

STATE OF FLORIDA

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Public Service Commission

October 8, 2020

Kenneth J. Plante, Coordinator
Joint Administrative Procedures Committee
Room 680, Pepper Building
111 W. Madison Street
Tallahassee, FL 32399-1400

VIA EMAIL

Re: Docket No. 20200091-EU; Rule 25-6.064, F.A.C., Contribution-in-Aid-of-Construction for Installation of New or Upgraded Facilities; Rule 25-6.078, F.A.C., Schedule of Charges; Rule 25-6.115, F.A.C., Facility Charges for Conversion of Existing Overhead Investor-owned Distribution Facilities; and Rule 25-6.0343, F.A.C., Municipal Electric Utility and Rural Electric Cooperative Reporting Requirements.

Dear Mr. Plante:

Enclosed are the following materials concerning the above referenced proposed rules:

1. A copy of the proposed rules.
2. A copy of all materials incorporated by reference in the proposed rules.
3. A copy of the F.A.R. notice.
4. A statement of facts and circumstances justifying the proposed rules.
5. A federal standards statement.
6. Statement of Estimated Regulatory Costs for the rules.

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COMMISSION
CLERK

Mr. Kenneth J. Plante
October 8, 2020
Page 2

If there are any questions with respect to these rules, please do not hesitate to call me at
413-6082

Sincerely,

/s/ Adria E. Harper
Adria E. Harper
Senior Attorney

Enclosures

cc: Office of Commission Clerk

25-6.064 Contribution-in-Aid-of-Construction for Installation of New or Upgraded Facilities.

(1) Application and scope. The purpose of this rule is to establish a uniform procedure by which investor-owned electric utilities calculate amounts due as contributions-in-aid-of-construction (CIAC) from customers who request new facilities or upgraded facilities in order to receive electric service, except as provided in Rule 25-6.078, F.A.C.

(2) Contributions-in-aid-of-construction for new or upgraded overhead facilities (CIAC_{OH}) shall be calculated as follows:

CIAC _{OH}	=	Total estimated work order job cost of installing the facilities	-	Four years expected incremental base energy revenue	-	Four years expected incremental base demand revenue, if applicable
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(a) The cost of the service drop and meter shall be excluded from the total estimated work order job cost for new overhead facilities.

(b) The net book value and cost of removal, net of the salvage value, for existing facilities shall be included in the total estimated work order job cost for upgrades to those existing facilities.

(c) The expected annual base energy and demand charge revenues shall be estimated for a period ending not more than 5 years after the new or upgraded facilities are placed in service.

(d) In no instance shall the CIAC_{OH} be less than zero.

(3) Contributions-in-aid-of-construction for new or upgraded underground facilities (CIAC_{UG}) shall be calculated as follows:

CIAC _{UG}	=	CIAC _O _H	+	Estimated difference between cost of providing the service underground and overhead
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(4) Each utility shall apply the formula in subsections (2) and (3) of this rule uniformly to residential, commercial and industrial customers requesting new or upgraded facilities at any voltage level.

(5) The costs applied to the formula in subsections (2) and (3) shall be based on the

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1 requirements of Rule 25-6.030, F.A.C., Storm Protection Plan, Rule 25-6.034, F.A.C.,
2 Standard of Construction, Rule 25-6.0341, F.A.C., Location of the Utility's Electric
3 Distribution Facilities, and Rule 25-6.0345, F.A.C., Safety Standards for Construction of New
4 Transmission and Distribution Facilities ~~25-6.0342, F.A.C., Electric Infrastructure Storm.~~

5 (6) All CIAC calculations under this rule shall be based on estimated work order job costs.
6 In addition, each utility shall use its best judgment in estimating the total amount of annual
7 revenues which the new or upgraded facilities are expected to produce.

8 (a) A customer may request a review of any CIAC charge within 12 months following the
9 in-service date of the new or upgraded facilities. Upon request, the utility shall true-up the
10 CIAC to reflect the actual costs of construction and actual base revenues received at the time
11 the request is made.

