



Public Service Commission

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DATE: June 15, 2006

TO: Blanca Bayó, Director, Division of the Commission Clerk & Administrative Services

FROM: Lawrence D. Harris, Senior Attorney, Office of the General Counsel *L.D.H.*

RE: Docket Nos. 060172-EU and 060173, EU – Revised Recommendation for June 20, 2006 Agenda Conference

To clarify that electric utilities must provide the opportunity to other affected entities to provide input into the utilities' establishment of construction and attachment standards and in locating their facilities, staff is recommending the following changes to the rules that were attached to its recommendation dated June 8, 2006. These changes are shown as shaded in the revised Attachment A to the recommendation, a copy of which is attached to this memorandum.

On Page 50: Rule 25-6.034 Standard of Construction, add:

(7) In establishing the construction standards, the utility shall seek input from other entities with existing agreements to share the use of its electric facilities. Any dispute or challenge to a utility's construction standards by a customer, applicant for service, or attaching entity shall be resolved by the Commission.

Page 51: Rule 25-6.0341 Location of the Utility's Electric Distribution Facilities, add:

(4) Where the expansion, rebuild, or relocation of electric distribution facilities affects existing third-party attachments, the electric utility shall seek input from and, to the extent practical, coordinate the construction of its facilities with the third-party attacher.

Page 51: Rule 25-6.0342 Third-Party Attachment Standards and Procedures, add:

(3) In establishing the Attachment Standards and Procedures, the utility shall seek input from other entities with existing agreements to share the use of its electric facilities. Any dispute arising from the implementation of this rule shall be resolved by the Commission.

*Approved:
L.D.H.
6/14/06*

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Commissioners
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In addition, we have corrected scrivener's errors that appear on page numbers 56 and 60 of the recommendation.

cc: Mary Bane
Michael Cooke
Rosanne Gervasi
Mary Anne Helton
Jim Breman
Patti Daniel
Connie Kummer
Craig Hewitt

Item 3 Agenda.ctm.doc

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 investor-owned electric utilities. ~~The facilities of the utility~~
8 shall be constructed, installed, maintained and operated in accordance with generally accepted
9 engineering practices to assure, as far as is reasonably possible, continuity of service and
10 uniformity in the quality of service furnished.

11 (2) Each utility shall establish, no later than 180 days after the effective date of this
12 rule, construction standards for overhead and underground electrical transmission and
13 distribution facilities that conform to the provisions of this rule. Each utility shall maintain a
14 copy of its construction standards at its main corporate headquarters and at each district office.
15 Subsequent updates, changes, and modifications to the utility's construction standards shall be
16 labeled to indicate the effective date of the new version and all revisions from the prior
17 version shall be identified. Upon request, the utility shall provide access, within 2 working
18 days, to a copy of its construction standards for review by Commission staff at the utility's
19 offices in Tallahassee.~~The Commission has reviewed the American National Standard Code~~
20 ~~for Electricity Metering, 6th edition, ANSI C-12, 1975, and the American National Standard~~
21 ~~Requirements, Terminology and Test Code for Instrument Transformers, ANSI 57.13, and has~~
22 ~~found them to contain reasonable standards of good practice. A utility that is in compliance~~
23 ~~with the applicable provisions of these publications, and any variations approved by the~~
24 ~~Commission, shall be deemed by the Commission to have facilities constructed and installed~~
25 ~~in accordance with generally accepted engineering practices.~~

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

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

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

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

12 (5) For the construction of distribution facilities, each utility shall, to the extent
13 reasonably practical, feasible, and cost-effective, be guided by the extreme wind loading
14 standards specified by Figure 250-2(d) of the 2002 edition of the NESC. As part of its
15 construction standards, each utility shall establish guidelines and procedures governing the
16 applicability and use of the extreme wind loading standards to enhance reliability and reduce
17 restoration costs and outage times for each of the following types of construction:

18 (a) new construction;

19 (b) major planned work, including expansion, rebuild, or relocation of existing
20 facilities, assigned on or after the effective date of this rule; and

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

23 (6) For the construction of underground distribution facilities and their supporting
24 overhead facilities, each utility shall, to the extent reasonably practical, feasible, and cost-
25 effective, establish guidelines and procedures to deter damage resulting from flooding and

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1 storm surges.

2 (7) In establishing the construction standards, the utility shall seek input from other
3 entities with existing agreements to share the use of its electric facilities. Any dispute or
4 challenge to a utility's construction standards by a customer, applicant for service, or attaching
5 entity shall be resolved by the Commission.

