

MESSER CAPARELLO & SELF, P.A.

Attorneys At Law

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March 3, 2011

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COMMISSION CLERK

BY HAND DELIVERY

Ms. Ann Cole, Director
Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 100304-EU

Dear Ms. Cole:

Enclosed for filing on behalf of Choctawhatchee Electric Cooperative, Inc. is an original fifteen copies of the following documents in the above referenced docket:

- 1. Direct Testimony and Exhibits of Jonathan Matthew Avery; 01451-11
- 2. Direct Testimony and Exhibits of Leigh V. Grantham; and 01452-11
- 3. Direct Testimony and Exhibits of Jacquelyn Nicole Sullivan. 01453-11

Please acknowledge receipt of this letter by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance.

Sincerely,

Norman H. Horton, Jr.

NHH/amb
Enclosure
cc: Ms. Leigh V. Grantham
Parties of Record

DOCUMENT NUMBER - DATE
01451 MAR -3 =
FPSC-COMMISSION CLERK

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by Hand Delivery (*), Overnight Delivery (**) and/or U. S. Mail this 3rd day of March, 2011.

Ralph Jaeger, Esq.*
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Ms. Leigh V. Grantham
Choctawhatchee Electric Cooperative, Inc.
P.O. Box 512
DeFuniak Springs, FL 32435-0512

Ms. Susan D. Ritenour
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

Steven R. Griffin, Esq.**
Beggs and Lane
501 Commendencia Street
Pensacola, FL 32502-5953


Norman H. Horton, Jr.

DOCKET 100304-EU

DIRECT TESTIMONY OF

JONATHAN MATTHEW AVERY

ON BEHALF OF CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

1 Q. PLEASE STATE YOUR NAME AND ADDRESS.

2 A. Jonathan Matthew Avery and my business address is 1350 West Baldwin
3 Avenue, DeFuniak Springs, FL 32435

4 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

5 A. I am the Vice President of Engineering for Choctawhatchee Electric
6 Cooperative, Inc. (CHELCO).

7 Q. WHAT ARE YOUR RESPONSIBILITIES WITH CHELCO?

8 A. I provide the technical expertise relied upon to develop and implement the
9 planning, design, construction and maintenance work plans for CHELCO's
10 electrical distribution system. I am responsible for meeting the economic and
11 reliability guidelines of the cooperative. I am also responsible for leading the
12 engineering department, which involves multiple areas of specialties.

13 Q. CAN YOU DESCRIBE YOUR BACKGROUND AND EXPERIENCE?

14 A. I graduated from Auburn University in 1995 with a degree in electrical
15 engineering and I am a registered professional engineer in the states of Florida
16 and Alabama. I also completed the University of Wisconsin/National Rural
17 Electric Cooperative Association's Management Internship Program. My
18 background includes experience in telecommunications design and engineering,
19 electrical design and engineering, engineering and sales consulting, and sales

COM 5
APA
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RAD
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OPC
CLK G.P.P.

1 and marketing in the residential and commercial construction industry. I have
2 management experience in engineering, operations marketing, and sales. I have
3 experience in regulatory compliance, customer service, and training of
4 personnel.

5 **Q. ARE YOU FAMILIAR WITH THE LOCATION AND DESCRIPTION**
6 **OF THE FREEDOM WALK DEVELOPMENT?**

7 A. Yes. Exhibits LVG-1 and LVG-2 attached to Ms. Grantham's testimony
8 depict the location.

9 **Q. DOES CHELCO CURRENTLY SERVE MEMBERS WITHIN THE**
10 **FREEDOM WALK DEVELOPMENT?**

11 A. Yes, CHELCO currently serves three members which represent four active
12 residential accounts within the developer's designated boundary of Freedom
13 Walk. The peak load used by those existing accounts is 53 KW.

14 **Q. WHEN DID YOU FIRST PROVIDE SERVICE TO MEMBERS ON THE**
15 **PROPERTY?**

16 A. Based on our Customer Information System (CIS), January 19, 1965 was the
17 date the first meter was set within the developer's designated boundary of
18 Freedom Walk. The four existing accounts on the property came in after that
19 date.

20 **Q. WOULD YOU DESCRIBE THE SERVICE YOU NOW PROVIDE AND**
21 **THE FACILITIES IN PLACE TO PROVIDE THAT SERVICE?**

22 A. Yes. All of the service in the area now is residential. The services are all single
23 phase services that are fed from CHELCO's 3 phase power line on Old Bethel

1 Road. This three phase line that serves the Freedom Walk development,
2 originates at the Auburn substation which is 3 miles north of the development.
3 Exhibit JMA-1 shows the location of our existing lines.

