

1       (6) For the construction of underground distribution facilities and their supporting  
2 overhead facilities, each utility shall, to the extent reasonably practical, feasible, and cost-  
3 effective, establish guidelines and procedures to deter damage resulting from flooding and  
4 storm surges.

5 Specific Authority 350.127(2), 366.05(1) FS.

6 Law Implemented 366.04(2)(c), (f), (5), 366.05(1) FS.

7 History--Amended 7-29-69, 12-20-82, Formerly 25-6.34, Amended \_\_\_\_\_.

8  
9       25-6.0341 Location of the Utility's Electric Distribution Facilities. In order to  
10 facilitate safe and efficient access for installation and maintenance, to the extent practical,  
11 feasible, and cost-effective, electric distribution facilities shall be placed adjacent to a public  
12 road, normally in front of the customer's premises.

13       (1) For initial installation, expansion, rebuild, or relocation of overhead facilities,  
14 utilities shall use easements, public streets, roads and highways along which the utility has the  
15 legal right to occupy, and public lands and private property across which rights-of-way and  
16 easements have been provided by the applicant for service.

17       (2) For initial installation, expansion, rebuild, or relocation of underground facilities,  
18 the utility shall require the applicant for service to provide easements along the front edge of  
19 the property, unless the utility determines there is an operational, economic, or reliability  
20 benefit to use another location.

21       (3) For conversions of existing overhead facilities to underground facilities, the utility  
22 shall, if the applicant for service is a local government that provides all necessary permits and  
23 meets the utility's legal, financial, and operational requirements, place facilities in road rights-  
24 of-way in lieu of requiring easements.

25 Specific Authority 350.127(2), 366.05(1) FS.

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from existing law.

1 Law Implemented 366.04(2)(c), (5), (6), 366.05(1) FS.

2 History– New.

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5 **25-6.0342 Third-Party Attachment Standards and Procedures.**

6 (1) As part of its construction standards adopted pursuant to Rule 25-6.034, F.A.C.,  
7 each utility shall establish and maintain written safety, reliability, pole loading capacity, and  
8 engineering standards and procedures for attachments by others to the utility's electric  
9 transmission and distribution poles (Attachment Standards and Procedures). The Attachment  
10 Standards and Procedures shall meet or exceed the applicable edition of the National Electrical  
11 Safety Code (ANSI C-2) pursuant to subsection 25-6.034(4) and other applicable standards  
12 imposed by state and federal law so as to assure, as far as is reasonably possible, that third-  
13 party facilities attached to electric transmission and distribution poles do not impair electric  
14 safety, adequacy, or reliability; do not exceed pole loading capacity; and are constructed,  
15 installed, maintained, and operated in accordance with generally accepted engineering  
16 practices for the utility's service territory.

17 (2) No attachment to a utility's electric transmission or distribution poles shall be  
18 made except in compliance with such utility's Attachment Standards and Procedures.

19 (3) Any dispute arising from the implementation of this rule shall be resolved by the  
20 Commission.

21 Specific Authority 350.127(2), 366.05(1) FS.

22 Law Implemented 366.04(2)(c), (5), (6), 366.05(1) FS.

23 History New \_\_\_\_\_.

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**25-6.0343 Standards of Construction – Municipal Electric Utilities and Rural Electric Cooperatives.**

The provisions of Rules 25-6.034, 25-6.0341, and 25-6.0342 shall apply to municipal electric utilities and rural electric cooperatives as defined in Section 366.02, Florida Statutes. If the Commission finds that a municipal electric utility or rural electric cooperative utility has demonstrated that its standards of construction will not result in service to the utility's general body of ratepayers that is less reliable, the Commission shall exempt the utility from compliance with the rule.

Specific Authority: 350.127, 366.04(5), F.S.

Law Implemented: 366.04(2)(c), (5), (6) F.S.

History New.

**25-6.0345 Safety Standards for Construction of New Transmission and Distribution Facilities.**

(1) In compliance with Section 366.04(6)(b), F.S., 1991, the Commission adopts and incorporates by reference the 2002 edition of the National Electrical Safety Code (ANSI C-2), published August 1, 2001, as the applicable safety standards for transmission and distribution facilities subject to the Commission's safety jurisdiction. Each investor-owned ~~public~~ electric utility, rural electric cooperative, and municipal electric system shall, at a minimum, comply with the standards in these provisions. Standards contained in the 2002 edition shall be applicable to new construction for which a work order number is assigned on or after the effective date of this rule.

