



ORIGINAL

May 18, 2007

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COMMISSION  
CLERK

VIA HAND DELIVERY

Ms. Ann Cole, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Petition for approval of Contribution-in-Aid-of-Construction Tariff Revisions by  
Progress Energy Florida, Inc.; Docket No. \_\_\_\_\_ 070327-EP

Dear Ms. Cole:

Please find enclosed for filing on behalf of Progress Energy Florida, Inc. ("PEF") the original and seven (7) copies of its Petition for approval of Contribution-in-Aid-of-Construction Tariff Revisions. Accompanying the Petition is Composite Exhibit A which includes ten (10) clean copies of the tariff revisions and one (1) legislative copy.

Thank you for your assistance in this matter. Please call me at (727) 820-5184 should you have any questions.

RECEIVED & FILED

R. V. N.

BUREAU OF RECORDS

Original Tariffs forwarded to ECR

JTB/lms  
Enclosures

Sincerely,

John T. Burnett cms  
John T. Burnett

Progress Energy Florida, Inc.  
106 E. College Avenue  
Suite 800  
Tallahassee, FL 32301

DOCUMENT NUMBER-DATE

04082 MAY 18 07

FPSC-COMMISSION CLERK

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of )  
Contribution-in-Aid-of Construction )  
Tariff Revisions by Progress Energy )  
Florida, Inc. )

Docket No. 070327-ED

Filed: May 18, 2007

**PETITION FOR APPROVAL OF CONTRIBUTION-IN-AID-OF-  
CONSTRUCTION TARIFF REVISIONS**

Progress Energy Florida, Inc. ("PEF") hereby petitions this Commission for approval of its Contribution-in-Aid-of-Construction ("CIAC") Tariff revisions to comply with the recent changes in Rule 25-6.064, F.A.C., Contribution-in-Aid-of-Construction of New or Upgraded Facilities. In support of this Petition, PEF states as follows:

1. PEF is a public utility subject to the jurisdiction of the Commission under Chapter 366, Florida Statutes. PEF's General Offices are located at 299 First Avenue North, St. Petersburg, FL 33701.

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

John T. Burnett, Esquire  
Post Office Box 14042  
St. Petersburg, FL 33733-4042  
Telephone: (727) 820-5184  
Facsimile: (727) 820-5249

For express deliveries by private courier, the address is:

299 First Avenue North  
Suite PEF-151  
St. Petersburg, FL 33701

DOCUMENT NUMBER-DATE

04082 MAY 18 07

FPSC-COMMISSION CLERK

3. By Order No. PSC-07-0043-FOF-EU, dated January 16, 2007, the Commission approved and adopted amendments to Rules 25-6.034, 25-6.0345, 25-6.064, 25-6.078, and 25-6.115 and adopted Rules 25-6.0341 and 25-6.0342, Florida Administrative Code, relating to standards of construction, location of facilities, storm hardening, and contributions-in-aid-of-construction.

4. CIAC Tariff Changes. PEF's Tariff Sheets 4.030, 4.031 and 4.032 have been revised to comply with the changes in the requirements of Rule 25-6.064 as follows:

- Section 3.01 has been revised to reflect changes to CIAC formulas and includes new language to outline PEF's CIAC true-up and proration policies.
- Section 3.02 has been revised to address routes for new line extensions, upgrades or service drops. This section has also been revised to clarify customer obligations prior to construction.
- Section 3.04 has been revised to identify types of high demand equipment that require special service requirements.
- Section 3.05 has been revised to differentiate upgrades from PEF's relocation or modification of existing facilities policy as they are subject to incremental revenue upgrades.
- Tariff Sheets 4.114, 4.115 and 4.116 contain minor revisions to clarify points of delivery and conduit usage.
- Tariff Sheets 4.120, 4.121 and 4.122 contain revisions applicable to conversions of overhead to underground consistent with the changes to Rule 25-6.115, F.A.C.
- Tariff Sheet 4.123 has been revised to clarify PEF's position on how and when easements are used and also to define customer and company obligations in this regard.

5. CIAC Proration. Rule 25-6.064, F.A.C., Section 6(b), Contribution-in-Aid-of-Construction of New or Upgraded Facilities states:

“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 CAIC from the initial customer. For the 3-yr 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 CIAC. The utility shall file a tariff outlining its policy for the proration of CIAC.”

PEF proposes to set a \$1,500 threshold of CIAC paid in order for the applicable end-use customer to be eligible for a proration. PEF believes that this \$1,500 threshold will help properly effectuate the Commission’s intent sent forth in Section 6(b) above and will allow for efficient administration and regulation of this procedure.. PEF also proposes to charge an end-use customer the full CIAC for facilities installed to serve that customer, and PEF will then prorate the CIAC paid over the number of customers served by the initial installed facilities within 3 years. That prorate would only apply to customers that are served from the initial facilities by a service drop and meter. Customers that need additional equipment for service from the initial installed facilities would require a separate line extension CIAC calculation.

