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February 20, 2006

060150-E1

VIA HAND DELIVERY

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
Betty Easley Conference Center
2540 Shumard Oak Boulevard, Room 110
Tallahassee, FL 32399-0850

**Re: Florida Power & Light Company's Petition for Approval of
Revisions to the Contribution-in-Aid of Construction
Definition in Section 12.1 of its First Revised Tariff Sheet No. 6.300**

Dear Ms. Bayo:

Enclosed for filing in the above-referenced matter, please find the original and fifteen (15) copies of Florida Power & Light Company's ("FPL") Petition for Approval of Revisions to the Contribution-in-Aid of Construction Definition in Section 12.1 of its First Revised Tariff Sheet No. 6.300.

Please acknowledge receipt of this filing by stamping the extra copy of this letter "filed" and returning same to me in the self-addressed stamped envelope enclosed for your convenience. Also included herewith is a computer diskette containing FPL's Petition in Word.

Please do not hesitate to contact me at (561) 304-5134 should you have any questions regarding this filing.

Sincerely,

Patrick M. Bryan
Attorney
Florida Power & Light Company

PMB/bjw
Enclosures
cc: Harold A. McLean, Esquire (via U.S. Mail)
Office of Public Counsel

DOCUMENT NUMBER-CAFP

01487 FEB 20 06

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Florida Power & Light Company's)
Petition for Approval of Revisions to the)
Contribution-In-Aid of Construction)
Definition in Section 12.1 of its)
First Revised Tariff Sheet No. 6.300.)
_____)

DOCKET NO. _____

Filed: February 20, 2006

**FLORIDA POWER & LIGHT COMPANY'S
PETITION FOR APPROVAL OF REVISIONS TO
THE CONTRIBUTION-IN-AID OF CONSTRUCTION DEFINITION
IN SECTION 12.1 OF ITS FIRST REVISED TARIFF SHEET NO. 6.300**

NOW BEFORE THIS COMMISSION, through undersigned counsel, comes Florida Power & Light Company ("FPL" or the "Company") and hereby requests approval for revisions to the contribution-in-aid of construction definition in section 12.1 of its first revised tariff Sheet No. 6.300. In support of this Petition, FPL states as follows:

1. FPL is a public utility subject to the jurisdiction of the Florida Public Service Commission ("Commission") under Chapter 366, Florida Statutes. FPL's General Offices are located at 9250 West Flagler Street, Miami, FL 33174.

2. Any pleading, motion, notice, order or other document required to be served upon the petitioner or filed by any party to this proceeding should be served upon the following individuals:

Patrick M. Bryan, Esquire
Law Department
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 304-5134 (Voice)
(561) 691-7305 (Facsimile)
Patrick_Bryan@fpl.com

William G. Walker, III
Vice President, Regulatory Affairs
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, FL 32301
(850) 521-3910 (Voice)
(850) 521-3939 (Facsimile)
Bill_Walker@fpl.com

3. On January 30, 2006, FPL filed with the Commission and published “STORM SECURE: FPL’s Five Point Plan to Build a Stronger Grid for the Future.” The Storm Secure Plan explains the steps that FPL proposes to take to substantially increase the resistance of its distribution, transmission and substation network to severe weather impacts. One component of the Storm Secure Plan is the promotion of underground conversions by local governments. FPL has offered, subject to Commission approval, to invest 25% of the cost of local government-sponsored conversion projects otherwise borne by the requesting locality, with the Commission recognizing such investment as new plant in service. This filing is a necessary step to implementation of the Storm Secure Plan.

4. Two extraordinary hurricane seasons and the prospect of more active and intense storm seasons in the coming years have made it clear that significant changes are required in the way that Florida public utilities design, construct and operate their electrical systems. This is particularly true for FPL, whose service area has experienced the direct hit of five hurricanes as well as the impact of two others in 2004 and 2005. Standards that have worked well and provided customers with reliable service in the past will need to be enhanced going forward. Florida generally, and South Florida in particular, are much more heavily and densely populated than they were at the time of Hurricane Andrew; customers’ expectations have changed; and there is good evidence that we are in a more active part of a multi-decade hurricane cycle and can expect more frequent and intense storm events. Certainly, this is the belief of most Floridians as well as that of state and local government at all levels.