12 (b) In cases where more customers than the initial applicant are expected to be served by
13 the new or upgraded facilities, the utility shall prorate the total CIAC over the number of end-
14 use customers expected to be served by the new or upgraded facilities within a period not to
15 exceed 3 years, commencing with the in-service date of the new or upgraded facilities. The
16 utility may require a payment equal to the full amount of the CIAC from the initial customer.
17 For the 3-year period following the in-service date, the utility shall collect from those
18 customers a prorated share of the original CIAC amount, and credit that to the initial customer
19 who paid the CIAC. The utility shall file a tariff outlining its policy for the proration of CIAC.

20 (7) The utility may elect to waive all or any portion of the CIAC for customers, even when
21 a CIAC is found to be applicable. If however, the utility waives a CIAC, the utility shall
22 reduce net plant in service as though the CIAC had been collected, unless the Commission
23 determines that there is a quantifiable benefit to the general body of ratepayers commensurate
24 with the waived CIAC. Each utility shall maintain records of amounts waived and any
25 subsequent changes that served to offset the CIAC.

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(8) A detailed statement of its standard facilities extension and upgrade policies shall be filed by each utility as part of its tariffs. The tariffs shall have uniform application and shall be nondiscriminatory.

(9) If a utility and applicant are unable to agree on the CIAC amount, either party may appeal to the Commission for a review.

Rulemaking Authority 366.05(1), 350.127(2) FS. Law Implemented 366.03, 366.05(1), 366.06(1) FS. History—New 7-29-69, Amended 7-2-85, Formerly 25-6.64, Amended 2-1-07.

_____.

1 **25-6.078 Schedule of Charges.**

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

10 (2) For the purpose of calculating the Estimated Average Cost Differential, cost estimates
11 shall reflect the requirements of Rule 25-6.030, F.A.C., Storm Protection Plan, Rule 25-6.034,
12 F.A.C., Standard of Construction, Rule 25-6.0341, F.A.C., Location of the Utility's Electric
13 Distribution Facilities, and Rule 25-6.0345, F.A.C., Safety Standards for Construction of New
14 Transmission and Distribution Facilities 25-6.0342, F.A.C., Electric Infrastructure Storm
15 Hardening.

16 (3) On or before October 15 of each year, each utility shall file with the Commission Clerk
17 ~~Form PSC/ECO 13-E (10/97). Schedule 1,~~ using current material and labor costs, Form PSC
18 1031 (08/20), entitled "Overhead/Underground Residential Differential Cost Data," which is
19 incorporated by reference into this rule and is available at [insert hyperlink]. If the cost
20 differential as calculated in Form PSC 1031 (08/20) Schedule 1 varies from the Commission-
21 approved differential by plus or minus 10 percent or more, the utility shall file a written policy
22 and supporting data and analyses as prescribed in subsections (1), (4) and (5) of this rule on or
23 before April 1 of the following year; however, each utility shall file a written policy and
24 supporting data and analyses at least once every 3 years.

25 (4) Differences in Net Present Value of operational costs, including average historical

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1 storm restoration costs over the life of the facilities, between underground and overhead
2 systems, if any, shall be taken into consideration in determining the overall Estimated Average
3 Cost Differential. Each utility shall establish sufficient record keeping and accounting
4 measures to separately identify operational costs for underground and overhead facilities,
5 including storm related costs.

6 (5) Detailed supporting data and analyses used to determine the Estimated Average Cost
7 Differential for underground and overhead distribution systems shall be concurrently filed by
8 the utility with the Commission and shall be updated using cost data developed from the most
9 recent 12-month period. The utility shall record these data and analyses on ~~Form PSC/ECO~~
10 ~~13-E (10/97). Form PSC/ECO 13-E Form PSC 1031 (08/20),~~ entitled "Overhead/Underground
11 Residential Differential Cost Data" which is incorporated by reference into subsection 3 of
12 this rule and may be obtained from the Division of Economics, 2540 Shumard Oak Boulevard,
13 Tallahassee, Florida 32399-0850, (850) 413-6410.

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

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

24 (8) The difference in cost as determined by the utility in accordance with its tariff shall be
25 based on full use of the subdivision for building lots or multiple-occupancy buildings. If any

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given subdivision is designed to include large open areas, the utility or the applicant may refer the matter to the Commission for a special ruling as provided under Rule 25-6.083, F.A.C.

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

(10) Nothing in this rule shall be construed to prevent any utility from waiving all or any portion of a cost differential for providing underground facilities. If, however, the utility waives the differential, the utility shall reduce net plant in service as though the differential had been collected unless the Commission determines that there is a quantifiable benefit to the general body of ratepayers commensurate with the waived differential.

