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POST OFFICE BOX 2842, St. PETERSBURG, FLORIDA 33731-2842

WEB SITE: www.stpete.org Channel 35 WSPF+TV

TELEPHONE: 727 893-7171

April 15, 2007

Florida Public Service Commission Clerks Office 2540 Shumard Oaks Blvd. Tallahassee, Fl. 32399-0850

To whom it may concern,

This letter is pertaining to Docket # 080200 EI filed with the Florida Public Service Commission by Progress Energy, Florida filed April 4, 2008.

On December 12, 2007 I placed a call, on behalf of the City of St. Petersburg, to The Florida Public Service Commission. The purpose of the call was to inquiry as the validity of information that the City was receiving from Progress Energy pertaining to the ownership and maintenance responsibility of Progress Energy installed secondary cable at several City locations. Apparently, for some time now, it has been Progress Energy's desire to transfer ownership of these facilities into the City's name. These facilities consist of old secondary cable, direct buried, that have become a maintenance nightmare for Progress Energy and may not comply with the National Electric Code (NEC) standards. One location in particular is Maximo Park which, if the City were to accepted ownership and maintenance responsibility, would cost the City an estimated \$40,000 to replace the cable.

On December 7, 2007 a letter concerning this matter was received from Nancy Loehr, Progress Energy. In the letter Ms. Loehr stated that Progress Energy's "Requirements for Electric Service" handbook clearly defines the policy regarding secondary under ground electric service ownership and maintenance and that the handbook has been filed and approved by the Commission since 1997. Ms. Loehr stated that members of the committee that initiated the handbook, one of which was a City employee, also approved the policy change in 1997. In talking with some of these members I have found that the statement by Ms. Loehr is not correct, in fact the 2007 handbook was the first time that this policy change appeared. In addition, this policy change was unknown to the 4 committee members that were contacted. In discussing this matter with Mr. John Baxter, FPSC I am told that the Requirements for Electric Service handbook is typically included with any rate filing by Progress Energy but is neither approved nor denied by the PSC.

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FPSC-COMMISSION CLERK

In researching the National Electric Code I have found that even though Progress Energy must comply with the National Electric <u>Safety</u> Code (NESC) they do not have to comply with the National Electric Code (NEC).

The NESC governs electric utilities and their method of operation while the NEC governs the installation of electrical service by contractors and private individuals. IE: main disconnect panel and wiring sizing, type of conductors used, etc.

Because Progress Energy is exempt from NEC code they are allowed to install non NEC code complying conductors. An example of this would be a new commercial building with a 2000 amp service. The NEC will require contractors to install 5 sets of 500mcm copper wire for that size service. If Progress Energy were to run the secondary service they would install 1 set of 4/O aluminum and comply with the NESC requirements. The reason is that Progress Energy can size their conductors based on the estimated demand, say 300 amps, not on the total 2000 amp size of the main.

If, in this example above, Progress Energy had installed the secondary 4/O service and years later was insisting that the ownership and maintenance responsibility be taken over by the commercial customer than at that point that customer would be violating the National Electric Code and be required to bring the service up to code.

The City's position, therefore, is that we do not wish to assume ownership of old, high maintenance Progress Energy owned secondary cable. If Progress Energy would chose to install new NEC approved cable and conduit at these facilities than the City would be more inclined to accept ownership and future maintenance. We encourage the Commission to reject Progress Energy's filing until future indemnification to the City is established.

Sincerely,

David R Reed

Capital Projects Coordinator, Internal Services

City of St. Petersburg