5. On January 23, 2006, the Commission held an Electric Infrastructure Workshop in Tallahassee. The facilitation of undergrounding by local communities was a prominent issue

discussed at the Workshop. Additionally, data from the 2004 and 2005 hurricanes which impacted FPL's service area indicated that underground facilities incurred fewer main line (feeder) interruptions than did overhead facilities during each hurricane. Through Storm Secure, and subject to Commission approval of the steps to implement its plan, FPL intends to work to address the expectations discussed above, consistent with the public interest in a more resilient electric infrastructure.

6. Concurrent with the filing of this petition, FPL has filed a petition to initiate rulemaking to amend Rule 25-6.115 of the Florida Administrative Code. This petition is subject to the rule change requested in the rulemaking petition.

7. Pursuant to Rule 25-6.115 of the Florida Administrative Code, the Company is required to include as part of its tariff the general provisions and terms under which the Company and applicants may enter into a contract for the purpose of converting existing overhead electric facilities to underground. FPL's rules related to the conversion of overhead electric distribution facilities are set forth in section 12 of its General Rules and Regulations for Electric Service ("General Rules"). The definition of "Contribution-In-Aid of Construction" appears in section 12.1 on the First Revised Tariff Sheet No. 6.300 of the Company's tariff.

8. The Company now proposes limited revisions to Section 12.1 of its General Rule, First Revised Tariff Sheet No. 6.300.

9. Specifically, the Company proposes to revise the definition of Contribution-In-Aid of Construction to include a government adjustment factor of 25% where the applicant is a local government. This revision would permit the Company to invest 25% of the CIAC for local government sponsored conversion projects, with the Commission recognizing such investment as new plant in service. Legislative and final formats of FPL's proposed Second Revised Sheet No.

6.300 are attached hereto as Composite Exhibit 1.

10. Many communities, customers and local and state government officials have expressed an interest in pursuing conversions from overhead to underground facilities.

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

12. Although the additional investment in rate base and other costs that will be incurred by FPL pursuant to the proposed revisions to its Tariff Sheet 6.300 will not be insignificant, FPL submits that such measures and expenditures are prudent and reasonable considering the benefits described above and, in particular, from the standpoint of public policy concerns that strongly favor a more storm-resilient electric infrastructure. Accordingly, FPL requests that the Commission acknowledge the public interest of and in the actions contemplated by the proposed tariff revisions as they relate to FPL's Storm Secure plan, by approving the proposed revisions to Tariff Sheet 6.300 at the earliest possible date.

13. The Company's proposed changes do not affect any change in rates and will have no impact on the Company's gross annual revenues.

14. FPL respectfully requests that the proposed First Revised Tariff Sheet be approved at the earliest opportunity, but in no event earlier than adoption by the Commission of FPL's proposed amendments to Rule 25-6.115.

WHEREFORE, for the above and foregoing reasons, Florida Power & Light Company respectfully requests that the Commission grant this Petition for Approval of Revisions to the Contribution-In-Aid of Construction Definition in Section 12.1 of its First Revised Tariff Sheet

No. 6.300, and that FPL's tariff be modified in accordance herewith to include the second revised tariff Sheet No. 6.300.

Respectfully submitted,

Patrick M. Bryan, Esquire
Law Department
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
Telephone: (561) 304-5134
Facsimile: (561) 691-7305

By 
Patrick M. Bryan
Fla. Bar No. 0457523

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing "Petition for Approval of Revisions to the Contribution-In-Aid of Construction Definition in Section 12.1 of its First Revised Tariff Sheet No. 6.300" has been furnished by U.S. Mail on this 20th day of February, 2006, to the following:

Harold A. McLean, Esquire
Office of Public Counsel
c/o The Florida Legislature
111 W. Madison Street, Room 812
Tallahassee, FL 32399-1400

By



Patrick M. Bryan, Esquire
Fla. Bar No. 0457523

COMPOSITE EXHIBIT 1 – SECOND REVISED SHEET NO. 6.300

**INSTALLATION OF UNDERGROUND ELECTRIC DISTRIBUTION FACILITIES
FOR THE CONVERSION OF OVERHEAD ELECTRIC DISTRIBUTION FACILITIES**

SECTION 12.1 DEFINITIONS

APPLICANT - Any person, corporation, or entity capable of complying with the requirements of this tariff who has made a written request for underground electric distribution facilities in accordance with this tariff.