6. CIAC True-up. Rule 25-6.064, F.A.C., Section 6(a), Contribution-in-Aid-of-Construction of New or Upgraded Facilities states:

“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 CIAC to reflect the actual costs of construction and actual base revenues received at the time the request is made.”

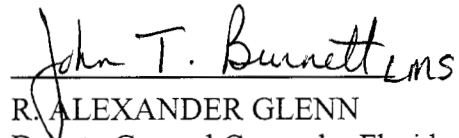
PEF proposes that an end-use customer that pays CIAC may make a one-time request to PEF within 12 months of the in-service date of the installed facilities to true-up CIAC. PEF will true-up CIAC paid to reflect actual construction costs and actual annualized

base revenues at the time the request is made. The customer may be entitled to a refund or charged additional CIAC depending on the true-up results.

7. With all the changes described herein, as set forth in Composite Attachment A hereto, PEF believes that it will be in compliance with the requirements and intent of Order No. PSC-07-0043-FOF-EU.

WHEREFORE, PEF respectfully requests the Commission to approve this Petition and the revised Tariff Sheets as set forth in "Composite Exhibit A" attached hereto, or, if appropriate, submit the revised tariff sheets to Commission Staff for administrative approval.

Respectfully submitted,

The image shows a handwritten signature in black ink that reads "John T. Burnett" followed by the initials "LMS". The signature is written in a cursive style.

R. ALEXANDER GLENN  
Deputy General Counsel – Florida  
JOHN T. BURNETT  
Associate General Counsel – Florida  
PROGRESS ENERGY SERVICE COMPANY, LLC  
299 – First Avenue North  
St. Petersburg, FL 33701

Attorneys for  
PROGRESS ENERGY FLORIDA, INC.

# Composite Exhibit A

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CIAC Tariff Sheets

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(Clean Copy)

**GENERAL RULES AND REGULATIONS  
GOVERNING ELECTRIC SERVICE****INDEX**

	<u>SHEET NO.</u>
<b>Introduction</b>	<b>4.005</b>
<b>I. Definitions and Classifications</b>	<b>4.010</b>
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1.02 Service Classifications	
1.03 Rate Applications	
<b>II. Availability and Establishment of Service</b>	<b>4.020</b>
2.01 Application for Service	
2.02 Service Available	
2.03 Temporary Service	
2.04 Auxiliary or Standby Service	
2.05 Premium Distribution Service	
<b>III. Contribution in Aid of Construction</b>	<b>4.030</b>
3.01 Contribution in Aid of Construction for the Installation of New or Upgraded Facilities	
3.02 Route and Easement	
3.03 Installation by Customer	
3.04 Special Service Requirements	
3.05 Rework or Relocation of Existing Facilities	
<b>IV. Terms and Conditions of Service</b>	<b>4.040</b>
4.01 Service Connection	
4.02 Access to Customer Premises	
4.03 Protection of Company Equipment	
4.04 Continuity of Service	
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<b>V. Meters</b>	<b>4.050</b>
5.01 Installation and Maintenance of Meters	
5.02 Meter Seals	
5.03 Testing of Meters	
5.04 Tampering with Meters	
5.05 Provisions for Energy Pulse Data	
<b>VI. Customer Utilization Equipment</b>	<b>4.060</b>
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6.02 Protecting Customer Installation	
6.03 Limitations on Customer's installation	
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<b>VII. Guarantee Deposits</b>	<b>4.070</b>
7.01 Deposit Requirement	
7.02 Refund of Deposit	
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(Continued On Next Sheet)

**GENERAL RULES AND REGULATIONS  
GOVERNING ELECTRIC SERVICE****INDEX**

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<b>XI. Underground Residential Distribution Policy</b>	<b>4.110</b>
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11.03 Underground Distribution Facilities for Residential Subdivision and Developments	
11.04 Underground Service Laterals from Overhead Electric Distribution Systems	
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<b>XII. Charges For Conversion of Existing Overhead to Underground Electric Distribution Facilities</b>	<b>4.120</b>
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**Appendix: Requirements for Electric Service and Meter Installations**



**PART III**
**CONTRIBUTION IN AID OF CONSTRUCTION**
**3.01 Contribution in Aid of Construction for the Installation of New or Upgraded Facilities:**

Where an extension to or upgrade of existing facilities at any voltage level (other than a 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 expected incremental revenues from the Customer, together with revenues from other prospective customers to be served from such extension or upgrade, not being sufficient to afford a fair and reasonable return on the cost of making such extension or upgrade. 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 or upgrade is placed in service. For all of the formulas below, the costs shall include cost of removal and salvage, if applicable.