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

7 Law Implemented 366.04(2)(c), (f), (5), 366.05(1) FS.

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

9

10 **25-6.0341 Location of the Utility's Electric Distribution Facilities.** In order to
11 facilitate safe and efficient access for installation and maintenance, to the extent practical,
12 feasible, and cost-effective, electric distribution facilities shall be placed adjacent to a public
13 road, normally in front of the customer's premises.

14 (1) For initial installation, expansion, rebuild, or relocation of overhead facilities,
15 utilities shall use easements, public streets, roads and highways along which the utility has the
16 legal right to occupy, and public lands and private property across which rights-of-way and
17 easements have been provided by the applicant for service.

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

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

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1 (4) Where the expansion, rebuild, or relocation of electric distribution facilities affects
2 existing third-party attachments, the electric utility shall seek input from and, to the extent
3 practical, coordinate the construction of its facilities with the third-party attacher.

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

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

6 History– New.

7
8 **25-6.0342 Third-Party Attachment Standards and Procedures.**

9 (1) As part of its construction standards adopted pursuant to Rule 25-6.034, F.A.C.,
10 each utility shall establish and maintain written safety, reliability, pole loading capacity, and
11 engineering standards and procedures for attachments by others to the utility’s electric
12 transmission and distribution poles (Attachment Standards and Procedures). The Attachment
13 Standards and Procedures shall meet or exceed the applicable edition of the National Electrical
14 Safety Code (ANSI C-2) pursuant to subsection 25-6.034(4) and other applicable standards
15 imposed by state and federal law so as to assure, as far as is reasonably possible, that third-
16 party facilities attached to electric transmission and distribution poles do not impair electric
17 safety, adequacy, or reliability; do not exceed pole loading capacity; and are constructed,
18 installed, maintained, and operated in accordance with generally accepted engineering
19 practices for the utility’s service territory.

20 (2) No attachment to a utility’s electric transmission or distribution poles shall be
21 made except in compliance with such utility’s Attachment Standards and Procedures.

22 (3) In establishing the Attachment Standards and Procedures, the utility shall seek
23 input from other entities with existing agreements to share the use of its electric facilities.

24 Any dispute arising from the implementation of this rule shall be resolved by the Commission.

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

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from existing law.

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

2 History New_____.

3

4 **25-6.0343 Standards of Construction – Municipal Electric Utilities and Rural**
5 **Electric Cooperatives.**

6 The provisions of Rules 25-6.034, 25-6.0341, and 25-6.0342 shall apply to municipal
7 electric utilities and rural electric cooperatives as defined in Section 366.02, Florida Statutes.

8 If the Commission finds that a municipal electric utility or rural electric cooperative utility has
9 demonstrated that its standards of construction will not result in service to the utility’s general
10 body of ratepayers that is less reliable, the Commission shall exempt the utility from
11 compliance with the rule.

12 Specific Authority: 350.127, 366.04(5), F.S.

13 Law Implemented: 366.04(2)(c), (5), (6) F.S.

14 History New_____.

15

16 **25-6.0345 Safety Standards for Construction of New Transmission and**
17 **Distribution Facilities.**

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

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from existing law.

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

- 8 (a) Work order number/project/job;
- 9 (b) Brief title outlining the general nature of the work; ~~and~~
- 10 (c) Estimated cost in dollars, rounded to nearest thousand and;-
- 11 (d) Location of project.

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

14 (a) DBase Format

| 15 | Field Name | Field Type | Digits |
|----|--------------------------|----------------------|--------------|
| 16 | 1. Work orders | Character | 20 |
| 17 | 2. Brief title | Character | 30 |
| 18 | 3. Cost | Numeric | 8 |
| 19 | 4. Location | Character | 50 |
| 20 | 5. Kv | Numeric | 5 |
| 21 | 6. Contiguous | Character | 1 |

22 (b) DOS ASCII Text.

23 1. Columns shall be the same type and in the same order as listed under Field Names
24 above.

25 2. A comma (,) shall be placed between data fields.

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3. Character data fields shall be placed between quotation marks (“ . . .”).
4. Numeric data fields shall be right justified.
5. Blank spaces shall be used to fill the data fields to the indicated number of digits.

(c) Hard Copy.