4 **Q. TO BE CLEAR, WHEN YOU SAY YOU SERVE MEMBERS WITHIN**
5 **THE FREEDOM WALK DEVELOPMENT, WOULD THESE MEMBERS**
6 **BE CONSIDERED FREEDOM WALK RESIDENTS NOW?**

7 A. No. Freedom Walk has not been developed yet and there is still a lot of work to
8 be done by the developer before anyone can move into a house in Freedom
9 Walk. The members we currently serve reside and take service from CHELCO
10 on property shown to be part of the development.

11 **Q. IF YOU DO NOT PREVAIL IN THIS PROCEEDING, WOULD YOU**
12 **CONTINUE TO SERVE THESE MEMBERS?**

13 A. If the development is constructed as depicted on the plat as reflected on Exhibit
14 JMA-1, and the rights to serve in our existing service area are given over to
15 Gulf, CHELCO would be forced to remove our facilities and have members
16 taken from us.

17 **Q. HOW LONG HAVE YOU HAD LINES TO OR ON THE FREEDOM**
18 **WALK DEVELOPMENT?**

19 A. Since 1946. By that time, CHELCO had a 1ph line along Old Bethel Road in
20 front of the Freedom Walk development. That line served, among others, a
21 customer located in the middle of the Freedom Walk property. The poles and
22 line are still there. By 1967, CHELCO had run a 1ph line along Normandy
23 Road to the west of the Freedom Walk development. In addition, CHELCO has

1 a recorded utility easement that extends into the property from the western
2 boundary of the Freedom Walk development. By 1983, CHELCO completed a
3 planned upgrade and extension of a 3ph line to the area along Old Bethel in
4 front of the Freedom Walk development.

5 **Q. DO YOU CURRENTLY PROVIDE SERVICE TO MEMBERS IN THE**
6 **GENERAL VICINITY OF FREEDOM WALK?**

7 A. Yes. We currently serve members immediately adjacent to the north and west of
8 the Freedom Walk development. We serve 139 active accounts within ¼ mile
9 of the boundary of Freedom Walk. See Exhibit JMA-2.

10 **Q. YOU MENTION THE AUBURN SUBSTATION. IS THAT THE**
11 **SUBSTATION THAT WOULD BE USED TO SERVE FREEDOM**
12 **WALK?**

13 A. Yes. CHELCO's Auburn substation currently serves the members on the
14 Freedom Walk development site and members around the development, and
15 would be used to serve the development. The Auburn substation is capable of
16 serving the current and anticipated future load in the area. Like most
17 substations, the Auburn substation can be upgraded to handle additional load as
18 needed to adequately serve the current and future needs of the area, and such
19 upgrades are a part of CHELCO's normal and routine business practices.

20 **Q. WHAT IS THE AVERAGE MONTHLY PEAK LOAD OF THE AUBURN**
21 **SUBSTATION AND MAXIMUM LOAD IT CAN HANDLE?**

22 A. The average monthly peak, in 2010, was 14.1 MVA. The maximum planning
23 load the Auburn substation can currently handle is 20 MVA during the summer

1 and 24.8 MVA during the winter. This substation can be upgraded to serve
2 additional load if and when required.

3 **Q. HAS CHELCO HAD ANY CONVERSATIONS WITH THE**
4 **DEVELOPER AS TO THE SERVICES AND LOADS THAT WOULD BE**
5 **NEEDED FOR THE MEMBERS IN THE DEVELOPMENT?**

6 A. Yes. There have been a few conversations between Mike Kapotsy, CHELCO's
7 Supervisor of Engineering Services, and the developer.

8 **Q. WHAT INFORMATION WAS PROVIDED TO YOU BY THE**
9 **DEVELOPER?**

10 A. We received a copy of the proposed plat that the developer has identified as the
11 Freedom Walk development. The plat we were provided showed there might be
12 some commercial load and potentially a YMCA, but the developer did not give
13 us any load information for the commercial sites.

14 **Q. WHAT ABOUT THE RESIDENTIAL SERVICE? DID YOU GET**
15 **DETAILS ABOUT THAT?**

16 A. In part, yes. We received some information from the developer himself, and
17 supplemented that information by simply counting the lots on the developer's
18 plat to develop a load number.

