



JAMES A. MCGEE
ASSOCIATE GENERAL COUNSEL
PROGRESS ENERGY SERVICE COMPANY, LLC

031107-E1

December 15, 2003

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED FPSC
DEC 16 AM 11:44
COMMISSION
CLERK

Re: Petition of Progress Energy Florida for approval of revisions to Part III, New Service Extensions, Sections 3.02 and 3.05, of its tariff Rules and Regulations.

Dear Ms. Bayó:

Enclosed for filing on behalf of Progress Energy Florida, Inc., formerly Florida Power Corporation, are an original and fifteen copies of the subject petition.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. A 3½ inch diskette containing the above-referenced document in Word format is also enclosed. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee / sc
James A. McGee

JAM/scc
Enclosures

DOCUMENT NUMBER-DATE
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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Progress Energy
Florida for approval of revisions to
Part III, New Service Extensions,
Sections 3.02 and 3.05, of its tariff
Rules and Regulations.

Docket No. D31107-E1

Submitted for filing:
December 16, 2003

P E T I T I O N

Progress Energy Florida, Inc., formerly Florida Power Corporation, (Progress Energy or the Company) hereby petitions the Florida Public Service Commission (the Commission) for approval of the revisions to Sections 3.02 and 3.05 in Part III, *New Service Extensions*, of its tariff Rules and Regulations, as set forth in Exhibit A attached hereto.¹ Exhibit B contains the tariff revisions in legislative format. In support of this petition, Progress Energy states as follows:

Introduction

1. Progress Energy is a public utility subject to the regulatory jurisdiction of the Commission pursuant to Chapter 366, Florida Statutes. The Company's principal place of business is located at 100 Central Avenue, St. Petersburg, Florida 33701.

2. All notices, pleadings and correspondence required to be served on the petitioner should be directed to:

James A. McGee, Esquire
Post Office Box 14042
St. Petersburg, FL 33733-4042
Facsimile: (727) 820-5519

For express deliveries by private carrier, the street address in paragraph 1 above should be used.

¹ In addition to tariff Sheets 4.031 and 4.032, which contain revised Sections 3.02 and 3.05, Exhibit A also includes Sheet 4.030, the remaining tariff page in Part III, which has been revised only to reflect the change in the Company's name and logo.

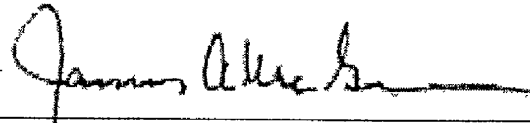
Description of Tariff Revisions

3. Section 3.02, "Route and Easement". This revision is intended to clarify that a customer requesting an overhead line extension is responsible for clearing the route of the line across the customer's property where more than one pole is required to provide service. The revision is consistent with the responsibility of a customer or applicant for an extension of underground distribution facilities in Section 11.02(7)(b) of Progress Energy's tariff Rules and Regulations.

4. Section 3.05, "Relocation or Modification of Existing Facilities". This revision eliminates the revenue credit currently provided for additional load associated with the relocation of service facilities requested by a customer, where the existing facilities are adequate to serve the additional load. For example, if a customer requests a relocation because of a conflict with the installation of a swimming pool, the customer will no longer receive a credit equal to four times the annual revenue from the additional load of the pool pump. The revision also allows a customer to be charged for a relocation or modification that, in the Company's judgement, is necessary because of a change in the use or layout of the customer's premises, such as the construction of a structure that encroaches within National Electric Code clearances. This provision is similar to tariff language approved by the Commission for other utilities.

WHEREFORE, Progress Energy respectfully requests that the Commission grant this petition and approve the revised tariff Rules and Regulations contained in Exhibit A attached hereto.

Respectfully submitted,



James A. McGee
Associate General Counsel
Progress Energy Service Company, LLC
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (727) 820-5184
Facsimile: (727) 820-5519

Attorney for
PROGRESS ENERGY FLORIDA, INC.

EXHIBIT A

**REVISED SECTIONS 3.02 AND 3.05
TARIFF RULES AND REGULATIONS**

PART III
NEW SERVICE EXTENSIONS
3.01 Extension of Facilities; Contribution in Aid of Construction:

Where an extension to existing distribution facilities (other than a transformer, service drop, and/or meter) is required to provide service to a Customer, the Company shall calculate under the formulas set forth below whether a contribution in aid of construction (CIAC) is due from the Customer. A CIAC would be due from the Customer as a result of anticipated revenues from the Customer, together with revenues from other prospective customers to be served from such extension, not being sufficient to afford a fair and reasonable return on the cost of making such extension. The Company shall use its best judgment in estimating the revenue portion of the formulas which shall be based on an annual period ending not more than five years after the extension is placed in service.

