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May 15, 2006

COMMISSION

TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

FROM: LARRY D. HARRIS, ASSOCIATE GENERAL COUNSEL *L.D.H.*

RE: DOCKET NOS. 060172-EU and 060173-EU

Attached please find staff's proposed rules for the May 19, 2006 rule development workshop. Please file in the above dockets, and provide copies to the persons signed up to receive copies.

LDH/mrd

Construction rules.ldh.doc
Attachments

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1 **PART III**
2 **GENERAL MANAGEMENT REQUIREMENTS**

3 **25-6.034 Standard of Construction.**

4 (1) Application and Scope. This rule is intended to define construction standards for
5 all overhead and underground electrical transmission and distribution facilities to ensure the
6 provision of adequate and reliable electric service for operational as well as emergency
7 purposes. This rule applies to all electric utilities, including municipal electric utilities and
8 rural electric cooperative utilities, unless otherwise specified. ~~The facilities of the utility shall~~
9 ~~be constructed, installed, maintained and operated in accordance with generally accepted~~
10 ~~engineering practices to assure, as far as is reasonably possible, continuity of service and~~
11 ~~uniformity in the quality of service furnished.~~

12 (2) Each utility shall establish and maintain construction standards for overhead and
13 underground electrical transmission and distribution facilities that conform to the provisions of
14 this rule. No later than 90 days after the effective date of this rule, each utility shall file five
15 copies of its construction standards with the Director of Economic Regulation. In the event a
16 utility subsequently modifies its construction standards, the utility shall file its revised
17 standards, labeled to indicate the effective date of the new version, together with a type-and-
18 strike annotated copy of the previous version showing the modifications. A copy of the
19 utility's construction standards as filed with the Commission, including Attachment Standards
20 and Procedures pursuant to subsection 8 of this rule, shall be made available by the utility for
21 public inspection. The utility shall, upon request, furnish a copy of its construction standards
22 in effect at the time to any person requesting a copy. Any challenge by a customer or
23 applicant for service to the utility's filed construction standards shall be handled pursuant to
24 Rule 25-22.032. The Commission has reviewed the American National Standard Code for
25 Electricity Metering, 6th edition, ANSI C-12, 1975, and the American National Standard

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1 ~~Requirements, Terminology and Test Code for Instrument Transformers, ANSI 57.13, and has~~
2 ~~found them to contain reasonable standards of good practice. A utility that is in compliance~~
3 ~~with the applicable provisions of these publications, and any variations approved by the~~
4 ~~Commission, shall be deemed by the Commission to have facilities constructed and installed~~
5 ~~in accordance with generally accepted engineering practices.~~

6 (3) The facilities of each utility shall be constructed, installed, maintained and operated
7 in accordance with generally accepted engineering practices to assure, as far as is reasonably
8 possible, continuity of service and uniformity in the quality of service furnished.

9 (4) Each utility shall, at a minimum, comply with the applicable edition of the National
10 Electrical Safety Code (ANSI C-2) [NESC].

11 (a) The Commission adopts and incorporates by reference the 2002 edition of the
12 NESC, published August 1, 2001. A copy of the 2002 NESC, ISBN number 0-7381-2778-7,
13 may be obtained from the Institute of Electric and Electronic Engineers, Inc. (IEEE).

14 (b) Electrical facilities constructed prior to the effective date of the 2002 edition of the
15 NESC shall be governed by the applicable edition of the NESC in effect at the time of the
16 initial construction.

17 (5) For the construction of distribution facilities, each utility shall, to the extent
18 reasonably practical and feasible, adopt the extreme wind loading standards specified by
19 Figure 250-2(d) of the 2002 edition of the NESC. As part of its construction standards, each
20 utility shall establish guidelines and procedures governing the applicability and use of the
21 extreme wind loading standards to enhance reliability and reduce restoration costs and outage
22 times for each of the following types of construction:

23 (a) new construction;

24 (b) major planned work, including expansion, rebuild, or relocation of existing

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1 facilities, assigned on or after the effective date of this rule; and

2 (c) targeted critical infrastructure facilities and major thoroughfares taking into account
3 political and geographical boundaries and other applicable operational considerations.

4 (6) For the construction of underground facilities and their supporting overhead
5 facilities, each utility shall, to the extent reasonably practical and feasible, establish guidelines
6 and procedures to deter damage resulting from flooding and storm surges in areas designated
7 as Surge Zones by the Department of Community Affairs, Division of Emergency
8 Management.

9 (7) Location of the utility's electric facilities.

