

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Proposed rules governing placement of new electric distribution facilities underground, and conversion of existing overhead distribution facilities to underground facilities, to address effects of extreme weather events.

DOCKET NO. 060172-EU

In re: Proposed amendments to rules regarding overhead electric facilities to allow more stringent construction standards than required by National Electric Safety Code.

DOCKET NO. 060173-EU

ORDER NO. PSC-07-0043-FOF-EU

ISSUED: January 16, 2007

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman
J. TERRY DEASON
ISILIO ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW

NOTICE OF ADOPTION OF RULES

BY THE COMMISSION:

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has adopted amendments to Rules 25-6.034, 25-6.0345, 25-6.064, 25-6.078, and 25-6.115 and adopted Rules 25-6.0341 and 25-6.0342, Florida Administrative Code, relating to standards of construction, location of facilities, storm hardening, and contributions-in-aid-of-construction, with changes.

The rules were filed with the Department of State on January 12, 2007 and will be effective on February 2, 2007. A copy of the rules as filed with the Department is attached to this Notice.

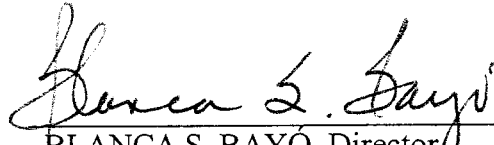
This docket is closed upon issuance of this notice.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

By ORDER of the Florida Public Service Commission this 16th day of January, 2007.



BLANCA S. BAYO, Director
Division of the Commission Clerk
and Administrative Services

(S E A L)

LDH

GENERAL MANAGEMENT REQUIREMENTS

25-6.034 Standard of Construction.

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

(2) Each utility shall, at a minimum, comply with the National Electrical Safety Code [ANSI C-2] [NEC], incorporated by reference in Rule 25-6.0345, F.A.C.

(a) For facilities constructed on or after February 1, 2007, the 2007 NEC shall apply. A copy of the 2007 NEC, ISBN number 0-7381-4893-8, may be obtained from the Institute of Electric and Electronic Engineers, Inc. (IEEE), 3 Park Avenue, New York, NY, 10016-5997.

(b) Facilities constructed prior to February 1, 2007, shall be governed by the edition of the NEC specified by subsections 013.B.1, 013.B.2, and 013.B.3 of the 2007 NEC, incorporated by reference in Rule 25-6.0345, F.A.C.

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

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

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

25-6.0341 Location of the Utility's Electric Distribution Facilities.

(1) In order to facilitate safe and efficient access for installation and maintenance, to the extent feasible and cost-effective, electric distribution facilities shall be placed adjacent to a public road, normally in front of the customer's premises.

(2) ~~(1)~~ For initial installation, expansion, rebuild, or relocation of overhead facilities, utilities shall use easements, public streets, roads and highways along which the utility has the legal right to occupy, and public lands and private property across which rights-of-way and

easements have been provided by the applicant for service.

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

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

(5) ~~(4)~~ Where the expansion, rebuild, or relocation of electric distribution facilities affects existing third-party attachments or the facilities of existing joint users, and will result in the relocation of such facilities to a new location adjacent to a public road, the utility shall notify and attempt in good faith to accommodate concerns raised by third-party attachers and joint users, including input and concerns related to the cost impacts of the proposed relocation on attaching entities. The electric utility shall also, to the extent practical, coordinate the construction of its facilities with the affected third-party attachers and joint users.

(6) Any dispute or challenge related to the implementation of this rule by a customer, applicant for service, or attaching entity shall be resolved by the Commission.

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

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

History-New _____.

25-06.0342 Electric Infrastructure Storm Hardening.

(1) Application and Scope. This rule is intended to ensure the provision of safe, adequate,

and reliable electric transmission and distribution service for operational as well as emergency purposes; require the cost-effective strengthening of critical electric infrastructure to increase the ability of transmission and distribution facilities to withstand extreme weather conditions; and reduce restoration costs and outage times to end-use customers associated with extreme weather conditions. This rule applies to all investor-owned electric utilities.

