

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of revised
underground residential distribution tariffs, by
Duke Energy Florida, Inc.

DOCKET NO. 20200110-EI
ORDER NO. PSC-2020-0266-TRF-EI
ISSUED: July 27, 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

ORDER APPROVING DUKE ENERGY FLORIDA, LLC'S PETITION
TO REVISE UNDERGROUND RESIDENTIAL TARIFFS

BY THE COMMISSION:

I. Background

On April 1, 2020, Duke Energy Florida, LLC (Duke or utility) filed a petition for approval of revisions to its underground residential distribution (URD) tariffs. The URD tariffs apply to new residential subdivisions and represent the additional costs, if any, Duke incurs to provide underground distribution service in place of overhead service. The proposed (legislative version) URD tariffs, approved herein, are contained in Attachment A.

Duke's current URD charges were approved by Order No. PSC-2019-0443-TRF-EI.¹ Duke waived the 60-day file and suspend provision pursuant to Section 366.06(3), Florida Statutes (F.S.), in an email dated April 8, 2020.² We have jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, F.S.

II. Decision

Rule 25-6.078, Florida Administrative Code (F.A.C.), defines investor-owned utilities' (IOU) responsibilities for filing updated URD tariffs. Duke has filed the instant petition pursuant to subsection (3) of the rule, which requires IOUs to file supporting data and analyses for updated URD tariffs if the cost differential, using current labor and material costs, varies from the Commission-approved differential by more than ten percent. On October 15, 2019, pursuant to Rule 25-6.078, F.A.C., Duke stated that its differential for the low density subdivision would

¹Order No. PSC-2019-0443-TRF-EI, issued November 19, 2019, in Docket 20190076-EI, *In re: Petition for approval of revised underground residential distribution tariffs, by Duke Energy Florida, LLC.*

² Document No. 01824-2020.

change by more than 10 percent from the differential approved in the 2019 order, requiring Duke to file the instant petition.

The URD tariffs provide charges for underground service in new residential subdivisions and represent the additional costs, if any, the utility incurs to provide underground service in place of overhead service. The cost of standard overhead construction is recovered through base rates from all ratepayers. In lieu of overhead construction, customers have the option of requesting underground facilities. Any additional cost is paid by the customer as a contribution-in-aid-of-construction (CIAC). Typically, the URD customer is the developer of a subdivision.

Traditionally, three standard model subdivision designs have been the basis upon which each IOU submits URD tariff changes for our approval: low density, high density, and a high density subdivision where dwelling units take service at ganged meter pedestals (groups of meters at the same physical location). While actual construction may differ from the model subdivisions, the model subdivisions are designed to reflect average overhead and underground subdivisions.

Costs for underground construction have historically been higher than costs for standard overhead construction and the additional cost is paid by the customer as a CIAC. However, as shown on Table 1, Duke's proposed URD differential charges remain \$0 per lot for the low density and ganged meter subdivisions. For the high density subdivision, the proposed differential decreased from the current \$34 to \$0 per lot. The decrease in the differentials is primarily attributable to changes in Duke's labor, material, and operational costs.

Table 1 shows the current and proposed URD differentials for the low density, high density, and ganged meter subdivisions. The charges shown are per-lot charges.

Table 1
Comparison of URD Differential per Lot

Types of Subdivision	Current URD Differential	Proposed URD Differential
Low Density	\$0	\$0
High Density	\$34	\$0
Ganged Meter	\$0	\$0

Source: Order PSC-2019-0443-TRF-EI and Duke's 2020 Petition

The calculations of the proposed URD charges include (1) updated labor and material costs along with the associated loading factors and (2) operational costs. The costs are discussed below.

Labor and Material Costs

The installation costs of both overhead and underground facilities include the labor and material costs to provide primary, secondary, and service distribution lines, as well as

transformers. The costs of poles are specific to overhead service while the costs of trenching and backfilling are specific to underground service. The utilities are required by Rule 25-6.078(5), F.A.C., to use current labor and material costs.

Duke's labor costs for overhead and underground construction are comprised of costs associated with work performed by both in-house employees and outside contractors. Duke's in-house labor rates are based upon actual labor costs negotiated in bargaining unit contracts and labor rates with contractors are negotiated. Table 2 compares total 2019 and 2020 labor and material costs for the three subdivision models.

