

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for approval of revisions to Sections 3.02 and 3.05 of Part III, New Service Extensions, Tariff Rules and Regulations, by Progress Energy Florida, Inc.

DOCKET NO. 031107-EI  
ORDER NO. PSC-04-0187-TRF-EI  
ISSUED: February 23, 2004

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman  
J. TERRY DEASON  
LILA A. JABER  
RUDOLPH "RUDY" BRADLEY  
CHARLES M. DAVIDSON

ORDER APPROVING TARIFF REVISIONS TO SECTIONS 3.02 AND 3.05  
BY PROGRESS ENERGY FLORIDA, INC.

BY THE COMMISSION:

On December 18, 2003, Progress Energy Florida, Inc. (PEF) filed a petition for approval of revisions to Sections 3.02 and 3.05 of its tariff. The revisions affect the sections of PEF's tariff that set forth the requirements for customers who request new service extensions and for customers whose existing facilities must be relocated.

We have jurisdiction over this matter pursuant to Sections 366.03, 366.04, and 366.06, Florida Statutes.

Tariff Revision of Section 3.02

PEF proposed to modify Section 3.02 of its tariff, which addresses new electric service extensions. Specifically, the change states that the customer is responsible for clearing any trees, undergrowth or other obstructions on the customer's property that lie in the path of the line extension needed to provide overhead electric service to the customer.

Under the current PEF tariff, any necessary land clearing for a new overhead extension is done by PEF, and the cost is included in the contribution-in-aid-of-construction (CIAC) paid by the customer. A CIAC is required when PEF must extend its distribution system in order to serve the customer.

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Under the revised tariff, the clearing costs will no longer be included in the CIAC. The customer will be responsible for arranging for the clearing, either by hiring a third party or arranging for PEF to do the work. If PEF does the work, PEF will bill the customer under a separate invoice.

The change makes the tariff consistent with PEF's existing provisions for extension of underground electric service, which already require customers to clear their property. It is also consistent with the requirements of other Florida investor-owned utilities. The change will also allow the customer the option to have the work done by a third party at potentially a lower cost than that charged by the utility. For these reasons, we find that the tariff revision is approved.

#### Tariff Revision of Section 3.05

Section 3.05 of PEF's tariff addresses situations where the existing electric facilities serving a customer require relocation or modification. Currently, Section 3.05 specifies that if the facilities must be relocated or modified due to a customer request, the customer must pay the cost of such work. PEF proposed to modify the tariff to clarify that the customer is responsible for the relocation cost both when the customer requests relocation and when relocation is required due to a change in the layout or use of the customer's premises. For example, if the addition of a structure to the premises results in inadequate clearance from the electric lines, the cost incurred by PEF to relocate their facilities to meet the requirements of the National Electric Safety Code is the responsibility of the customer.

In Section 3.05, the cost of relocation paid by the customer is defined as the actual job cost of the relocation, less a credit equal four times the annual base rate revenues associated with any increase in a load that results after the relocation. An example cited by PEF occurs when PEF must relocate service to a home due to the installation of a swimming pool. Under the existing tariff, customers are required to pay an amount equal to the cost of relocation, less an amount equal to four times the annual base rate revenues associated with the increased load due to the addition of a pool pump. PEF proposed to modify the tariff to eliminate the credit that is now given for the revenues attributable to any increased load.

Our rules do not require that such a credit be given. A credit is required by rule only in instances where the customer has requested new service, and the utility must extend its distribution system to provide the service (See, Rule 25-6.064, Florida Administrative Code).

We believe that the change is appropriate because it properly assigns the full cost of relocating facilities to the customer who has caused the cost to be incurred. None of the other Florida investor-owned electric utilities allow a credit to reflect an increase in load that results following a relocation of the customer's facilities. In each case, the customer is required to pay the full cost of relocation. Thus, the revision to PEF's tariff makes their policy consistent with

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that of the remaining investor-owned utilities. For these reasons, we find that the tariff revision is approved.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Progress Energy Florida Inc.'s request for revision of Section 3.02 of its tariff is hereby approved as set forth in the body of this Order. It is further

ORDERED that Progress Energy Florida Inc.'s request for revision of Section 3.05 of its tariff is hereby approved as set forth in the body of this order. It is further

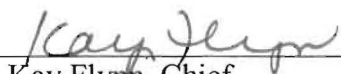
ORDERED that if a timely protest is filed within 21 days of the issuance date of the Order, the tariff shall remain in effect with any increase held subject to refund pending the resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 23rd day of February, 2004.

BLANCA S. BAYÓ, Director  
Division of the Commission Clerk  
and Administrative Services

By:

  
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Kay Flynn, Chief  
Bureau of Records

( S E A L )

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#### NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on March 15, 2004.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.