19 **Q. BASED ON THE INFORMATION PROVIDED YOU, HAVE YOU**
20 **PREPARED AN ANALYSIS OF ADDITIONAL PLANT AND**
21 **FACILITIES THAT WOULD BE NEEDED TO SERVE THE**
22 **ANTICIPATED LOAD IN FREEDOM WALK?**

23 A. Yes. That is shown in exhibits attached to the testimony of Ms. Sullivan.

1 **Q. WHAT WAS THE SOURCE OR BASIS FOR THE PROJECTIONS YOU**
2 **USED TO DEVELOP THE ADDITIONAL PLANT?**

3 A. As I said, we did not have specific information from the developer as to any of
4 the total load since the developer was not prepared to provide us with
5 commercial load information. We added a minimal amount of commercial load
6 to the projected residential load to determine the total load of the development.
7 We projected 3.56 MW of residential load, based on 0.65 primary amps per unit.
8 We then added 35 meter points, at 0.65 primary amps each (total 138 kva), for
9 the commercial load. We had a general expectation that if the development
10 actually built out, the commercial load could be greater. However, since we
11 were not provided with actual commercial load data, we opted to not include it
12 in our total load estimate.

13 **Q. DO YOU HAVE MECHANISMS TO ADDRESS NORMAL GROWTH**
14 **RELATED SERVICE DEMANDS LIKE THOSE PRESENTED BY**
15 **FREEDOM WALK AND SIMILAR TYPES OF DEVELOPMENT AND**
16 **CONSRUCTION?**

17 A. Yes. We are a responsible provider, and as such must project for growth and
18 development in our service areas. By having certainty in our growth
19 projections, we can plan for investment and availability of resources to ensure
20 that service is available to meet the needs not only of our existing members, but
21 of those wishing to invest and build in areas we serve. We routinely prepare
22 Construction Work Plans (CWP) to help us plan for the anticipated growth of
23 the distribution system. CWPs help us ensure we are prepared to provide

1 adequate and dependable service to our members. Such CWPs underscore the
2 importance of having economic and territorial certainty regarding our continued
3 ability to serve areas into which facilities and services have been and are
4 provided, and for which CHELCO has projected as a growth area. As discussed
5 herein, if the built-out commercial load exceeds the admittedly small amount we
6 projected, the implementation of our current CWPs, along with upgrades that
7 would be consistent with current growth and upgrade projections, will be
8 sufficient to serve the developer's commercial load requirements.

9 **Q. SINCE YOU PREPARED THIS ANALYSIS, HAVE YOU FOUND IT**
10 **APPROPRIATE TO REVISE YOUR ESTIMATE OF PLANNED LOAD**
11 **FOR FREEDOM WALK?**

12 A. After reviewing the information Gulf Power provided in response to CHELCO's
13 First Request for Production of Documents, I would add additional commercial
14 load for Freedom Walk. It appears Gulf was able to acquire more information
15 from the developer regarding the commercial aspect of the development. Gulf
16 included 1.1 MW for commercial load. If I add this amount to our residential
17 projections the total load for the development is approximately 4.7 MW. That
18 projected load can be served from the Auburn south circuit. As will be
19 discussed herein, we have the capacity to serve the projected residential load
20 with a minimal change to our existing CWP schedule. To serve the additional
21 1.1 MW commercial projection, we would have to do the following (which is
22 also discussed in Nicole's testimony):

23 1) Complete CWP project 300-RU10-01 in 2011 instead of 2014.

- 1 2) Complete CWP capacitor placement recommendations for Auburn circuit 03
2 in 2011.
- 3 3) Switch approximately 1,255 kW of load along Hwy 85 from Auburn Sub
4 circuit 01 and 02 to Laurel Hill Sub circuit 03.
- 5 4) After this load swap, install a set of voltage regulators at the intersection of
6 Senterfitt Rd. & Springcreek Dr.
- 7 5) Add additional system capacity to the area (i.e., upgraded power transformer
8 at Auburn sub or add a second bank, or add a new delivery point).
- 9 6) If a second bank is added at Auburn sub or the transformer is upgraded,
10 then add another circuit that feeds south of the substation. This will relieve the
11 loading on Auburn circuit 03, the circuit breaker and the lowside buswork.
- 12 7) Additional capacitors and/or voltage regulators may need to be added,
13 but can be evaluated later.

14 Those additional steps are not unusual in the normal pattern of planned system
15 upgrades.

16 **Q. EXPLAIN HOW SERVICE TO FREEDOM WALK WILL BE**
17 **PROVIDED FROM THE AUBURN SUBSTATION?**

18 A. The existing feeder from the Auburn substation south circuit extends south
19 along Hwy 85, turns west on Phil Tyner Road, turns south on Roberts Road and
20 then turns west on Old Bethel Road along the north boundary of Freedom Walk.

21 **Q. WILL YOU PROVIDE SERVICE USING A LOOP FED SYSTEM OR A**
22 **RADIAL SYSTEM?**

1 A. We will be using a loop fed system. While there is only one feeder serving the
2 area in and around Freedom Walk, the 3ph line on Old Bethel Road is a looped
3 3ph line.