- (1) Overhead Distribution Extension: The following formula shall be used to determine the contribution in aid of construction owed by the Customer. If the application of this formula results in a negative value for CIAC_{OH}, the CIAC_{OH} amount shall be set to zero.

- (a) For residential and general service non-demand customers, the CIAC shall be calculated as follows:

$$\text{CIAC}_{\text{OH}} = \boxed{\text{Actual or estimated job cost for new poles and conductors and appropriate fixtures required to provide service, excluding transformers, service drops, and meters}} - \boxed{\text{Four (4) x non-fuel energy charges per kWh x expected annual kWh sales over the new line}}$$

- (b) For general service demand and general service large demand customers, the CIAC shall be calculated as follows:

$$\text{CIAC}_{\text{OH}} = \boxed{\text{Actual or estimated job cost for new poles and conductors and appropriate fixtures required to provide service, excluding transformers, service drops, and meters}} - \boxed{\text{Four (4) x non-fuel energy charges per kWh x expected annual kWh sales over the new line; plus four (4) x expected annual demand charge revenues from sales over the new line}}$$

- (2) Underground Distribution Extension: The following formula shall be used to determine the contribution in aid of construction:

$$\text{CIAC}_{\text{UG}} = \boxed{\text{Estimated difference between the cost of providing the distribution line extension, including not only the distribution line extension itself but also the transformer, the service drop, and other necessary fixtures, with underground facilities vs. the cost of providing service using overhead facilities}} + \text{CIAC}_{\text{OH}} \text{ (as above)}$$

For underground residential service, the charges set forth in Part XI, Underground Residential Distribution Policy, provide the portion of the above formula developing the estimated difference in cost using underground facilities vs. overhead facilities.

- (3) Extension for Service at Higher Voltage Level: Where feasible the Company may provide service from a transmission line or substation of the Company. The following formula shall be used to determine the CIAC owed by the Customer. If the application of this formula results in a negative value for CIAC, the CIAC amount shall be set to zero.

$$\text{CIAC} = \boxed{\text{Actual or estimated job cost of new facilities required to provide service - excluding meters}} - \boxed{\text{Four (4) x non-fuel energy charges per kWh x expected annual kWh sales from the extension; plus four (4) x expected annual demand charge revenues of sales from the extension}}$$

- (4) Extension for Temporary Service: The Customer shall pay extension costs for temporary service in accordance with Rate Schedule TS-1.

- (5) Extension for Street or Area Lighting Service: Service for street or area lighting application is normally provided from existing distribution facilities. Where suitable distribution facilities do not exist, the following formula shall be used to determine the CIAC owed by the Customer. If the application of this formula results in a negative value for CIAC, the CIAC amount shall be set to zero.

$$\text{CIAC} = \boxed{\text{Actual or estimated job cost of new facilities required to provide service excluding lighting facilities}} - \boxed{\text{Four (4) x non-fuel energy charges per kWh x expected annual kWh sales from the extension}}$$

3.02 Route and Easement:

In making line extensions hereunder, the Company shall select the most economical route, but the Company will not use private property for any such extension unless an easement suitable to the Company is granted by the owner of such private property to the Company, without cost, in accordance with the following provisions:

- (1) Private Property of Customer: Where more than one pole is located on a customer's property for the sole purpose of supplying service to such customer, an easements for all such poles and for any related facilities, including guys, overhead distribution circuits and overhang, must be furnished by the Customer, and the route of the service line across the Customer's property must be cleared of trees, undergrowth, and other obstructions to access by the Company's vehicles and equipment, prior to installation of the service line by the Company.
- (2) Private Property of Third Party: Where, in order to provide service to a customer, Company facilities are to cross over or be located upon private property not owned by such customer, or where service to such customer is to be provided from existing Company facilities so situated, an easement for all such facilities involved, including poles, guys, overhead distribution circuits and overhang, if any, will be required.
- (3) Acquisition, Form and Cost: All such grants shall be obtained by the Customer upon the Company's standard form, properly executed by the grantor, and shall be made without cost to the Company.

3.03 Installation by Customer:

The Customer's installation shall, in its entirety, be installed and maintained in accordance with the requirements of local ordinances pertaining thereto, or of authorities having jurisdiction thereover, or in the absence of such local ordinances or authorities in accordance with the requirements of the National Electrical Safety Code as set forth in Handbook H-43 of the National Bureau of Standards in its present form, or as subsequently revised, amended or superseded; provided, however, that service to any customer over lines and facilities not owned by the Company shall be at the sole option of the Company. Customer installations shall be in accordance with the following provisions:

- (1) **Inspection by Authorities:** The Company recommends that all wiring installations be inspected and approved by an authorized electrical inspector if available; and, were such inspection is required by local ordinance or authority, the Company cannot render service until such inspection has been made and formal notice from the inspecting authority of its approval has been received by the Company.
- (2) **Inspection by Company:** The Company reserves the right to inspect Customer's installation prior to rendering service, and from time to time thereafter; but the Company assumes no responsibility whatsoever for the Customer's installation as a result of any such inspection, and will not be responsible in any way for any defect in Customer's installation, or any part thereof, or for any damage which may result from any such defect.