Rulemaking Authority 350.127(2), 366.05(1) FS. Law Implemented 366.03, 366.04(1), (4), 366.04(2)(f), 366.06(1) FS. History—New 4-10-71, Amended 4-13-80, 2-12-84, Formerly 25-6.78, Amended 10-29-97, 2-1-07, _____.

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1 **25-6.115 Facility Charges for Conversion of Existing Overhead Investor-owned**
2 **Distribution Facilities.**

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

12 (2) For purposes of this rule, the applicant is the person or entity requesting the conversion
13 of existing overhead electric distribution facilities to underground facilities. In the instance
14 where a local ordinance requires developers to install underground facilities, the developer
15 who actually requests the construction for a specific location is deemed the applicant for
16 purposes of this rule.

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

- 19 (a) Such work meets the investor-owned utility's construction standards;
20 (b) The investor-owned utility will own and maintain the completed distribution facilities;
21 and

22 (c) Such agreement is not expected to cause the general body of ratepayers to incur
23 additional costs.

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

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

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

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

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

15 (a) The estimated cost of construction of the underground distribution facilities based on
16 the requirements of Rule 25-6.030, F.A.C., Storm Protection Plan, Rule 25-6.034, F.A.C.,
17 Standard of Construction, Rule 25-6.0341, F.A.C., Location of the Utility's Electric
18 Distribution Facilities, and Rule 25-6.0345, F.A.C., Safety Standards for Construction of New
19 Transmission and Distribution Facilities ~~25-6.0342, F.A.C., Electric Infrastructure Storm~~
20 ~~Hardening Standards of Construction~~, including the construction cost of the underground
21 service lateral(s) to the meter(s) of the customer(s); and

22 (b) The estimated remaining net book value of the existing facilities to be removed less the
23 estimated net salvage value of the facilities to be removed.

24 (9) For the purpose of this rule, the charge for overhead facilities shall be the estimated
25 construction cost to build new overhead facilities, including the service drop(s) to the meter(s)

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1 of the customer(s). Estimated construction costs shall be based on the requirements of Rule
2 25-6.030, F.A.C., Storm Protection Plan, Rule 25-6.034, F.A.C., Standard of Construction,
3 Rule 25-6.0341, F.A.C., Location of the Utility's Electric Distribution Facilities, and Rule 25-
4 6.0345, F.A.C., Safety Standards for Construction of New Transmission and Distribution
5 Facilities 25-6.0342, F.A.C., Electric Infrastructure Storm Hardening.

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

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

9 (a) The utility shall include the Net Present Value of operational costs including the
10 average historical storm restoration costs for comparable facilities over the expected life of the
11 facilities.

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

17 (12) Nothing in this rule shall be construed to prevent any utility from waiving all or any
18 portion of the cost for providing underground facilities. If, however, the utility waives any
19 charge, the utility shall reduce net plant in service as though those charges had been collected
20 unless the Commission determines that there is quantifiable benefits to the general body of
21 ratepayers commensurate with the waived charge.

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

24 *Rulemaking Authority 350.127(2), 366.05(1) FS. Law Implemented 366.03, 366.04, 366.05*
25 *FS. History—New 9-21-92, Amended 2-1-07,_____.*

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1 **25-6.0343 Municipal Electric Utility and Rural Electric Cooperative Reporting**
2 **Requirements.**

3 (1) Application and Scope. The purpose of this rule is to define certain reporting
4 requirements by municipal electric utilities and rural electric cooperatives providing
5 distribution service to end-use customers in Florida.

6 (2) The reports required by subsections (3), of this rule shall be filed with the Commission
7 Clerk by March 1, 2021, and every three years thereafter for the three preceding calendar
8 years. The reports required by subsections (4), and (5) of this rule shall be filed with the
9 Commission Clerk by March 1 of each year for the preceding calendar year.

