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May 3, 2006

HAND DELIVERED

Ms. Blanca S. Bayo, Director  
Division of Commission Clerk  
and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Proposed rules governing placement of new electric distribution facilities underground, and conversion of existing overhead distribution facilities to underground facilities, to address the effects of extreme weather events;  
FPSC Docket No. 060172-EU

Proposed amendments to rules regarding overhead electric facilities to allow more stringent construction standards than required by the National Electric Safety Code;  
FPSC Docket No. 060173-EU

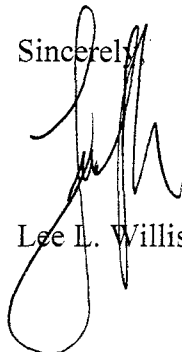
Dear Ms. Bayo:

Enclosed for filing in the above dockets are Tampa Electric Company's Comments Regarding Proposed Rule Changes.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,



Lee L. Willis

LLW/pp  
Enclosures

DOCUMENT NUMBER DATE

03928 MAY-3 06

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed rules governing )  
placement of new electric distribution )  
facilities underground, and conversion )  
of existing overhead distribution facilities )  
to underground facilities, to address the )  
effects of extreme weather events. )  
\_\_\_\_\_ )

DOCKET NO. 060172-EU

In re: Proposed amendments to rules )  
regarding overhead electric facilities )  
to allow more stringent construction )  
standards than required by the National )  
Electric Safety Code. )  
\_\_\_\_\_ )

DOCKET NO. 060173-EU  
FILED: May 3, 2006

**TAMPA ELECTRIC COMPANY'S COMMENTS**  
**REGARDING PROPOSED RULE CHANGES**

Tampa Electric Company ("Tampa Electric" or "the company") files this its comments on the proposed rule changes in the above dockets, and says:

1. Tampa Electric's comments regarding the proposed rule changes in Docket No. 010172-EU and Docket No. 060173-EU are focused on Rule 25-6.034 and Rule 25-6.064. The company is supportive of the proposed changes to Rule 25-6.0345, Rule 25-6.078 and Rule 25-6.115 and has provided no comments.

2. Concerning Rule 25-6.034, Tampa Electric has attached to these comments its proposed rule revisions. These revisions are focused on a targeted approach to system hardening to the extent practicable and cost-effective. The revisions address building to NESC extreme wind standards, construction practices for Category 3 Surge Zones and rear lot construction placed at the front edge of property. Tampa Electric has also proposed language to address third-

DOCUMENT NUMBER-DATE

03928 MAY-3 06

FPSC-COMMISSION CLERK

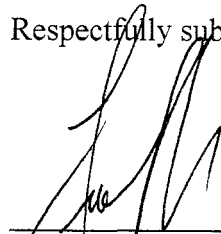
party attachments to electric distribution poles. (See also Joint Supplemental Comments on pole attachments filed separately in Docket No. 060173-EU.)

3. For Rule 25-6.064, Tampa Electric has attached its proposed rule revisions with three objectives in mind: 1) simplify the current rule while maintaining its intent, 2) minimize the number of formulas yet capture the pertinent data, and 3) modify the application of CIAC on line extensions so as to better manage customer complaints. The company believes its proposal accomplishes these objectives.

WHEREFORE, Tampa Electric Company submits the foregoing comments regarding the above-mentioned rule changes.

DATED this 3<sup>rd</sup> day of May 2006.

Respectfully submitted,



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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Comments, filed on behalf of Tampa Electric Company, has been served by U. S. Mail or hand delivery(\*) on this 3<sup>rd</sup> day of May 2006 to the following:

Ms. Christiana Moore\*  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Mr. Jeffrey A. Stone  
Mr. Russell A. Badders  
Beggs & Lane  
Post Office Box 12950  
Pensacola, FL 32591-2950

Mr. John T. Burnett  
Associate General Counsel  
Progress Energy Service Co., LLC  
Post Office Box 14042  
St. Petersburg, FL 33733-4042

Mr. Norman Horton  
Messer Caparello & Self  
Post Office Box 1876  
Tallahassee, FL 32302

Mr. John T. Butler  
Squire, Sanders & Dempsey, L.L.P.  
200 South Biscayne Boulevard, Suite 4000  
Miami, FL 33131-2398

  
\_\_\_\_\_  
ATTORNEY

1 **25-6.034 Standard of Construction.**

2 (1) Application and Scope. This rule is intended to define construction standards for all  
3 overhead and underground electrical transmission and distribution facilities to improve the  
4 reliability of electric service during normal operating circumstances, as well as emergency  
5 situations. The facilities of each the utility shall be constructed, installed, maintained and  
6 operated in accordance with generally accepted engineering practices to assure, as far as is  
7 reasonably possible, continuity of service and uniformity in the quality of service furnished.  
8 This rule applies to all electric utilities, including municipal electric utilities and rural electric  
9 cooperative utilities unless otherwise noted.

