

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**

October 17, 1996

**TO:** DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

**FROM:** DIVISION OF ELECTRIC & GAS (GOAD) <sup>RK</sup> <sup>OK</sup>  
DIVISION OF LEGAL SERVICES (CULPEPPER) <sup>AC</sup> <sup>RVE</sup> <sup>JDJ</sup>

**RE:** DOCKET NO. 961082-EI - FLORIDA POWER CORPORATION -  
PETITION FOR EXEMPTION FROM REQUIREMENT TO PROVIDE SELF-  
CONTAINED METER ENCLOSURES TO CUSTOMERS FREE OF CHARGE  
AND FOR APPROVAL OF TARIFF REVISION REFLECTING EXEMPTION  
BY FLORIDA POWER CORPORATION.

**AGENDA:** 10/29/96 - REGULAR AGENDA - INTERESTED PERSONS MAY  
PARTICIPATE  
ISSUE 1 - TARIFF FILING  
ISSUE 2 - PROPOSED AGENCY ACTION

**CRITICAL DATES:** ISSUE 1 - 60-DAY SUSPENSION DATE: NOVEMBER 8,  
1996

**SPECIAL INSTRUCTIONS:** S:\PSC\EAG\WP\961082EI.RCM

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**CASE BACKGROUND**

In Docket No. 73632-EI, by Order No. 6674, dated May 20, 1975, the Commission directed each regulated electric utility, except Reedy Creek Utilities Company, Inc., to develop uniform methods for determining the costs associated with providing an underground system and to provide the meter socket and base (self-contained meter enclosures) at no cost to contractors of residential properties. See Attachment 1.

Since the issuance of Order No. 6674, Florida Power and Light Company (Order No. 18893, issued February 22, 1988 in Docket No. 870225-EI), Tampa Electric Company (Order No. PSC-95-0132-FOF-EI, issued January 26, 1995 in Docket No. 941250-EI), and Gulf Power Company (Order No. PSC-96-0022-FOF-EI, issued January 8, 1996 in Docket No. 951314-EI) have requested and received exemptions from the requirement to provide self-contained meter enclosures at no cost, which is set forth in paragraph 5 of Order No. 6674.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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In Order No. PSC-96-0022-FOF-EI, exempting Gulf Power Company from the above mentioned requirement, the Commission recognized that it may modify Order No. 6674 to delete the requirement for the utilities to provide meter sockets and/or self-contained meter enclosures at no cost to contractors of residential customers. However, at the time of Gulf Power Company's petition for exemption, Florida Power Corporation did not indicate a change in its position that it preferred to continue to provide such meter sockets and enclosures to residential customers at no charge.

On September 10, 1996, Florida Power Corporation filed for relief from the Commission's directive in Paragraph 5 of Order No. 6674.

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### DISCUSSION OF ISSUES

**ISSUE 1:** Should the Commission approve the proposed revision to Florida Power Corporations's Tariff Sheet No. 4.05 to require customers to obtain their own self-contained meter enclosure?

**RECOMMENDATION:** Yes. Self-contained meter enclosures only benefit the individual customer and, therefore, should be paid for by that customer. This tariff revision should become effective January 1, 1997. If a protest of the tariff is filed within 21 days from the issuance date of the order, the tariff should remain in effect with any increase held subject to refund, pending resolution of the protest.

**STAFF ANALYSIS:** Self-contained meter enclosures are metallic casings and slots which house the customer's electric meter and are installed when the customer builds its facility. The meter enclosures are not a part of the utility function. Since the benefit of the enclosure is only received by the individual customer, staff believes the costs should be borne by the customer when the structure is initially wired for electric service or when it must be replaced due to obsolescence or wear, and not by the general body of ratepayers.

Florida Power Corporation believes that the availability of quality self-contained meter enclosures from electrical suppliers will be sufficient to satisfy market requirements. In an effort to ensure an orderly transition, Florida Power is currently working with major suppliers throughout its service area.

The current amount included in rate base will continue to be written off on the appropriate schedule. Approval of this petition will eliminate any future accruals to that amount. Florida Power stated in its petition that the cost of self-contained meter enclosures provided in 1995 was \$862,292. The elimination of this estimated annual expense is not expected to have any impact on rates.

With respect to maintenance of existing meter enclosures, Tariff Sheet No. 4.05 specifically addresses both the customer's and Florida Power Corporation's responsibility to maintain the meter enclosure. Section 5.01 of the tariff sheet states that Florida Power will temporarily restore power if a service outage is related to the meter enclosure. The customer will then be advised of his or her responsibility to repair or replace the enclosure. This seems to be prudent utility practice and should be required of Florida Power Corporation.

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FPC has requested that the tariff become effective January 1, 1997. Staff believes that the requested effective date is appropriate. If the tariff is protested within 21 days from the issuance date of the order, the tariff should remain in effect with any increase held subject to refund, pending resolution of the protest.

**ISSUE 2:** Should the Commission modify Order No. 6674 to delete Paragraph 5 which requires utilities to provide the meter socket and base (self-contained meter enclosure) at no cost to contractors of residential properties?

**RECOMMENDATION:** Yes. Three of the five subject utilities have already been exempted from the requirement in Paragraph 5 of Order No. 6674. Modifying the Order to remove the requirement would better represent the change that has occurred in Commission policy in this area. The proposed modification to Order 6674 would not, however, prohibit any utility from providing the meter enclosures; only eliminate the requirement to do so.