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1 (2) Each investor-owned ~~public~~ electric utility, rural electric cooperative and  
2 municipal electric utility shall report all completed electric work orders, whether completed by  
3 the utility or one of its contractors, at the end of each quarter of the year. The report shall be  
4 filed with the Director of the Commission's Division of Regulatory Compliance and  
5 Consumer Assistance ~~Auditing and Safety~~ no later than the 30th working day after the last day  
6 of the reporting quarter, and shall contain, at a minimum, the following information for each  
7 work order:

- 8 (a) Work order number/project/job;
- 9 (b) Brief title outlining the general nature of the work; ~~and~~
- 10 (c) Estimated cost in dollars, rounded to nearest thousand and;
- 11 (d) Location of project.

12 (3) The quarterly report shall be filed in standard DBase or compatible format, DOS  
13 ASCII text, or hard copy, as follows:

14 (a) DBase Format

15	Field Name	Field Type	Digits
16	1. Work orders	Character	20
17	2. Brief title	Character	30
18	3. Cost	Numeric	8
19	4. Location	Character	50
20	<del>5. Kv</del>	<del>Numeric</del>	<del>5</del>
21	<del>6. Contiguous</del>	<del>Character</del>	<del>1</del>

22 (b) DOS ASCII Text.

23 1. Columns shall be the same type and in the same order as listed under Field Names  
24 above.

25 2. A comma (,) shall be placed between data fields.

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1 3. Character data fields shall be placed between quotation marks ("...").

2 4. Numeric data fields shall be right justified.

3 5. Blank spaces shall be used to fill the data fields to the indicated number of digits.

4 (c) Hard Copy.

5 The following format is preferred, but not required:

6 Completed Electrical Work Orders For PSC Inspection

7

Work Order	Brief Title	Estimated Cost	Location	KV Rating	Contiguous (y/n)

8

9

10 (4) In its quarterly report, each utility shall identify all transmission and distribution  
11 facilities subject to the Commission's safety jurisdiction, and shall certify to the Commission  
12 that they meet or exceed the applicable standards. Compliance inspections by the  
13 Commission shall be made on a random basis or as appropriate.

14 (5) As soon as practicable, but by the end of the next business day after it learns of the  
15 occurrence, each investor-owned electric ~~public~~ utility, rural electric cooperative, and  
16 municipal electric utility shall (without admitting liability) report to the Commission any  
17 accident occurring in connection with any part of its transmission or distribution facilities  
18 which:

19 (a) Involves death or injury requiring hospitalization of nonutility persons; or

20 (b) Is significant from a safety standpoint in the judgment of the utility even though it  
21 is not required by paragraph (a).

22 (6) Each investor-owned electric ~~public~~ utility, rural electric cooperative, and  
23 municipal electric utility shall (without admitting liability) report each accident or  
24 malfunction, occurring in connection with any part of its transmission or distribution facilities,  
25

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1 to the Commission within 30 days after it learns of the occurrence, provided the accident or  
2 malfunction:

- 3 (a) Involves damage to the property of others in an amount in excess of \$5000; or  
4 (b) Causes significant damage in the judgment of the utility to the utility's facilities.  
5 (7) Unless requested by the Commission, reports are not required with respect to  
6 personal injury, death, or property damage resulting from vehicles striking poles or other  
7 utility property.

8 Specific Authority 350.127(2) FS.

9 Law Implemented 366.04(2)(f), (6) FS.

10 History--New 8-13-87, Amended 2-18-90, 11-10-93, 8-17-97, 7-16-02,\_\_\_\_\_.

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#### 14 **PART IV**

#### 15 **GENERAL SERVICE PROVISIONS**

#### 16 **25-6.064 Extension of Facilities; Contribution-in-Aid-of-Construction for** 17 **Installation of New or Upgraded Facilities.**

18 (1) Application and scope Purpose. The purpose of this rule is to establish a uniform  
19 procedure by which investor-owned electric utilities subject to this rule will calculate amounts  
20 due as contributions-in-aid-of-construction (CIAC) from customers who request new facilities  
21 or upgraded facilities ~~require extensions of distribution facilities~~ in order to receive electric  
22 service, except as provided in Rule 25-6.078, F.A.C.

