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KATRINA J. TEW



OFFICE OF THE GENERAL COUNSEL  
MICHAEL G. COOKE  
GENERAL COUNSEL  
(850) 413-6199

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# Public Service Commission

January 3, 2007

HAND DELIVER

Mr. Scott Boyd, Executive Director  
Joint Administrative Procedures Committee  
Room 120 Holland Building  
Tallahassee, FL 32399-1300

RE: Docket No. 060172-EU – 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. 060173-EU – Proposed amendments to rules regarding overhead electric facilities to allow more stringent construction standards than required by National Electric Safety Code.

Dear Mr. Boyd:

The Commission has approved the adoption of Rules 25-6.034, 25-6.0341, 25-6.0342, 25-6.0345, 25-6.064, 25-6.078, and 25-6.115, with changes.

The notice of change was published in the December 22, 2006 Florida Administrative Weekly. The pending challenge to the rules at DOAH was resolved on December 22, 2006.

- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- RCA \_\_\_\_\_
- SCR \_\_\_\_\_
- SGA \_\_\_\_\_
- SEC   1
- OTH \_\_\_\_\_

We plan to file the rules for adoption on January 12, 2007.

Sincerely,

Larry D. Harris  
Associate General Counsel

Enclosure

c: ~~Division of the~~ Commission Clerk  
and Administrative Services

060172 AdoptLetter.lth.doc

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FPSC-COMMISSION CLERK

1 GENERAL MANAGEMENT REQUIREMENTS

2 **25-6.034 Standard of Construction.**

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

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

8 (a) For facilities constructed on or after February 1, 2007, the 2007 NESC shall apply.  
9 A copy of the 2007 NESC, ISBN number 0-7381-4893-8, may be obtained from the Institute  
10 of Electric and Electronic Engineers, Inc. (IEEE), 3 Park Avenue, New York, NY, 10016-  
11 5997.

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

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

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

17 History-Amended 7-29-69, 12-20-82, Formerly 25-6.34, Amended, \_\_\_\_\_.

18 **25-6.0341 Location of the Utility's Electric Distribution Facilities.**

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

22 (2) ~~(1)~~ For initial installation, expansion, rebuild, or relocation of overhead facilities,  
23 utilities shall use easements, public streets, roads and highways along which the utility has the  
24 legal right to occupy, and public lands and private property across which rights-of-way and  
25 easements have been provided by the applicant for service.

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1           (3) ~~(2)~~ For initial installation, expansion, rebuild, or relocation of underground  
2 facilities, the utility shall require the applicant for service to provide easements along the front  
3 edge of the property, unless the utility determines there is an operational, economic, or  
4 reliability benefit to use another location.

5           (4) ~~(3)~~ For conversions of existing overhead facilities to underground facilities, the  
6 utility shall, if the applicant for service is a local government that provides all necessary  
7 permits and meets the utility's legal, financial, and operational requirements, place facilities in  
8 road rights-of- way in lieu of requiring easements.

9           (5) ~~(4)~~ Where the expansion, rebuild, or relocation of electric distribution facilities  
10 affects existing third-party attachments or the facilities of existing joint users, and will result  
11 in the relocation of such facilities to a new location adjacent to a public road, the utility shall  
12 notify and attempt in good faith to accommodate concerns raised by third-party attachers and  
13 joint users, including input and concerns related to the cost impacts of the proposed relocation  
14 on attaching entities. The electric utility shall also, to the extent practical, coordinate the  
15 construction of its facilities with the affected third-party attachers and joint users.

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

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

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

20 History-New\_\_\_\_\_.

21

22 **25-06.0342 Electric Infrastructure Storm Hardening.**

23           (1) Application and Scope. This rule is intended to ensure the provision of safe,  
24 adequate, and reliable electric transmission and distribution service for operational as well as  
25 emergency purposes; require the cost-effective strengthening of critical electric infrastructure

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1 to increase the ability of transmission and distribution facilities to withstand extreme weather  
2 conditions; and reduce restoration costs and outage times to end-use customers associated with  
3 extreme weather conditions. This rule applies to all investor-owned electric utilities.

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

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

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

19 (b) Adopts the extreme wind loading standards specified by Figure 250-2(d) of the  
20 2007 edition of the NESC for the following distribution facilities:

21 1. new construction;

22 2. major planned work, including expansion, rebuild, or relocation of existing  
23 facilities, assigned on or after the effective date of this rule; and

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

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

3           (d) Provides for the placement of new and replacement distribution facilities so as to  
4 facilitate safe and efficient access for installation and maintenance pursuant to Rule 25-  
5 6.0341, F.A.C.

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

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

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

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

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

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

25           (5) Attachment Standards and Procedures: As part of its storm hardening plan, each

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

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

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

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

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

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

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1 History New .