(1) Overhead Extension or Upgrade: 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  $CIAC_{OH}$ , 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:

$$CIAC_{OH} = \left[ \begin{array}{l} \text{Actual or estimated job cost for} \\ \text{new poles and conductors and} \\ \text{appropriate fixtures required to} \\ \text{provide service, excluding} \\ \text{service drops and meters} \end{array} \right] - \left[ \begin{array}{l} \text{Four (4) years expected incremental base} \\ \text{energy revenue} \end{array} \right]$$

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

$$CIAC_{OH} = \left[ \begin{array}{l} \text{Actual or estimated job cost for} \\ \text{new poles and conductors and} \\ \text{appropriate fixtures required to} \\ \text{provide service, excluding} \\ \text{service drops, and meters} \end{array} \right] - \left[ \begin{array}{l} \text{Four (4) years expected incremental base} \\ \text{energy revenue plus Four (4) years} \\ \text{expected incremental base demand} \\ \text{revenue} \end{array} \right]$$

(2) (a) Residential Underground Extension or Upgrade: The following formula shall be used to determine the CIAC:

$$CIAC_{UG} = \left[ \begin{array}{l} \text{Estimated difference between} \\ \text{the cost of providing the line} \\ \text{extension or upgrade, including} \\ \text{not only the line extension or} \\ \text{upgrade itself but also the} \\ \text{transformer, the service drop,} \\ \text{and other necessary fixtures,} \\ \text{with underground facilities vs.} \\ \text{the cost of providing service} \\ \text{using overhead facilities} \end{array} \right] + CIAC_{OH} \text{ (as above)}$$

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.

(b) General Service Underground Extension or Upgrade: The following formula shall be used to determine the CIAC:

$$\text{CIAC}_{\text{UG}} = \left[ \begin{array}{l} \text{Estimated difference between} \\ \text{the cost of providing the line} \\ \text{extension or upgrade, including} \\ \text{not only the line extension or} \\ \text{upgrade itself but also the} \\ \text{transformer and other} \\ \text{necessary fixtures, excluding} \\ \text{the service drop, with} \\ \text{underground facilities vs. the} \\ \text{cost of providing service using} \\ \text{overhead facilities} \end{array} \right] + \left[ \text{CIAC}_{\text{OH}} \text{ (as above)} \right]$$

The Company will designate the point of delivery and the Customer will provide the service entrance conductors and raceway from the Customer's service equipment to the point of delivery designated by the Company at or near the building.

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

(4) Extension for Street or Area Lighting Service: Service for street or area lighting 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.

$$\text{CIAC} = \left[ \begin{array}{l} \text{Actual or estimated job cost of} \\ \text{new facilities required to} \\ \text{provide service excluding} \\ \text{lighting facilities} \end{array} \right] - \left[ \text{Four (4) years expected incremental base} \right. \\ \left. \text{energy revenue} \right]$$

(5) CIAC True-Up:

Within 12 months of the in-service date of the new facility installation or upgrade, an initial end-use Customer that paid CIAC may make a one-time request to true-up the CIAC charged by the Company. The Company will true-up CIAC paid to reflect actual construction costs and actual base revenues received at the time the true-up request is made. The revenue portion of the CIAC true-up will be calculated by annualizing the actual base energy and demand revenues received by the Company as of the date of the true-up request and multiplying by four to derive four years expected base revenues. Depending on the true-up results, the initial end-use customer requesting a true-up may be entitled to a refund or charged additional CIAC.

(6) CIAC Prorate:

Within a three year period from the in-service date of the installation of the new or upgraded facilities ("the initial facilities"), the Company will prorate the CIAC paid by the initial end-use customer for the facility installation or upgrade to serve that customer. Prorating will apply to only CIAC payments of \$1,500 and above. Customers requiring more than a meter and a service drop for service from the initial facilities (e.g. additional poles or transformers) will be excluded from the CIAC prorate. The initial end-use customer will be charged the full amount of CIAC in accordance with this Part III. Additional customers served by the initial facilities will each pay their prorata share of the CIAC paid by the initial customer. The prorata share will be calculated by first determining the total number of customers involved by adding one (1), representing the initial customer, to the number of additional customers identified by the Company that could be served by the initial facilities. Then each customer's prorata share will be one divided by the total number of customers involved. The Company will refund the prorated collections to the initial end-use customer.

**3.02 Route and Easement:**

For new line extensions, upgrades or service drops, the Company shall select the most economical route, which may be a right of way or easement. Before the Company starts construction, the route chosen must be cleared of all trees, tree stumps and other obstructions by the applicant, at no charge to the Company and be suitable for Company use. The Company will use private property for any such extension or upgrade, once 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 easement for all such poles and for any related facilities, including guys, overhead distribution circuits and overhang, must be furnished by the Customer. The entire length and width of the easement 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, but not limited to, poles, guys, overhead distribution circuits and overhang, if any, will be required to be obtained by the Customer prior to such facilities being installed by the Company.
- (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, or high demand equipment, such as tankless water heaters, kilns, welders etc. 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, but not an upgrade 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.

