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June 27, 2008

Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shamard Oak Boulevard
Tallahassee, Florida 32399-0850

080000

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COMMISSION
CLERK

Dear Ms. Cole,

Enclosed please find the following revisions to CHELCO tariff sheets:

Title	New Sheet	Cancelled Sheet	Sheet #
Electric Line Extension	Third	Second	5.1
Continued	Fourth	Third	5.2
Continued	Third	Second	5.3
Continued	Second	First	5.4
Blank	First	Original	5.5

CHELCO has modified the above mentioned tariff sheets to reflect changes in the manner CHELCO calculates Aid to Construction for developments.

CHELCO's Board of Directors approved the changes in this filing at its board meeting on June 19, 2008. CHELCO requests that the Commission approve the rates included in this filing and make them effective August 1, 2008.

Respectfully,

J. E. Smith
CEO and General Manager

cc: Connie Kummer
2540 Shamard Oak Boulevard
Tallahassee, FL 32399-0850

CHOCTAWHATCHEE ELECTRIC
COOPERATIVE, INC.

Post Office Box 512
DeFuniak Springs, Florida 32435

Phone 850.892.2111
Toll-Free 800.342.0990
Fax 850.892.9560
Web www.chelco.com



A Touchstone Energy Cooperative

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

NAME OF UTILITY CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

Electric Line Extension Policy

Residential and Non-Demand General Service

A line extension, for purposes of this policy, shall include all incremental capital costs associated with connecting a new member to the delivery system, excluding the cost of a standard transformer, service line (the connection between the transformer and the meter), and meter.

(A) Extension to Single Service

- (1) Choctawhatchee Electric Cooperative, Inc. in extending service to a permanent residential or business member that will be served pursuant to its Residential Rate RS or General Service Non-Demand Rate GS shall charge a contribution in aid of construction ("CIAC") on the cost of providing service in excess of \$625.00.
- (2) If, within a 5 year period, additional members take service (i.e. transformer, service line and meter) from the original line extension, but not laterals or extensions there from, the original applicant shall be refunded the lesser of the original contribution or \$625.00 for each additional member taking service, up to the amount of the original applicant's contribution. In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

(B) Electric Extension to a Development

- (1) When an electric extension to a development is requested prior to actual construction or occupation of the project, CHELCO will charge a CIAC as follows:

FOURTH REVISED SHEET NO. 5.2
CANCELLING THIRD REVISED SHEET NO. 5.2

NAME OF UTILITY CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

(Continued from Sheet No. 5.1)

- Collect an upfront design review fee of \$750
 - \$750 covers maximum of 16 hours of work
 - \$75/hr for additional design/review
- Collect the full cost of construction for the development
- Developer will be eligible for a refund of \$625.00 per lot following permanent service for up to five years from the date of the signed subdivision agreement.

(2) All line extension contracts and agreements between CHELCO and a developer, existing as of the effective date of this policy, will remain in effect unless cancelled by either party in accordance with the terms of the existing agreement.

(C) **Extension to a Condominium Building**

When an electric extension to a Condominium is requested, CHELCO will charge a CIAC as follows:

- Collect an upfront design review fee of \$750
 - \$750 covers maximum of 16 hours of work
 - \$75/hr for additional design/review
- Collect the full cost of construction
- Developer will be eligible for a refund of \$625.00 per unit following permanent service for up to five years from the date the meter template form is signed.
- In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

(D) **Extension to an Apartment Building**

When an electric extension to an Apartment building is requested, CHELCO will charge a CIAC as follows:

NAME OF UTILITY CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

(Continued from Sheet No. 5.2)

- Collect an upfront design review fee of \$750
 - \$750 covers maximum of 16 hours of work
 - \$75/hr for additional design/review
- Collect the full cost of construction
- Developer will be eligible for a refund of \$625.00 per unit when the developer provides proof of a one year signed lease agreement for each unit to CHELCO. Developer is only eligible for the refund one time per unit.
- In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

(E) **Extension to Other Structures**

- (1) When service is extended to a other structures (which includes, but is not limited to, electric fences, RV hook-ups, water pumps, sheds, hunting camps, out buildings, and fish camps), the applicant will make a CIAC equal to the total installed cost of extending service.
- (2) If, within a 5 year period, additional members take service (i.e. transformer, service line and meter) from the original line extension, but not laterals or extensions there from, the original applicant shall be refunded the lesser of the original contribution or \$625.00 for each additional member taking service, up to the amount of the original applicant's contribution. In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

General Service Demand and Large Power

CHELCO, in extending service to a permanent member that will *not* be served pursuant to Residential Rate RS or General Service Non-Demand Rate GS shall charge a CIAC equal to the total installed cost of extending electric service to the

SECOND REVISED SHEET NO. 5.4
CANCELLING FIRST REVISED SHEET NO. 5.4

NAME OF UTILITY CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

(Continued from Sheet No. 5.3)

customer. After the initial 30 months (2.5 years) of service, CHELCO shall perform a revenue test to determine what amount, if any, of the original contribution that will be refunded to the member. CHELCO shall refund to the member an amount equal to the member's actual net revenue during the initial 30 months of service, up to but not exceeding the member's original CIAC. The member's actual net revenue shall be determined by subtracting purchase power costs from the member's total bill before taxes for the first 30 months.

If the member requesting service has similar existing facilities in other locations that would allow CHELCO to accurately forecast the member's annual net revenue, CHELCO may not collect the full cost of the extension prior to the member receiving service. Instead CHELCO would perform a revenue test to determine the amount of the initial CIAC. If the cost of extending service to the member is less than 2.5 times the member's estimated annual net revenue, no CIAC is required from the member. If the cost of extending service to the member is greater than 2.5 times the member's estimated annual net revenue, the member shall be required to make a CIAC toward the total installed cost of extending service. The member's CIAC shall be determined by subtracting from the cost of extending service, an amount equal to 2.5 times the member's estimated annual net revenue.

However, in the event that the full cost of extending service is not collected prior to the member taking service, CHELCO will, at the end of the initial 30 months of service, perform a revenue test to determine if a CIAC will be required from the member. If the initial cost of extending service to the member is less than the member's actual net revenue for the first 30 months, no additional CIAC is required from the member. If the cost of extending service to the member is greater than the member's actual net revenue for the first 30 months, an additional CIAC may be required from the member. The additional CIAC, if any, shall be determined by comparing the Contribution amount determined by applying 2.5 times the estimated net revenue when the member initially took service, and the contribution amount determined by examining the member's actual net revenue for the first 30 months of service. If the contribution amount determined from the member's actual net revenue is greater than the contribution amount determined using the member's estimated net revenue, the member shall make an additional CIAC equal to the difference in the contribution amount determined from the member's actual revenue and the contribution amount determined from the member's estimated revenue. In no case shall any of the member's initial contribution be refunded.

FIRST REVISED SHEET NO. 5.5
CANCELLING ORIGINAL SHEET NO. 5.5

NAME OF UTILITY CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

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Issued by: James E. Smith
CEO and General Manager

Effective: August 1, 2008