



Gulf Coast
Electric Cooperative

A Touchstone Energy® Cooperative 

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FPSC - COMMISSION CLERK

November 4, 2022

Mr. Adam Teitzman, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Gulf Coast Electric Cooperative – Line Extension Policy

Dear Mr. Teitzman:

This letter is submitted on behalf of Gulf Coast Electric Cooperative (GCEC) pursuant to Rules 25-9.051 through 25-9.071 of the Florida Administrative Code.

This policy regarding extension of underground lines has not been updated since 2008. The attached, revised, policy provides a fair and equitable solution to our members and contractors.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "John M. Bartley", written over a faint, stylized graphic element.

John M. Bartley

C.E.O./General Manager

~~PRIMARY/SECONDARY LINE EXTENSION CHARGES~~
~~SUBDIVISION PRIMARY LINE EXTENSION~~

~~If a line extension or existing line modification is required to provide service to a new consumer or a new subdivision, a cost of construction versus revenue calculation will be made as follows:~~

- ~~1. The estimated cost of construction for the primary/secondary new line extension or modification will be calculated. These costs will not include costs associated with the transformer, meter, service wire and associated service materials and labor.~~
- ~~2. The estimated annual amount of revenue to be earned as a direct result of the line extension and/or modification will be computed. For a subdivision, the revenue will be based on a 25% build-out (development) of the subdivision. At the request of the developer, if at the end of the five (5) years, the number of total lots with homes completed and occupied exceeds 25% of the total lots, the calculation will be revised using the higher percentage. The difference between the Contribution in Aid of Construction (CIAC) calculated using 25% build-out will be refunded.~~
- ~~3. As a part of the revenue calculation, the estimated annual revenue will be multiplied by a factor (the "revenue multiplier factor"), computed at the end of each calendar year, that represents the number of years of revenue to be allowed versus the cost of extending service. The revenue multiplier factor will be calculated in accordance with the following formula:~~

~~Revenue Multiplier Formula~~

$$~~R = \frac{(1-P)}{C}~~$$

~~Where:~~

~~R = Revenue Multiplier~~

~~P = Power Cost as Percent of Revenue~~

~~C = Annual Incremental* Investment Carrying Costs~~

~~*Reflects use of incremental interest cost and margin requirement~~

~~For the year 2007, this factor was 1.90.~~

~~**Effective Date: June 16, 2008**~~

~~If the estimated cost of construction to extend service is greater than the estimated revenue computation, the member will be required to pay the difference as a Contribution in Aid of Construction (CIAC). If the estimated revenue computation is greater than the estimated cost of construction to extend service, no Contribution in Aid of Construction (CIAC) will be required.~~

~~These charges may be waived or reduced by the Cooperative if, in the opinion of the Cooperative, future growth within five (5) years along the line extension or modification will generate additional revenues to credit against the cost of construction.~~

SERVICE EXTENSION CHARGES

~~The Cooperative will provide overhead service to any permanent residential or commercial member without any Contribution in Aid of Construction (CIAC).~~

A member requesting underground service will be required to pay a Contribution in Aid of Construction (CIAC) of \$5.00 per foot plus the difference in cost between an overhead and underground transformer.

A member requesting underground service to an outdoor light will be required to pay a Contribution in Aid of Construction (CIAC) of \$4.50 per foot plus the difference in cost between an overhead and underground transformer.

SUBDIVISION PRIMARY LINE EXTENSION

Purpose:

To define Gulf Coast Electric's (GCEC's) policy as it relates to the installation of electrical facilities within subdivisions.

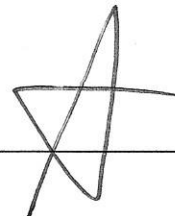
- Pre-Design Phase

Prior to any work being performed in the design phase, contractors shall contact GCEC's office to establish an electric account for the subdivision that it wishes to construct. Upon creation of a GCEC account, the contractor will be required to pay an up-front, non-refundable design fee in the amount of **\$750.00** to cover all cost incurred by GCEC employees during the design phase. This fee will cover a maximum of 16 hours of design work. If design work exceeds 16 hours, each hour thereafter will be billed at a rate of **\$85.00 per hour**.

- Determination of Construction Cost

GCEC engineering personnel will work with the applicant to determine the electrical design of the subdivision based off load data sheets provided to GCEC. After the subdivision electric design is completed, engineers will develop a total cost of construction to include all labor and materials.

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- **Cost In Aid of Construction (CIAC)**

The contractor will be responsible for paying the entire cost of all labor and materials associated with the construction of any underground primary distribution lines.

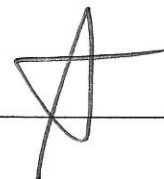
- **Refund of Cost In Aid of Construction (CIAC)**

Contractors will be eligible for refunds of CIAC paid to GCEC over a five-year period. Once lots are built out and occupied in accordance with the initial agreement of home size figured in the initial cost calculations for the subdivision, the contractor will be entitled to a refund of portions of their funds.

o **100% of the Construction Cost Paid**

- Once the subdivision reaches **40% occupancy** of the designated number of lots in the initial agreement, the contractor will be entitled to a refund in the amount of 40% of the total construction cost initially paid.
 - Once the subdivision reaches a **90% occupancy** of the designated number of lots in the initial agreement, the contractor will be entitled to a refund in the amount of 50% of the total construction cost initially paid adding up to 90% of the cumulative total.
 - Once the subdivision reaches a **100% occupancy** of the designated number of lots in the initial agreement, the contractor will be entitled to the remainder of their CIAC refund which is 10% of the total construction cost initially paid, 100% of the cumulative total.
- o If 100% buildout of the subdivision is not reached within the five-year period, the remainder of the funds paid to GCEC for CIAC of the subdivision will be withheld.
- o In no event shall the original applicant ever be refunded an amount greater than the initial CIAC payment made to GCEC.

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*** It is the responsibility of the contractor to contact GCEC and request refunds of CIAC when construction reaches specific milestones laid out above. GCEC assumes no responsibility for issuing refunds if not first requested by contractor.

- **Transferability**

The agreement for refund of CIAC is transferrable only if GCEC is notified of the change in ownership. Both parties will need to provide supporting documents of the transfer and an agreement will be entered into with new ownership. This new agreement will expire on the same date of the original expiration date, there will not be an additional refund period given.

- **Service Extension Charges**

Underground Service

A member requesting underground service will be required to pay a Contribution in Aid of Construction (CIAC) of \$5.00 per foot plus the cost of underground transformer required.

A member requesting underground service to an outdoor light will be required to pay a Contribution in Aid of Construction (CIAC) of \$4.50 per foot plus the cost of the underground transformer required.

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