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DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

June 10, 2008

Mr. James D. Beasley
227 South Calhoun St
Tallahassee, FL 32301

Re: Docket No. 080255-EI - Petition for approval of standard interconnection agreements for expedited interconnection of customer-owned renewable generation and associated net metering tariff, by Tampa Electric Company

Dear Mr. Beasley:

After reviewing the filing by Tampa Electric Company (TECO or Company) in the above docket in response to PSC Order No. PSC-08-0161-FOF-EI, staff has the following questions. For ease of reference, the items of interest are listed by section from Rule 25-6.065, Florida Administrative Code. Please provide a written response to each question by June 24.

Upon receipt of your response, staff may schedule a meeting or conference call to discuss the responses and any revisions necessary to the proposed standard interconnection agreements or tariffs filed in this docket.

Subsection (4)(a) – Gross Power Rating:

1. This subsection provides that in order to qualify for expedited interconnection under the rule, the customer-owned generation must have a gross power rating that “does not exceed 90% of the Customer’s utility distribution service rating”. Paragraph 8 of the interconnection agreement provides that the total capacity of the customer generation cannot exceed “90% of the rating of service currently provided to the Customer. When will the customer be provided their customer distribution rating?”
2. If the Customer’s GPR exceeded the 90% limit for “Customers’ utility distribution service rating”, please explain whether the customer would qualify for interconnection and net metering under the terms of Rule 25-6.065(4)(a)(1), Florida Administrative Code.

Subsection (4)(c) – Utility Interactive Inverter:

3. In Paragraph 6 the company requires the Customer not to energize the system while it has been de-energized. Would TECO explain the purpose of this provision? How would a

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customer know that TECO's system is "de-energized"? Does having a utility interactive inverter satisfy this requirement?

4. Would TECO explain why Customer, and not TECO, is responsible for permanently isolating Customer's RGS equipment from TECO's system? Tariff is silent on TECO reserving the right to ensure that Customer properly isolated their equipment.

Subsection (4)(d) - Interconnection Study:

5. If the interconnection study shows a need for expanding TECO's system at Customer's cost, how will TECO notify the Customer of the needed changes? Will TECO give Customers the opportunity to dispute the interconnection study before the Public Service Commission before TECO modifies its system?

Subsections (4)(f), (4)(g) and (4)(h) – Cost Support for Fees:

6. These subsections allow the utility to propose for Commission approval standard application fees for Tiers 2 and 3 customers and an interconnection study charge for Tier 3 customers. Further, the utility is required to demonstrate that its fees and charges are cost-based and reasonable. Please provide more information to describe how the fees for Tier 2 and 3 were derived.
7. Please provide cost justification for the tier 3 interconnection study. For Tier 3 customers the tariff requires a deposit of the lesser of \$1,000 or 50% of the good faith estimate. Subsection (4)(g) permits a study charge, but is silent on allowing a deposit. Why does TECO desire to charge a deposit instead of charging a flat charge for the Interconnection Study? Does the company plan to have each interconnection study fee approved by the Commission?
8. Does the company intend to perform an interconnection study for all Tier 3 customers? How is the decision made whether or not to conduct an interconnection study? How does the company plan to advise Tier 3 customers of this requirement?
9. Tier 2 & Tier 3. The tariff states: "The Customer shall pay... nonrefundable fee for processing this Agreement." Use of the terms "agreement" instead of "application" may be confusing in light of the Rule (4)(f), which allows for an "application fee" and not "agreement processing fee." What is TECO's reasoning for this difference from the Rule?
10. If a customer rises from one tier to another, will they be required to pay application fees? Would an interconnect study charge be applied if the customer rises to a tier 3?

Subsection (5)(b) – Utility Inspection of Customer Facilities:

11. Paragraph 17 of the standard agreement provides that the company shall have access to the customer's premises for any reasonable purpose in connection with the performance of the obligations imposed by the agreement. Subsection (5)(b) of the rule provides that the standard agreement must include provisions that permit the utility to inspect the customer's equipment

at the time the equipment is initially put in service and when the utility has been notified that the equipment has been modified to increase its gross power rating. Please explain under what conditions the utility will need to conduct inspections of the customer equipment other than the two contained in the rule. Is it the company's intention to conduct regular inspections of the customer's facilities? If so, how often and what specific items does the company intend to inspect?