3.04 Special Service Requirements:

The Company designs and installs its service facilities in accordance with the "Requirements for Electric Service and Meter Installations" contained in the Appendix. Where the Customer requests a more costly service arrangement, such as a remote point of delivery, excess transformer capacity, or any other special requirements, the Company will provide such service if feasible and the Customer shall pay the cost in excess of the estimated cost of the standard design.

3.05 Relocation or Modification of Existing Facilities:

When, in the judgment of the Company a change in the use or layout of the Customer's premises makes the relocation or modification of the Company's existing facilities necessary, or when such relocation or modification is requested by the Customer and is consistent with sound utility practices, the Company will relocate or modify such facilities in a manner acceptable to the Company. The Customer shall pay the Company for all cost associated with any such relocation or modification based on an invoice prepared by the Company in accordance with standard estimation procedures, and if the relocation or modification is made at the Customer's request, such payment shall be made in advance. If a requested relocation or modification involves the conversion of an existing residential overhead service to an underground service lateral, the charges and provisions of Section 11.05 of these Rules shall apply.

**REVISED SECTIONS 3.02 AND 3.05
TARIFF RULES AND REGULATIONS
(LEGISLATIVE FORMAT)**

PART III
NEW SERVICE EXTENSIONS
3.01 Extension of Facilities; Contribution in Aid of Construction:

Where an extension to existing distribution facilities (other than a transformer, service drop, and/or meter) is required to provide service to a Customer, the Company shall calculate under the formulas set forth below whether a contribution in aid of construction (CIAC) is due from the Customer. A CIAC would be due from the Customer as a result of anticipated revenues from the Customer, together with revenues from other prospective customers to be served from such extension, not being sufficient to afford a fair and reasonable return on the cost of making such extension. The Company shall use its best judgment in estimating the revenue portion of the formulas which shall be based on an annual period ending not more than five years after the extension is placed in service.

- (1) Overhead Distribution Extension: The following formula shall be used to determine the contribution in aid of construction owed by the Customer. If the application of this formula results in a negative value for CIAC_{OH}, the CIAC_{OH} amount shall be set to zero.

- (a) For residential and general service non-demand customers, the CIAC shall be calculated as follows:

$$CIAC_{OH} = \boxed{\text{Actual or estimated job cost for new poles and conductors and appropriate fixtures required to provide service, excluding transformers, service drops, and meters}} - \boxed{\text{Four (4) x non-fuel energy charges per kWh x expected annual kWh sales over the new line}}$$

- (b) For general service demand and general service large demand customers, the CIAC shall be calculated as follows:

$$CIAC_{OH} = \boxed{\text{Actual or estimated job cost for new poles and conductors and appropriate fixtures required to provide service, excluding transformers, service drops, and meters}} - \boxed{\text{Four (4) x non-fuel energy charges per kWh x expected annual kWh sales over the new line; plus four (4) x expected annual demand charge revenues from sales over the new line}}$$

- (2) Underground Distribution Extension: The following formula shall be used to determine the contribution in aid of construction:

$$CIAC_{UG} = \boxed{\text{Estimated difference between the cost of providing the distribution line extension, including not only the distribution line extension itself but also the transformer, the service drop, and other necessary fixtures, with underground facilities vs. the cost of providing service using overhead facilities}} + CIAC_{OH} \text{ (as above)}$$

For underground residential service, the charges set forth in Part XI, Underground Residential Distribution Policy, provide the portion of the above formula developing the estimated difference in cost using underground facilities vs. overhead facilities.

- (3) Extension for Service at Higher Voltage Level: Where feasible the Company may provide service from a transmission line or substation of the Company. The following formula shall be used to determine the CIAC owed by the Customer. If the application of this formula results in a negative value for CIAC, the CIAC amount shall be set to zero.

$$\text{CIAC} = \boxed{\text{Actual or estimated job cost of new facilities required to provide service excluding meters}} - \boxed{\text{Four (4) x non-fuel energy charges per kWh x expected annual kWh sales from the extension; plus four (4) x expected annual demand charge revenues of sales from the extension}}$$

- (4) Extension for Temporary Service: The Customer shall pay extension costs for temporary service in accordance with Rate Schedule TS-1.