## (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.

**11.04 UNDERGROUND SERVICE LATERALS FROM OVERHEAD 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 overhead service and an underground service lateral:

For Service Lateral up to 80 feet ..... \$ 353.99  
For each foot over 80 feet up to 300 feet..... \$ 1.28 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 ..... \$ 1.40  
The provisions of Paragraphs 11.03(3) and 11.03(4) are also applicable.



**11.05 UNDERGROUND SERVICE LATERALS REPLACING EXISTING RESIDENTIAL OVERHEAD SERVICES:**

(1) 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.

(2) 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.

(3) 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, the charge to the Applicant for this work shall be based on a specific cost estimate.

(4) Contribution by Applicant:

The charge excluding trenching costs shall be as follows:

For Service Lateral up to 80 feet.....\$ 258.30

For each foot over 80 feet up to 300 feet.....\$ 0.82 per foot

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

**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.

**PART XII****CHARGES FOR CONVERSION OF EXISTING OVERHEAD TO UNDERGROUND ELECTRIC DISTRIBUTION FACILITIES****12.01 DEFINITIONS:**

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

- (1) Applicant: The Applicant is the person or entity seeking the undergrounding of existing or newly planned electric distribution facilities by the Company. When a developer requests local government development approval, the local government shall not be deemed the Applicant for purposes of these rules.
- (2) Commission: Florida Public Service Commission.
- (3) Cost Estimate Fee: A fee charged an Applicant by the Company for the purpose of preparing a cost estimate of the amount required for the Company to construct or convert particular distribution facilities as underground.
- (4) Company: Progress Energy Florida, Inc.
- (5) Distribution Facilities: All electrical equipment of the Company required to deliver electricity to homes and businesses.
- (6) Facility Charge: That charge required to be paid by an Applicant for the Company to construct or convert particular distribution facilities as underground.
- (7) Overhead: Pertains to distribution facilities consisting of conductors, switches, transformers, etc. which are installed above ground on supporting poles.
- (8) Underground: Pertains to distribution facilities consisting of conductors, switches, transformers, etc. which are installed below ground or on the ground.

**12.02 GENERAL:****(1) Application:**

Underground electric distribution facilities are offered in lieu of overhead facilities in accordance with these rules.

**(2) Applicant Request:**

An Applicant shall submit a request in writing for the Company to develop a cost estimate to accomplish the undergrounding of particular electric facilities. The request shall be accompanied by an appropriate fee and shall specify the following information:

- (a) the area(s) being sought to be undergrounded
- (b) a list of all electric customers affected
- (c) an estimated time frame for undergrounding to be accomplished
- (d) details of any construction by the Applicant
- (e) any other pertinent information which the Applicant possesses that may aid the Company in preparing an appropriate cost estimate

**12.03 INSTALLATIONS NOT COVERED:**

The following types of electrical installations are not addressed in these rules:

- (A) Distribution lines, new or existing, in urban commercial area, urban residential area, rural residential area, or existing subdivisions will not be considered for undergrounding if sufficient permits or easements cannot be obtained. The request will not be considered unless all customers on both sides of the road or street who are served by the supply system to be undergrounded are included in the proposed conversion.
- (B) Distribution lines in new residential subdivisions. These installations are covered under "Rules of the Florida Public Service Commission", Chapter 25-6, Part V, "Rules for Residential Electric Underground Extensions", and the Company's "General Rules and Regulations Governing Electric Service", Part XI.
- (C) Individuals applying for undergrounding of service laterals from existing overhead lines. These applications will be covered by rules referenced in 12.03(b) above.
- (D) Electrical distribution circuits serving street or area lighting. Requests for undergrounding circuits of this category will be treated on an individual basis.

**12.04 COST ESTIMATE FEES:**

- (1) Non-Binding Cost Estimate Fee:

The Company will provide a non-binding cost estimate related to the request at no cost to the Applicant. Such estimate shall not have any guarantee as to its accuracy and shall not be binding upon the Company.

- (2) Binding Cost Estimate Fee

The following schedule of fees shall apply to the Applicant for engineering design time to establish a binding cost estimate by the Company for the request. Such fee shall be recognized as a credit in the Facility Charge determination if the Applicant enters into a construction contract within 180 days from date of receipt of the binding cost estimate. At the discretion of the Company, the time from submittal of the cost estimate to entering a contract may be extended beyond 180 days. A major scope change by the Applicant may require a new fee amount.