10 (3) Standards of Construction. Each municipal electric utility and rural electric cooperative
11 shall report the extent to which its construction standards, policies, practices, and procedures
12 are designed to address the ability of transmission and distribution facilities to mitigate
13 damage caused by extreme weather. Each utility report shall, at a minimum, address the extent
14 to which its construction standards, policies, guidelines, practices, and procedures:

15 (a) Comply, at a minimum, with the procedures set forth in Rule 25-6.0345, F.A.C., the
16 ~~National Electrical Safety Code (ANSI C-2) [NESC]. For electrical facilities constructed on or~~
17 ~~after February 1, 2007, the shall apply. Electrical facilities constructed prior to February 1,~~
18 ~~2007, shall be governed by the edition of the NESC in effect at the time of the facility's initial~~
19 ~~construction. A copy of the 2007 NESC, ISBN number 0-7381-4893-8, may be obtained from~~
20 ~~the Institute of Electric and Electronic Engineers, Inc. (IEEE).~~

21 (b) Are guided by the extreme wind loading standards specified by the procedures set forth
22 in Rule 25-6.0345, F.A.C., Figure 250-2(d) of the 2002 edition of the NESC for:

- 23 1. New construction;
- 24 2. Major planned work, including expansion, rebuild, or relocation of existing facilities,
- 25 assigned on or after the effective date of this rule; and

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1 3. Targeted critical infrastructure facilities and major thoroughfares taking into account
2 political and geographical boundaries and other applicable operational considerations.

3 (c) Address the effects of flooding and storm surges on underground distribution facilities
4 and supporting overhead facilities.

5 (d) Provide for placement of new and replacement distribution facilities so as to facilitate
6 safe and efficient access for installation and maintenance.

7 (e) Include written safety, pole reliability, pole loading capacity, and engineering standards
8 and procedures for attachments by others to the utility's electric transmission and distribution
9 poles.

10 (4) Facility Inspections. Each municipal electric utility and rural electric cooperative shall
11 report, at a minimum, the following information pertaining to its transmission and distribution
12 facilities:

13 (a) A description of the utility's policies, guidelines, practices, and procedures for
14 inspecting transmission and distribution lines, poles, and structures including, but not limited
15 to, pole inspection cycles and pole selection process.

16 (b) The number and percentage of transmission and distribution inspections planned and
17 completed.

18 (c) The number and percentage of transmission poles and structures and distribution poles
19 failing inspection and the reason for the failure.

20 (d) The number and percentage of transmission poles and structures and distribution poles,
21 by pole type and class of structure, replaced or for which remediation was taken after
22 inspection, including a description of the remediation taken.

23 (5) Vegetation Management. Each municipal electric utility and rural electric cooperative
24 shall report, at a minimum, the following information pertaining to the utility's vegetation
25 management efforts:

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1 (a) A description of the utility's policies, guidelines, practices, and procedures for
2 vegetation management, including programs addressing appropriate planting, landscaping, and
3 problem tree removal practices for vegetation management outside of road right-of-ways or
4 easements, and an explanation as to why the utility believes its vegetation management
5 practices are sufficient.

6 (b) The quantity, level, and scope of vegetation management planned and completed for
7 transmission and distribution facilities.

8 *Rulemaking Authority 350.127(2), 366.05(1) FS. Law Implemented 366.04(2)(f), (6) FS.*
9 *History—New 12-10-06, _____.*

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Utility Name: _____

Date: _____

OVERHEAD/UNDERGROUND RESIDENTIAL DIFFERENTIAL COST DATA

Low Density 210 Lot Subdivision
Cost per Service Lateral

ITEM	OVERHEAD COST	UNDERGROUND COST	DIFFERENTIAL COST
Labor			
Material			
TOTAL			
Net Present Value (NPV) Operational Cost			
TOTAL Including NPV Operational Cost			

The differential cost has changed by ____%

Notice of Proposed Rule

PUBLIC SERVICE COMMISSION

SELECT A TYPE: amendment

RULE NOS: RULE TITLES:

Rule 25-6.064 Contribution-in-Aid-of-Construction for Installation of New or Upgraded Facilities

Rule 25-6.078 Schedule of Charges

Rule 25-6.115 Facility Charges for Conversion of Existing Overhead Investor-owned Distribution Facilities

Rule 25-6.0343 Municipal Electric Utility and Rural Electric Cooperative Reporting Requirements

PURPOSE AND EFFECT: To update and clarify the rules, including updating the rules to recognize the Commission's adoption of Rule 25-6.030, F.A.C., Storm Protection Plan, and the repeal of Rule 25-6.0342, F.A.C.