2

3 **25-6.0345 Safety Standards for Construction of New Transmission and Distribution**  
4 **Facilities.**

5 (1) ~~The In compliance with Section 366.04(6)(b), F.S., 1991, the Commission adopts~~  
6 ~~and incorporates by reference the 2002 edition of the National Electrical Safety Code (ANSI~~  
7 ~~C-2 [NESC], published August 1, 2001, as the applicable safety standards for transmission~~  
8 ~~and distribution facilities subject to the Commission's safety jurisdiction. For electrical~~  
9 ~~facilities constructed on or after February 1, 2007, the 2007 NESC shall apply. Electrical~~  
10 ~~facilities constructed prior to February 1, 2007, shall be governed by the edition of the NESC~~  
11 ~~specified by subsections 013.B.1, 013.B.2, and 013.B.3 of the 2007 NESC. Each investor-~~  
12 ~~owned electric utility, rural electric cooperative, and municipal electric system shall, at a~~  
13 ~~minimum, comply with the standards in these provisions. A copy of the 2007 NESC, ISBN~~  
14 ~~number 0-7381-4893-8, may be obtained from the Institute of Electric and Electronic~~  
15 ~~Engineers, Inc. (IEEE) 3 Park Avenue, New York, NY, 10016-5997. ~~Standards contained in~~~~  
16 ~~the 2002 edition shall be applicable to new construction for which a work order number is~~  
17 ~~assigned on or after the effective date of this rule.~~

18 (2) Each investor-owned electric utility, rural electric cooperative and municipal  
19 electric utility shall report all completed electric work orders, whether completed by the utility  
20 or one of its contractors, at the end of each quarter of the year. The report shall be filed with  
21 the Director of the Commission's Division of Regulatory Compliance and Consumer  
22 Assistance no later than the 30<sup>th</sup> working day after the last day of the reporting quarter, and  
23 shall contain, at a minimum, the following information for each work order:

24 (a) Work order number/project/job;

25 (b) Brief title outlining the general nature of the work;

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1 (c) Estimated cost in dollars, rounded to nearest thousand and;

2 (d) Location of project.

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

5 (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

11 (b) DOS ASCII Text.

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

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

15 3. Character data fields shall be placed between quotation marks (“ . . .”).

16 4. Numeric data fields shall be right justified.

17 5. Blank spaces shall be used to fill the data fields to the indicated number of digits.

18 (c) Hard Copy.

19 The following format is preferred, but not required:

20 Completed Electrical Work Orders For PSC Inspection

Work	Brief	Estimated	Location
Order	Title	Cost	

25 (4) In its quarterly report, each utility shall identify all transmission and distribution

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1 facilities subject to the Commission's safety jurisdiction, and shall certify to the Commission  
2 that they meet or exceed the applicable standards. Compliance inspections by the Commission  
3 shall be made on a random basis or as appropriate.

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

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

11 (6) Each investor-owned electric utility, rural electric cooperative, and municipal  
12 electric utility shall (without admitting liability) report each accident or malfunction, occurring  
13 in connection with any part of its transmission or distribution facilities, to the Commission  
14 within 30 days after it learns of the occurrence, provided the accident or malfunction:

- 15 (a) Involves damage to the property of others in an amount in excess of \$5000; or  
16 (b) Causes significant damage in the judgment of the utility to the utility's facilities.

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

20 Specific Authority 350.127(2) FS.

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

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

23

24 PART IV

25 GENERAL SERVICE PROVISIONS

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from existing law.

1 | **25-6.064 Contribution-in-Aid-of-Construction for Installation of New or Upgraded**  
 2 | **Facilities.**

3 | (1) Application and scope. The purpose of this rule is to establish a uniform procedure  
 4 | by which investor-owned electric utilities calculate amounts due as contributions-in-aid-of-  
 5 | construction (CIAC) from customers who request new facilities or upgraded facilities in order  
 6 | to receive electric service, except as provided in Rule 25-6.078, F.A.C.

7 | (2) Contributions-in-aid-of-construction for new or upgraded overhead facilities  
 8 | (CIAC<sub>oh</sub>) shall be calculated as follows:

9 |

10   CIAC <sub>oh</sub>	=	Total estimated	=	Four years	=	Four years expected
		work order job		expected		incremental base
		cost of installing		incremental base		demand revenue, if
		the facilities		energy revenue		applicable

14 |

15 | (a) The cost of the service drop and meter shall be excluded from the total estimated  
 16 | work order job cost for new overhead facilities.

17 | (b) The net book value and cost of removal, net of the salvage value, for existing  
 18 | facilities shall be included in the total estimated work order job cost for upgrades to those  
 19 | existing facilities.

20 | (c) The expected annual base energy and demand charge revenues shall be estimated  
 21 | for a period ending not more than 5 years after the new or upgraded facilities are placed in  
 22 | service.

23 | (d) In no instance shall the CIAC<sub>OH</sub> be less than zero.

24 | (3) Contributions-in-aid-of-construction for new or upgraded underground facilities  
 25 | (CIAC<sub>UG</sub>) shall be calculated as follows:

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CIAC <sub>UG</sub>	=	CIAC <sub>OH</sub>	+	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.

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1 (7) The utility may elect to waive all or any portion of the CIAC for customers, even  
2 when a CIAC is found to be applicable. If however, the utility waives a CIAC, the utility shall  
3 reduce net plant in service as though the CIAC had been collected, unless the Commission  
4 determines that there is a quantifiable benefit to the general body of ratepayers commensurate  
5 with the waived CIAC. Each utility shall maintain records of amounts waived and any  
6 subsequent changes that served to offset the CIAC.