Table 2
Duke Trench and Install Conduit
Labor and Material Costs per Lot

	2019 Costs	2020 Costs	Difference
Low Density			
Underground Labor/Material costs	\$1,620	\$2,263	\$643
Overhead Labor/Material costs	\$1,323	\$2,343	\$1,020
Per lot Differential	\$297	\$(80)	\$(377)
High Density			
Underground Labor/Material Costs	\$1,484	\$1,978	\$494
Overhead Labor/Material Costs	\$1,009	\$1,642	\$633
Per Lot Differential	\$475	\$336	\$(139)
Ganged Meter			
Underground Labor/Material Costs	\$581	\$774	\$193
Overhead Labor/Material Costs	\$750	\$1,295	\$545
Per lot Differential	\$(169)	\$(521)	\$(352)

Source: 2019 Order and Duke's 2020 Petition.

As Table 2 shows, the majority of overhead and underground total labor and material costs increased since the 2019 petition. The utility stated that it identified an error in its cost estimating tool which did not allow the system to sufficiently account for the actual costs paid for overhead contract labor, specifically in the area of setting poles and overhead transformers. As such, after adjusting for these changes, the cost of pole setting increased from \$164 to \$644 and single-phase transformers increased from \$90 to \$643. The correction of these costs contribute to the majority of increased labor costs in this petition. Duke stated that the utility will continue to monitor the labor cost data to ensure their accuracy and that material costs have fluctuated minimally since 2019.

Operational Costs

Rule 25-6.078(4), F.A.C., requires that the differences in net present value (NPV) of operational costs between overhead and underground systems, including average historical storm restoration costs over the life of the facilities, be included in the URD charge. The inclusion of the operational cost is intended to capture longer term costs and benefits of undergrounding.

Operational costs include operations and maintenance costs along with capital costs³ and represent the cost differential between maintaining and operating an underground versus an overhead system over the life of the facilities. The inclusion of the storm restoration cost in the URD calculations lowers the differential, since an underground distribution system generally incurs less damage than an overhead system as a result of a storm, and therefore, less restoration costs when compared to an overhead system.

The utility used a 5-year average of historical operational costs (2015-2019) for its calculations in this docket. The methodology used by Duke in this filing for calculating the NPV of operational costs was approved in Order No. PSC-12-0348-TRF-EI.⁴ We note that operational costs may vary among IOUs due to multiple factors, including differences in size of service territory, miles of coastline, regions subject to extreme winds, age of the distribution system, or construction standards.

Table 3
NPV of Operational Costs Differential per Lot

Type of Subdivision	Pre-Operational Costs (A)	Non-Storm Operational Costs (B)	Avoided Storm Costs (C)	Proposed URD Differentials (A)+(B)+(C)
Low Density	\$(80)	\$60	\$(960)	\$0
High Density	\$336	\$64	\$(547)	\$0
Ganged Meter	\$(521)	\$(69)	\$(418)	\$0

Source: 2020 Petition.

Table 3 presents the pre-operational, non-storm operational, and the avoided storm restoration cost differentials between overhead and underground systems. The proposed differential is \$0 when the calculation results in a negative number.

According to Duke, the average non-storm operational costs did not change significantly from 2019 to 2020. The data shows that avoided storm restoration costs increased when compared to the 2019 petition. Duke's 2019 petition included the 5-year average of historical operational costs for 2014 to 2018, while this petition includes operational costs for 2015 to 2019.

Additional Customer Options

In October 2019, the utility adopted a "cable in conduit" approach, similar to other utilities in Florida. This change required that all cable be included in conduit at installation, rather than cable being pulled through separately installed conduit. The utility asserted that this

³ Operational capital costs are the costs associated with replacement equipment needed during the lifespan of the facilities.

⁴ Order No. PSC-12-0348-TRF-EI, issued July 5, 2012, in Docket No. 110293-EI, *In re: Petition for approval of revised underground residential distribution tariffs, by Progress Energy Florida, Inc.*

approach would reduce outages, as well as reduce repair and replacement times when failures occur. Under the “cable in conduit” approach, the utility removed certain costs associated with cable installation, splicing and pulling boxes. However, as a result of this change, the utility is proposing additional undergrounding construction options to developers in this petition, which could impact the overall cost of installing underground facilities. The two additional options are discussed below:

- *Customer Mainline-Duke Services: Customer supply and install conduit for primary, secondary and street lights.* This option allows the developer to purchase and install primary and secondary conduit in the subdivision; therefore, the material and labor costs associated with the installation of primary and secondary conduit, including trenching, have been excluded from the differential calculation. Duke continues to install services and transformers. The developer-purchased conduit will have to be installed meeting Duke guidelines.
- *Customer Trench, Provide and Install Conduit: Customer supply and install conduit for primary, secondary and street lights.* This option allows the developer to purchase and install services, primary, and secondary conduit. Therefore, the associated costs have been excluded from the differential calculation. Duke continues to install the transformers.