4 **Q. ARE THERE ADVANTAGES TO USING A LOOP FED SYSTEM?**

5 A. Based on my experience, a loop-fed system provides greater system reliability
6 than does the radial system. With a loop-fed system, major service outages can
7 be restored faster because the loop-fed system provides multiple options for
8 restoration of power, resulting in minimizing interruption of power to any
9 member(s) affected.

10 **Q: WILL YOU NEED TO ACQUIRE ANY ADDITIONAL EASEMENTS OR**
11 **FRANCHISES FOR THIS SERVICE?**

12 A. Since we have service on and abutting the Freedom Walk development we
13 would not need any additional easements or franchises to get to the property.
14 We would require the developer to provide us an easement for all facilities
15 within the development.

16

17 **Q. IS IT CHELCO'S PLAN TO PROVIDE SERVICE TO FREEDOM**
18 **WALK USING EXISTING FACILITIES?**

19 A. Yes. Freedom Walk will not develop to full build-out overnight. In fact, it will
20 most likely be years before the development is completed. CHELCO can serve
21 all reasonably projected needs of the development today without any additional
22 construction needed to extend service to the development. As the demand
23 increases with build-out, we will have to upgrade our Auburn south circuit and

1 potentially upgrade the Auburn substation. If the full build-out load is 3.7 MW,
2 we can meet the demand with our scheduled 2014 upgrade. If the build-out
3 occurs over normal a period of time, the load can be met under the current 2014
4 upgrade plan. If the load is greater, or construction to build-out proceeds at a
5 faster pace, we would proceed by moving a planned upgrade forward from 2014
6 to whenever the job is required, and with the other upgrades previously
7 discussed as the load dictated. However, as stated earlier, CHELCO, as is the
8 case with most utilities, routinely plans for growth and upgrades to its physical
9 plant and facilities. The upgrades discussed herein are not unusual in the normal
10 pattern of planned upgrades.

11 **Q. OTHER THAN THE BUILD OUT WITHIN THE FREEDOM WALK**
12 **DEVELOPMENT, WOULD CHELCO HAVE TO EXPAND ITS**
13 **EXISTING FACILITIES TO SERVE THE FIRST CUSTOMER**
14 **RESIDING WITHIN THE FREEDOM WALK DEVELOPMENT?**

15 A. No. We can provide reliable service to that member now from our existing
16 facilities.

17 **Q. YOU ARE FAMILIAR WITH THE RECOMMENDATIONS FROM**
18 **PATTERSON & DEWAR ENGINEERS, INC. AS TO THE UPGRADES**
19 **TO YOUR SYSTEM TO SERVE FREEDOM WALK?**

20 A. Yes, I am. I worked closely with Patterson & Dewar Engineers, Inc. on this
21 project.

22 **Q. DO YOU PLAN ANY UPGRADES TO YOUR SYSTEM THAT WOULD**
23 **SERVE FREEDOM WALK AND THE VICINITY?**

1 A. Yes, we do. Our CWP projects an upgrade project in 2014 to serve projected
2 growth in the area. If Freedom Walk starts construction immediately, we have
3 the present ability to expedite that upgrade project when required to meet
4 Freedom Walk's service requirements.

5 **Q. IF GULF PREVAILS IN THIS DOCKET, WOULD YOU MAKE THOSE**
6 **UPGRADES?**

7 A. We intend to serve our present and future members in the area. Our system
8 planning has been based on service to current members in the area and to handle
9 reasonably expected growth. Our planned upgrades included an expectation of
10 growth in the area. We have a sizeable investment in the area, so my expectation
11 is that we would continue with our current upgrade schedule. However, if Gulf
12 prevails and we are prevented from serving this development that is squarely in
13 our existing and planned service area, our schedule and projections could be
14 changed.

15 **Q. FREEDOM WALK IS LARGELY UNDEVELOPED PROPERTY. IN**
16 **ADDITION TO THE FACILITIES USED TO PROVIDE SERVICE TO**
17 **THE CHELCO MEMBERS ON THE FREEDOM WALK PROPERTY AS**
18 **DISCUSSED EARLIER, ARE THERE OTHER FACILITIES FOR**
19 **ELECTRIC SERVICE ON THE PROPERTY?**

20 A. Yes. CHELCO has a 1ph line that extends well into the interior of the property.
21 See Exhibit JMA-3.

22 **Q. WHAT FACILITIES WOULD HAVE TO BE INSTALLED ON**
23 **FREEDOM WALK TO SERVE MEMBERS?**

1 A. Distribution facilities within the development would need to be installed to
2 include cable, conduit, transformers, switchgear, pedestals, etc. Such individual
3 customer distribution facilities will have to be constructed regardless of the
4 outcome of this territorial dispute.

