

April 28, 2015

BY FEDEX

Carlotta S. Stauffer Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

Dear Ms. Stauffer:

Enclosed are four final and two legislative copies of proposed tariff sheets for Sumter Electric Cooperative, Inc. (SECO). The following rate sheets were modified:

- Line Extension Charges Third Revised Sheet No. 16.1
- Line Extension Charges Fourth Revised Sheet No. 16.2

These revisions to our rate schedules propose modifications to our CIAC formula. The demand component is modified to more appropriately account for demand changes and credits based on class load factor, and energy costs now include PCA charges.

During the review process, if you have any questions or need additional information regarding this filing, please contact me at 352-569-9545 or by email at gene.kanikovsky@secoenergy.com.

Sincerely yours,

Eugene V. Kanikovsky

Director, Financial & Administrative Services

EVK/pjg Enclosures

cc: James Duncan, CEO

AFD \_\_\_\_\_APA \_\_\_\_ECO \_\_\_\_ ENG \_\_\_\_ GCL \_\_\_\_IDM

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#### **PURPOSE:**

The purpose of this policy is to define a uniform method by which Contributions In Aid of Construction (CIAC) will be computed for member/applicant whose electrical service requirements necessitate extension of the Cooperative's distribution facilities.

#### POLICY:

## A. APPLICABILITY

This policy shall apply to all member/applicants in all rate classifications who request a design of new or revised services or extensions of the Cooperative's distribution facilities after the effective date of this policy.

## B. ENGINEERING SERVICE FEE

- 1. When a member/applicant requests new or revised services, the initial consultation is free. If the member/applicant then requests a design/layout, an engineering service fee in the amount of \$100 will be collected prior to the design of said facilities.
- 2. If constructed, the engineering service fee will be applied towards the CIAC. If not constructed, the fee will be retained by SECO.

# C. CIAC FOR OVERHEAD FACILITIES

1. For members/applicants in rate classes that do not include separately computed demand charges, the CIAC shall be calculated as follows:

$$CIAC = CF - 4[(kWh_a \times E_s)]$$

2. For members/applicants in rate classes that include both per kWh energy charges and per kW demand charges, the CIAC shall be calculated as follows:

CIAC = 
$$CF - 4[(kWh_a \times E_s)] + 4kW_a[(D_s - (D_p \times DF)]$$

**CF** represents installed cost of new poles and conductors and appropriate fixtures to provide service, excluding transformer, service drops, and meters

kWha represents customer's annual expected kWH usage

 $\mathbf{E_s}$  represents difference between SECO's current retail energy charge per kWH and current wholesale energy charge per kWH including PCA charges

kWa represents customer's cumulative monthly demand for a one-year period

Ds represents SECO's current monthly demand charge per kW

Dp represents SECO's wholesale demand expense per kW

DF represents the average demand coincidence factor of the rate class of the new member

(Continued on Sheet No. 16.2)

Effective June 1, 2015

Issued By: James P. Duncan, CEO



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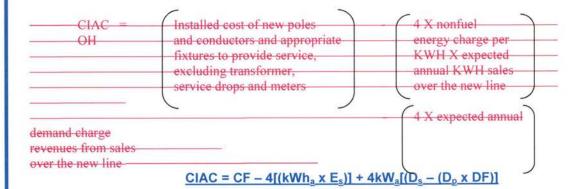
# C. CIAC FOR OVERHEAD FACILITIES

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CIAC =	Installed cost of new poles	4 X nonfuel
OH	and conductors and appropriate	energy charge per
	fixtures to provide service,	KWH X expected
	excluding transformer,	annual KWH sales
	service drops and meters	over the new line
	Service drops and meters	( over the new time )

 $CIAC = CF - 4[(kWh_a \times E_s)]$ 

2. For members/applicants in rate classes that include both per <u>KWH kWh</u> energy charges and per <u>KW-kW</u> demand charges, the CIAC shall be calculated as follows:



**CF** represents installed cost of new poles and conductors and appropriate fixtures to provide service, excluding transformer, service drops, and meters

kWha represents customer's annual expected kWH usage

Es represents difference between SECO's current retail energy charge per kWH and current wholesale energy charge per kWH including PCA charges

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(Continued on Sheet No. 16.2)

Effective January 1, 2009 June 1, 2015

Issued By: James P. Duncan, CEO & General Manager



Page 2 (Continued from Sheet No. 16.1)

## D. CIAC FOR UNDERGROUND FACILITIES

- When a member/applicant requests underground electric facilities, the member/applicant shall pay SECO the full cost of facilities to be installed, including underground feeder backbone and/or additional facilities.
- 2. The CIAC for the cost differential between the overhead and underground facilities is non-refundable. The remaining CIAC balance is refundable on a prorated basis. The proration will be straight-line over 48 months based on the individual additions of permanent member accounts in a quarter. At the end of 48 months, any balance remaining will be retained by SECO. The Cooperative will refund the prorated collections to the member/applicant (builder/developer) who paid the cost of the facilities installation.

# E. CIAC FOR SERVICE AT PRIMARY VOLTAGE OR TRANSMISSION VOLTAGE

Members/applicants requesting service at the distribution voltage level or transmission voltage level shall pay a CIAC based upon the cost to serve them less an appropriate credit for taking delivery at the higher voltage level.

# F. LINE EXTENSIONS WITH MORE THAN ONE MEMBER/APPLICANT

In cases where two or more members/applicants are to be served by a line extension, the Cooperative will prorate the CIAC over the number of members/applicants expected to be served within a four-year period by the line extension.

## G. OUTDOOR LIGHTING SYSTEMS

Member/applicants requesting the installation of outdoor lighting systems in residential and commercial developments shall pay a CIAC based on the total cost to provide such service.

#### H. DEFINITIONS

1. Cooperative

Sumter Electric Cooperative, Inc.

(Continued on Sheet No. 16.3)

Effective June 1, 2015

Issued By: James P. Duncan, CEO



Page 2 (Continued from Sheet No. 16.1)

#### D. CIAC FOR UNDERGROUND FACILITIES

- When a member/applicant requests underground electric facilities, the member/applicant shall pay SECO the full cost of facilities to be installed, including underground feeder backbone and/or additional facilities.
- 2. The CIAC for the cost differential between the overhead and underground facilities is non-refundable. The remaining CIAC balance is refundable on a prorated basis. The pro-ration will be straight-line over (48) months based on the individual additions of permanent member accounts reaching 1,825 kWh usage in a quarter. At the end of (48) months, any balance remaining will be retained by SECO. The Cooperative will refund the prorated collections to the initial member/applicant (builder/developer) who paid the cost of the facilities installation.

# E. CIAC FOR SERVICE AT PRIMARY VOLTAGE OR TRANSMISSION VOLTAGE

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Effective January 1, 2011 June 1, 2015

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