The following format is preferred, but not required:

Completed Electrical Work Orders For PSC Inspection

| Work Order | Brief Title | Estimated Cost | Location | KV Rating | Contiguous (y/n) |
|------------|-------------|----------------|----------|-----------|------------------|
| | | | | | |

(4) In its quarterly report, each utility shall identify all transmission and distribution facilities subject to the Commission’s safety jurisdiction, and shall certify to the Commission that they meet or exceed the applicable standards. Compliance inspections by the Commission shall be made on a random basis or as appropriate.

(5) As soon as practicable, but by the end of the next business day after it learns of the occurrence, each investor-owned electric ~~public~~ utility, rural electric cooperative, and municipal electric utility shall (without admitting liability) report to the Commission any accident occurring in connection with any part of its transmission or distribution facilities which:

- (a) Involves death or injury requiring hospitalization of nonutility persons; or
- (b) Is significant from a safety standpoint in the judgment of the utility even though it is not required by paragraph (a).

(6) Each investor-owned electric ~~public~~ utility, rural electric cooperative, and municipal electric utility shall (without admitting liability) report each accident or malfunction, occurring in connection with any part of its transmission or distribution facilities,

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1 to the Commission within 30 days after it learns of the occurrence, provided the accident or
2 malfunction:

- 3 (a) Involves damage to the property of others in an amount in excess of \$5000; or
4 (b) Causes significant damage in the judgment of the utility to the utility's facilities.
5 (7) Unless requested by the Commission, reports are not required with respect to
6 personal injury, death, or property damage resulting from vehicles striking poles or other
7 utility property.

8 Specific Authority 350.127(2) FS.

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

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

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14 **PART IV**

15 **GENERAL SERVICE PROVISIONS**

16 **25-6.064 Extension of Facilities; Contribution-in-Aid-of-Construction for**
17 **Installation of New or Upgraded Facilities.**

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

23 (2) Applicability. ~~This rule applies to all investor-owned electric utilities in Florida as~~
24 ~~defined in Section 366.02, F.S.~~ Contributions-in-aid-of-construction for new or upgraded
25 overhead facilities (CIAC_{OH}) shall be calculated as follows:

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from existing law.

| | | | | | | | |
|---|--------------------------|----------|---------------------------|----------|-------------------------|----------|----------------------------|
| 1 | <u>CIAC_{OH}</u> | <u>=</u> | <u>Total estimated</u> | | <u>Four years</u> | | <u>Four years expected</u> |
| 2 | | | <u>work order job</u> | <u>:</u> | <u>expected</u> | <u>:</u> | <u>incremental demand</u> |
| 3 | | | <u>cost of installing</u> | | <u>incremental base</u> | | <u>revenue, if</u> |
| 4 | | | <u>the facilities</u> | | <u>energy revenue</u> | | <u>applicable</u> |

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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 cost of removal net of the salvage value shall be included in the total estimated work order job cost for upgrades to 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:

| | | | | |
|--------------------------|----------|--------------------------|----------|--|
| <u>CIAC_{UG}</u> | <u>=</u> | <u>CIAC_{OH}</u> | <u>±</u> | <u>Estimated difference between cost of</u> |
| | | | | <u>providing the service underground and</u> |
| | | | | <u>overhead</u> |

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

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

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

3 ~~CIAC_{oh} = (Actual or estimated job cost — (4 × nonfuel energy~~
4 ~~for new poles and conductors — charge per KWH~~
5 ~~and appropriate fixtures — × expected annual KWH~~
6 ~~required to provide service, — sales over the new line)~~
7 ~~excluding transformers,~~
8 ~~service drops, and meters)~~

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

11 ~~CIAC_{oh} = (Actual or estimated — (4 × nonfuel energy — (4 × expected annual~~
12 ~~job cost for new — charge per KWH × — demand charge~~
13 ~~poles and conductors — expected annual KWH — revenues from sales~~
14 ~~and appropriate — sales over the new line) — over the new line)~~
15 ~~fixtures required to~~
16 ~~provide service,~~
17 ~~excluding transformers,~~
18 ~~service drops, and meters)~~

19 ~~(c) Expected demand charge revenues and energy sales shall be based on an annual~~
20 ~~period ending not more than five years after the extension is placed in service.~~

21 ~~(5) In developing the policy for extending underground distribution facilities to~~
22 ~~customers, the following formula shall be used to determine the contribution in aid of~~
23 ~~construction:~~

24 ~~CIAC_{ug} = (Estimated difference between — + — CIAC_{oh} (as above)~~
25 ~~the cost of providing the~~