5 **Q. WOULD THOSE LINES BE UNDERGROUND?**

6 A. Yes.

7 **Q. WHO WOULD BE RESPONSIBLE FOR THESE ADDITIONS?**

8 A. CHELCO would install the facilities. However, the developer does have the
9 option to install the conduit.

10 **Q. DO YOU HAVE AN ANALYSIS OF THOSE COSTS?**

11 A. Yes. The cost estimate has already been provided to the developer. See Exhibit
12 JMA-4.

13 **Q. HOW ARE THOSE COSTS DETERMINED?**

14 A. The cost is based on CHELCO's Line Extension Policy, approved by the FPSC.
15 A copy of that is attached as Exhibit JMA-5.

16 **Q. WOULD THE DEVELOPER RECOVER THOSE COSTS FROM
17 CHELCO?**

18 A. As the development builds out, the developer can recover the majority of the
19 upfront costs. That is reflected on Exhibit JMA-4.

20 **Q. YOU STATED PREVIOUSLY THAT CHELCO HAS HAD
21 CONVERSATIONS WITH THE DEVELOPER. TO YOUR
22 KNOWLEDGE IS THE DEVELOPER AWARE THAT YOU HAVE
23 SERVICE AT THE PROPERTY NOW?**

- 1 A. Yes.
- 2 **Q. HAS THE DEVELOPER EXPRESSED AN INTENT TO HAVE SERVICE**
3 **FROM YOU OR GULF?**
- 4 A. He has not expressed a preference to us, other than one related to price.
- 5 **Q. ARE YOU FAMILIAR WITH THE FACILITIES THAT GULF POWER**
6 **HAS IN THE GENERAL AREA OF FREEDOM WALK?**
- 7 A. Yes. Gulf Power has a 3ph line approximately 2100 feet to the east of the
8 development and a 1ph line within 30 feet of the development at the southeast
9 corner. The 1ph line could not be used to serve the development. Those are
10 shown on Exhibit JMA-1 and JMA-6 shows the location of the existing lines
11 relative to both parties.
- 12 **Q. WOULD GULF POWER HAVE TO EXTEND ITS LINES TO GET TO**
13 **FREEDOM WALK?**
- 14 A. Yes.
- 15 **Q. WOULD GULF POWER HAVE TO CROSS YOUR LINES OR**
16 **DUPLICATE ANY OF YOUR EXISTING FACILITIES TO GET TO**
17 **FREEDOM WALK**
- 18 A. Yes.
- 19 **Q. ARE YOU FAMILIAR WITH THE COST IN AID TO CONSTRUCTION**
20 **(CIAC) CHARGED TO MEMBERS FOR ELECTRIC SERVICE?**
- 21 A. Yes.

1 Q. **BASED ON YOUR CURRENT LINE EXTENSION POLICY, WHAT**
2 **WOULD A RESIDENTIAL MEMBER IN FREEDOM WALK PAY FOR**
3 **SERVICE?**