10 (a) For initial installation, expansion, rebuild, or relocation of overhead facilities,
11 utilities shall use easements, public streets, roads and highways along which the utility has the
12 legal right to occupy, and public lands and private property across which rights-of-way and
13 easements have been provided by the applicant for service. To the extent practical and
14 feasible, facilities shall be placed in easements in front of the customer's premises adjacent to
15 a public road for all new facilities and major upgrades or rebuilds affecting a customer or
16 contiguous group of customers served by the same distribution line.

17 (b) For initial installation, expansion, rebuild, or relocation of underground facilities,
18 the utility shall require the applicant for service to provide easements along the front edge of
19 the property, unless the utility determines there is an operational, economic, or reliability
20 benefit to use another location.

21 (c) For conversions of existing overhead facilities to underground facilities, the utility
22 may, if the applicant for service is a local government that provides all necessary permits and
23 meets the utility's legal, financial, and operational requirements, place facilities in road rights-
24 of-way in lieu of requiring easements.

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1 (8) As part of its construction standards, each utility shall establish and maintain
2 written standards and procedures for attachments by others to the utility's electric transmission
3 or distribution poles (Attachment Standards and Procedures). Such Attachment Standards and
4 Procedures shall meet or exceed the NESC and other applicable standards imposed by law so
5 as to assure, as far as is reasonably possible, that third-party facilities attached to electric
6 transmission and distribution poles do not impair electric system safety, adequacy, or
7 reliability; do not exceed pole loading capacity; and are constructed, installed, maintained, and
8 operated in accordance with generally accepted engineering practices for the utility's service
9 territory. No attachment to an electric utility's transmission or distribution poles shall be
10 made except in compliance with such utility's Attachment Standards and Procedures as filed
11 with the Commission.

12 Specific Authority 350.127(2), 366.05(1) FS.

13 Law Implemented 366.04(2)(c), (5), (6), 366.05(1) FS.

14 History—Amended 7-29-69, 12-20-82, Formerly 25-6.34, Amended _____ ..

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1 **25-6.0345 Safety Standards for Construction of New Transmission and Distribution**

2 **Facilities.**

3 (1) In compliance with Section 366.04(6)(b), F.S., 1991, the Commission adopts and
4 incorporates by reference the 2002 edition of the National Electrical Safety Code (ANSI C-2),
5 published August 1, 2001, as the applicable safety standards for transmission and distribution
6 facilities subject to the Commission's safety jurisdiction. Each investor-owned ~~public~~ electric
7 utility, rural electric cooperative, and municipal electric system shall comply with the
8 standards in these provisions. Standards contained in the 2002 edition shall be applicable to
9 new construction for which a work order number is assigned on or after the effective date of
10 this rule.

11 (2) Each investor-owned ~~public~~ electric utility, rural electric cooperative and municipal
12 electric utility shall report all completed electric work orders, whether completed by the utility
13 or one of its contractors, at the end of each quarter of the year. The report shall be filed with
14 the Director of the Commission's Division of Regulatory Compliance and Consumer
15 Assistance ~~Auditing and Safety~~ no later than the 30th working day after the last day of the
16 reporting quarter, and shall contain, at a minimum, the following information for each work
17 order:

- 18 (a) Work order number/project/job;
19 (b) Brief title; and
20 (c) Estimated cost in dollars, rounded to nearest thousand.

21 (3) The quarterly report shall be filed in standard DBase or compatible format, DOS
22 ASCII text, or hard copy, as follows:

- 23 (a) DBase Format

24	Field Name	Field Type	Digits
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25 CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from existing law.

- 1 1. Work orders Character 20
- 2 2. Brief title Character 30
- 3 3. Cost Numeric 8
- 4 4. Location Character 50
- 5 ~~5. Kv Numeric 5~~
- 6 ~~6. Contiguous Character 1~~

7 (b) DOS ASCII Text.

- 8 1. Columns shall be the same type and in the same order as listed under Field Names
- 9 above.
- 10 2. A comma (,) shall be placed between data fields.
- 11 3. Character data fields shall be placed between quotation marks (“ . . .”).
- 12 4. Numeric data fields shall be right justified.
- 13 5. Blank spaces shall be used to fill the data fields to the indicated number of digits.

14 (c) Hard Copy.

