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March 17, 2006

Blanca Bayo, Director
Division of the Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Notice of Intent to Participate in Rulemaking Docket No.
060147-EI, FPL's Proposed Amendments to Rule 25-6.034,
Standard of Construction

Dear Ms. Bayo,

Please accept this letter as notice of the Town of Palm Beach, Florida's intent to participate as a party in PSC Docket No. 060147-EI, In Re: Petition of Florida Power & Light Company to Initiate Rulemaking to Amend Rule 25-6.034, Standard of Construction. In summary, the Town of Palm Beach is a substantial customer of Florida Power & Light Company ("FPL"), a public utility under Florida law. The Town is deeply interested in promoting the safest and most reliable electric distribution infrastructure available, and accordingly, the Town has been actively working and negotiating with FPL toward the conversion of existing overhead ("OH") distribution facilities in Palm Beach to underground ("UG") facilities. Any contributions in aid of construction ("CIACs") paid by the Town will necessarily be determined, in part, by the difference between the cost of new UG facilities and the cost of the OH facilities that FPL would otherwise install, which will be determined by the construction standards applicable to, or applied by, FPL for OH facilities. Accordingly, the Town's interests will be affected - indeed,

substantially affected - by the Commission's actions in these proceedings, and the Town is thus entitled to participate herein as a party.

For several years, the Town of Palm Beach has been actively working toward conversion of the existing overhead ("OH") distribution facilities in the Town to underground ("UG") facilities. These efforts have included extensive discussions and negotiations with FPL toward a conversion project, as well as monitoring the Commission's activities relative to undergrounding. In fact, today, the Town is also filing a Petition to Intervene and Petition for Tariff Amendment in PSC Docket No. 060150-EI, In Re: Petition for Approval of Revisions to Contribution-in-Aid-of Construction Definition in Section 12.1 of First Revised Tariff Sheet No. 6.300, by Florida Power & Light Company, and notices of intent to participate in several other rulemaking dockets relating to undergrounding and related infrastructure reliability issues.

The relevant contact information for the Town of Palm Beach is as follows:

Town of Palm Beach
ATTN: Thomas G. Bradford, Deputy Town Manager
360 South County Road
Palm Beach, Florida 33401
Telephone (561) 838-5410
Telecopier (561) 838-5411.

All notices, pleadings, orders, correspondence, and other documents filed or submitted in this rulemaking proceeding should be directed to the Town's representatives as follows:

Robert Scheffel Wright, Attorney at Law
John T. LaVia, III, Attorney at Law
Young van Assenderp, P.A.
225 South Adams Street, Suite 200
Tallahassee, Florida 32301
(850) 222-7206 Telephone
(850) 561-6834 Facsimile
E-Mails - swright@yvlaw.net and jlavia@yvlaw.net,

with a courtesy copy to

Thomas G. Bradford, Deputy Town Manager
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360 South County Road
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The Commission and at least some of Florida's utilities, with FPL at the forefront, have recognized the potential benefits of undergrounding electric distribution facilities and of constructing a more storm-resilient distribution infrastructure. See, e.g., FPL's petition in the above-referenced PSC Docket No. 060150-EI, where FPL stated the following:

Additionally, data from the 2004 and 2005 hurricanes which impacted FPL's service area indicated that underground facilities incurred fewer main line (feeder) interruptions than did overhead facilities during each hurricane.

* * *

It is in the public interest to promote local government-sponsored underground conversion projects, thereby reducing the likelihood of long term outages caused by extreme weather events.

Although the additional investment in rate base and other costs that will be incurred by FPL pursuant to the proposed revisions to its [underground conversion tariffs] will not be insignificant, FPL submits that such measures and expenditures are prudent and reasonable considering the benefits described above and, in particular, from the standpoint of public policy concerns that strongly favor a more storm-resilient electric infrastructure.

PSC Docket No. 060150-EI, FPL's Petition at 3-4 (paragraph numbers omitted).