23 (2) ~~Applicability. This rule applies to all investor-owned electric utilities in Florida as~~  
24 ~~defined in Section 366.02, F.S.~~ Contributions-in-aid-of-construction for new or upgraded  
25 overhead facilities (CIAC<sub>OH</sub>) shall be calculated as follows:

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from existing law.

<u>CIAC<sub>OH</sub></u>	<u>±</u>	<u>Total estimated</u>		<u>Four years</u>		<u>Four years expected</u>
		<u>work order job</u>	<u>=</u>	<u>expected</u>	<u>=</u>	<u>incremental demand</u>
		<u>cost of installing</u>		<u>incremental base</u>		<u>revenue, if</u>
		<u>the facilities</u>		<u>energy revenue</u>		<u>applicable</u>

(a) The cost of the service drop and meter shall be excluded from the total estimated work order job cost for new overhead facilities.

(b) The cost of removal net of the salvage value shall be included in the total estimated work order job cost for upgrades to existing facilities.

(c) The expected annual base energy and demand charge revenues shall be estimated for a period ending not more than 5 years after the new or upgraded facilities are placed in service.

(d) In no instance shall the CIAC<sub>OH</sub> be less than zero.

(3) Contributions-in-aid-of-construction for new or upgraded underground facilities (CIAC<sub>UG</sub>) shall be calculated as follows:

<u>CIAC<sub>UG</sub></u>	<u>=</u>	<u>CIAC<sub>OH</sub></u>	<u>±</u>	<u>Estimated difference between cost of</u>
				<u>providing the service underground and</u>
				<u>overhead</u>

~~(3) Definitions. Actual or estimated job cost means the actual cost of providing the specified line extension facilities, calculated after the extension is completed, or the estimated cost of providing the specified facilities before the extension is completed.~~

~~(4) In developing the policy for extending overhead distribution facilities to customers, the following formulas shall be used to determine the contribution in aid of construction owed by the customer.~~

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1 (a) ~~For customers in rate classes that pay only energy charges, i.e., those that do not~~  
2 ~~pay demand charges, the CIAC shall be calculated as follows:~~

3 ~~CIAC<sub>eh</sub> = (Actual or estimated job cost — (4 × nonfuel energy~~  
4 ~~for new poles and conductors — charge per KWH~~  
5 ~~and appropriate fixtures — × expected annual KWH~~  
6 ~~required to provide service, — sales over the new line)~~  
7 ~~excluding transformers,~~  
8 ~~service drops, and meters)~~

9 (b) ~~For customers in rate classes that pay both energy charges and demand charges,~~  
10 ~~the CIAC shall be calculated as follows:~~

11 ~~CIAC<sub>eh</sub> = (Actual or estimated — (4 × nonfuel energy — (4 × expected annual~~  
12 ~~job cost for new — charge per KWH × — demand charge~~  
13 ~~poles and conductors — expected annual KWH — revenues from sales~~  
14 ~~and appropriate — sales over the new line) — over the new line)~~  
15 ~~fixtures required to~~  
16 ~~provide service,~~  
17 ~~excluding transformers,~~  
18 ~~service drops, and meters)~~

19 (c) ~~Expected demand charge revenues and energy sales shall be based on an annual~~  
20 ~~period ending not more than five years after the extension is placed in service.~~

21 (5) ~~In developing the policy for extending underground distribution facilities to~~  
22 ~~customers, the following formula shall be used to determine the contribution in aid of~~  
23 ~~construction:~~

24 ~~CIAC<sub>ug</sub> = (Estimated difference between — + — CIAC<sub>eh</sub> (as above)~~  
25 ~~the cost of providing the~~

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1 distribution line extension  
2 including not only the distribution  
3 line extension itself but also  
4 the transformer, the service drop,  
5 and other necessary fixtures, with  
6 underground facilities vs. the cost  
7 of providing service using overhead  
8 facilities)

9 ~~(6) Nothing in this rule shall be construed as prohibiting a utility from collecting from~~  
10 ~~a customer the total difference in cost for providing underground service instead of overhead~~  
11 ~~service to that customer.~~

12 ~~(7) In the event that amounts are collected for certain distribution facilities via the~~  
13 ~~URD differential tariff as permitted by Rule 25-6.078, F.A.C., that would also be collected~~  
14 ~~pursuant to this rule, the utility shall give an appropriate credit for such amounts collected via~~  
15 ~~the URD differential tariff when calculating the line extension CIAC due pursuant to this rule.~~

16 (4)(8) Each utility shall apply the above formulas in subsections (2) and (3) of this  
17 rule uniformly to residential, commercial and industrial customers requesting new or upgraded  
18 facilities at any voltage level. requiring line extensions.