15 The following format is preferred, but not required:

16 Completed Electrical Work Orders For PSC Inspection

17 Work Order	Brief Title	Estimated Cost	Location	Kv Rating	Contiguous (y/n)
18					

19 (4) In its quarterly report, each utility shall identify all transmission and distribution

20 facilities subject to the Commission’s safety jurisdiction, and shall certify to the Commission

21 that they meet or exceed the applicable standards. Compliance inspections by the Commission

22 shall be made on a random basis or as appropriate.

23 (5) As soon as practicable, but by the end of the next business day after it learns of the

24 occurrence, each investor-owned electric ~~public~~ utility, rural electric cooperative, and

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1 municipal electric utility shall (without admitting liability) report to the Commission any
2 accident occurring in connection with any part of its transmission or distribution facilities
3 which:

4 (a) Involves death or injury requiring hospitalization of nonutility persons; or

5 (b) Is significant from a safety standpoint in the judgment of the utility even though it
6 is not required by paragraph (a).

7 (6) Each investor-owned electric ~~public~~ utility, rural electric cooperative, and
8 municipal electric utility shall (without admitting liability) report each accident or
9 malfunction, occurring in connection with any part of its transmission or distribution facilities,
10 to the Commission within 30 days after it learns of the occurrence, provided the accident or
11 malfunction:

12 (a) Involves damage to the property of others in an amount in excess of \$5000; or

13 (b) Causes significant damage in the judgment of the utility to the utility's facilities.

14 (7) Unless requested by the Commission, reports are not required with respect to
15 personal injury, death, or property damage resulting from vehicles striking poles or other
16 utility property.

17 Specific Authority 350.127(2) FS.

18 Law Implemented 366.04(2)(f), (6) FS.

19 History--New 8-13-87, Amended 2-18-90, 11-10-93, 8-17-97, 7-16-02, Amended_____.

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1 **PART IV**
 2 **GENERAL SERVICE PROVISIONS**

3 **25-6.064 ~~Extension of Facilities; Contribution in Aid of Construction: Installation of New~~**
 4 **or Upgraded Facilities**

5 (1) ~~Purpose.~~ Application and scope: The purpose of this rule is to establish a uniform
 6 procedure by which investor-owned electric utilities ~~subject to this rule will~~ calculate amounts
 7 due as ~~contributions in aid of construction~~ contribution-in-aid-of-construction (CIAC) from
 8 customers who require new facilities, other than standard installations, or for upgrades to
 9 existing facilities resulting from changes in the customer's demand on the system, extensions
 10 of distribution facilities in order to receive electric service, except as provided in Rule 25-
 11 6.078.

12 (2) ~~Applicability.~~ This rule ~~applies to all investor owned electric utilities in Florida as~~
 13 ~~defined in Section 366.02, F.S.~~ Contribution-in-aid-of-
 14 construction shall be calculated as set forth below:

15	16	17	18	19	20
<u>CIAC</u>	=	<u>Cost of</u> <u>installing the</u> <u>facilities</u>	=	<u>4 x nonfuel energy charge</u> <u>per kWh x expected</u> <u>incremental annual kWh</u> <u>sales over the new facilities</u>	=
					<u>4 x expected annual</u> <u>demand charge revenues</u> <u>from incremental sales over</u> <u>the new facilities</u>

21 For the purposes of the above formula, costs are defined as follows:

22 (a) The cost of all new overhead and underground line extensions shall be the total
 23 estimated work order job cost.

24 (b) There shall be no charge for the overhead transformer, service drop and meter for
 25 new standard overhead installations.

(c) The total cost of installing new underground service shall be reduced by the cost of
a standard overhead service installation.

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1 (d) The cost of upgrades to existing facilities shall be the estimated work order job cost
 2 including any costs of removal less any salvage.

3 (e) For customers in rate classes that pay only energy charges, demand charge
 4 revenues shall be zero.

5 (f) Expected demand charge revenues and energy sales shall be based on an annual
 6 period ending not more than 5 years after the extension is placed in service.

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

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

13 ~~(a) For customers in rate classes that pay only energy charges, i.e., those that do not~~
 14 ~~pay demand charges, the CIAC shall be calculated as follows:~~

15	CIAC _{oh} =	(Actual or estimated job cost for new poles and	(4 x nonfuel energy charge
16		conductors and appropriate fixtures require to	per KWH x expected annual
17		provide service, excluding transformers, service	KWH sales over the new line
18		drops, and meters)	facilities)

19 ~~(b) For customers in rate classes that pay both energy charges and demand charges, the~~
 20 ~~CIAC shall be calculated as follows:~~

21	CIAC _{oh} =	(Actual or estimated job cost for	(4 x nonfuel	(4 x expected
22		new poles and conductors and	energy charge per	annual demand
23		appropriate fixtures require to	KWH x expected	charge revenues
24		provide service, excluding	annual KWH sales	from sales over

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		transformers, service drops, and meters)	over the new line)		the new line)
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(e) Expected demand charge revenues and energy sales shall be based on an annual period ending not more than five years after the extension is placed in service.