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1 ~~distribution line extension~~
2 ~~including not only the distribution~~
3 ~~line extension itself but also~~
4 ~~the transformer, the service drop,~~
5 ~~and other necessary fixtures, with~~
6 ~~underground facilities vs. the cost~~
7 ~~of providing service using overhead~~
8 ~~facilities)~~

9 ~~(6) Nothing in this rule shall be construed as prohibiting a utility from collecting from~~
10 ~~a customer the total difference in cost for providing underground service instead of overhead~~
11 ~~service to that customer.~~

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

16 ~~(4)(8) Each utility shall apply the above formulas in subsections (2) and (3) of this~~
17 ~~rule uniformly to residential, commercial and industrial customers requesting new or upgraded~~
18 ~~facilities at any voltage level. requiring line extensions.~~

19 ~~(5) The costs applied to the formula in subsections (2) and (3) shall be based on the~~
20 ~~requirements of Rule 25-6.034, Standards of Construction.~~

21 ~~(9) Each utility shall calculate an appropriate CIAC for line extensions constructed to~~
22 ~~serve customers who receive service at the primary distribution voltage level and the~~
23 ~~transmission voltage level. This CIAC shall be based on the actual or estimated cost of~~
24 ~~providing the extension less an appropriate credit.~~

25 ~~(6)(40) All CIAC calculations under this rule shall be based on estimated work order~~

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1 job costs. In addition, each The utility shall use its best judgment in estimating the total
2 amount of annual revenues and sales which the new or upgraded facilities are each line
3 extension is expected to produce in the near future.

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

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

17 (7)(44) The utility may elect to waive all or any portion of the line extension CIAC for
18 customers, even when a CIAC is found to be applicable owing. If hHowever, if the utility
19 waives a the CIAC, the utility shall reduce net plant in service as though the CIAC had been
20 collected, unless the Commission determines that there is a quantifiable benefit to the general
21 body of ratepayers commensurate with the waived CIAC. Commission will reduce the
22 utility's net plant in service by an equal amount for ratemaking purposes, as though the CIAC
23 had been collected, except when the company's annual revenues from a customer are
24 sufficient to offset the unpaid line extension CIAC under subsection (4) or (5). Each utility
25 shall maintain records of amounts waived and any subsequent changes that served to offset the

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1 CIAC.

2 ~~(12) In cases where larger developments are expected to be served by line extensions,~~
3 ~~the utility may elect to prorate the total line extension costs and CIAC's owed over the number~~
4 ~~of customers expected to connect to the new line.~~

5 ~~(8)(13)~~ A detailed statement of its standard facilities extension and upgrade policies
6 shall be filed by each utility as part of its tariffs. The tariffs ~~This policy~~ shall have uniform
7 application and shall be nondiscriminatory.

8 ~~(9)(14)~~ If a utility and applicant are unable to agree on the CIAC amount, ~~in regard to~~
9 ~~an extension~~, either party may appeal to the Commission for a review.

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

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

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

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16 **PART V**

17 **RULES FOR RESIDENTIAL ELECTRIC UNDERGROUND EXTENSIONS**

18 **25-6.078 Schedule of Charges.**

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

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1 difference in cost of an underground system and an equivalent overhead system.

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

4 (3)(2) On or before October 15~~th~~ of each year each utility shall file with the
5 Commission's Division of Economic Regulation Form PSC/ECR 13-E, Schedule 1, using
6 current material and labor costs. If the cost differential as calculated in Schedule 1 varies from
7 the Commission-approved differential by plus or minus 10 percent or more, the utility shall
8 file a written policy and supporting data and analyses as prescribed in subsections (1), ~~(43)~~
9 and ~~(54)~~ of this rule on or before April 1 of the following year; however, each utility shall file
10 a written policy and supporting data and analyses at least once every 3 ~~three~~ years.

11 (4)(3) Differences in Net Present Value of operational ~~operating and maintenance~~
12 costs, including average historical storm restoration costs over the life of the facilities,
13 between underground and overhead systems, if any, shall ~~may~~ be taken into consideration in
14 determining the overall Estimated Average Cost Differential. Each utility shall establish
15 sufficient record keeping and accounting measures to separately identify operating and
16 maintenance costs for underground and overhead facilities, including storm related costs.

17 (5)(4) Detailed supporting data and analyses used to determine the Estimated Average
18 Cost Differential for underground and overhead distribution systems shall be concurrently
19 filed by the utility with the Commission and shall be updated using cost data developed from
20 the most recent 12-month period. The utility shall record these data and analyses on Form
21 PSC/ECR 13-E (10/97). Form PSC/ECR 13-E, entitled "Overhead/Underground Residential
22 Differential Cost Data" is incorporated by reference into this rule and may be obtained from
23 the Division of Economic Regulation, 2540 Shumard Oak Boulevard, Tallahassee, Florida
24 32399-0850, (850) 413-6900.