10 (2) The Commission adopts and incorporates by reference the 2002 edition of the  
11 National Electrical Safety Code (ANSI C-2), published August 1, 2001, as the minimum  
12 safety standard upon which each utility shall establish- transmission and distribution  
13 construction specifications. Except as otherwise provided for in this rule, the established  
14 construction standards shall be applicable to (a) new construction and (b) the rebuild or  
15 relocation of existing facilities for which a work order number is assigned on or after the  
16 effective date of this rule. A copy of the 2002 NESC, ISBN number 0-73 81-2778-7, may be  
17 obtained from the Institute of Electric and Electronic Engineers, Inc. (IEEE).

18 (3) Distribution and transmission facilities constructed prior to the effective date of this  
19 rule shall be governed by the applicable edition of the National Electrical Safety Code in  
20 effect at the time of the initial construction.

21 (4) Notwithstanding the exception contained in Section 25.250.C., Extreme Wind  
22 Loading., National Electrical Safety Code, structures of 18 meters or less may be designed to  
23 withstand extreme wind speeds as specified by Figure 250-2(d) of the 2002 edition of the  
24 National Electrical Safety Code. The extreme wind loading standard shall be applicable to  
25 (a) new structures, (b) the rebuild or relocation of existing facilities for which a work order is

1 assigned on or after the effective date of this rule, and (c) targeted critical infrastructure  
2 facilities and major thoroughfares.

3 (5) Each electric utility shall establish construction standards for underground electrical  
4 facilities to enhance reliability and reduce restoration costs and outage times associated with  
5 extreme weather events. Such construction standards shall assure, to the extent practicable  
6 and cost-effective, that underground and supporting overhead electrical facilities are  
7 protected from flooding and storm surges in areas designated as Category 3 Surge Zones by  
8 the Department of Community Affairs, Division of Emergency Management. Such  
9 construction standards shall be applicable to (a) new construction, (b) the rebuild; or  
10 relocation of existing facilities for which a work order is issued on or after the effective date  
11 of this rule, and (c) conversion of existing overhead facilities to underground.

12 (6) An electric utility may exceed the minimum requirements of the National Electrical  
13 Safety Code (ANSI C-2) to further enhance reliability and reduce restoration costs and  
14 outage times associated with extreme weather events. Each investor-owned electric utility  
15 electing to exceed normal construction standards shall identify and report the effects on total  
16 system cost and reliability and shall justify at time of cost recovery any resulting increase in  
17 rates charged to rate-payers.

18 (7) For initial installation, rebuild; or relocation of any investor-owned electric utility  
19 facilities, utilities are required to use easements, public streets, roads and highways which the  
20 utility has the legal right to occupy, and on public lands and private property across which the  
21 rights of way and easements satisfactory to the utility have been provided by the applicant by  
22 the time construction is required.

23 (8) For initial installation, rebuild or relocation of any investor-owned electric utility  
24 facilities, including the conversions of existing overhead facilities to underground facilities,  
25 all facilities to the extent practicable and cost-effective, shall be placed at the front edge of

1 the property.

2 ~~(2) The Commission has reviewed the American National Standard Code for Electricity~~  
3 ~~Metering, 6th edition, ANSI C-12, 1975, and the American National Standard Requirements,~~  
4 ~~Terminology and Test Code for Instrument Transformers, ANSI-57.13, and has found them~~  
5 ~~to contain reasonable standards of good practice. A utility that is in compliance with the~~  
6 ~~applicable provisions of these publications, and any variations approved by the Commission,~~  
7 ~~shall be deemed by the Commission to have facilities constructed and installed in accordance~~  
8 ~~with generally accepted engineering practices.~~

9 (9) Establishment of Attachment Standards and Procedures. Each electric utility shall  
10 establish and maintain written safety, reliability, capacity, and engineering standards and  
11 procedures for attachments by others to the utility's electric distribution poles ("Attachment  
12 Standards and Procedures"). Such Attachment Standards and Procedures shall meet or  
13 exceed National Electrical Safety Code and other applicable standards imposed by law so as  
14 to assure, as far as is reasonably practicable, that third-party facilities attached to electric  
15 distribution poles do not impair electric system safety or reliability, do not exceed pole  
16 capacity, and are constructed, installed, maintained, and operated in accordance with  
17 generally accepted engineering practices for the utility's service territory.

18 (10) Prohibition on Attachments in or above Communications Worker Safety Zone.  
19 Following the effective date of this rule, no non-electric utility attachment, unless necessary  
20 for the distribution and delivery of electric power, shall be made in or above the  
21 Communications Worker Safety Zone of a utility's distribution poles.