(2) Storm Hardening Plans. Each utility shall, no later than 90 days after the effective date of this rule, file with the Commission for its approval a detailed storm hardening plan. Each utility's plan shall be updated every 3 years, unless the Commission, on its own motion or on petition by a substantially affected person or utility, initiates a proceeding to review and, if appropriate, modify the plans. In a proceeding to approve a utility's plan, the Commission shall consider whether the utility's plan meets the desired objectives of enhancing reliability and reducing restoration costs and outage times in a prudent, practical, and cost-effective manner to the affected parties.

(3) Contents of Plan: Each utility storm hardening plan shall contain a detailed description of the construction standards, policies, practices, and procedures employed to enhance the reliability of overhead and underground electrical transmission and distribution facilities in conformance with the provisions of this rule. Each filing shall, at a minimum, address the extent to which the utility's storm hardening plan:

(a) Complies, at a minimum, with the National Electric Safety Code (ANSI C-2) [NESC] that is applicable pursuant to Rule 25-6.034(2), F.A.C.

(b) Adopts the extreme wind loading standards specified by Figure 250-2(d) of the 2007 edition of the NESC for the following distribution facilities:

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. critical infrastructure facilities and along major thoroughfares taking into account political and geographical boundaries and other applicable operational considerations.

(c) Is designed to mitigate damage to underground and supporting overhead transmission and distribution facilities due to flooding and storm surges.

(d) Provides for the placement of new and replacement distribution facilities so as to facilitate safe and efficient access for installation and maintenance pursuant to Rule 25- 6.0341, F.A.C.

(4) Deployment Strategy: Each utility storm hardening plan shall explain the systematic approach the utility will follow to achieve the desired objectives of enhancing reliability and reducing restoration costs and outage times associated with extreme weather events. The utility's storm hardening plan shall provide a detailed description of its deployment strategy including, but not limited to the following:

(a) A description of the facilities affected; including technical design specifications, construction standards, and construction methodologies employed.

(b) The communities and areas within the utility's service area where the electric infrastructure improvements, including facilities identified by the utility as critical infrastructure and along major thoroughfares pursuant to subparagraph (3)(b)3. are to be made.

(c) The extent to which the electric infrastructure improvements involve joint use facilities on which third-party attachments exist.

(d) An estimate of the costs and benefits to the utility of making the electric infrastructure improvements, including the effect on reducing storm restoration costs and customer outages.

(e) An estimate of the costs and benefits, obtained pursuant to subsection (6) below, to third-party attachers affected by the electric infrastructure improvements, including the effect on reducing storm restoration costs and customer outages realized by the third-party attachers.

(5) Attachment Standards and Procedures: As part of its storm hardening plan, each utility shall maintain written safety, reliability, pole loading capacity, and engineering standards and procedures for attachments by others to the utility's electric transmission and distribution poles (Attachment Standards and Procedures). The Attachment Standards and Procedures shall meet or exceed the edition of the National Electrical Safety Code (ANSI C-2) that is applicable pursuant to Rule 25-6.034(2), F.A.C. so as to assure, as far as is reasonably practicable, that third-party facilities attached to electric transmission and distribution poles do not impair electric safety, adequacy, or pole reliability; do not exceed pole loading capacity; and are constructed, installed, maintained, and operated in accordance with generally accepted engineering practices for the utility's service territory.

(6) Input from Third-Party Attachers: In establishing its storm hardening plan and Attachment Standards and Procedures, or when updating or modifying such plan or Attachment Standards and Procedures, each utility shall seek input from and attempt in good faith to accommodate concerns raised by other entities with existing agreements to share the use of its electric facilities. Any third-party attacher that wishes to provide input under this subsection shall provide the utility contact information for the person designated to receive communications from the utility.