25 (6)(5) Service for a new multiple-occupancy building shall be constructed

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1 underground within the property to be served to the point of delivery at or near the building by
2 the utility at no charge to the applicant, provided the utility is free to construct its service
3 extension or extensions in the most economical manner.

4 ~~(7)(6)~~ The recovery of the cost differential as filed by the utility and approved by the
5 Commission may not be waived or refunded unless it is mutually agreed by the applicant and
6 the utility that the applicant will perform certain work as defined in the utility's tariff, in which
7 case the applicant shall receive a credit. Provision for the credit shall be set forth in the
8 utility's tariff rules and regulations, and shall be no more in amount than the total charges
9 applicable.

10 ~~(8)(7)~~ The difference in cost as determined by the utility in accordance with its tariff
11 shall be based on full use of the subdivision for building lots or multiple-occupancy buildings.
12 If any given subdivision is designed to include large open areas, the utility or the applicant
13 may refer the matter to the Commission for a special ruling as provided under Rule 25-6.083,
14 F.A.C.

15 ~~(9)(8)~~ The utility shall not be obligated to install any facilities within a subdivision
16 until satisfactory arrangements for the construction of facilities and payment of applicable
17 charges, if any, have been completed between the applicant and the utility by written
18 agreement. A standard agreement form shall be filed with the company's tariff.

19 ~~(10)(9)~~ Nothing ~~in this rule herein contained~~ shall be construed to prevent any utility
20 from waiving assuming all or any portion of a cost differential for ~~of~~ providing underground
21 facilities, distribution systems, provided, however, that such assumed cost differential shall not
22 be chargeable to the general body of rate payers, and any such policy adopted by a utility shall
23 have uniform application throughout its service area. If, however, the utility waives the
24 differential, the utility shall reduce net plant in service as though the differential had been
25 collected unless the Commission determines that there is a quantifiable benefit to the general

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1 body of ratepayers commensurate with the waived differential.
2 Specific Authority 366.04(2)(f), 366.05(1) FS.
3 Law Implemented 366.03, 366.04(1), (4), 366.04(2)(f), 366.06(1) FS.
4 History–New 4-10-71, Amended 4-13-80, 2-12-84, Formerly 25-6.78, Amended 10-29-97,
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8 **PART VII**

9 **UNDERGROUND ELECTRIC DISTRIBUTION FACILITY CHARGES**

10 **25-6.115 Facility Charges for Conversion of Existing Overhead Providing**
11 **~~Underground Facilities of Public~~ Investor-owned Distribution Facilities ~~Excluding New~~**
12 **~~Residential Subdivisions.~~**

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

23 (2) For ~~the~~ purposes of this rule, the applicant is the person or entity requesting the
24 conversion seeking the undergrounding of existing overhead electric distribution facilities to
25 underground facilities. In the instance where a local ordinance requires developers to install

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1 underground facilities, the developer who actually requests the construction for a specific
2 location is when a developer requests local government development approval, the local
3 government shall not be deemed the applicant for purposes of this rule.

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

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

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

9 (c) ~~s~~Such agreement is not expected to cause the general body of ratepayers to incur
10 additional greater costs.

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

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

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

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

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

3 (a) ~~t~~The estimated cost of construction of the underground distribution facilities based
4 on the requirements of Rule 25-6.034, Standards of Construction, including the construction
5 cost of the underground service lateral(s) to the meter(s) of the customer(s); and

6 (b) ~~For conversions,~~ the estimated remaining net book value of the existing facilities
7 to be removed less the estimated net salvage value of the facilities to be removed.

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

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

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

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

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

24 (12) Nothing in this rule shall be construed to prevent any utility from waiving all or
25 any portion of the cost for providing underground facilities. If, however, the utility waives

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1 any charge, the utility shall reduce net plant in service as though those charges had been
2 collected unless the Commission determines that there is quantifiable benefits to the general
3 body of ratepayers commensurate with the waived charge.

4 (13+) Nothing in this rule shall be construed to grant any investor-owned electric
5 utility any right, title or interest in real property owned by a local government.

6 Specific Authority 366.04, 366.05(1) FS.

7 Law Implemented 366.03, 366.04, 366.05 FS.

8 History--New 9-21-92, Amended _____.

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