19 (5) The costs applied to the formula in subsections (2) and (3) shall be based on the  
20 requirements of Rule 25-6.034, Standards of Construction.

21 ~~(9) Each utility shall calculate an appropriate CIAC for line extensions constructed to~~  
22 ~~serve customers who receive service at the primary distribution voltage level and the~~  
23 ~~transmission voltage level. This CIAC shall be based on the actual or estimated cost of~~  
24 ~~providing the extension less an appropriate credit.~~

25 (6)(10) All CIAC calculations under this rule shall be based on estimated work order

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1 job costs. In addition, each The utility shall use its best judgment in estimating the total  
2 amount of annual revenues and sales which the new or upgraded facilities are each line  
3 extension is expected to produce in the near future.

4 (a) A customer may request a review of any CIAC charge within 12 months following  
5 the in-service date of the new or upgraded facilities. Upon request, the utility shall true-up the  
6 CIAC to reflect the actual costs of construction and actual base revenues received at the time  
7 the request is made.

8 (b) In cases where more customers than the initial applicant are expected to be served  
9 by the new or upgraded facilities, the utility shall prorate the total CIAC over the number of  
10 customers expected to be served by the new or upgraded facilities within a period not to  
11 exceed 3 years, commencing with the in-service date of the new or upgraded facilities. The  
12 utility may require a payment equal to the full amount of the CIAC from the initial customer.  
13 For the 3-year period following the in-service date, the utility shall collect from those  
14 customers a prorated share of the original CIAC amount, and credit that to the initial customer  
15 who paid the CIAC. The utility shall file a tariff outlining its policy for the proration of  
16 CIAC.

17 (7)(11) The utility may elect to waive all or any portion of the line extension CIAC for  
18 customers, even when a CIAC is found to be applicable owing. If hHowever, if the utility  
19 waives a the CIAC, the utility shall reduce net plant in service as though the CIAC had been  
20 collected, unless the Commission determines that there is a quantifiable benefit to the general  
21 body of ratepayers commensurate with the waived CIAC. Commission will reduce the  
22 utility's net plant in service by an equal amount for ratemaking purposes, as though the CIAC  
23 had been collected, except when the company's annual revenues from a customer are  
24 sufficient to offset the unpaid line extension CIAC under subsection (4) or (5). Each utility  
25 shall maintain records of amounts waived and any subsequent changes that served to offset the

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1 CIAC.

2 ~~(12) In cases where larger developments are expected to be served by line extensions,~~  
3 ~~the utility may elect to prorate the total line extension costs and CIAC's owed over the number~~  
4 ~~of customers expected to connect to the new line.~~

5 ~~(8)(13)~~ A detailed statement of its standard facilities extension upgrade policies shall  
6 be filed by each utility as part of its tariffs. The tariffs ~~This policy~~ shall have uniform  
7 application and shall be nondiscriminatory.

8 ~~(9)(14)~~ If a utility and applicant are unable to agree on the CIAC amount, ~~in regard to~~  
9 ~~an extension~~, either party may appeal to the Commission for a review.

10 Specific Authority 366.05(1), 350.127(2) FS.

11 Law Implemented 366.03, 366.05(1), 366.06(1) FS.

12 History--New 7-29-69, Amended 7-2-85, Formerly 25-6.64, Amended.

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16 **PART V**

17 **RULES FOR RESIDENTIAL ELECTRIC UNDERGROUND EXTENSIONS**

18 **25-6.078 Schedule of Charges.**

19 (1) Each utility shall file with the Commission a written policy that shall become a  
20 part of the utility's tariff rules and regulations on the installation of underground facilities in  
21 new subdivisions. Such policy shall be subject to review and approval of the Commission and  
22 shall include an Estimated Average Cost Differential, if any, and shall state the basis upon  
23 which the utility will provide underground service and its method for recovering the difference  
24 in cost of an underground system and an equivalent overhead system from the applicant at the  
25 time service is extended. The charges to the applicant shall not be more than the estimated

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1 difference in cost of an underground system and an equivalent overhead system.