**SCHEDULE OF BINDING COST ESTIMATE FEES**

<u>Facility Classification</u>	<u>Fee</u>
Urban Commercial	\$4,234 per mile
Urban Residential	\$3,476 per mile
Rural Residential	\$2,549 per mile
Low Density Subdivision	\$ 15 per lot
High Density Subdivision	\$ 13 per lot



**12.05 CONSTRUCTION CONTRACT:****(1) GENERAL:**

Upon acceptance by the Applicant of the binding cost estimate, the Applicant shall execute a contract with the Company to perform the construction of the underground distribution facilities. The contract shall specify the type and character of system to be provided; establish the Facility Charge to be paid by Applicant prior to commencement of construction; specify details of construction to be performed by Applicant, if any; and address any other pertinent terms and conditions including those described in Part (4) below.

**(2) FACILITY CHARGE:**

Charge = Remaining net book value of existing overhead facilities to be removed;

plus, removal cost of existing overhead facilities;

minus, salvage value of existing overhead facilities;

plus, estimated construction cost of underground facilities including underground service laterals to residential customers meters or point of delivery for general service customers;

minus, estimated construction cost of overhead facilities including overhead service drops to customers' meters;

minus, qualifying binding cost estimate fee.

**(3) CONSTRUCTION BY APPLICANT:**

If agreed upon by both the Applicant and the Company, the Applicant may construct or install portions of the underground system as long as such work meets the Company's engineering and construction standards. The Company will own and maintain the completed distribution facilities upon accepting the system as operational. The type of system provided will be determined by the Company's standards.

Any facilities provided by the Applicant will be inspected by Company inspectors prior to acceptance. Any deficiencies discovered as a result of these inspections will be corrected by the Applicant at his sole expense, including the costs incurred by performing the inspections. Corrections must be made in a timely manner by the Applicant, otherwise the Company will undertake the correction and bill the Applicant for all costs of such correction. These costs shall be additional to the original binding estimate.

## (4) OTHER TERMS AND CONDITIONS

## (a) Easements:

Before the initiation of any project to provide underground electric distribution facilities pursuant to an Underground Facilities Conversions Agreement, the Applicant shall provide the Company, at no cost to the Company, all easements utilizing Company approved language and forms, including legal descriptions of such easements and all survey work associated with producing legal descriptions of such easements, specified as necessary by the Company to accommodate the requested underground facilities along with an opinion of title that the easements are valid. Failure to provide the easements in the manner set forth above within 180 days after the delivery of the binding cost estimate to the Applicant shall result in the expiration of the binding cost estimate, the return of any CIAC paid, and the termination of any Underground Facilities Conversions Agreement entered into between the Applicant and the Company.

## (b) Scheduling, Clearing, and Grading:

Rights-of-way and easements suitable to the Company must be furnished by the Applicant in a reasonable time to meet service requirements and must be cleared of trees, tree stumps, paving and other obstruction; staked to show property lines and final grade; and graded to within six (6) inches of final grade by the Applicant before the Company commences construction; all at no cost to the Company. Such clearing and grading must be maintained by the Applicant during construction by the Company. Grade stakes must be provided at transformer, pullbox, and switch locations.

## (c) Restoration:

All removal and restoration of buildings, roads, driveways, sidewalks, patios, fences, ditches, landscaping, sprinkler systems, other utilities etc., shall be the full responsibility of the Applicant and shall cause no cost to the Company. Removal of all construction debris not belonging to the Company shall be the responsibility of the Applicant.

## (d) Other Joint Users on the Company Poles:

Prior to construction, the Applicant must make arrangements with any other joint users of the Company's poles to remove their facilities at no cost to the Company. The Applicant shall produce, if requested by the Company, executed agreements with all joint users guaranteeing this requirement. During construction, the Company will undertake coordination efforts directly with the joint users where required for removal of their facilities.

## (e) Affected Electric Customers:

Prior to construction, the Applicant must make arrangements with all affected Company customers to prepare their premises and service entrance in a timely manner for underground service. All customers affected by the undergrounding request must agree to accept underground service. These customers' conversions will be at no cost to the Company. During construction, the Company will undertake coordination efforts directly with affected customers for their transfer to underground service.

## (f) Damage to the Company's Underground Facilities:

The Applicant shall be responsible to ensure the Company's distribution facilities are not damaged, destroyed, or otherwise disturbed during construction. 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.

# **Composite Exhibit A**

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CIAC Tariff Sheets

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(Legislative Copy)



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GOVERNING ELECTRIC SERVICE**

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## PART III

NEW SERVICE EXTENSIONS CONTRIBUTION IN AID OF CONSTRUCTION
**3.01 Contribution in Aid of Construction for the Installation of New or Upgraded Facilities: ~~Extension of Facilities; Contribution in Aid of Construction:~~**

Where an extension to or upgrade of existing distribution facilities at any voltage level (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 expected incremental anticipated revenues from the Customer, together with revenues from other prospective customers to be served from such extension or upgrade, not being sufficient to afford a fair and reasonable return on the cost of making such extension or upgrade. 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 or upgrade is placed in service. For all of the formulas below, the costs shall include cost of removal and salvage, if applicable.