CONVERSION - Any installation of underground electric distribution facilities where the underground facilities will be substituted for existing overhead electric distribution facilities, including relocations.

CONTRIBUTION-IN-AID-OF-CONSTRUCTION (CIAC) - The CIAC to be paid by an Applicant under this tariff section shall be determined according to the following formula:

$$\text{CIAC} = [(\text{UG} + \text{NBV} + \text{R}) - (\text{OH} + \text{SV})] * (1 - \text{GAF})$$

where UG is the estimated cost to install the underground electric distribution facilities requested, OH is the estimated cost to install new overhead electric distribution facilities as if the present facilities were to be completely replaced, NBV is the net book value (book value less accumulated depreciation) of the existing overhead electric distribution facilities to be removed from service after the installation of the underground facilities, R is the cost to remove the overhead electric distribution facilities for which the underground facilities will be substituted, and SV is the salvage value of the removed materials which constituted the overhead electric distribution facilities; and GAF is the government adjustment factor, if any, applicable to the Applicant. In those instances where the Applicant is a local government and upon mutual agreement between the Applicant and the utility, the government adjustment factor shall be set to 25%. In all other cases, the government adjustment factor shall be 0%. For the GAF to apply, all existing overhead facilities within the area designated for conversion must be included by the Applicant in the requested conversion project. The GAF shall not apply with respect to any road construction or improvement projects for which state or federal funds are available.

DISTRIBUTION SYSTEM - Electric service facilities consisting of primary and secondary conductors, service drops, service laterals, conduits, transformers and necessary accessories and appurtenances for the furnishing of electric power at utilization voltage.

SERVICE FACILITIES - The entire length of conductors between the distribution source, including any conduit and or risers at a pole or other structure or from transformers, from which only one point of service will result, and the first point of connection to the service entrance conductors at a weatherhead, in a terminal, or meter box outside the building wall; the terminal or meter box; and the meter.

SECTION 12.2 GENERAL

12.2.1 Application

This tariff section applies to all requests for underground electric distribution facilities where the facilities requested will be substituted for existing overhead electric distribution facilities. Any person, corporation, or entity capable of complying with the requirements of this tariff may submit a request as follows. Requests shall be in writing and must specify in detail the overhead electric distribution facilities to be converted or the area to be served by underground electric distribution facilities in lieu of presently existing overhead electric distribution facilities serving said area. Upon receipt of a written request, FPL will determine the feasibility of converting the existing facilities, any necessary revisions to this written request, and the non-refundable deposit amount necessary to secure a binding cost estimate and notify the applicant of said amount.

12.2.2 Contribution-in-Aid-Of-Construction (CIAC)

Upon the payment of a non-refundable deposit by an Applicant, FPL shall prepare a binding cost estimate specifying the contribution in aid of construction (CIAC) required for the installation of the requested underground distribution facilities, where the installation of such facilities is feasible, and provide said estimate to the Applicant upon completion of the estimate along with an Underground Facilities Conversion Agreement. The CIAC amount to be collected pursuant to a binding cost estimate from an Applicant shall not be increased by more than 10 percent of the binding cost estimate to account for actual costs incurred in excess of the binding cost estimate. However, the CIAC may be subject to increase or refund if the project scope is enlarged or reduced at the request of the Applicant, or the CIAC is found to have a material error prior to the commencement of construction.

The binding cost estimate provided to an Applicant shall be considered expired if the Applicant does not enter into an Underground Facilities Conversion Agreement and pay the CIAC amount specified for the installation of the requested underground electric distribution facilities within 180 days of delivery of the binding cost estimate to the Applicant by FPL.

(Continued on Sheet No. 6.310)

**INSTALLATION OF UNDERGROUND ELECTRIC DISTRIBUTION FACILITIES
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(Continued on Sheet No. 6.310)