Docket No. 20200091-EU

SUMMARY: Rules 25-6.064, 25-6.078, and 25-6.115, F.A.C. are amended to delete the reference to a repealed rule and instead reference Rule 25-6.030, F.A.C., Storm Protection Plan, Rule 25-6.034, F.A.C., Standard of Construction, Rule 25-6.0341, F.A.C., Location of the Utility's Electric Distribution Facilities, and Rule 25-6.0345, F.A.C., Safety Standards for Construction of New Transmission and Distribution Facilities, in order for the rules to more specifically and accurately reflect all of the applicable requirements. Rule 25-6.078, F.A.C. is also amended to incorporate by reference Form PSC 1031 (08/20). Rule 25-6.0343, F.A.C. is amended to require that the reports required by subsection (3) of the rule be filed every three years and amended to reference the procedures set forth in Rule 25-6.0345, F.A.C.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION: The agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has been prepared by the agency. The SERC examined the factors required by Section 120.541(2), FS, and concluded that the rule amendments will not have an adverse impact on economic growth, business competitiveness, or small business and that there would likely be transactional cost savings to the individual and entities, including government entities, required to comply with the rule.

The agency has determined that the proposed rules are not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: based upon the information contained in the SERC.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 350.127(2), 366.05(1), FS.

LAW IMPLEMENTED: 350.115, 366.03, 366.04(1), (2), (4)-(6), 366.041(1), (4), 366.05(1), (7), 366.06(1), FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAR.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Adria Harper, Office of General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, or at aharper@psc.state.fl.us.

THE FULL TEXT OF THE PROPOSED RULE IS: [TYPE AND STRIKE VERSION]

25-6.064 Contribution-in-Aid-of-Construction for Installation of New or Upgraded Facilities.

(1) through (4) No change.

(5) The costs applied to the formula in subsections (2) and (3) shall be based on the requirements of Rule 25-6.030, F.A.C., Storm Protection Plan, Rule 25-6.034, F.A.C., Standard of Construction, Rule 25-6.0341, F.A.C., Location of the Utility's Electric Distribution Facilities, and Rule 25-6.0345, F.A.C., Safety Standards for Construction of New Transmission and Distribution Facilities ~~25-6.0342, F.A.C., Electric Infrastructure Storm.~~

(6) through (9) no change.

Rulemaking Authority 366.05(1), 350.127(2) FS. Law Implemented 366.03, 366.05(1), 366.06(1) FS. History—New 7-29-69, Amended 7-2-85, Formerly 25-6.64, Amended 2-1-07,_____.

25-6.078 Schedule of Charges.

(1) No change.

(2) For the purpose of calculating the Estimated Average Cost Differential, cost estimates shall reflect the requirements of Rule 25-6.030, F.A.C., Storm Protection Plan, Rule 25-6.034, F.A.C., Standard of Construction, Rule 25-6.0341, F.A.C., Location of the Utility's Electric Distribution Facilities, and Rule 25-6.0345, F.A.C., Safety Standards for Construction of New Transmission and Distribution Facilities 25-6.0342, F.A.C., Electric Infrastructure Storm Hardening.

(3) On or before October 15 of each year, each utility shall file with the Commission Clerk Form ~~PSC/ECO 13-E (10/97).~~ ~~Schedule 1,~~ using current material and labor costs, Form PSC 1031 (08/20), entitled "Overhead/Underground Residential Differential Cost Data," which is incorporated by reference into this rule and is available at [insert hyperlink]. If the cost differential as calculated in Form PSC 1031 (08/20) Schedule 1 varies from the Commission-approved differential by plus or minus 10 percent or more, the utility shall file a written policy and supporting data and analyses as prescribed in subsections (1), (4) and (5) of this rule on or before April 1 of the following year; however, each utility shall file a written policy and supporting data and analyses at least once every 3 years.

(4) No change.

(5) Detailed supporting data and analyses used to determine the Estimated Average Cost Differential for underground and overhead distribution systems shall be concurrently filed by the utility with the Commission and shall be updated using cost data developed from the most recent 12-month period. The utility shall record these data and analyses on ~~Form PSC/ECO 13-E (10/97).~~ ~~Form PSC/ECO 13-E~~ Form PSC 1031 (08/20), entitled "Overhead/Underground Residential Differential Cost Data" which is incorporated by reference into subsection 3 of this rule and may be obtained from the Division of Economics, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, (850) 413-6410.