(1) Overhead Distribution Extension or Upgrade: The following formula shall be used to determine the CIAC 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:

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

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

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

(2) (a) Residential Underground Distribution Extension or Upgrade: The following formula shall be used to determine the CIAC contribution in aid of construction:

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

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.



(b) General Service Underground Extension or Upgrade: The following formula shall be used to determine the CIAC:

$$CIAC_{UG} = \left[ \begin{array}{l} \text{Estimated difference between} \\ \text{the cost of providing the line} \\ \text{extension or upgrade, including} \\ \text{not only the line extension or} \\ \text{upgrade itself but also the} \\ \text{transformer and other} \\ \text{necessary fixtures, excluding} \\ \text{the service drop, with} \\ \text{underground facilities vs. the} \\ \text{cost of providing service using} \\ \text{overhead facilities} \end{array} \right] + CIAC_{OH} \text{ (as above)}$$

The Company will designate the point of delivery and the Customer will provide the service entrance conductors and raceway from the Customer's service equipment to the point of delivery designated by the Company at or near the building.

(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.

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

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

(54) 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.

$$CIAC = \left[ \begin{array}{l} \text{Actual or estimated job cost of} \\ \text{new facilities required to} \\ \text{provide service excluding} \\ \text{lighting facilities} \end{array} \right] - \left[ \begin{array}{l} \text{Four (4) years expected incremental base} \\ \text{energy revenue} \\ \text{Four (4) x non-fuel energy} \\ \text{charges per kWh x expected annual kWh} \\ \text{sales from the extension} \end{array} \right]$$

(5) CIAC True-Up: Within 12 months of the in-service date of the new facility installation or upgrade, an initial end-use Customer that paid CIAC may make a one-time request to true-up the CIAC charged by the Company. The Company will true-up CIAC paid to reflect actual construction costs and actual base revenues received at the time the true-up request is made. The revenue portion of the CIAC true-up will be calculated by annualizing the actual base energy and demand revenues received by the Company as of the date of true-up request and multiplying by four to derive four years expected base revenues. Depending on the true-up results, the initial end-use customer requesting a true-up may be entitled to a refund or charged additional CIAC.

(6) CIAC Prorate: Within a three year period from the in-service date of the new or upgraded facilities ("the initial facilities"), the Company will prorate the CIAC paid by the initial end-use customer for the facility installation or upgrade to serve that customer. Prorating will apply to only CIAC payments of \$1,500 and above. Customers requiring more than a meter and a service drop for service from the initial facilities (e.g. additional poles and transformers) will be excluded from the CIAC prorate. The initial end-use customer will be charged the full amount of CIAC in accordance with this Part III. Additional customers served by the initial facilities will each pay their prorata share of the CIAC paid by the initial customer. The prorata share will be calculated by first determining the total number of customers involved by adding one (1), representing the initial customer, to the number of additional customers identified by the Company that could be served by the initial facilities. Then each customer's prorata share will be one divided by the total number of customers involved. The Company will refund the prorated collections to the initial end-use customer.

**3.02 Route and Easement:**

~~For~~In-making new line extensions, upgrades or service drops hereunder, the Company shall select the most economical route, which may be a right of way or easement. Before the Company starts construction, the route chosen must be cleared of all trees, tree stumps and other obstructions by the applicant, at no charge to the Company and be suitable for Company use. ~~but~~The Company will not use private property for any such extension or upgrade, ~~once~~ 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, and 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 entire length and width of the easement 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 eCustomer, Company facilities are to cross over or be located upon private property not owned by such eCustomer, or where service to such eCustomer is to be provided from existing Company facilities so situated, an easement for all such facilities involved, including, but not limited to, poles, guys, overhead distribution circuits and overhang, if any, will be required to be obtained by the Customer prior to such facilities being installed by the Company.
- (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, or high demand equipment, such as tankless water heaters, kilns, welders etc. 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, but not an upgrade 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.





(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.

**11.04 UNDERGROUND SERVICE LATERALS FROM OVERHEAD 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 overhead service and an underground service lateral:

For Service Lateral up to 80 feet ..... \$ 353.99  
For each foot over 80 feet up to 300 feet..... \$ 1.28 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 ..... \$ 1.40  
The provisions of Paragraphs 11.03(3) and 11.03(4) are also applicable.

**11.05 UNDERGROUND SERVICE LATERALS REPLACING EXISTING RESIDENTIAL OVERHEAD SERVICES:****(1) 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.

**(2) 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.

**(3) 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, the charge to the Applicant for this work shall be based on a specific cost estimate.

