




Peace River Electric Cooperative, Inc.

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A Touchstone Energy® Cooperative 

August 2, 2010

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

RECEIVED-PPSC
10 AUG 11 AM 9:25
COMMISSION
CLERK

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Dear Ms. Cole:

Enclosed please find original pages for Peace River Electric Cooperatives Board Policies regarding Underground Distribution Installations and Underground Electric Service to New Residential Subdivision to be included with Peace River Electric's 2010 tariff filings.

Please let me know if you have any questions or if you should need any further information.

Sincerely,

Carol W. Braxton
Carol W. Braxton
Chief Financial Officer

Enclosures

- COM _____
- APA _____
- ECR** _____
- GCL _____
- RAD _____
- SSC _____
- ADM _____
- OPC _____
- CLK _____

2+2 copies of tariff also forwarded

DOCUMENT NUMBER DATE
06654 AUG 11 0
FPSC-COMMISSION CLERK

SUBJECT: UNDERGROUND DISTRIBUTION INSTALLATIONS

I. Objective

To design and operate the Cooperative's installation of electric service extensions in the most economical manner possible.

II. Policy

After several years of experience, it has been found that the cost to serve electric energy with underground facilities as opposed to overhead facilities is generally of higher initial cost.

The underground estimate will include, but not be limited to, such items as primary and secondary conductors, conduit, transformers and pads, metering equipment, labor, trenching and other necessary materials and expenses.

The overhead estimate will include, but not be limited to, such items, as poles, primary and secondary conductors, transformers, metering equipment, labor and other necessary materials and expenses.

When the estimated underground cost is less than the estimated overhead cost, the installation may be placed underground in accordance with Board Policy (5.2) "Extension of Electric Service." When the estimated underground cost exceeds the estimated overhead cost, the applicant will be informed of the differential and asked to make a contribution adequate to offset the differential. Any monies paid toward the offset will be considered as contribution in aid of construction. All equipment will remain the sole property of the Cooperative unless a written agreement is otherwise entered into.

The Cooperative shall in all cases design and operate the most economical system. Any cost in excess of this economical system will be borne by the applicant.

III. Responsibility

The CEO will be responsible for the administration of this policy.

Origin - Board Meeting July 22, 1969

Revised- Board Meeting September 22, 2009

APPROVED BY THE
BOARD OF DIRECTORS

Date: September 22, 2009

Signed: George W. Miller
George Miller-Secretary

BP 5.6

Issued By: William T. Mulcay, Jr.
Manager

Effective: August 2, 2010

**SUBJECT: UNDERGROUND ELECTRIC SERVICE TO NEW RESIDENTIAL
SUBDIVISIONS**

I. Objective

To establish guidelines for electric underground service to new recognized subdivisions of five or more building lots and tracts of land upon where five or more separate dwelling units are to be located.

II. Policy

Electric rates of the cooperative are based on timely and reasonable use of the land being developed. The cooperative is required to provide electric service to underground subdivisions where full use of the underground facilities may not be realized for years.

Where the cooperative is required to construct underground facilities where full use of the facilities may not be realized for two years a Consumer Advance for Construction will be required before construction commences. This Consumer Advance for Construction to guarantee performance will be based on the **total** estimated cost of construction. The amount of this Consumer Advance for Construction will not accrue interest and **only** the differential charges for underground versus overhead service will be refunded as provided below but in no event will any portion of the Consumer Advance for Construction be returned after five years from the date that the **cooperative is ready to render service.**

Consumer Advance for Construction Return:

1. In excess of 12 months but less than 24 months the return will be 80 percent
2. In excess of 24 months but less than 36 months the return will be 60 percent
3. In excess of 36 months but less than 48 months the return will be 40 percent
4. In excess of 48 months but less than 60 months the return will be 20 percent
5. In excess of 60 months will be no return

If there is a Consumer Advance for Construction amount to be returned as provided above, payment will be made to the party requesting permanent electric service and receiving a certificate of occupancy from the appropriate federal, state and/or local government.

Electric Service to other underground distribution installations will be in accordance with Board Policy (5.6) "Underground Distribution Installations".

III. Responsibility

The CEO will be responsible for the administration of this policy.

Origin - Board Meeting July 27, 2010

**APPROVED BY THE
BOARD OF DIRECTORS**

Date: July 27, 2010

Signed: Maurice Henderson
Maurice Henderson, Secretary

BP 5.9