The utility noted that while the current NPV operational costs, including avoided storm restoration, result in a \$0 URD differential for these new options, Duke recognized that a shift in the operational costs could allow the differential costs for these two new line costs to differ from the traditional *Duke Trench and Install Conduit* tariff, under which Duke performs the full installation.

III. Conclusion

After reviewing the entire record in this docket, we find the proposed URD tariffs and associated charges are reasonable. We hereby approve Duke’s proposed URD tariffs and associated charges as shown in Attachment A, effective July 7, 2020.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Duke Energy Florida, LLC’s proposed Underground Residential tariffs and associated charges as shown in Attachment A, are approved effective July 7, 2020. It is further

ORDERED that if a protest is filed within 21 days of issuance of the Order, the tariff shall remain in effect with any charges held subject to refund pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 27th day of July, 2020.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

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

WLT

NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 17, 2020.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.



SECTION NO. IV
~~THIRD-FOURTH~~ REVISED SHEET NO. 4.110
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PART XI
UNDERGROUND RESIDENTIAL DISTRIBUTION POLICY

11.01 Definitions:

The following words and terms used under this policy shall have the meaning indicated:

- (1) Applicant: Any person, partnership, association, corporation, or governmental agency controlling or responsible for the development of a new subdivision or dwelling unit and applying for the construction of underground electric facilities.
- (2) Building: Any structure, within subdivision, designed for residential occupancy and containing less than five (5) individual dwelling units.
- (3) Commission: Florida Public Service Commission.
- (4) Company: Duke Energy Florida, LLC
- ~~(5)~~ Customer Provided and Installed Conduit: Schedule 40 PVC grey electrical grade conduit purchased by the customer on the open market and installed meeting Duke Energy guidelines. Diameter is to be specified by Duke Energy based upon the type of conductor
- ~~(56)~~ Direct Burial: A type of construction involving the placing of conductors in the ground without the benefit of conduit or ducts. Other facilities, such as transformers, may be above ground.
- ~~(67)~~ Distribution System: Electric service facilities consisting of primary and secondary conductors, service laterals, transformers, and necessary accessories and appurtenances for the furnishing of electric power at utilization voltage.
- ~~(78)~~ Feeder Main: A three-phase primary installation which serves as a source for primary laterals and loops through suitable overcurrent devices.
- ~~(9)~~ Mainline: Portions of the subdivision including primary and secondary voltage conductors but excluding services running to a dwelling.
- ~~(810)~~ Mobile Home (Trailer): A non-self propelled vehicle or conveyance, permanently equipped to travel upon the public highways, that is used either temporarily or permanently as a residence or living quarters.
- ~~(911)~~ Multiple-Occupancy Building: A structure erected and framed of component structural parts and designed to contain five (5) or more individual dwelling units.
- ~~(4012)~~ Point of Delivery: The point where the Company's wires or apparatus are connected to those of the Customer.
- ~~(4413)~~ Primary Lateral: That part of the electric distribution system whose function is to conduct electricity at the primary level from the feeder main to the transformers serving the secondary street mains. It usually consists of a single-phase conductor or insulated cable, together with necessary accessory equipment for supporting, terminating and disconnecting from the primary mains by a fusible element.
- ~~(4214)~~ Service Lateral: The underground service conductors between the street or rear property main, including any risers at a pole or other structure or from transformers, and the first point of connection to the service entrance conductors in a terminal or meter box on the exterior building wall.
- ~~(4315)~~ Subdivision: The tract of land which is divided into five (5) or more building lots or upon which five (5) or more separate dwelling units are to be located, or the land on which is to be constructed new multiple-occupancy buildings.
- ~~(4416)~~ Townhouse: A one(1)-family dwelling unit of a group of three (3) or more such units separated only by firewalls. Each townhouse unit shall be constructed upon a separate lot and serviced with separate utilities and shall otherwise be independent of one another.