**STAFF ANALYSIS:** Three of the five subject utilities have received exemptions from Paragraph 5 of Order No. 6674; Florida Power Corporation now formally requests an exemption. Florida Public Utilities Company also indicates agreement with the philosophy stated by the four major IOUs. Recognizing that three utilities have been exempted from this requirement and the remaining two indicate they wish to be exempted, staff believes that the requirement should be eliminated, rather than continuing to issue piece-meal exemptions.

Under the principle of "administrative finality," orders of administrative agencies, like those of the courts, must eventually become final and no longer subject to modification. The courts have, however, acknowledged that agencies can modify orders still under their control, though that authority is somewhat limited. See Peoples Gas System v. Mason, 187 So. 2d 335 (Fla. 1966). The courts have further noted that agencies decide issues relating to a public interest which changes over time as circumstances change. Thus, the analogy between courts and agencies should not be drawn so tightly as to preclude

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agencies from revisiting subject matter dealt with in a prior order. Reedy Creek Utilities Co. v. Florida Public Service Commission, 418 So. 2d 249 (Fla. 1982), citing Peoples Gas System v. Mason, 187 So. 2d at 339.

The exemptions granted by Order No. 18893, issued February 22, 1988, in Docket No. 870225-EI, Order No. PSC-95-0132-FOF-EI, issued January 26, 1995, in Docket No. 941250-EI, and Order No. PSC-96-0022-FOF-EI, issued January 8, 1996, in Docket No. 951314-EI, indicate a shift in Commission policy. In light of this apparent change in policy, staff believes it is appropriate to revisit the decision in Order No. 6674 and to delete the requirement set forth in Paragraph 5 of that Order.

With the exception of Paragraph 5, Order No. 6674 should remain the same.

**ISSUE 3:** If approved, what should be the effective date for the modification to Order No. 6674?

**RECOMMENDATION:** The modification to Order No. 6674 should become effective upon expiration of the protest period and does not affect the effective date of the tariff. The modification to Order No. 6674 should be effective only on a prospective basis.

**STAFF ANALYSIS:** If the modification to Order 6674 is approved, the modification should become effective on the date the order in this docket becomes final, provided no protest is filed within 21 days of the issuance of the order. The modification to Order 6674 should be effective prospectively.

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**ISSUE 4:** Should this docket be closed?

**RECOMMENDATION:** If the Commission approves staff's recommendation in Issue 1, but does not approve staff's recommendation in Issue 2, and if no person whose substantial interests are affected files a protest within 21 days of the issuance of the order, the docket should be closed.

If the Commission approves staff's recommendation in both Issues 1 and 2, and if no person whose substantial interests are affected by the Commission's proposed agency action or by the tariff modification, timely files a protest within 21 days, this docket should be closed.

**STAFF ANALYSIS:** If no substantially affected person timely requests a Section 120.57 hearing on either the tariff modification or the proposed agency action within 21 days of the issuance of the order, the docket should be closed.

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of: Underground Residential  
Distribution (URD) Practices and  
Cost Differentials.

DOCKET NO. 73632-ED-111

ORDER NO. 6674

The following Commissioners participated in the disposition of this matter:

WILLIAM T. HAYU, Chairman  
WILLIAM W. BEVIS  
PAULA F. HARRIS

ORDER CLOSING DOCKET

## BY THE COMMISSION:

This proceeding was instituted on the Commission's own motion by Order No. 6031, dated February 12, 1974, and directed non-regulated electric utility, except Rood Creek Utilities Company, Inc., to adhere to certain practices with respect to providing underground distribution, and to develop uniform methods for determining the costs associated with providing an underground system. A joint response to that Order was filed on behalf of the regulated utilities. We noted at that time, however, that the joint agreement entered into by each of the utilities was deficient in certain respects; thus, we issued Order No. 6031-B, dated October 26, 1974, which required further procedures to be incorporated into the basic agreement. The purpose of this Order is to finalize this docket in view of the supplementary response filed with this Commission.

We have carefully reviewed the cost differentials proposed by the companies and conclude as follows:

1. The cost differentials proposed should be approved and implemented closing the docket.
2. The four major electric utilities are hereby directed to jointly establish a management efficiency team, using either company personnel or outside consultants specializing in management efficiency, for the purpose of reconciling the reported \$294 to \$378 variation in overhead installed costs and the \$174 to \$413 variation in underground costs with the goal of each utility implementing the lowest cost practices as their own.
3. The respondents are hereby directed to file a URD tariff sheet with respect to the above mentioned differential costs for URD. This sheet should be patterned after the tariff sheet utilized by Florida Power & Light Company consistent with the responses filed pursuant to Order No. 6031-B, supra.
4. Florida Power Corporation is hereby directed to make appropriate refunds in the amount of charges approved in Docket No. 74871-EU, Order No. 6455, less the charges approved in Docket No. 73632, and file a report with this Commission reflecting the amounts of refunded pursuant to this directive.
5. Each utility is hereby directed that the meter socket and base should be provided at no cost to the contractor. In reference to this directive we recognize that modification of Rule 25-6.03 would be helpful in clarifying the definition of points of delivery and separate proceedings will be instituted to modify said rule.

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It is, therefore,

ORDERED by the Florida Public Service Commission that each and every finding herein is approved in all respects. It is further

ORDERED that Docket No. 73632-EU is hereby closed.

By Order of Chairman WILLIAM T. MAYO, Commissioner WILLIAM H. BEVIS and Commissioner PAULA F. HANKINS, as and constituting the Florida Public Service Commission, this 20th day of May, 1975.

*William B. Doherty*  
William B. Doherty  
COMMISSION CLERK

(SEAL)