**(4) Contribution by Applicant:**

The charge excluding trenching costs shall be as follows:

For Service Lateral up to 80 feet.....\$ 258.30

For each foot over 80 feet up to 300 feet.....\$ 0.82 per foot

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

**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's special arrangements.

**(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.
- iii. ~~Where the Customer's service entrance equipment is on the outside wall, Customer must extend conduit of size specified by the Company from the meter base or other point of connection, down to three (3) feet below grade and five (5) feet away from building. This will eliminate the need for the Company to break footing to allow for installation of riser pole.~~

(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, ~~together with the ducts, if required, outside the building.~~
- 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.

## PART XII

CHARGES FOR CONVERSION OF EXISTING OVERHEAD TO UNDERGROUND ELECTRIC DISTRIBUTION FACILITIES UNDERGROUND ELECTRIC DISTRIBUTION FACILITY CHARGES**12.01 DEFINITIONS:**

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

- (1) Applicant: The Applicant is the person or entity seeking the undergrounding of existing or newly planned electric distribution facilities by the Company. When a developer requests local government development approval, the local government shall not be deemed the Applicant for purposes of these rules.
- (2) Commission: Florida Public Service Commission.
- (3) Cost Estimate Fee: A fee charged an Applicant by the Company for the purpose of preparing a cost estimate of the amount required for the Company to construct or convert particular distribution facilities as underground.
- (4) Company: Progress Energy Florida, Inc.
- (5) Distribution Facilities: All electrical equipment of the Company required to deliver electricity to homes and businesses.
- (6) Facility Charge: That charge required to be paid by an Applicant for the Company to construct or convert particular distribution facilities as underground.
- (7) Overhead: Pertains to distribution facilities consisting of conductors, switches, transformers, etc. which are installed above ground on supporting poles.
- (8) Underground: Pertains to distribution facilities consisting of conductors, switches, transformers, etc. which are installed below ground or on the ground.

**12.02 GENERAL:**

## (1) Application:

Underground electric distribution facilities are offered in lieu of overhead facilities in accordance with these rules.

## (2) Applicant Request:

An Applicant shall submit a request in writing for the Company to develop a cost estimate to accomplish the undergrounding of particular electric facilities. The request shall be accompanied by an appropriate fee and shall specify the following information:

- (a) the area(s) being sought to be undergrounded
- (b) a list of all electric customers affected
- (c) an estimated time frame for undergrounding to be accomplished
- (d) details of any construction by the Applicant
- (e) any other pertinent information which the Applicant possesses that may aid the Company in preparing an appropriate cost estimate

**12.03 INSTALLATIONS NOT COVERED:**

The following types of electrical installations are not addressed in these rules:

- (A) Distribution lines, new or existing, in urban commercial area, urban residential area, rural residential area, or existing subdivisions will not be considered for undergrounding if sufficient permits or easements cannot be obtained. The request will not be considered unless all customers on both sides of the road or street who are served by the supply system to be undergrounded are included in the proposed conversion.
- (B) Distribution lines in new residential subdivisions. These installations are covered under "Rules of the Florida Public Service Commission", Chapter 25-6, Part V, "Rules for Residential Electric Underground Extensions", and the Company's "General Rules and Regulations Governing Electric Service", Part XI.
- (C) Individuals applying for undergrounding of service laterals from existing overhead lines. These applications will be covered by rules referenced in 12.03(b) above.
- (D) Electrical distribution circuits serving street or area lighting. Requests for undergrounding circuits of this category will be treated on an individual basis.

**12.04 COST ESTIMATE FEES:**

- (1) Non-Binding Cost Estimate Fee:

The Company will provide a non-binding cost estimate related to the request at no cost to the Applicant. Such estimate shall not have any guarantee as to its accuracy and shall not be binding upon the Company.

- (2) Binding Cost Estimate Fee

The following schedule of fees shall apply to the Applicant for engineering design time to establish a binding cost estimate by the Company for the request. Such fee shall be recognized as a credit in the Facility Charge determination if the Applicant enters into a construction contract within 180 days from date of receipt of the binding cost estimate. At the discretion of the Company, the time from submittal of the cost estimate to entering a contract may be extended beyond 180 days. A major scope change by the Applicant may require a new fee amount.

**SCHEDULE OF BINDING COST ESTIMATE FEES**
**I. NEW CONSTRUCTION (Excluding New Residential Subdivisions):**

<u>Facility Classification</u>	<u>Fee</u>
Urban Commercial	\$2,975 per mile
Urban Residential	\$2,191 per mile
Rural Residential	\$1,659 per mile

**II. CONVERSIONS:**

<u>Facility Classification</u>	<u>Fee</u>
Urban Commercial	\$4,234 per mile
Urban Residential	\$3,476 per mile
Rural Residential	\$2,549 per mile
Low Density Subdivision	\$ 15 per lot
High Density Subdivision	\$ 13 per lot

**12.05 CONSTRUCTION CONTRACT:****(1) GENERAL:**

Upon acceptance by the Applicant of the binding cost estimate, the Applicant shall execute a contract with the Company to perform the construction of the underground distribution facilities. The contract shall specify the type and character of system to be provided; establish the Facility Charge to be paid by Applicant prior to commencement of construction; specify details of construction to be performed by Applicant, if any; and address any other pertinent terms and conditions including those described in Part (4) below.

