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June 13, 2022

Ms. Elisabeth Draper
Chief of Economic Impact & Rate Design
Florida Public Service Commission
Bureau of Electric Regulation
Division of Electric and Gas
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Dear Ms. Draper:

Orlando Utilities Commission ("OUC") is submitting with this letter a revision to its Electric Line Extension Policy, along with supporting material, to the Florida Public Service Commission for your review. On July 12, 2022, OUC staff will be presenting the proposed revision to the OUC Board for adoption. The changes will become effective July 13, 2022.

OUC is also submitting with this letter a corresponding revision for the City of St. Cloud ("St. Cloud") tariff that will become effective the same time as OUC's revision, July 13, 2022.

Electric Line Extension Policy

OUC Tariff Sheet No. 3.020

St. Cloud Tariff Sheet No. 5.02

Significant worldwide demand for commodities used in the manufacturing of transformers and other materials has greatly impacted the industry. As a result, OUC is experiencing longer procurement times for acquiring electric distribution equipment, including, but not limited to, primary wire, transformers, switchgear, and distribution poles. In some cases, delivery times are months longer than what was considered normal in the past. Currently, delivery times for primary wire, transformers and switchgear have increased up to 160 weeks, and the situation is expected to continue throughout this year.

To mitigate the impact of these increased equipment costs on OUC's general body of rate payers a \$16 per kVA contribution in aid of construction ("CIAC") will be required from all parties requesting transformers for new construction effective July 13, 2022. This \$16 per kVA CIAC requirement is equal

ORLANDO UTILITIES COMMISSION

to the weighted average overhead and pad mount transformer cost increase OUC has experienced since the beginning of the COVID-19 pandemic. The new CIAC requirement has been communicated to residential and commercial builders, and will increase the cost of new, single-family residential construction by approximately \$135 per home.

I have enclosed one copy of the revised tariff sheets in legislative form and final form. If you have any questions, please do not hesitate to call Lawrence Strawn, Manager of Corporate Analytics and Planning, at (407) 434-2187.

Sincerely,



W. Christopher Browder
Chief Legal Officer
Enclosures

CC: Mr. Clint Bullock
Ms. Mindy Brenay
Mr. Bill Sturgeon

OUC Tariff
Sheet 3.020

**ELECTRIC LINE
EXTENSION POLICY**

The Orlando Utilities Commission (OUC) recognizes that its purpose is to furnish electric service to customers throughout its entire service area and the City of St. Cloud's service area. **In order to provide this service a onetime contribution in aid of construction (CIAC) payment is required of:**

All Customers \$16/kVA

OUC also reserves the right to require **an additional** payment when the distribution investment is not considered to be beneficial to the overall system or the request is for underground distribution facilities serving a commercial or multi-family residential customer.

All CIAC payments will be paid, in advance of material ordering and construction, by the party requesting the extension. In the event the project is cancelled prior to construction, OUC will refund the payment less any unrecoverable costs incurred by OUC.

It will be at OUC's discretion whether a customer will be given the option to install the duct bank system. The CIAC payment for the extension of Underground Distribution Facilities will be based on the following:

Offsite duct bank installation	Single family residential	Commercial/Multi-Family
Customer installed	No charge	\$25/kVA
OUC installed	No charge	\$66/kVA

In addition, the customer will pay 15% of OUC's onsite cost for primary cable, splices, transformers, and any other equipment or materials necessary to provide electric service. Any equipment requested by the customer (such as automatic transfer switchgear, redundant transformers, etc...) that is in addition to OUC's design, if approved by OUC, will be 100% chargeable to the customer.

When gas service is made available to single and multi-family residential facilities a CIAC payment will be added to the aforementioned payments based on the following:

Single family residential	\$595/home
Multi-Family residential	\$419/unit

For residential subdivisions a \$580 per lot CIAC payment will required, from the party requesting the extension in advance of material ordering and construction. Such CIAC payment will be refunded to the responsible party if at least 75 percent of the lots within the subdivision or subdivision phase are occupied (with active meters) within three (3) years of installation.

When more than 20 new electric services are requested within a 12-month period and the expected consumption for each new service is less than 100 kWh per month a \$195 CIAC payment per service for all services over 20 within a 12-month period will be required in advance of material ordering and construction by the party requesting the extension(s). This payment is in addition to any other required CIAC payment.

This electric line extension policy will be used as a guideline for all line extensions. Exceptions to this policy can be approved by the Vice President of the Electric and Water Delivery Business Unit for line extensions determined to have significant strategic importance to the future of OUC.

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St. Cloud Tariff

Sheet 5.02



ELECTRIC LINE EXTENSION POLICY

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All CIAC payments will be non-refundable and will be paid, in advance of material ordering and construction, by the party requesting the extension. In the event the project is cancelled prior to construction, OUC will refund the payment less any unrecoverable costs incurred by OUC.

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