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ISSUED BY: Javier J. Portuondo, Managing Director/Vice President, Rates & Regulatory Strategy – FL
EFFECTIVE: October 3, 2019



SECTION NO. IV
~~SECOND-THIRD~~ REVISED SHEET NO. 4.112
CANCELS ~~FIRST-SECOND~~ REVISED SHEET NO. 4.112

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(7) Rights of Way and Easements (Continued):

- (c) **Public Rights of Way:** Where underground distribution facilities are located in dedicated road or street right-of-way, no easement is required.
- (d) **Recorded Public Easements:** Where underground distribution facilities are located on private property, wholly within an area covered by a recorded subdivision utility easement, namely a reservation, and recorded plat of an easement for public utility purposes, no other easement is required.
- (e) **Service Laterals:** Where underground service conductors are located on private property and portions not covered by recorded subdivision utility easement are wholly within the private property they service no easement is required.
- (f) **Other Locations:** Where underground distribution facilities are located on private property other than as described in Part 11.02(7)(a) or 11.02(7)(e), easements are required and shall be prepared as outlined in instructions prepared by the Real Estate Department.
- (g) **Blanket Easements:** Where underground primary and secondary distribution facilities for service to a mobile home park or a multiple occupancy project are located on a tract of land having one ownership and the easement area cannot be described without a detailed survey, a blanket easement covering the entire premises may be utilized at the discretion of the Division Engineer.

(8) Damage to Company's Equipment:

The Applicant shall be responsible to ensure that the Company's distribution system, once installed, is not damaged, destroyed, or otherwise disturbed during the construction of the project. This responsibility shall extend not only to those in his employ, but also to his subcontractors, and he shall be responsible for the full cost of repairing such damage.

(9) Charges:

The Company shall not be obligated to install any facilities within a subdivision until satisfactory arrangements for the payment of applicable charges, if any, have been completed.

11.03 UNDERGROUND DISTRIBUTION FACILITIES FOR RESIDENTIAL SUBDIVISIONS AND DEVELOPMENTS.

(1) Availability:

When requested by the Applicant, the Company will provide underground electric distribution facilities in accordance with ~~its~~ standard practices in:

- (a) recognized residential subdivisions of five or more building lots;
- (b) tracts of land upon which five or more separate dwelling units are to be located;
- (c) tracts of land upon which new multiple-occupancy buildings are to be constructed.

For building containing five or more dwelling units, see Part 11.06 of these Rules.

(Continued on Next Page)

ISSUED BY: Javier J. Portuondo, ~~Director~~Vice President, Rates & Regulatory Strategy – FL
EFFECTIVE: ~~April 29, 2013~~



SECTION NO. IV
~~TWENTY-THIRD~~ TWENTY-FIRST REVISED SHEET NO. 4.113
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(2) Contribution by Applicant:

(a) Schedule of Charges:

Company standard design underground residential distribution 120/240 volt single-phase service (see also Part 11.03(7)):

To subdivisions with a density of 1.0 or more but less than six (6) dwelling units per acre: \$0.00 per dwelling unit
Duke Provided and Installed Conduit \$0.00 per dwelling unit
Customer Provided and Installed Conduit for Mainline \$0.00 per dwelling unit
Customer Provided and Installed Trench and Conduit \$0.00 per dwelling unit

To subdivisions with a density of six (6) or more dwelling units per acre: \$34.00 per dwelling unit
Duke Provided and Installed Conduit \$0.00 per dwelling unit
Customer Provided and Installed Conduit for Mainline \$0.00 per dwelling unit
Customer Provided and Installed Trench and Conduit \$0.00 per dwelling unit

To subdivisions with a density of six (6) or more dwelling units per acre taking service at ganged meter pedestals: \$0.00 per dwelling unit
Duke Provided and Installed Conduit \$0.00 per dwelling unit
Customer Provided and Installed Conduit for Mainline \$0.00 per dwelling unit
Customer Provided and Installed Trench and Conduit \$0.00 per dwelling unit

To multi-occupancy buildings..... See Part 11.06(2)

(b) The above costs are based upon arrangements that will permit serving the local underground distribution system within the subdivision from overhead feeder mains. If feeder mains within the subdivision are deemed necessary by the Company to provide and/or maintain adequate service and are required by the Applicant or a governmental agency to be installed underground, the Applicant shall pay the Company the average differential cost between such underground feeder mains within the subdivision and equivalent overhead feeder mains as follows:

Three-phase primary main or feeder charge per trench-foot within subdivision:

(U.G. - Underground, O.H. - Overhead)