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

10 (9) If a utility and applicant are unable to agree on the CIAC amount, either party may  
11 appeal to the Commission for a review.

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

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

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

15

16 PART V

17 RULES FOR RESIDENTIAL ELECTRIC UNDERGROUND EXTENSIONS

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

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

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

2 |         (2) For the purpose of calculating the Estimated Average Cost Differential, cost  
3 | estimates shall reflect the requirements of Rule 25-6.0342, Electric Infrastructure Storm  
4 | Hardening Standards of Construction.

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

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

18 |         (5) Detailed supporting data and analyses used to determine the Estimated Average  
19 | Cost Differential for underground and overhead distribution systems shall be concurrently  
20 | filed by the utility with the Commission and shall be updated using cost data developed from  
21 | the most recent 12-month period. The utility shall record these data and analyses on Form  
22 | PSC/ECR 13-E (10/97). Form PSC/ECR 13-E, entitled "Overhead/Underground Residential  
23 | Differential Cost Data" is incorporated by reference into this rule and may be obtained from  
24 | the Division of Economic Regulation, 2540 Shumard Oak Boulevard, Tallahassee, Florida  
25 | 32399-0850, (850) 413-6900.

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1 (6) Service for a new multiple-occupancy building shall be constructed underground  
2 within the property to be served to the point of delivery at or near the building by the utility at  
3 no charge to the applicant, provided the utility is free to construct its service extension or  
4 extensions in the most economical manner.

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

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

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

20 (10) Nothing in this rule shall be construed to prevent any utility from waiving all or  
21 any portion of a cost differential for providing underground facilities. If, however, the utility  
22 waives the differential, the utility shall reduce net plant in service as though the differential  
23 had been collected unless the Commission determines that there is a quantifiable benefit to the  
24 general body of ratepayers commensurate with the waived differential.

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

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1 Law Implemented 366.03, 366.04(1), (4), 366.04(2)(f), 366.06(1) FS.  
2 History--New 4-10-71, Amended 4-13-80, 2-12-84, Formerly 25-6.78, Amended 10-29-97,\_\_\_.

3

4 PART VII

5 UNDERGROUND ELECTRIC DISTRIBUTION FACILITY CHARGES

6 **25-6.115 Facility Charges for Conversion of Existing Overhead Investor-owned**

7 **Distribution Facilities.**

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

17 (2) For purposes of this rule, the applicant is the person or entity requesting the  
18 conversion of existing overhead electric distribution facilities to underground facilities. In the  
19 instance where a local ordinance requires developers to install underground facilities, the  
20 developer who actually requests the construction for a specific location is deemed the  
21 applicant for purposes of this rule.

22 (3) Nothing in the tariff shall present the applicant from constructing and installing all  
23 or a portion of the underground distribution facilities provided:

24 (a) sSuch work meets the investor-owned utility's construction standards;

25 (b) ~~t~~The investor-owned utility will own and maintain the completed distribution

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1 facilities; and

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

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

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

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

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

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

20 (a) ~~t~~The estimated cost of construction of the underground distribution facilities based  
21 on the requirements of Rule 25-6.0342, Electric Infrastructure Storm Hardening Standards of  
22 ~~Construction~~, including the construction cost of the underground service lateral(s) to the  
23 meter(s) of the customer(s); and

24 (b) the estimated remaining net book value of the existing facilities to be removed less  
25 the estimated net salvage value of the facilities to be removed.

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from existing law.



1 (9) For the purpose of this rule, the charge for overhead facilities shall be the estimated  
2 construction cost to build new overhead facilities, including the service drop(s) to the meter(s)  
3 of the customer(s). Estimated construction costs shall be based on the requirements of Rule  
4 25-6.0342, Electric Infrastructure Storm Hardening Standards of Construction.

5 (10) An applicant requesting construction of underground distribution facilities under  
6 this rule may challenge the utility's cost estimates pursuant to Rule 25-22.032, F.A.C.

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

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

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

16 (12) Nothing in this rule shall be construed to prevent any utility from waiving all or  
17 any portion of the cost for providing underground facilities. If, however, the utility waives any  
18 charge, the utility shall reduce net plant in service as though those charges had been collected  
19 unless the Commission determines that there is quantifiable benefits to the general body of  
20 ratepayers commensurate with the waived charge.

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

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

24 Law Implemented 366.03, 366.04, 366.05 FS.

25 History—New 9-21-92, Amended \_\_\_\_\_.

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from existing law.

## STATEMENT OF CHANGES

Following the hearing on the proposed rules, the Commission made a number of changes to the rules. The changes include:

Requiring investor-owned electric utilities to file storm hardening plans for Commission review and approval;

Requiring input on the plans, including cost and benefit data, from affected third-party attachers; and

Providing expanded dispute resolution procedures to third-party attachers, customers, and other affected entities.

These changes will allow the Commission to consider cost-effectiveness data when reviewing and approving the plans; more input from affected persons; and greater control over the contents of storm hardening plans.