**(2) FACILITY CHARGE:**

The charge shall be calculated in accordance with the appropriate formula described below:

**(a) ~~NEW CONSTRUCTION~~**

Charge = ~~Estimated construction cost of underground facilities including underground service laterals to customers' meters;~~

minus, ~~estimated construction cost of overhead facilities including overhead service drops to customers' meters;~~

minus, ~~qualifying binding cost estimate fee.~~

**(b) ~~CONVERSIONS~~**

Charge = Remaining net book value of existing overhead facilities to be removed;

plus, removal cost of existing overhead facilities;

minus, salvage value of existing overhead facilities;

plus, estimated construction cost of underground facilities including underground service laterals to residential customers' meters or point of delivery for general service customers;

minus, estimated construction cost of overhead facilities including overhead service drops to customers' meters;

minus, qualifying binding cost estimate fee.

**(3) CONSTRUCTION BY APPLICANT:**

If agreed upon by both the Applicant and the Company, the Applicant may construct or install portions of the underground system as long as such work meets the Company's engineering and construction standards. The Company will own and maintain the completed distribution facilities upon accepting the system as operational. The type of system provided will be determined by the Company's standards.

Any facilities provided by the Applicant will be inspected by Company inspectors prior to acceptance. Any deficiencies discovered as a result of these inspections will be corrected by the Applicant at his sole expense, including the costs incurred by performing the inspections. Corrections must be made in a timely manner by the Applicant, otherwise the Company will undertake the correction and bill the Applicant for all costs of such correction. These costs shall be additional to the original binding estimate.

## (4) OTHER TERMS AND CONDITIONS

## (a) Easements:

Before the initiation of any project to provide underground electric distribution facilities pursuant to an Underground Facilities Conversions Agreement, the Applicant shall provide the Company, at no cost to the Company, all easements utilizing Company approved language and forms, including legal descriptions of such easements and all survey work associated with producing legal descriptions of such easements, specified as necessary by the Company to accommodate the requested underground facilities along with an opinion of title that the easements are valid. Failure to provide the easements in the manner set forth above within 180 days after the delivery of the binding cost estimate to the Applicant shall result in the expiration of the binding cost estimate, the return of any CIAC paid, and the termination of any Underground Facilities Conversions Agreement entered into between the Applicant and the Company.

~~Required easements must be provided by the Applicant, at no cost to the Company, prior to commencement of construction. Easements are required where distribution facilities for serving more than one (1) customer are located on private property.~~

~~Easements are not required where facilities are located on private property wholly within an area covered by a recorded utility easement or where facilities are located in public rights-of-way. Easements are also not required where secondary distribution voltage facilities are located wholly within a customer's property for the purpose of providing electric service to the customer.~~

## (b) Scheduling, Clearing, and Grading:

Rights-of-way and easements suitable to the Company must be furnished by the Applicant in a reasonable time to meet service requirements and must be cleared of trees, tree stumps, paving and other obstruction; staked to show property lines and final grade; and graded to within six (6) inches of final grade by the Applicant before the Company commences construction; all at no cost to the Company. Such clearing and grading must be maintained by the Applicant during construction by the Company. Grade stakes must be provided at transformer, pullbox, and switch locations.

## (c) Restoration:

All removal and restoration of buildings, roads, driveways, sidewalks, patios, fences, ditches, landscaping, sprinkler systems, other utilities etc., shall be the full responsibility of the Applicant and shall cause no cost to the Company. Removal of all construction debris not belonging to the Company shall be the responsibility of the Applicant.

## (d) Other Joint Users on the Company Poles:

Prior to construction, the Applicant must make arrangements with any other joint users of the Company's poles to remove their facilities at no cost to the Company. The Applicant shall produce, if requested by the Company, executed agreements with all joint users guaranteeing this requirement. During construction, the Company will undertake coordination efforts directly with the joint users where required for removal of their facilities.

## (e) Affected Electric Customers:

Prior to construction, the Applicant must make arrangements with all affected Company customers to prepare their premises and service entrance in a timely manner for underground service. All customers affected by the undergrounding request must agree to accept underground service. These customers' conversions will be at no cost to the Company. During construction, the Company will undertake coordination efforts directly with affected customers for their transfer to underground service.

## (f) Damage to the Company's Underground Facilities:

The Applicant shall be responsible to ensure the Company's distribution facilities are not damaged, destroyed, or otherwise disturbed during construction. 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.