The Town believes that the Commission's analyses and deliberations in this docket should encompass measures necessary to withstand Category 4 and Category 5 storms, as well as the NESC "extreme wind" criteria, which are essentially Category 3 wind-speed standards. With appropriate consideration of the cost-effectiveness of undergrounding and overhead construction at various strength levels (i.e., to withstand Category 3, 4, and 5 storms), the Commission will be in a position to determine the appropriate construction standards, as well as the appropriate

basis for calculating CIACs for OH-to-UG conversions.

The Town's general positions with regard to this rulemaking proceeding and to the overall issues of electric distribution infrastructure reliability, including undergrounding, can be summarized as follows.

1. The Town supports amending the subject Rule 25-6.034, Standard of Construction, to reflect the most cost-effective construction standards for overhead and underground distribution facilities, giving full consideration to all costs and benefits associated with UG facilities and with OH facilities built to different standards - i.e., to withstand Category 3, Category 4, or Category 5 storms.

2. In determining what the appropriate standards are for inclusion in its Rules, and in considering whether those standards should be mandatory or permissive, the Commission should evaluate the total costs and benefits of UG electric service, including both new construction and conversions of existing OH facilities to UG facilities, and the costs of OH facilities required to meet (a) minimum standards, i.e., the National Electrical Safety Code ("NESC") Class C standards; (b) "standard" or "typical" construction for individual utilities, e.g., FPL's use of Class B standards for a significant portion of its distribution system; (c) the NESC's "extreme wind" criteria, as proposed by FPL in a separate docket; and (d) the construction requirements to withstand Category 4 and Category 5 storms.

3. The Commission's evaluations and rules should encompass and recognize all costs and benefits of UG vs. OH service, as well as all costs and benefits of OH construction standards for different storm categories, that flow directly to the general body of a utility's customers, including not only the differences in initial construction costs between UG and OH facilities built to different construction standards, but also the reductions in: post-storm restoration costs; operating and maintenance costs; costs associated with traffic accidents, property damage, and injuries from vehicles striking poles; and costs associated with accidental electrocutions.

4. The Commission's evaluations and rules must also encompass and recognize the differences in reliability afforded by UG facilities vs. OH facilities. Finally, the Commission must consider the value that undergrounding of both new and existing distribution facilities, and that enhancing reliability standards to meet different storm standards (i.e., Category 3, 4, and 5 storms) would provide

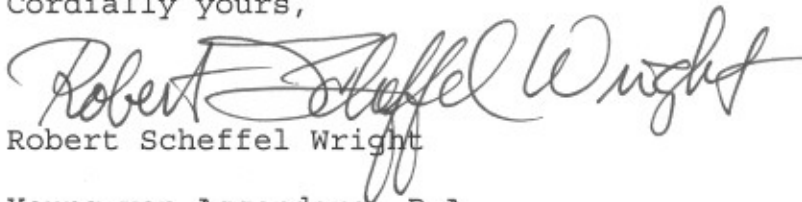
to Floridians generally, in terms of and as measured by the substantial value that people place on not having their electricity supply interrupted.

Requested Commission Action

The Town of Palm Beach, Florida respectfully requests the Florida Public Service Commission to recognize the Town of Palm Beach as a party to these rulemaking proceedings, and to provide the Town's representatives identified above with copies of all notices, orders, correspondence, pleadings, and other documents filed herein. If the Commission issues an order on procedure in this docket, the Town respectfully asks that the Commission require all other parties to this docket to similarly provide the Town's representatives with copies of all pleadings, correspondence, comments, proposals, and other materials filed with or submitted to the Commission in this docket.

Thank you very much for your assistance with this matter. If you have any questions, or if I can provide any additional information, please give me a call.

Cordially yours,



Robert Scheffel Wright

Young van Assenderp, P.A.
Attorneys for the Town of
Palm Beach, Florida

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Larry Harris, Esquire