(6) through (10) No change.

Rulemaking Authority 350.127(2), 366.05(1) FS. Law Implemented 366.03, 366.04(1), (4), 366.04(2)(f), 366.06(1) FS. History—New 4-10-71, Amended 4-13-80, 2-12-84, Formerly 25-6.78, Amended 10-29-97, 2-1-07, _____.

25-6.115 Facility Charges for Conversion of Existing Overhead Investor-owned Distribution Facilities.

(1) through (7) No change.

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

(a) The estimated cost of construction of the underground distribution facilities based on the requirements of Rule 25-6.030, F.A.C., Storm Protection Plan, Rule 25-6.034, F.A.C., Standard of Construction, Rule 25-6.0341, F.A.C., Location of the Utility's Electric Distribution Facilities, and Rule 25-6.0345, F.A.C., Safety Standards for Construction of New Transmission and Distribution Facilities 25-6.0342, F.A.C., Electric Infrastructure Storm Hardening Standards of Construction, including the construction cost of the underground service lateral(s) to the meter(s) of the customer(s); and

(b) No change.

(9) For the purpose of this rule, the charge for overhead facilities shall be the estimated construction cost to build new overhead facilities, including the service drop(s) to the meter(s) of the customer(s). Estimated construction costs shall be based on the requirements of Rule 25-6.030, F.A.C., Storm Protection Plan, Rule 25-6.034, F.A.C., Standard of Construction, Rule 25-6.0341, F.A.C., Location of the Utility's Electric Distribution Facilities, and Rule 25-6.0345, F.A.C., Safety Standards for Construction of New Transmission and Distribution Facilities 25-6.0342, F.A.C., Electric Infrastructure Storm Hardening.

(10) through (13) No change.

Rulemaking Authority 350.127(2), 366.05(1) FS. Law Implemented 366.03, 366.04, 366.05 FS. History—New 9-21-92, Amended 2-1-07, _____.

25-6.0343 Municipal Electric Utility and Rural Electric Cooperative Reporting Requirements.

(1) No change.

(2) The reports required by subsections (3), of this rule shall be filed with the Commission Clerk by March 1, 2021, and every three years thereafter for the three preceding calendar years. The reports required by subsections (4), and (5) of this rule shall be filed with the Commission Clerk by March 1 of each year for the preceding calendar year.

(3) Standards of Construction. Each municipal electric utility and rural electric cooperative shall report the extent to which its construction standards, policies, practices, and procedures are designed to address the ability of transmission and distribution facilities to mitigate damage caused by extreme weather. Each utility report shall, at a minimum, address the extent to which its construction standards, policies, guidelines, practices, and procedures:

(a) Comply, at a minimum, with the procedures set forth in Rule 25-6.0345, F.A.C., the National Electrical Safety Code (ANSI C-2) [NESC]. For electrical facilities constructed on or after February 1, 2007, the shall apply. Electrical facilities constructed prior to February 1, 2007, shall be governed by the edition of the NESC in effect at the time of the facility's initial construction. A copy of the 2007 NESC, ISBN number 0-7381-4893-8, may be obtained from the Institute of Electric and Electronic Engineers, Inc. (IEEE).

(b) Are guided by the extreme wind loading standards specified by the procedures set forth in Rule 25-6.0345, F.A.C., Figure 250-2(d) of the 2002 edition of the NESC for:

1. through 3. No change.

(c) through (e) No change.

(4) through (5) No change.

Rulemaking Authority 350.127(2), 366.05(1) FS. Law Implemented 366.04(2)(f), (6) FS. History—New 12-10-06,_____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Tom Ballinger

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Florida Public Service Commission

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: October 6, 2020

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: Volume 45, Number 111, June 7, 2019.

Rules 25-6.064, 25-6.078, 25-6.115
and 25-6.0343, F.A.C.
Docket No. 20200091-EU

STATEMENT OF FACTS AND CIRCUMSTANCES
JUSTIFYING RULE

The rule amendments update and clarify the rules. Rules 25-6.064, 25-6.078, and 25-6.115, F.A.C., are amended to delete the reference to a repealed rule and instead reference new Rule 25-6.030, F.A.C. Also, the rule amendments add references to Rules 25-6.034, Standard of Construction, 25-6.0341, Location of the Utility's Electric Distribution Facilities, and 25-6.0345, F.A.C., Safety Standards for Construction of New Transmission and Distribution Facilities, in order for the rules to more specifically and accurately reflect all of the applicable requirements. Rule 25-6.078 is also amended to incorporate by reference Form PSC 1031 (08/20). Rule 25-6.0343 is amended to require that the reports required by subsection (3) of the rule be filed every three years and amended to reference the procedures set forth in Rule 25-6.0345.