22 (11) Filing with the Commission. No later than 30 days after the effective date of this  
23 rule, each electric utility shall file a copy of its Attachment Standards and Procedures with  
24 the Commission. In the event a utility modifies its Attachment Standards and Procedures, the  
25 utility shall file its new Attachment Standards and Procedures, appropriately labeled to

1 indicate the effective date of the new version, together with an annotated copy of the previous  
2 version showing each modification.

3 (12) Compliance. No attachment to an electric utility's distribution poles shall be made  
4 except in compliance with such utility's Attachment Standards and Procedures as filed with  
5 the Commission.

6 (13) Review. The Commission shall review the Attachment Standards and Procedures  
7 filed by each utility and may at any time require a utility to demonstrate, through appropriate  
8 proceedings, that its Attachment Standards and Procedures comply with the requirements of  
9 Section (9). The Commission also may investigate each attaching party's compliance with  
10 the same.

11 (14) Availability of Attachment Standards and Procedures. A copy of the utility's  
12 Attachment Standards and Procedures as filed with the Commission shall be made available  
13 by the utility for public inspection. Any person shall, upon request, be furnished a copy of  
14 the utility's Attachment Standards and Procedures in effect at the time.

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1 **25-6.064 Extension of Facilities; Contribution in Aid of Construction: Installation of New**  
 2 **or Upgraded Facilities**

3  
 4 (1) Purpose.-Application and scope: The purpose of this rule is to establish a uniform  
 5 procedure by which investor-owned utilities ~~subject to this rule will~~ calculate amounts due as  
 6 contributions-in-aid-of-construction (CIAC) from customers who require new or upgraded  
 7 ~~extensions of~~ distribution facilities in order to receive electric service, except as provided in Rule  
 8 25-6.078.

9 (2) Applicability. ~~This rule applies to all investor-owned electric utilities in Florida as~~  
 10 ~~defined in Section 366.02, F.S.~~

11 (3) Definitions. ~~Actual or estimated job cost means the actual cost of providing the specified~~  
 12 ~~line extension facilities, calculated after the extension is completed, or the estimated cost of~~  
 13 ~~providing the specified facilities before the extension is completed.~~

14 (4) ~~In developing the policy for extending overhead distribution facilities to customers, the~~  
 15 ~~following formulas shall be used to determine the contribution in aid of construction owed by the~~  
 16 ~~customer.~~

17 (2)(a) ~~For customers in rate classes that pay only energy charges, i.e., those that do not pay~~  
 18 ~~demand charges, the CIAC for overhead distribution facilities shall be calculated as follows:~~

19  
 20 
$$\text{CIAC}_{\text{OH}} = \frac{\text{(Actual or estimated work order job cost for overhead facilities excluding transformers, service drops and meters)}}{\text{(4 x non-fuel energy charge per kWh x expected incremental annual KWh sales over the new facilities)}} \times \frac{\text{(4 x expected annual incremental demand charge revenues over the new facilities)}}{\text{}}$$

$$\begin{aligned}
 & \text{(Actual or estimated job cost for new poles and conductors and appropriate fixtures required to provide service excluding transformers service drops and meters)} \\
 & \text{(4 x nonfuel energy charge per kWh x expected annual KWh sales over the new facilities)}
 \end{aligned}$$

$CIAC_{OH} =$

(a)(b) For customers in rate classes that pay only both energy charges and demand charges revenues shall be zero, the CIAC shall be calculated as follows:

$$\begin{aligned}
 & \text{(Actual or Estimated job cost for new poles and conductors and appropriate fixtures required to provide service excluding transformers service drops and meters)} \\
 & \text{(4 x nonfuel energy charge per kWh x expected annual KWh sales over the new facilities)} \\
 & \text{(4 x expected annual demand charge revenues from sales over the new facilities)}
 \end{aligned}$$

$CIAC_{OH} =$

(b)(e) Expected demand charge revenues and energy sales in the above calculation shall be based on an annual period ending not more than five years after the facilities extension arcs placed in service.

(c) The estimated cost of upgrades to existing facilities shall be the estimated work order job cost including removal costs and the book value of the facilities removed less the salvage value of the facilities removed.

(d) In no case shall the CIAC<sub>OH</sub> amount be less than zero.