(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:

$CIAC_{ug}$	=	(Estimated difference between the cost of providing the facilities distribution line extension, including not only the distribution line extension itself but also the transformer, the service drop, and other necessary fixtures, with underground facilities vs. the cost of providing service using overhead facilities)	-	$CIAC_{oh}$ (as above)
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6) Nothing in this rule shall be construed as prohibiting a utility from collecting from a customer the total difference in cost for providing underground service instead of overhead service to that customer.

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

(3)(8) Each utility shall apply the above formulas in subsection (2) of this rule uniformly to residential, commercial and industrial customers requiring requesting new or upgraded facilities at any voltage level line extensions.

(4) The costs applied to the formula in subsection (2) shall be based on the

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1 requirements of Rule 25-6.034, Standards of Construction.

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

7 ~~(6)(10) Each~~ The utility shall use its best judgment in estimating the total amount of
8 revenues and sales which new or upgraded facilities each line extension is are expected to
9 produce in the a 4-year time frame commencing with the in-service date of the new or
10 upgraded facilities near future. If the amount of the estimated credit to the CIAC is disputed,
11 at the customer's request, the utility shall true-up the CIAC collected using actual revenues at
12 the end of the 4-year period over which the CIAC was estimated.

13 ~~(7)(11) The utility may elect to waive the line extension~~ all or any portion of the CIAC
14 for customers, even when a CIAC is found to be applicable owing. However, if the utility
15 waives the CIAC, the utility shall reduce net plant in service as though the CIAC had been
16 collected Commission will reduce the utility's net plant in service by an equal amount for
17 ratemaking purposes, as though the CIAC had been collected, except when the company's
18 annual revenues from a customer are sufficient to offset the unpaid line extension CIAC
19 under subsection (4) or (5). Each utility shall maintain records of amounts waived and any
20 subsequent changes that served to offset the CIAC.

21 ~~(8)(12) In cases where larger developments~~ more customers than the initial applicant
22 are expected to be served by the new or upgraded facilities line extensions, the utility shall
23 may elect to prorate the total line extension costs and CIAC's, owed over the number of
24 customers expected to connect to the new line be served by the new or upgraded facilities

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1 within a period not to exceed 3 years commencing with the in-service date of the new or
2 upgraded facilities. The utility may require an advance equal to the full amount of the CIAC
3 from the initial customer. As additional customers connect to the facilities subject to the
4 CIAC, the utility shall collect from those customers a pro-rated CIAC, and credit that amount
5 to the initial customer who paid the CIAC. In the event the projected growth in customers or
6 usage does not materialize by the end of the 3-year period, the remaining CIAC shall be
7 retained by the utility to offset the cost of the construction. The utility shall file a tariff
8 outlining its policy for the proration of CIAC.

9 (9)(13) A detailed statement of its standard facilities extension and upgrade policyies
10 shall be filed by each utility as part of its tariffs. ~~This policy~~ The tariffs shall have uniform
11 application and shall be nondiscriminatory.

12 (10)(14) If a utility and applicant are unable to agree ~~in regard to an extension on the~~
13 CIAC amount, either party may appeal to the Commission for a review.
14 Specific Authority 366.05(1), 350.127(2) FS.

15 Law Implemented 366.03, 366.05(1), 366.06(1) FS.

16 History—New 7-29-69, Amended 7-2-85, Formerly 25-6.64, Amended.

1 **PART V**
2 **RULES FOR RESIDENTIAL ELECTRIC UNDERGROUND EXTENSIONS**

3 **25-6.078 Schedule of Charges.**

4 (1) Each utility shall file with the Commission a written policy that shall become a part
5 of the utility's tariff rules and regulations on the installation of underground facilities in new
6 subdivisions. Such policy shall be subject to review and approval of the Commission and shall
7 include an Estimated Average Cost Differential, if any, and shall state the basis upon which
8 the utility will provide underground service and its method for recovering the difference in
9 cost of an underground system and an equivalent overhead system from the applicant at the
10 time service is extended. The charges to the applicant shall not be more than the estimated
11 difference in cost of an underground system and an equivalent overhead system.

