individual meters on all occupancy units</p>

NAME OF DEVELOPER	DOCKET NO.	TOTAL UNITS	NEW/ CONVERSION	CONDITIONS IMPOSED BY COMMISSION
Luxury Resorts (LRI)	021005	129 total Won't know number to be permanently occupied until after closing on all units	New	<ul style="list-style-type: none"> * LRI must allocate the cost of electricity to the individual unit owners using the reasonable apportionment method (Rule 25-6.049(6)(a), F.A.C.) * Effective only so long as the condominium is operated and licensed as a transient occupancy facility. * At time no longer so operated and licensed, CCA must immediately inform utility and utility will install individual meters on all occupancy units. * In event of conversion to individual metering, Atlantic will be solely responsible for cost of conversion. * Effective only so long as all or substantially all of the units are operated on a transient basis. * Must file a report with Commission 12 months after the date of closing on the sale of the first unit. Report must include number of units sold, number of units participating in voluntary rental program. * Waiver shall continue until the Commission acts otherwise, and so long as LRI continues to be operated and licensed as a transient occupancy facility.

NAME OF DEVELOPER	DOCKET NO.	TOTAL UNITS	NEW/ CONVERSION	CONDITIONS IMPOSED BY COMMISSION
Fontainebleau II	030557	463 total Won't know number to be permanently occupied until after closing on all units	New	<p>* Fontainebleau must allocate the cost of electricity to the individual unit owners using the reasonable apportionment method (Rule 25-6.049(6)(a), F.A.C.)</p> <p>* Effective only so long as the condominium is operated and licensed as a transient occupancy facility or until Commission acts otherwise.</p> <p>* At time no longer so operated and licensed, Fontainebleau must immediately inform utility and utility must install individual meters on all occupancy units.</p> <p>* In event of conversion to individual metering, Fontainebleau will be solely responsible for cost of conversion.</p> <p>* Effective only so long as all or substantially all of the units are operated on a transient basis.</p> <p>* Must file a report with Commission 12 months after the date of closing on the sale of the first unit. Report must include number of units sold, number of units participating in voluntary rental program.</p>

NAME OF DEVELOPER	DOCKET NO.	TOTAL UNITS	NEW/ CONVERSION	CONDITIONS IMPOSED BY COMMISSION
St. Maarten at Silver Shell Condo Assoc. (St. Maarten)	030974	102 total 2 occupied permanently (1.9%)	Conversion	<p>* St. Maarten must allocate the cost of electricity to the individual unit owners using the reasonable apportionment method (Rule 25-6.049(6)(a), F.A.C.)</p> <p>* St. Maarten is responsible for all of the costs associated with the conversion from individual to master metering.</p> <p>* Effective only so long as the condominium is operated and licensed as a transient occupancy facility or until Commission acts otherwise.</p> <p>* At time no longer so operated and licensed, St. Maarten must immediately inform utility and utility must install individual meters on all occupancy units.</p> <p>* In event of conversion to individual metering, St. Maarten will be solely responsible for cost of conversion.</p> <p>* Effective only so long as all or substantially all of the units are operated on a transient basis.</p>

NAME OF DEVELOPER	DOCKET NO.	TOTAL UNITS	NEW/ CONVERSION	CONDITIONS IMPOSED BY COMMISSION
Jetty East Condominium Assoc. (JECA)	040525	198 total 8 occupied permanently (4.0%)	Conversion	<p>* JECA must allocate the cost of electricity to the individual unit owners using the reasonable apportionment method (Rule 25-6.049(6)(a), F.A.C.</p> <p>* JECA is responsible for all of the costs associated with the conversion from individual to master metering.</p> <p>* Effective only so long as the condominium is operated and licensed as a transient occupancy facility or until Commission acts otherwise.</p> <p>* At time no longer so operated and licensed, JECA must immediately inform utility and utility must install individual meters on all occupancy units.</p> <p>* In event of conversion to individual metering, JECA will be solely responsible for cost of conversion.</p> <p>* Effective only so long as all or substantially all of the units are operated on a transient basis.</p>

NAME OF DEVELOPER	DOCKET NO.	TOTAL UNITS	NEW/ CONVERSION	CONDITIONS IMPOSED BY COMMISSION
Coastal Blue d/b/a Seychelles	040762	197 total Won't know number to be permanently occupied until after closing on all units	New	<p>Coastal Blue must allocate the cost of electricity to the individual unit owners using the reasonable apportionment method (Rule 25-6.049(6)(a), F.A.C.</p> <p>* Effective only so long as the condominium is operated and licensed as a transient occupancy facility or until Commission acts otherwise.</p> <p>* At time no longer so operated and licensed, Seychelles must immediately inform utility and utility must install individual meters on all occupancy units.</p> <p>* In event of conversion to individual metering, Seychelles will be solely responsible for cost of conversion.</p> <p>* Effective only so long as all or substantially all of the units are operated on a transient basis.</p>

NAME OF DEVELOPER	DOCKET NO.	TOTAL UNITS	NEW/ CONVERSION	CONDITIONS IMPOSED BY COMMISSION
Beach House Owners Association, Inc. (BHOA)	050010	106 total 6 occupied permanently (5.6%)	Conversion	<p>* BHOA must allocate the cost of electricity to the individual unit owners using the reasonable apportionment method (Rule 25-6.049(6)(a), F.A.C.</p> <p>* BHOA is responsible for all of the costs associated with the conversion from individual to master metering.</p> <p>* Effective only so long as the condominium is operated and licensed as a transient occupancy facility or until Commission acts otherwise.</p> <p>* At time no longer so operated and licensed, BHOA must immediately inform utility and utility must install individual meters on all occupancy units.</p> <p>* In event of conversion to individual metering, BHOA will be solely responsible for cost of conversion.</p> <p>* Effective only so long as all or substantially all of the units are operated on a transient basis.</p>

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

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