(3)(5) In developing the policy for extending underground distribution facilities to customers, the following formula shall be used to determine the contribution in aid of construction CIAC for underground distribution facilities shall be calculated as follows:-

1  
2                    (The estimated cost of providing the service with  
3                    underground distribution facilities including the  
4  $CIAC_{UG} =$  transformer and service drop minus the estimated  
5                    cost of providing equivalent service using overhead     $\pm$   $CIAC_{OH}$  (as above)  
6                    facilities)

7  
8                    ~~(Estimated difference between the cost of~~  
9                    ~~providing the distribution line extension~~  
10                    ~~including not only the distribution line~~  
11  $CIAC_{UG} =$  ~~extension itself but also the transformer,~~     $+$      ~~$CIAC_{OH}$  (as above)~~  
12                    ~~the service drop, and other necessary~~  
13                    ~~fixtures, with underground facilities vs. the~~  
14                    ~~cost of providing service using overhead~~  
15                    ~~facilities)~~

16  
17                    (6) Nothing in this rule shall be construed as prohibiting a utility from collecting from a  
18 customer the total difference in cost for providing underground service instead of overhead  
19 service to that customer.

20                    (7) ~~In the event that amounts are collected for certain distribution facilities via the URD~~  
21 ~~differential tariff as permitted by Rule 25-6.078, F.A.C., that would also be collected pursuant to~~  
22 ~~this rule, the utility shall give an appropriate credit for such amounts collected via the URD~~  
23 ~~differential tariff when calculating the line extension CIAC due pursuant to this rule.~~

24                    (4)(8) Each utility shall apply the above formulas in Paragraphs 2 and 3 uniformly to  
25 residential, commercial and industrial customers requiring new or upgraded distribution

1 facilitiesline extensions.

2 (5) The costs applied to the formulas in Paragraph 2 and 3 shall be based on the requirements  
3 of Rule 25-6.034, Standards of Construction.

4 ~~(9) Each utility shall calculate an appropriate CIAC for line extensions constructed to serve~~  
5 ~~customers who receive service at the primary distribution voltage level and the transmission~~  
6 ~~voltage level. This CIAC shall be based on the actual or estimated cost of providing the extension~~  
7 ~~less an appropriate credit.~~

8 ~~(6)(10) Each~~The utility shall use its best judgment in estimating the total amount of revenues  
9 and sales which ~~each line extension~~new or upgraded facilities are is expected to produce in four  
10 of the first five years ~~the near future~~ from the construction completion date. In any dispute over  
11 the amount of the estimated CIAC, the utility shall true-up the CIAC collected using actual costs  
12 revenues not to exceed the four years used in the estimate. If a utility and applicant are unable to  
13 resolve the dispute after the CIAC true-up has been completed, either party may appeal to the  
14 Commission for a review.

15 ~~(7)(11)~~ The utility may elect to waive the ~~line extension~~ CIAC for customers, even when a  
16 CIAC is found to be applicable ~~owing~~. However, if the utility waives the CIAC, the Commission  
17 will reduce the utility's net plant in service by an equal amount for ratemaking purposes, as  
18 though the CIAC had been collected, except in the case of CIAC for overhead facilities when the  
19 company's annual revenues from a customer are sufficient to offset the unpaid ~~line extension~~  
20 CIAC<sub>OH</sub> as calculated under Paragraph 2, subsection (4) or (5). Each utility shall maintain  
21 records of amounts waived and any subsequent changes that served to offset the CIAC.

22 ~~(8)(12)~~ In cases where larger developments or future customers are expected to be served by  
23 the new or upgraded facilities~~line extensions~~, the utility shall ~~may~~ elect to prorate the total ~~line~~  
24 ~~extension~~facilities costs and CIACs owed over the expected number of customers reflecting the  
25 expected load from those customers ~~expected to connecting~~ to the new line within the five-year

1 period following the installation of the new or upgraded facilities. The utility may require a  
2 performance security deposit that will earn interest as per Rule 25-6.097 in the amount equal to  
3 the uncollected prorated CIAC from the initial applicant requesting the new or upgraded facilities  
4 to be constructed. As new customers connect to the new or upgraded facilities within the five-  
5 year period following the installation of the new or upgraded facilities, the utility shall collect  
6 from each new customer their appropriate portion of the remaining CIAC owed, and the utility  
7 shall refund to the initial applicant that portion of the performance security deposit equal to the  
8 amount of the CIAC collected from the new customer. If at the end of the five-year period there  
9 remains uncollected CIAC due to fewer than expected customers or less than expected load being  
10 connected to the new or upgraded facilities, the remaining CIAC owed will be collected by the  
11 utility through the remaining performance security deposit. When a performance security deposit  
12 is required, an agreement shall be required between the utility and the initial applicant which shall  
13 designate the start and end dates of the five-year period, how the CIAC owed was calculated, how  
14 and under what conditions deposit money shall be refunded during the five-year period, and how  
15 final amounts owed will be calculated and refunded (if any) at the end of the five-year period.

16 (9)(13) A detailed statement of its standard facilities extension and upgrade policy shall be  
17 filed by each utility as part of its tariffs. This policy shall have uniform application and shall be  
18 nondiscriminatory.

19 (14) If a utility and applicant are unable to agree in regard to an extension, either party may  
20 appeal to the Commission for a review.

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