12 (2) For the purposes of calculating the Estimated Average Cost Differential, cost
13 estimates shall reflect the requirements of Rule 25-6.034, Standards of Construction.

14 (3)(2) On or before October 15th of each year each utility shall file with the
15 Commission's Division of Economic Regulation Form PSC/ECR 13-E, Schedule 1, using
16 current material and labor costs. If the cost differential as calculated in Schedule 1 varies from
17 the Commission-approved differential by plus or minus 10 percent or more, the utility shall
18 file a written policy and supporting data and analyses as prescribed in subsections (1), (43)
19 and (54) of this rule on or before April 1 of the following year; however, each utility shall file
20 a written policy and supporting data and analyses at least once every 3 ~~three~~ years.

21 (4)(3) Differences in operating and maintenance costs, including average historical
22 storm restoration costs over the life of the facilities, between underground and overhead
23 systems, if any, shall ~~may~~ be taken into consideration in determining the overall Estimated
24 Average Cost Differential. Each utility shall establish sufficient record keeping and
25 accounting measures to separately identify storm related operating and maintenance costs for

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1 underground and overhead facilities.

2 ~~(5)~~(4) Detailed supporting data and analyses used to determine the Estimated Average
3 Cost Differential for underground and overhead distribution systems shall be concurrently
4 filed by the utility with the Commission and shall be updated using cost data developed from
5 the most recent 12-month period. The utility shall record these data and analyses on Form
6 PSC/ECR 13-E (10/97). Form PSC/ECR 13-E, entitled "Overhead/Underground Residential
7 Differential Cost Data" is incorporated by reference into this rule and may be obtained from
8 the Division of Economic Regulation, 2540 Shumard Oak Boulevard, Tallahassee, Florida
9 32399-0850, (850) 413-6900.

10 ~~(6)~~(5) Service for a new multiple-occupancy building shall be constructed underground
11 within the property to be served to the point of delivery at or near the building by the utility at
12 no charge to the applicant, provided the utility is free to construct its service extension or
13 extensions in the most economical manner.

14 ~~(7)~~(6) The recovery of the cost differential as filed by the utility and approved by the
15 Commission may not be waived or refunded unless it is mutually agreed by the applicant and
16 the utility that the applicant will perform certain work as defined in the utility's tariff, in which
17 case the applicant shall receive a credit. Provision for the credit shall be set forth in the
18 utility's tariff rules and regulations, and shall be no more in amount than the total charges
19 applicable.

20 ~~(8)~~(7) The difference in cost as determined by the utility in accordance with its tariff
21 shall be based on full use of the subdivision for building lots or multiple-occupancy buildings.
22 If any given subdivision is designed to include large open areas, the utility or the applicant
23 may refer the matter to the Commission for a special ruling as provided under Rule 25-6.083,
24 F.A.C.

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1 (9)(8) The utility shall not be obligated to install any facilities within a subdivision
2 until satisfactory arrangements for the construction of facilities and payment of applicable
3 charges, if any, have been completed between the applicant and the utility by written
4 agreement. A standard agreement form shall be filed with the company's tariff.

5 (10)(9) Nothing herein contained shall be construed to prevent any utility from
6 absorbing assuming all or any portion of the costs differential of providing underground
7 distribution systems, provided, however, that such ~~assumed~~ costs in excess of a comparable
8 overhead system differential shall not be chargeable to the general body of ratepayers, and any
9 such policy adopted by a utility shall have uniform application throughout its service area.
10 Specific Authority 366.04(2)(f), 366.05(1) FS.

11 Law Implemented 366.03, 366.04(1), (4), 366.04(2)(f), 366.06(1) FS.

12 History—New 4-10-71, Amended 4-13-80, 2-12-84, Formerly 25-6.78, Amended 10-29-97,
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1 PART VII

2 UNDERGROUND ELECTRIC DISTRIBUTION FACILITY CHARGES

3 **25-6.115 Facility Charges for Conversion of Existing Overhead ~~Providing Underground~~**
4 **~~Facilities of Public~~ Investor-owned Distribution Facilities ~~Excluding New Residential~~**
5 **~~Subdivisions.~~**

6 (1) Each ~~public~~-investor-owned utility shall file a tariff showing the non-refundable
7 deposit amounts for standard applications addressing ~~new construction~~ and the conversion of
8 existing overhead electric distribution facilities to underground facilities ~~excluding new~~
9 ~~residential subdivisions~~. The tariff shall include the general provisions and terms under which
10 the public utility and applicant may enter into a contract for the purpose of ~~new construction~~
11 ~~or conversion~~tion of existing overhead electric facilities to underground electric facilities. The
12 non-refundable deposit amounts shall ~~approximate~~ be calculated in the same manner as the
13 engineering costs for underground facilities serving each of the following scenarios: urban
14 commercial, urban residential, rural residential, existing low-density single family home
15 subdivision and existing high-density single family home subdivision service areas.