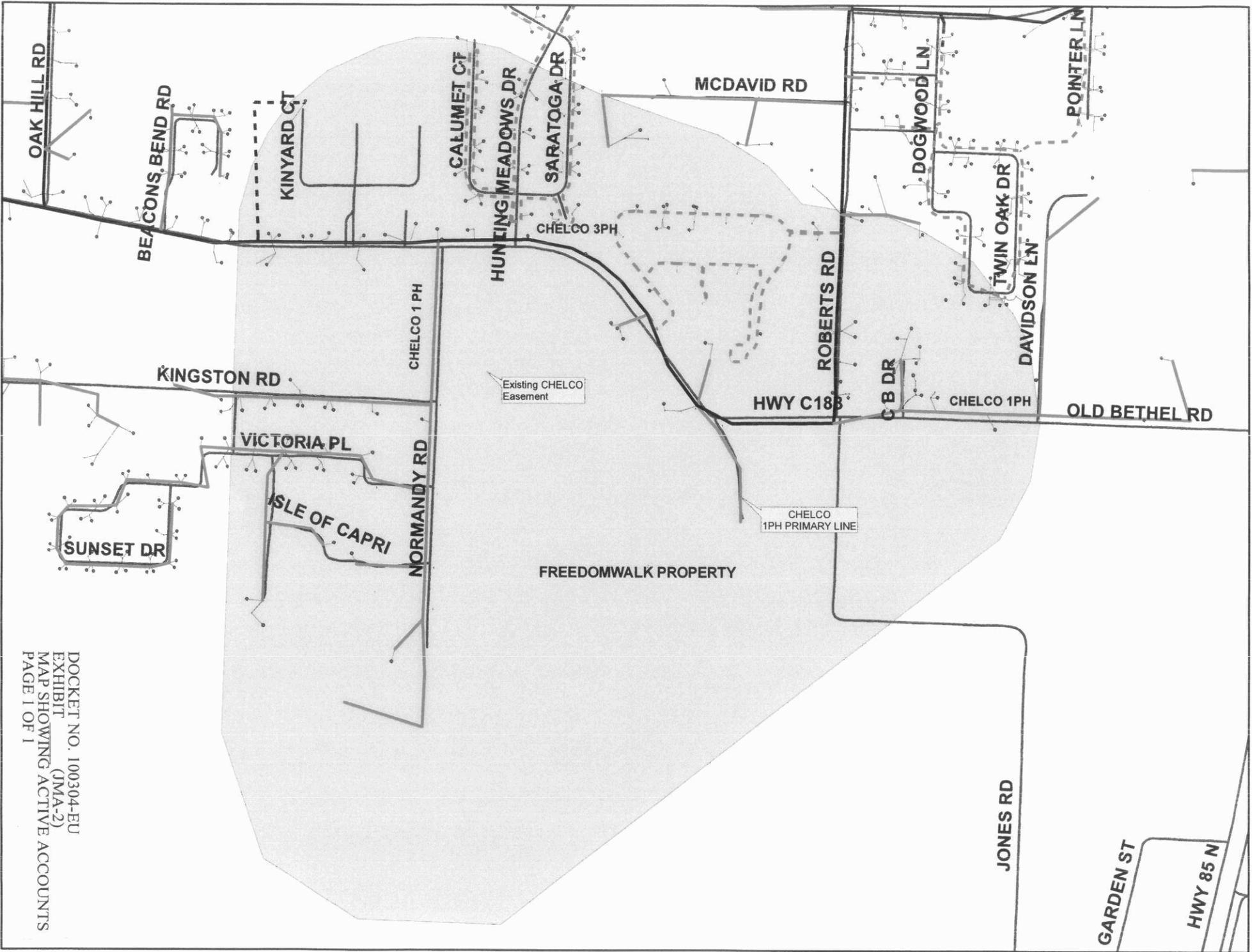
4 A. Unless there was an unusual circumstance, the member will pay nothing, \$0, in
5 CIAC for service to their home.

6 Q. **PLEASE SUMMARIZE YOUR TESTIMONY?**

7 A. CHELCO has a 3ph line at the northern boundary of Freedom Walk and 1ph line
8 along the western boundary and into the interior of the Freedom Walk property.
9 We will not have to build additional facilities to serve the development, except
10 for those new distribution facilities required within the development. As the
11 load grows, we will have to upgrade our facilities to serve the full build-out.
12 However, we can serve 3.7 MW without performing any additional work
13 beyond those projects already in our 2011-2014 CWP.