12. Paragraphs 12(Tier 1), 13(Tier 2) and 14(Tier 3) of the agreement provides that the company may conduct inspections at any time without notice in the event of an emergency or hazardous condition. What types of emergencies or hazardous condition are envisioned by this statement? What other conditions not specifically listed are envisioned to need an inspection? If such an inspection is conducted without notice to the customer, at what point will the customer be contacted?
13. In reference to Paragraph 16(Tier 1) Paragraph 17(Tier 2) and paragraph 18(Tier 3), portions of these provisions seem to go beyond the scope of Rule (5)(b), specifically TECO's language requiring the Customer to provide "Upon reasonable notice, or at any time without notice. . . Company access to the Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed by the Agreement. . ." Would TECO explain its reasoning for needing such unrestricted access to "Customer's premises"?
 - a. Would not "Customer shall not unreasonably refuse access to premises. . ." be better language? If the Customer does refuse access or if it is an emergency, as a remedy under Rule (6)(c), could TECO open the manual disconnect until as such time "as the condition necessitating disconnection is remedied" under Rule (6)(b)?

Subsection (5)(d) – Indemnification:

14. In reference to paragraphs 18 and 25; Would TECO explain its reasoning for these two provisions, its justification under the applicable Rule, and whether the heirs, assigns, et al, shall have to pay an application fee when signing the new interconnection agreement?

Subsection (6)(c) – Conditions Warranting Disconnection:

15. Under what conditions other than stated in Rule (6)(c) would TECO reasonably expect to open the Manual Disconnect Switch?

Section 7-Administrative Requirements:

16. Will the customer be provided with a copy of the associated pages of the tariff with their downloadable application for the interconnection agreement?
17. In reference to Paragraph 17(Tier 1) 18(Tier 2), and 19(Tier 3); Would TECO explain how this provision, which appears to be different from the provisions of subsection (7) of the Rule, complies with subsection (7)?

18. Under Rule (7)(b), after the Customer submits their application, the company is supposed to provide written notice which includes the dates for any physical inspection of the RPS, *and* "confirmation of whether a Tier 3 interconnection study will be necessary." How does this language for the application, agreement, and interconnection study notice comply with subsection (7) of the Rule?

Section 8 – Net Metering:

19. This section of the rule details the requirements for net metering. There is no mention of net metering in the application. Why is this not mentioned in the application? Does TECO plan to provide a copy of the net metering tariff to all applicants for interconnection of renewable generation or to bring this information to their attention in some other way? Will customers under the existing "Standard Interconnect Agreement for Small Photovoltaic Systems 10Kw or less" tariff have to sign a Tier 1 interconnection agreement?
20. It appears that net metering tariff may be in conflict with the revised Section 366.91(7), Florida Statutes, contained in House Bill 7135 (HB 7135), which requires that net metering be available as a part of conjunctive billing of multiple points. As you are aware, HB 7135 was enacted by the Legislature this past session and is expected to be signed by the Governor. Does the utility plan to amend the net metering tariff to be consistent with this provision of HB 7135? If so, what changes would you make to the net metering tariff?
21. The net metering tariff states that excess credits after a year "shall be paid on a subsequent bill to the customer. Does TECO envision this as a bill credit? Will customers have the option to request a check for the payment?
22. Will customers who take possession of a generation device be required to pay a new application fee? If it is a Tier 3 customer, will they need to pay for a new interconnection study?
23. Is it correct that customers will be ineligible for time of use rates under net metering?

Additional Equipment:

24. In Paragraph 10 (Tier 2) makes reference to an interconnection study for Tier 2 customers. When does the company envision conducting an interconnection study on Tier 2 customers? What equipment may be necessary after the interconnection study? What would be the costs associated with this equipment?

Application Form:

25. The interconnection tariff seems to suggest that there is an application to begin the interconnection process. Is this the case? If so, can we be provided with a copy of the application form?

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Information Requests from Customers:

26. In paragraph 3, TECO requests copies of all instructions. What is the purpose of this section? Why would TECO need or want to maintain copies of all instructions?

Involuntary Termination:

27. Involuntary Termination of the Net Metering Interconnect Agreement. Staff notes that there appears to be no procedure allowing the Company to initiate involuntary termination of the net metering interconnect agreement for breach by the Customer within the proposed Tariffs or the Rule, other than perhaps subsection (11), covering Dispute Resolution. Should such a situation arise, what would constitute breach and how would the Company initiate an involuntary termination of the net metering interconnect agreement?

Please file the response to these questions in the above referenced docket file. If you have any questions regarding the information requested above, feel free to contact me at (850) 413-6928 or via email at Walter.Clemence@psc.state.fl.us.

Sincerely,



Walter Clemence
Regulatory Analyst II

cc: Division of Legal Services (M. Brown, Saylor)
Division of Economic Regulation (Futrell, Kummer, Draper, Harlow)
✓ Office of Commission Clerk (Docket No. 080255-EI)
Paula Brown, Tampa Electric Company