

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: 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.

DOCKET NO. 20200091-EU
ORDER NO. PSC-2020-0449-FOF-EU
ISSUED: November 20, 2020

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman
ART GRAHAM
JULIE I. BROWN
DONALD J. POLMANN
ANDREW GILES FAY

NOTICE OF ADOPTION OF RULE

BY THE COMMISSION:

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has adopted without changes amendments to Rule 25-6.064, Rule 25-6.078, Rule 25-6.115 and Rule 25-6.0343, Florida Administrative Code.

The rules were filed with the Department of State on November 20, 2020, and will be effective on December 10, 2020. A copy of the rules as filed with the Department is attached to this Notice.

This docket is closed upon issuance of this Notice.

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By ORDER of the Florida Public Service Commission this 20th day of November, 2020.



ADAM J. TEITZMAN
Commission Clerk
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

AEH

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 _O H	=	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 _{OH}	+	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 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) All CIAC calculations under this rule shall be based on estimated work order job costs. In addition, each

utility shall use its best judgment in estimating the total amount of annual revenues which the new or upgraded facilities are expected to produce.

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

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

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

(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,_____.

25-6.078 Schedule of Charges.

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

(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 <http://www.flrules.org/Gateway/reference.asp?No=Ref-12425>. 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) Differences in Net Present Value of operational costs, including average historical storm restoration costs over the life of the facilities, between underground and overhead systems, if any, shall be taken into consideration in determining the overall Estimated Average Cost Differential. Each utility shall establish sufficient record keeping and accounting measures to separately identify operational costs for underground and overhead facilities, including storm related costs.

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

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

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

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

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

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

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

- (a) Such work meets the investor-owned utility's construction standards;
- (b) The investor-owned utility will own and maintain the completed distribution facilities; and
- (c) Such agreement is not expected to cause the general body of ratepayers to incur additional costs.

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

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

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

(7) The charge paid by the applicant shall be the charge for the proposed underground facilities as indicated in

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

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

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

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

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

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

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

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

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

(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 2007 NESC 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. New construction;
2. Major planned work, including expansion, rebuild, or relocation of existing facilities, assigned on or after the effective date of this rule; and
3. Targeted critical infrastructure facilities and major thoroughfares taking into account political and geographical boundaries and other applicable operational considerations.

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

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

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

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

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

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

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

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

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

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

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

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

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