- (5) Extension for Street or Area Lighting Service: Service for street or area lighting application is normally provided from existing distribution facilities. Where suitable distribution facilities do not exist, the following formula shall be used to determine the CIAC owed by the Customer. If the application of this formula results in a negative value for CIAC, the CIAC amount shall be set to zero.

$$\text{CIAC} = \boxed{\text{Actual or estimated job cost of new facilities required to provide service excluding lighting facilities}} - \boxed{\text{Four (4) x non-fuel energy charges per kWh x expected annual kWh sales from the extension}}$$

3.02 Route and Easement:

In making line extensions hereunder, the Company shall select the most economical route, but the Company will not use private property for any such extension unless an easement therefor suitable to the Company is granted by the owner of such private property to the Company, without cost, in accordance with the following provisions:

- (1) Private Property of Customer: Where more than one pole is located on a customer's property for the sole purpose of supplying service to such customer, easements for all such poles and for any related facilities, including guys, overhead distribution circuits and overhang, will be required must be furnished by the Customer, and the route of the service line across the Customer's property must be cleared of trees, undergrowth, and other obstructions to access by the Company's vehicles and equipment, prior to installation of the line by the Company.
- (2) Private Property of Third Party: Where, in order to provide service to a customer, Company facilities are to cross over or be located upon private property not owned by such customer, or where service to such customer is to be provided from existing Company facilities so situated, an easement for all such facilities involved, including poles, guys, overhead distribution circuits and overhang, if any, will be required.
- (3) Acquisition, Form and Cost: All such grants shall be obtained by the Customer upon the Company's standard form, properly executed by the grantor, and shall be made without cost to the Company.

3.03 Installation by Customer:

The Customer's installation shall, in its entirety, be installed and maintained in accordance with the requirements of local ordinances pertaining thereto, or of authorities having jurisdiction thereover, or in the absence of such local ordinances or authorities in accordance with the requirements of the National Electrical Safety Code as set forth in Handbook H-43 of the National Bureau of Standards in its present form, or as subsequently revised, amended or superseded; provided, however, that service to any customer over lines and facilities not owned by the Company shall be at the sole option of the Company. Customer installations shall be in accordance with the following provisions:

- (1) Inspection by Authorities: The Company recommends that all wiring installations be inspected and approved by an authorized electrical inspector if available; and, were such inspection is required by local ordinance or authority, the Company cannot render service until such inspection has been made and formal notice from the inspecting authority of its approval has been received by the Company.
- (2) Inspection by Company: The Company reserves the right to inspect Customer's installation prior to rendering service, and from time to time thereafter; but the Company assumes no responsibility whatsoever for the Customer's installation as a result of any such inspection, and will not be responsible in any way for any defect in Customer's installation, or any part thereof, or for any damage which may result from any such defect.

3.04 Special Service Requirements:

The Company designs and installs its service facilities in accordance with the "Requirements for Electric Service and Meter Installations" contained in the Appendix. Where the Customer requests a more costly service arrangement, such as a remote point of delivery, excess transformer capacity, or any other special requirements, the Company will provide such service if feasible and the Customer shall pay the cost in excess of the estimated cost of the standard design.

3.05 Rework or Relocation of Existing Service Facilities:

~~When The in the judgment of the Company will accommodate a request of the Customer, if feasible, to rework or relocate a change in the use or layout of the Customer's premises makes the relocation or modification of the Company's existing service facilities necessary, or when such relocation or modification is requested by the Customer and is consistent with sound utility practices, the Company will relocate or modify such facilities in a manner acceptable to the Company. The Customer shall be charged pay the Company for all the cost associated with any such relocation or modification based on an invoice prepared by the Company thereof in accordance with with standard estimation procedures, and if the relocation or modification is made at the Customer's request, such payment shall be made in advance. the formula set forth below which provides an appropriate credit in the event the rework or relocation is associated with an addition in the Customer's load. If the application of this formula results in a negative value, the charge shall be set to zero. If the a requested relocation or modification involves the conversion of is related to replacing an existing residential overhead service with to an underground service lateral, the charges and provisions of Part Section 11.05 of these Rules shall apply.~~

$$\begin{aligned}
 \text{Charge}_{OH} &= \boxed{\text{Actual or estimated job cost of rework or relocation of existing service}} - \boxed{\text{Four (4) x additional annual non-fuel revenue from load addition, if any}} \\
 \text{Charge}_{UG} &= \boxed{\text{Estimated difference between the cost of the rework or relocation with underground facilities vs. the cost of the rework or relocation using overhead facilities}} + \text{Charge}_{OH}
 \end{aligned}$$