STATEMENT ON FEDERAL STANDARDS

There are no federal standards for these rules.

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 14, 2020

TO: Adria E. Harper, Senior Attorney, Office of the General Counsel

FROM: Sevini K. Guffey, Public Utility Analyst II, Division of Economics *S.K.G.*

RE: Docket No. 20200091-EU: Proposed amendment of Rule 25-6.064, F.A.C., Contribution-in-Aid-of-Construction for Installation of New or Upgraded Facilities; Rule 25-6.078, F.A.C., Schedule of Charges; Rule 25-6.115, F.A.C., Facility Charges for Conversion of Existing Overhead Investor-owned Distribution Facilities; and Rule 25-6.0343, F.A.C., Municipal Electric Utility and Rural Electric Cooperative Reporting Requirements.

Statement of Estimated Regulatory Costs

Commission staff is recommending amendments to Rules 25-6.064, F.A.C., Contribution-in-Aid-of-Construction; 25-6.078, F.A.C., Schedule of Charges; and 25-6.115, F.A.C., Facility Charges for Conversion of Existing Overhead Investor-owned Distribution Facilities, which apply to all investor-owned electric utilities (IOUs). Staff is also recommending amendments to Rule 25-6.0343, F.A.C., Municipal Electric Utility and Rural Electric Cooperative Reporting Requirements, which apply to all municipal electric utilities and electric cooperatives.

In 2019, the Florida Legislature passed SB 796 to enact Section 366.96, Florida Statutes (F.S.), which requires each IOU to file a transmission and distribution storm protection plan for the Commission's review and hold annual proceedings to determine each IOU's prudently incurred costs to implement the storm protection plan. In furtherance of the Legislature's directive, the Commission adopted Rule 25-6.030, F.A.C., Storm Protection Plan, and Rule 25-6.031, F.A.C., Storm Protection Plan Cost Recovery, which became effective on February 18, 2020. As a result of the adoption of these new rules, the Commission is recommending amendments to Rules 25-6.064, F.A.C., 25-6.078, F.A.C., 25-6.115, F.A.C., and 25-6.0343, F.A.C. The recommended revisions are discussed in detail in the staff recommendation.

Two noticed staff rule development workshops were held on June 25, 2019 and on August 20, 2019. On April 7, 2020, staff issued a Statement of Estimated Regulatory Costs (SERC) data request to the Florida Municipal Electric Association, the Florida Electric Cooperatives Association, Inc. and electric IOUs for which all responded by April 21, 2020.

The attached SERC addresses the economic impacts and considerations required pursuant to Section 120.541, F.S. The SERC analysis indicates that the recommended amendments to Rules 25-6.064, F.A.C., 25-6.078, F.A.C., 25-6.115, F.A.C., and 25-6.0343, F.A.C., will not likely increase regulatory costs, including any transactional costs or have an adverse impact on

business competitiveness, productivity, or innovation in excess of \$1 million in the aggregate within five years of implementation. The recommended revisions would not potentially have adverse impacts on small businesses, would have no implementation cost to the Commission or other state and local government entities, and would have no impact on small cities or counties.

No regulatory alternatives were submitted pursuant to Section 120.541(1)(g), F.S. The SERC concludes that none of the impacts/cost criteria established in Sections 120.541(2)(a), (c), (d), and (e), F.S., will be exceeded as a result of the proposed rule revisions.

cc: SERC File

FLORIDA PUBLIC SERVICE COMMISSION
STATEMENT OF ESTIMATED REGULATORY COSTS
Rules 25-6.064, F.A.C., 25-6.078, F.A.C., 25-6.115, .A.C., 25-6.0343, F.A.C.

1. Will the proposed rule have an adverse impact on small business? [120.541(1)(b), F.S.] (See Section E., below, for definition of small business.)

Yes

No

If the answer to Question 1 is "yes", see comments in Section E.