(7) Dispute Resolution: Any dispute or challenge to a utility's storm hardening plan, construction standards, deployment strategy, Attachment Standards and Procedures, or any projects implementing any of the above by a customer, applicant for service, or attaching entity

shall be resolved by the Commission.

(8) Nothing in this rule is intended to conflict with Title 47, United States Code, Section 224, relating to Federal Communications Commission jurisdiction over pole attachments.

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

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

History New _____.

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

(1) ~~The In compliance with Section 366.04(6)(b), F.S., 1991, the Commission adopts and incorporates by reference the 2002 edition of the National Electrical Safety Code (ANSI C-2 [NESC], published August 1, 2001, as the applicable safety standards for transmission and distribution facilities subject to the Commission's safety jurisdiction. 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 specified by subsections 013.B.1, 013.B.2, and 013.B.3 of the 2007 NESC. Each investor-owned electric utility, rural electric cooperative, and municipal electric system shall, at a minimum, comply with the standards in these provisions. 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) 3 Park Avenue, New York, NY, 10016-5997. Standards contained in the 2002 edition shall be applicable to new construction for which a work order number is assigned on or after the effective date of this rule.~~

(2) Each investor-owned electric utility, rural electric cooperative and municipal electric utility shall report all completed electric work orders, whether completed by the utility or one of its contractors, at the end of each quarter of the year. The report shall be filed with the Director

of the Commission's Division of Regulatory Compliance and Consumer Assistance no later than the 30th working day after the last day of the reporting quarter, and shall contain, at a minimum, the following information for each work order:

- (a) Work order number/project/job;
 - (b) Brief title outlining the general nature of the work;
 - (c) Estimated cost in dollars, rounded to nearest thousand and;
 - (d) Location of project.
- (3) The quarterly report shall be filed in standard DBase or compatible format, DOS

ASCII text, or hard copy, as follows:

(a) DBase Format

Field Name	Field Type	Digits
1. Work orders	Character	20
2. Brief title	Character	30
3. Cost	Numeric	8
4. Location	Character	50

(b) DOS ASCII Text.

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

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

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

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

(a) Involves damage to the property of others in an amount in excess of \$5000; or

(b) Causes significant damage in the judgment of the utility to the utility's facilities.

(7) Unless requested by the Commission, reports are not required with respect to personal injury, death, or property damage resulting from vehicles striking poles or other utility property.

Specific Authority 350.127(2) FS.

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

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

PART IV

GENERAL SERVICE PROVISIONS

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:

$CIAC_{UG}$	=	$CIAC_{OH}$	+	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 25-6.0342, Electric Infrastructure Storm Hardening Standards of Construction.

(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.

Specific 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 _____.

PART V

RULES FOR RESIDENTIAL ELECTRIC UNDERGROUND EXTENSIONS

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 25-6.0342, Electric Infrastructure Storm Hardening Standards of Construction.

(3) On or before October 15 of each year each utility shall file with the Commission's Division of Economic Regulation Form PSC/ECR 13-E, Schedule 1, using current material and labor costs. If the cost differential as calculated in 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/ECR 13-E (10/97). Form PSC/ECR 13-E, entitled "Overhead/Underground Residential Differential Cost Data" is incorporated by reference into this rule and may be obtained from the Division of Economic Regulation, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, (850) 413-6900.

(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.

Specific 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,___.

PART VII

UNDERGROUND ELECTRIC DISTRIBUTION FACILITY CHARGES

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

(1) Each investor-owned 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 present the applicant from constructing and installing all or a portion of the underground distribution facilities provided:

- (a) ~~s~~Such work meets the investor-owned utility's construction standards;
- (b) ~~t~~The investor-owned utility will own and maintain the completed distribution facilities; and
- (c) ~~s~~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~~ The estimated cost of construction of the underground distribution facilities based on the requirements of Rule 25-6.0342, 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 25-6.0342, Electric Infrastructure Storm Hardening Standards of Construction.

(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.

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

Law Implemented 366.03, 366.04, 366.05 FS.

History—New 9-21-92, Amended_____.