14 Q. **DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

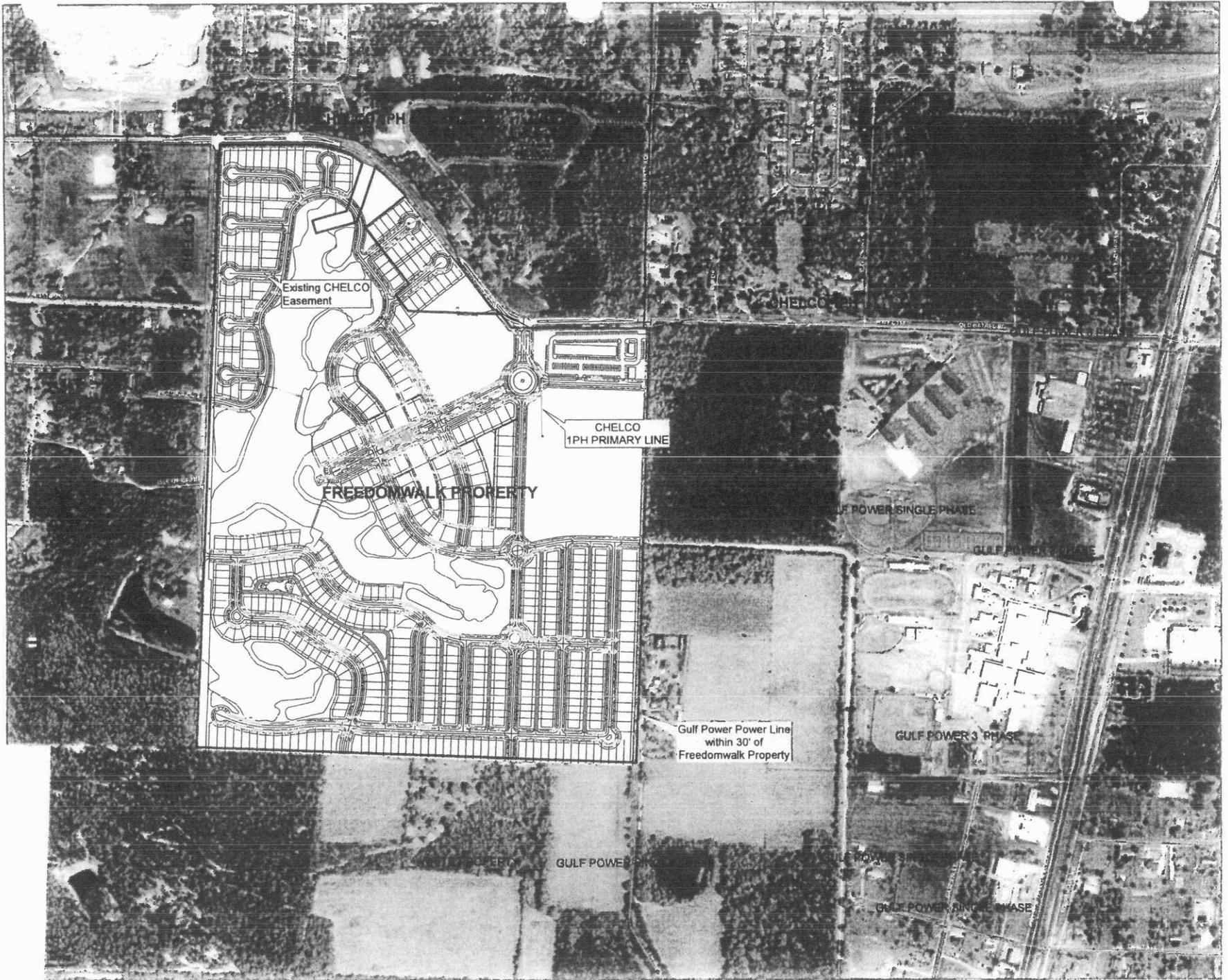
15 A. Yes.



DOCKET NO. 100304-EU
 EXHIBIT (JMA-2)
 MAP SHOWING ACTIVE ACCOUNTS
 PAGE 1 OF 1

GARDEN ST
 HWY 85 N

Freedom Walk





Freedom Walk Cost Estimate - Revised

<u>Cost to Extend Three Phase Primary to Development</u>	\$0
<u>Cost to Build Underground Electric Infrastructure within Development for Full Build-Out</u>	\$581,553
<u>Refundable Amount (761 residential lots x \$625)</u>	- <u>\$475,625</u>
<u>Cost to Developer for Full Build-Out</u>	= \$105,928

Note:

1. All estimates based on:

- CHELCO Line Extension Policy (approved by FPSC August 2008)
- Information provided by Developer and/or Developer's engineering consultant as of May 18, 2010

2. Prepared on October 13, 2010

CHICATAWHATCHEE ELECTRIC
COOPERATIVE, INC.

Post Office Box 512
Uniak Springs, Florida 32435

Phone 850.892.2111
Toll-Free 800.342.0990
Fax 850.892.9243
Web www.chelco.com



A Touchstone Energy Cooperative

THIRD REVISED SHEET NO. 5.1
CANCELLING SECOND REVISED SHEET NO. 5.1

NAME OF UTILITY CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

Electric Line Extension Policy

Residential and Non-Demand General Service

A line extension, for purposes of this policy, shall include all incremental capital costs associated with connecting a new member to the delivery system, excluding the cost of a standard transformer, service line (the connection between the transformer and the meter), and meter.

(A) Extension to Single Service

(1) Choctawhatchee Electric Cooperative, Inc. in extending service to a permanent residential or business member that will be served pursuant to its Residential Rate RS or General Service Non-Demand Rate GS shall charge a contribution in aid of construction ("CIAC") on the cost of providing service in excess of \$625.00.

(2) If, within a 5 year period, additional members take service (i.e. transformer, service line and meter) from the original line extension, but not laterals or extensions there from, the original applicant shall be refunded the lesser of the original contribution or \$625.00 for each additional member taking service, up to the amount of the original applicant's contribution. In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. *It is the responsibility of the applicant to request refunds from the Cooperative.*

(B) Electric Extension to a Development

(1) When an electric extension to a development is requested prior to actual construction or occupation of the project, CHELCO will charge a CIAC as follows:

Issued by: James E. Smith
CEO and General Manager

Effective: August 1, 2008

FOURTH REVISED SHEET NO. 5.2
CANCELLING THIRD REVISED SHEET NO. 5.2

NAME OF UTILITY CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

(Continued from Sheet No. 5.1)

- Collect an upfront design review fee of \$750
 - \$750 covers maximum of 16 hours of work
 - \$75/hr for additional design/review
- Collect the full cost of construction for the development
- Developer will be eligible for a refund of \$625.00 per lot following permanent service for up to five years from the date of the signed subdivision agreement.