#1/0 AWG U.G. vs. #1/0 AWG O.H.: \$0.00 per foot
Duke Provided and Installed Conduit \$0.00 per foot
Customer Provided and Installed Trench and Conduit \$0.00 per foot

500 MCM U.G. vs. 336 MCM O.H.: \$0.00 per foot
Duke Provided and Installed Conduit \$0.00 per foot
Customer Provided and Installed Trench and Conduit \$0.00 per foot

1000 MCM U.G. vs. 795 MCM O.H.: \$0.00 per foot
Duke Provided and Installed Conduit \$0.00 per foot
Customer Provided and Installed Trench and Conduit \$0.00 per foot

~~The above costs are based on underground feeder construction using the direct burial method. If conduit is required, the following additional charge(s) will apply:~~

2-inch conduit \$2.08 per foot
 4-inch conduit \$3.55 per foot
 6-inch conduit \$5.74 per foot
 Cable pulling - single phase \$2.34 per foot
 Cable pulling - 3-phase small wire \$3.87 per foot
 Cable pulling - 3-phase feeder \$4.69 per foot

The above costs do not require the use of pad-mounted switchgear(s), or terminal pole(s), ~~pull boxes or feeder splices~~. If such facilities are required, a differential cost for same will be determined by the Company on an individual basis and added to charges determined above.

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SECTION NO. IV
~~NINETEENTH~~ TWENTIETH REVISED SHEET NO. 4.114
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(2) Contribution by Applicant (continued):

(c) Credits (not to exceed the "average differential costs" stated above) will be allowed where, by mutual agreement, the Applicant provides trenching and backfilling for the use of the Company's facilities in lieu of a portion of the cash payment described above. These credits, based on the Company's design drawings, are:

Primary and/or Secondary Systems, for each Foot of Trench.....	\$3,543.35
Service Laterals, for each Foot of Trench.....	\$3,543.35

(3) Point of Delivery:

The point of delivery shall be determined by the Company and will be on the front half of the side of the building that is nearest the point at which the underground secondary electric supply is available to the property. The Company will not install a service on the opposite side of the building where the underground secondary electric supply is available to the property. The point of delivery will only be allowed on the rear of the building by special exception. The Applicant shall pay the estimated full cost of service lateral length required in excess of that which would have been needed to reach the Company's designated point of service.

(4) Location of Meter and Socket:

The Applicant shall install a meter socket at the point designated by the Company in accordance with the Company's specifications. Every effort shall be made to locate the meter socket in unobstructed areas in order that the meter can be read without going through fences, etc.

(5) Development of Subdivisions:

The above charges are based on reasonably full use of the land being developed. Where the Company is required to construct underground electric facilities through a section or sections of the subdivision or development where service will not be required for at least two (2) years, the Company may require a deposit from the Applicant before construction is commenced. This deposit, to guarantee performance, will be based on the estimated total cost of such facilities rather than the differential cost. The amount of the deposit, without interest, in excess of any charges for underground service will be returned to the Applicant on a prorata basis at quarterly intervals on the basis of installations to new customers. Any portion of such deposit remaining unrefunded, after five (5) years from the date the Company is first ready to render service from the extension, will be retained by the company.

(6) Relocation or Removal of Existing Facilities:

If the Company is required to relocate or remove existing overhead and/or underground distribution facilities in the implementation of these Rules, all costs thereof shall be borne exclusively by the Applicant. These costs shall include costs of relocation or removal, the in-place value (less salvage) of the facilities so removed, and any additional costs due to existing landscaping, pavement or unusual conditions.

(7) Other Provisions:

If soil compaction is required by the Applicant at locations where Company trenching is done, an additional charge may be added to the charges set forth in this tariff. The charge will be estimated based on the Applicant's compaction specifications.

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11.04 UNDERGROUND SERVICE LATERALS FROM EXISTING SECONDARY ELECTRIC DISTRIBUTION SYSTEMS.

(1) New Underground Service Laterals:

When requested by the Applicant, the Company will install underground service laterals from overhead systems to newly constructed residential buildings containing less than five (5) separate dwelling units.

(2) Contribution by Applicant:

(a) The Applicant shall pay the Company the following average differential cost between an existing secondary service and an underground service lateral:

For Service Lateral up to 80 feet Duke Supplied and Installed Conduit\$544.00 ~~\$41.00~~
For Service Lateral up to 80 feet Customer Supplied and Installed Conduit\$339.00

For each foot over 80 feet up to 300 feet Duke Supplied and Installed Conduit\$-0.00 per foot
For each foot over 80 feet up to 300 feet Customer Supplied and Installed Conduit\$0.00 per foot

Service laterals in excess of 300 feet shall be based on a specific cost estimate.

