

FLORIDA PUBLIC SERVICE COMMISSION
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MEMORANDUM

MARCH 12, 1998

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FPSC - Records/Reporting

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

FROM: DIVISION OF ELECTRIC & GAS (GOAD) 26 COA
DIVISION OF LEGAL SERVICES (PAUGH) JPP RLT
RVE

RE: DOCKET NO. 990131-EI - TAMPA ELECTRIC COMPANY - PETITION
BY TAMPA ELECTRIC COMPANY FOR APPROVAL OF EMERGENCY RELAY
POWER SUPPLY SERVICE OPTION FOR GENERAL SERVICE
CUSTOMERS.

AGENDA: MARCH 24, 1998 - REGULAR AGENDA - TARIFF FILING -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: MARCH 27, 1998

SPECIAL INSTRUCTIONS: S:\PSC\EAG\WP\980131EI.RCM

CASE BACKGROUND

On January 26, 1998, Tampa Electric Company (TECO) filed a petition for approval of Emergency Relay Power Supply Service Option (Relay Service) for its general service non-demand customers. Relay Service has been available to TECO's general service demand customers since 1985.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve Tampa Electric Company's petition to offer Emergency Relay Power Service (Relay Service) to its general service (GS) non-demand customers?

RECOMMENDATION: Yes. Offering Relay Service will provide an option to GS customers who desire a higher-than-standard level of reliability without impacting the general body of ratepayers.

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STAFF ANALYSIS: Relay Service provides a higher-than-standard level of reliability for customers who cannot withstand more than a few seconds of service interruption. Customers subscribing to Relay Service are connected to a primary distribution circuit and a back-up distribution circuit or trunk-line. The back-up trunk-line is connected to a back-up substation on which capacity is reserved for Relay Service customers. An automatic throwover switch is installed between the primary and back-up trunk-lines and the customer's service entrance using a back-up tap-line. When an outage is sensed on the primary trunk-line the automatic throwover switch will change the power source to the back-up trunk-line. The customer will only experience a short (a few seconds) interruption of service as opposed to a possibly prolonged outage.

Currently Relay Service is only available to general service demand customers. When the service is requested the customer must pay a contribution in aid of construction (CIAC) equal to the sum of: 1) his load ratio share of the investment cost of the back-up trunk-line; 2) the investment cost of the back-up tap-line; 3) and the investment cost of the automatic throwover switch.

In addition to the foregoing charges, the customer pays a monthly charge. This monthly charge is comprised of the following three components: 1) the investment cost to support the portion of the back-up substation held in reserve; 2) the operation and maintenance expenses of the portion of back-up substation held in reserve; and 3) the operation and maintenance expense of the back-up trunk-line. The charge is applied on a demand basis, which is \$0.60 per kilowatt (kW).

TECO has petitioned to offer Relay Service to its GS customers who may desire this service but who are not currently offered this option under the existing tariffs. Since GS customers are billed only on an energy (kWh) basis, TECO converted the monthly kW charge to a kWh amount. TECO applied the same methodology used to develop the current kW charge to GS class data from its last rate case to arrive at the proposed kWh rate. GS customers will also have to pay a CIAC, just as is required of customers who are currently offered the service.

In the case of a multi-serviced facility (for example, a retail mall) the owner/operator of the facility usually requests relay service and pays the CIAC. These facilities typically receive service from a single point of delivery, meaning that all the service drops in the facility originate from a single transformer or switch room. If Relay Service is provided, it is provided prior to the transformer or switch room, so that any customer with a service drop beyond the point of delivery receives

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Relay Service. Since the entire facility benefits from Relay Service, the general service demand customers within the multi-serviced facility are billed the tariffed monthly charge based on their demand and the owner/operator of the facility is billed the tariffed charge times the difference between the facility's demand and the total of the general service demand customers' demand. Under TECO's petition, in the future if Relay Service is requested by an owner/operator of a multi-serviced facility through a single point of delivery, both general service demand and GS customers will be charged a monthly tariffed charge. However, GS customers with leases predating the owner/operator's request will not be obligated for the monthly charge until their lease is renewed. The unrecovered monthly charges will be the responsibility of the facility owner/operator. When the GS customers renew their leases it will be the obligation of the owner/operator to indicate in the new lease that the lessee will be responsible for the monthly charge going forward. In addition, the owner/operator must also ensure that new occupants are aware of their responsibility to pay the monthly charge. The owner/operator requesting Relay Service will still pay the CIAC for the total facility.

By recovering the cost of installation of the additional facilities required for Relay Service and charging for the recurring costs of the service, TECO's general body of ratepayers are held harmless. Extending the option of Relay Service to GS customers will provide an opportunity for GS customers to tailor their service to their needs without affecting others. Staff recommends that TECO's petition be approved.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If no timely protest is filed, this docket should be closed.

STAFF ANALYSIS: This docket should be closed if no person whose substantial interest are affected by the action proposed by this recommendation files a petition for formal proceeding within the allowed 21-day protest period. If a protest is filed, the tariff should remain in effect with any increase in revenues held subject to refund.