(2) All line extension contracts and agreements between CHELCO and a developer, existing as of the effective date of this policy, will remain in effect unless cancelled by either party in accordance with the terms of the existing agreement.

(C) **Extension to a Condominium Building**

When an electric extension to a Condominium is requested, CHELCO will charge a CIAC as follows:

- Collect an upfront design review fee of \$750
 - \$750 covers maximum of 16 hours of work
 - \$75/hr for additional design/review
- Collect the full cost of construction
- Developer will be eligible for a refund of \$625.00 per unit following permanent service for up to five years from the date the meter template form is signed.
- In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

(D) **Extension to an Apartment Building**

When an electric extension to an Apartment building is requested, CHELCO will charge a CIAC as follows:

THIRD REVISED SHEET NO. 5.3
CANCELLING SECOND REVISED SHEET NO. 5.3

NAME OF UTILITY CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

(Continued from Sheet No. 5.2)

- Collect an upfront design review fee of \$750
 - \$750 covers maximum of 16 hours of work
 - \$75/hr for additional design/review
- Collect the full cost of construction
- Developer will be eligible for a refund of \$625.00 per unit when the developer provides proof of a one year signed lease agreement for each unit to CHELCO. Developer is only eligible for the refund one time per unit.
- In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

(E) Extension to Other Structures

- (1) When service is extended to a other structures (which includes, but is not limited to, electric fences, RV hook-ups, water pumps, sheds, hunting camps, out buildings, and fish camps), the applicant will make a CIAC equal to the total installed cost of extending service.
- (2) If, within a 5 year period, additional members take service (i.e. transformer, service line and meter) from the original line extension, but not laterals or extensions there from, the original applicant shall be refunded the lesser of the original contribution or \$625.00 for each additional member taking service, up to the amount of the original applicant's contribution. In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

General Service Demand and Large Power

CHELCO, in extending service to a permanent member that will *not* be served pursuant to Residential Rate RS or General Service Non-Demand Rate GS shall charge a CIAC equal to the total installed cost of extending electric service to the

Issued by: James E. Smith
CEO and General Manager

Effective: August 1, 2008

SECOND REVISED SHEET NO. 5.4
CANCELLING FIRST REVISED SHEET NO. 5.4

NAME OF UTILITY CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

(Continued from Sheet No. 5.3)

customer. After the initial 30 months (2.5 years) of service, CHELCO shall perform a revenue test to determine what amount, if any, of the original contribution that will be refunded to the member. CHELCO shall refund to the member an amount equal to the member's actual net revenue during the initial 30 months of service, up to but not exceeding the member's original CIAC. The member's actual net revenue shall be determined by subtracting purchase power costs from the member's total bill before taxes for the first 30 months.

If the member requesting service has similar existing facilities in other locations that would allow CHELCO to accurately forecast the member's annual net revenue, CHELCO may not collect the full cost of the extension prior to the member receiving service. Instead CHELCO would perform a revenue test to determine the amount of the initial CIAC. If the cost of extending service to the member is less than 2.5 times the member's estimated annual net revenue, no CIAC is required from the member. If the cost of extending service to the member is greater than 2.5 times the member's estimated annual net revenue, the member shall be required to make a CIAC toward the total installed cost of extending service. The member's CIAC shall be determined by subtracting from the cost of extending service, an amount equal to 2.5 times the member's estimated annual net revenue.

However, in the event that the full cost of extending service is not collected prior to the member taking service, CHELCO will, at the end of the initial 30 months of service, perform a revenue test to determine if a CIAC will be required from the member. If the initial cost of extending service to the member is less than the member's actual net revenue for the first 30 months, no additional CIAC is required from the member. If the cost of extending service to the member is greater than the member's actual net revenue for the first 30 months, an additional CIAC may be required from the member. The additional CIAC, if any, shall be determined by comparing the Contribution amount determined by applying 2.5 times the estimated net revenue when the member initially took service, and the contribution amount determined by examining the member's actual net revenue for the first 30 months of service. If the contribution amount determined from the member's actual net revenue is greater than the contribution amount determined using the member's estimated net revenue, the member shall make an additional CIAC equal to the difference in the contribution amount determined from the member's actual revenue and the contribution amount determined from the member's estimated revenue. In no case shall any of the member's initial contribution be refunded.

Issued by: James E. Smith
CEO and General Manager

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