(b) Credits will be allowed where, by mutual agreement, the Applicant provides trenching and backfilling in accordance with the Company specifications and for the use of the Company facilities, in lieu of a portion of the cash payment described above. These credits, based on the Company's design drawings, are as follows:

For each Foot of Trench\$ ~~3,543.35~~

The provisions of Paragraphs 11.03(3) and 11.03(4) are also applicable.

11.05 UNDERGROUND SERVICE LATERALS REPLACING EXISTING RESIDENTIAL OVERHEAD SERVICES:

Applicability:

When requested by the Applicant, the Company will install underground service laterals from existing overhead lines as replacements for existing overhead services to existing residential buildings containing less than five (5) separate dwelling units.

Rearrangement of Service Entrance:

The Applicant shall be responsible for any necessary rearranging of his existing electric service entrance facilities to accommodate the proposed underground service lateral in accordance with the Company's specifications.

Trenching:

The Applicant shall also provide, at no cost to the Company, a suitable trench and perform the backfilling and any landscaping, pavement, or other suitable repairs. If the Applicant requests the Company to supply the trench or remove any additional equipment other than the Service Lateral, the charge to the Applicant for this work shall be based on a specific cost estimate.

Contribution by Applicant:

The charge excluding trenching costs shall be as follows:

For Service Lateral\$1,237.00 ~~1,762.00~~
per service

The Applicant may elect to provide and install conduit meeting current Duke Energy construction specifications at no cost to Duke Energy in lieu of an open trench. The charge shall be as follows:

For Service Lateral\$1,522.00 per service

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~~THIRD-FOURTH~~ REVISED SHEET NO. 4.116
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11.06 UNDERGROUND DISTRIBUTION FACILITIES TO MULTIPLE-OCCUPANCY RESIDENTIAL BUILDINGS:

(1) Availability:

Underground electric distribution facilities may be installed within the tract of land upon which multiple-occupancy residential buildings containing five (5) or more separate dwelling units will be constructed.

(2) Contribution by Applicant:

There will be no contribution from the Applicant so long as the Company is free to construct the extension in the most economical manner, and reasonably full use is made of the tract of land upon which the multiple-occupancy buildings will be constructed. Other conditions will require a contribution from the Applicant.

(3) Responsibility of Applicant:

(a) Furnish details and specifications of the proposed building or complex of buildings. The Company will use these in the design of the electric distribution facilities required to render service.

(b) Where the Company determines that transformers are to be located inside the building, the Applicant shall provide:

- i. The vault or vaults necessary for the transformers and the associated equipment, including the ventilation equipment.
- ii. The necessary raceways or conduit for the Company's supply cables from the vault or vaults to a suitable point five (5) feet outside the building in accordance with the Company's plans and specifications.
- iii. Conduits underneath all buildings when required for the Company's supply cables. Such conduits shall extend five (5) feet beyond the edge of the buildings for joining to the Company's facilities.
- iv. The service entrance conductors and raceways from the Applicant's service equipment to the designated point of delivery within the vault.

(3) Responsibility of Applicant (Continued):

(c) Where the Company determines that transformers are to be located outside the building, the Applicant shall provide:

- i. The transformer enclosure or space for pad-mounted equipment, if required.
- ii. The service entrance conductors and raceway from the Applicant's service equipment to the point of delivery designated by the Company at or near the building.

(4) Responsibility of the Company:

(a) The Company will:

- i. Provide the Applicant with the Company's plans to supply the proposed building or complex of buildings, and specifications for the facilities to be provided by the Applicant.
- ii. Furnish and install the primary or secondary conductors from existing or proposed facilities adjoining the property to the point of delivery.
- iii. Furnish and install the necessary transformers and associated equipment located either outside the building or in the vault(s) within the building.
- iv. Be solely responsible for the installation, operation, and maintenance of all of its facilities.

(5) Service Voltage:

The Company will supply service at one of the several secondary voltages available as mutually agreed upon between the Applicant and the Company.

ISSUED BY: Javier J. Portuondo, ~~Director~~Vice President, Rates & Regulatory Strategy – FL

EFFECTIVE: ~~April 29, 2013~~