16 (2) For ~~the purposes~~ of this rule, the applicant is the person or entity seeking the
17 undergrounding of existing overhead electric distribution facilities. In the instance where a
18 local ordinance requires developers to install underground facilities, the developer who
19 actually requests the construction for a specific location is ~~when a developer requests local~~
20 ~~government development approval, the local government shall not be deemed the applicant for~~
21 purposes of this rule.

22 (3) Nothing in the tariff shall prevent the applicant from constructing and installing all
23 or a portion of the underground distribution facilities provided:

24 (a) ~~s~~Such work meets the investor-owned ~~public~~ utility's construction standards;

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1 (b) ~~t~~The investor-owned public utility will own and maintain the completed
2 distribution facilities; and

3 (c) ~~s~~Such agreement is not expected to cause the general body of ratepayers to incur
4 ~~greater costs in excess of the costs the utility would incur for the installation.~~

5 (4) Nothing in the tariff shall prevent the applicant from requesting a non-binding cost
6 estimate which shall be provided to the applicant free of any charge or fee.

7 (5) Upon an applicant's request and payment of the deposit amount, an investor-owned
8 ~~public~~ utility shall provide a binding cost estimate for providing underground electric service.

9 (6) An applicant shall have at least 180 days from the date the estimate is received, to
10 enter into a contract with the public utility based on the binding cost estimate. The deposit
11 amount shall be used to reduce the charge as indicated in subsection (7) only when the
12 applicant enters into a contract with the public utility within 180 days from the date the
13 estimate is received by the applicant, unless this period is extended by mutual agreement of
14 the applicant and the utility.

15 (7) The charge paid by the applicant shall be the charge for the proposed underground
16 facilities as indicated in subsection (~~8~~ 10) minus the charge for overhead facilities as indicated
17 in subsection (~~9~~ 11) minus the non-refundable deposit amount. The applicant shall not be
18 required to pay an additional amount which exceeds 10 percent of the binding cost estimate.

19 (8) For the purpose of this rule, the charge for the proposed underground facilities shall
20 include:

21 (a) ~~T~~the estimated cost of construction of the underground distribution facilities
22 including the construction cost of the underground service lateral(s) to the meter(s) of the
23 customer(s); and

24 (b) ~~For conversions,~~ the estimated remaining net book value of the existing facilities
25

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1 to be removed less the estimated net salvage value of the facilities to be removed.

2 (9) For the purpose of this rule, the charge for overhead facilities shall be the estimated
3 construction cost to build new overhead facilities, including the service drop(s) to the meter(s)
4 of the customer(s). Estimated construction costs shall be based on the requirements of Rule
5 25-6.034, Standards of Construction.

6 (10) An applicant ~~to a public utility for~~ requesting construction of underground
7 distribution facilities under to this rule may ~~petition~~ challenge the utility's cost estimates the
8 ~~Commission~~ pursuant to Rule 25-22.032, F.A.C.

9 (11) For the purposes of the computing the charges required in subsections (8) and (9):

10 (a) The utility shall include the net present value of operating and maintenance costs
11 and the average historical storm restoration costs for comparable facilities over the expected
12 life of the facilities.

13 (b) If the applicant chooses to construct or install all or a part of the requested
14 facilities, all costs, including overhead assignments, avoided by utility due to the applicant
15 assuming responsibility for construction shall be subtracted from the CIAC charged to the
16 customer, or if the full CIAC has already been paid, credited to the customer. At no time will
17 the CIAC be less than zero.

18 (12) Nothing herein contained shall be construed to prevent any utility from absorbing
19 all or any portion of the cost of providing underground distribution systems, provided,
20 however, that such costs in excess of a comparable overhead system shall not be chargeable to
21 the general body of ratepayers, and any such policy adopted by a utility shall have uniform
22 application throughout its service area.

23 (14~~3~~) Nothing in this rule shall be construed to grant any investor-owned electric
24 utility any right, title or interest in real property owned by a local government.

25 CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from existing
law.

1 Specific Authority 366.04, 366.05(1) FS.

2 Law Implemented 366.03, 366.04, 366.05 FS.

3 History—New 9-21-92, Amended

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