2. Is the proposed rule likely to directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate in this state within 1 year after implementation of the rule? [120.541(1)(b), F.S.]

Yes

No

If the answer to either question above is "yes", a Statement of Estimated Regulatory Costs (SERC) must be prepared. The SERC shall include an economic analysis showing:

A. Whether the rule directly or indirectly:

(1) Is likely to have an adverse impact on any of the following in excess of \$1 million in the aggregate within 5 years after implementation of the rule? [120.541(2)(a)1, F.S.]

Economic growth Yes No

Private-sector job creation or employment Yes No

Private-sector investment Yes No

(2) Is likely to have an adverse impact on any of the following in excess of \$1 million in the aggregate within 5 years after implementation of the rule? [120.541(2)(a)2, F.S.]

Business competitiveness (including the ability of persons doing business in the state to compete with persons doing business in other states or domestic markets) Yes No

Productivity Yes No

Innovation Yes No

(3) Is likely to increase regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule? [120.541(2)(a)3, F.S.]

Yes

No

Economic Analysis: In response to staff's data requests, the Florida Municipal Electric Association, Inc. (FMEA), and the Florida Electric Cooperatives Association, Inc. (FECA), stated that regulatory costs would not increase in excess of \$200,000 annually or in excess of \$1 million in the aggregate within 5 years after the implementation of the rules. FMEA and FECA stated that the proposed rule revisions are expected reduce regulatory costs due to the reduced number of reports to be filed with the Commission. The lowered costs would slightly reduce the cost burden for FMEA and FECA which would have a positive impact on their customers.

In response to staff's data requests, the five investor-owned electric utilities (IOUs) also stated that regulatory costs would not increase in excess of \$200,000 annually or in excess of \$1 million in the aggregate within 5 years after the implementation of the rules. Of the five IOUs, Florida Public Utilities Company stated that the Company does not anticipate any increases in regulatory costs associated with the specific rule changes identified. Duke Energy Florida, Inc. stated that it is already complying with the rule requirements and therefore, would not incur any incremental transactional costs.

B. A good faith estimate of: [120.541(2)(b), F.S.]

(1) The number of individuals and entities likely to be required to comply with the rule.

The 33 municipal utilities that are members of the FMEA, 17 electric cooperatives that are members of the FECA, and five (5) IOUs will be required to comply with the rules.

(2) A general description of the types of individuals likely to be affected by the rule.

Types of individuals likely to be affected by the rules will be the electric customers of FMEA, FECA, and IOUs.

C. A good faith estimate of: [120.541(2)(c), F.S.]

(1) The cost to the Commission to implement and enforce the rule.

None. To be done with the current workload and existing staff.

Minimal. Provide a brief explanation.

Other. Provide an explanation for estimate and methodology used.

(2) The cost to any other state and local government entity to implement and enforce the rule.

- None. The rule will only affect the Commission.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

(3) Any anticipated effect on state or local revenues.

- None.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

D. A good faith estimate of the transactional costs likely to be incurred by individuals and entities (including local government entities) required to comply with the requirements of the rule. "Transactional costs" include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used, procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring or reporting, and any other costs necessary to comply with the rule.

[120.541(2)(d), F.S.]

- None. The rule will only affect the Commission.
- Minimal. All responders stated that transactional costs will not increase as a result of the proposed rule revisions. DEF stated that since the utility is already complying with the requirements of these rules, there would be no incremental transactional costs incurred.
- Other. Provide an explanation for estimate and methodology used.

E. An analysis of the impact on small businesses, and small counties and small cities:
[120.541(2)(e), F.S.]

(1) "Small business" is defined by Section 288.703, F.S., as an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments.

- No adverse impact on small business.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

(2) A "Small City" is defined by Section 120.52, F.S., as any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census. A "small county" is defined by Section 120.52, F.S., as any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census.

- No impact on small cities or small counties.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

F. Any additional information that the Commission determines may be useful.
[120.541(2)(f), F.S.]

- None.

Additional Information:

G. A description of any regulatory alternatives submitted and a statement adopting the alternative or a statement of the reasons for rejecting the alternative in favor of the proposed rule. [120.541(2)(g), F.S.]

No regulatory alternatives were submitted.

A regulatory alternative was received from

Adopted in its entirety.

Rejected. Describe what alternative was rejected and provide a statement of the reason for rejecting that alternative.