

**ILLUSTRATIVE EXAMPLES OF UG CIACs**

**FPL Constructs Entire UG Project**

*Handout - Item 4  
3/18/08 Agenda Confusion  
080035-EU -ac*

	<u>Cost/Credit</u>	<u>Amount</u>
UG Cost		\$10,000,000
Equivalent OH Cost (credit to Town)	-	\$2,000,000
GAF Waiver (credit to Town)	-	\$2,000,000
Other O&M Cost Savings (credit to Town)	-	<u>\$2,000,000</u>
Net CIAC (Town pays FPL)		\$4,000,000
Booked to Plant in Service		\$6,000,000

Removal cost, NBV of removed facilities, and salvage value are assumed to be zero for the example.

Other O&M Cost Savings value is per the estimates in the MUUC's UG Cost-Effectiveness Study; final value still subject to determination.

- DMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- RCA \_\_\_\_\_
- SCR \_\_\_\_\_
- SGA \_\_\_\_\_
- SEC \_\_\_\_\_
- CLK Cole
- OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE  
01991 MAR 18 08  
FPSC-COMMISSION CLERK

## **ILLUSTRATIVE EXAMPLES OF UG CIACs**

### **Town Constructs Entire UG Project - Towns' Position**

	<u>Cost/Credit</u>	<u>Amount</u>
UG Cost		\$10,000,000
Equivalent OH Cost (credit to Town)	-	\$2,000,000
GAF Waiver (credit to Town)	-	\$2,000,000
Other O&M Cost Savings (credit to Town)	-	<u>\$2,000,000</u>
Net CIAC		\$4,000,000
FPL Payment to Town (total value of credits)		\$6,000,000
Booked to Plant in Service		\$6,000,000

Removal cost, NBV of removed facilities, and salvage value  
are assumed to be zero for the example.

FPL receives an in-kind Contribution of the completed UG facilities,  
valued at FPL's estimated cost of the UG project, including removal cost.

## ILLUSTRATIVE EXAMPLES OF UG CIACs

### Town Constructs Entire UG Project - FPL's Position

	<u>Cost/Credit</u>	<u>Amount</u>
UG Cost		\$10,000,000
Equivalent OH Cost (credit to Town)	-	\$2,000,000
GAF Waiver (credit to Town)	-	\$2,000,000
Other O&M Cost Savings (credit to Town)	-	\$2,000,000
FPL Claw-back of DESS/Corp. Overheads (debit to Town)	+	<u>\$2,000,000</u>
Net CIAC		\$6,000,000
FPL Payment to Town		\$4,000,000
Booked to Plant in Service		\$4,000,000

Removal cost, NBV of removed facilities, and salvage value are assumed to be zero for the example.

FPL receives an in-kind Contribution of the completed UG facilities, valued at FPL's estimated cost of the UG project including removal cost.