2 (2) For the purpose of calculating the Estimated Average Cost Differential, cost  
3 estimates shall reflect the requirements of Rule 25-6.034, Standards of Construction.

4 (3)(2) On or before October 15<sup>th</sup> of each year each utility shall file with the  
5 Commission's Division of Economic Regulation Form PSC/ECR 13-E, Schedule 1, using  
6 current material and labor costs. If the cost differential as calculated in Schedule 1 varies from  
7 the Commission-approved differential by plus or minus 10 percent or more, the utility shall  
8 file a written policy and supporting data and analyses as prescribed in subsections (1), (43)  
9 and (54) of this rule on or before April 1 of the following year; however, each utility shall file  
10 a written policy and supporting data and analyses at least once every 3 ~~three~~ years.

11 (4)(3) Differences in Net Present Value of operational ~~operating and maintenance~~  
12 ~~costs, including average historical storm restoration costs over the life of the facilities,~~  
13 between underground and overhead systems, if any, shall ~~may~~ be taken into consideration in  
14 determining the overall Estimated Average Cost Differential. Each utility shall establish  
15 sufficient record keeping and accounting measures to separately identify operating and  
16 maintenance costs for underground and overhead facilities, including storm related costs.

17 (5)(4) Detailed supporting data and analyses used to determine the Estimated Average  
18 Cost Differential for underground and overhead distribution systems shall be concurrently  
19 filed by the utility with the Commission and shall be updated using cost data developed from  
20 the most recent 12-month period. The utility shall record these data and analyses on Form  
21 PSC/ECR 13-E (10/97). Form PSC/ECR 13-E, entitled "Overhead/Underground Residential  
22 Differential Cost Data" is incorporated by reference into this rule and may be obtained from  
23 the Division of Economic Regulation, 2540 Shumard Oak Boulevard, Tallahassee, Florida  
24 32399-0850, (850) 413-6900.

25 (6)(5) Service for a new multiple-occupancy building shall be constructed

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1 underground within the property to be served to the point of delivery at or near the building by  
2 the utility at no charge to the applicant, provided the utility is free to construct its service  
3 extension or extensions in the most economical manner.

4 ~~(7)(6)~~ The recovery of the cost differential as filed by the utility and approved by the  
5 Commission may not be waived or refunded unless it is mutually agreed by the applicant and  
6 the utility that the applicant will perform certain work as defined in the utility's tariff, in which  
7 case the applicant shall receive a credit. Provision for the credit shall be set forth in the  
8 utility's tariff rules and regulations, and shall be no more in amount than the total charges  
9 applicable.

10 ~~(8)(7)~~ The difference in cost as determined by the utility in accordance with its tariff  
11 shall be based on full use of the subdivision for building lots or multiple-occupancy buildings.  
12 If any given subdivision is designed to include large open areas, the utility or the applicant  
13 may refer the matter to the Commission for a special ruling as provided under Rule 25-6.083,  
14 F.A.C.

15 ~~(9)(8)~~ The utility shall not be obligated to install any facilities within a subdivision  
16 until satisfactory arrangements for the construction of facilities and payment of applicable  
17 charges, if any, have been completed between the applicant and the utility by written  
18 agreement. A standard agreement form shall be filed with the company's tariff.

19 ~~(10)(9)~~ Nothing in this rule ~~herein contained~~ shall be construed to prevent any utility  
20 from waiving assuming all or any portion of a cost differential for ~~of~~ providing underground  
21 facilities. distribution systems, provided, however, that such assumed cost differential shall not  
22 be chargeable to the general body of rate payers, and any such policy adopted by a utility shall  
23 have uniform application throughout its service area. If, however, the utility waives the  
24 differential, the utility shall reduce net plant in service as though the differential had been  
25 collected unless the Commission determines that there is a quantifiable benefit to the general

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1 body of ratepayers commensurate with the waived differential.

2 Specific Authority 366.04(2)(f), 366.05(1) FS.

3 Law Implemented 366.03, 366.04(1), (4), 366.04(2)(f), 366.06(1) FS.

4 History--New 4-10-71, Amended 4-13-80, 2-12-84, Formerly 25-6.78, Amended 10-29-97,

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8 **PART VII**

9 **UNDERGROUND ELECTRIC DISTRIBUTION FACILITY CHARGES**

10 **25-6.115 Facility Charges for Conversion of Existing Overhead Providing**

11 **~~Underground Facilities of Public~~ Investor-owned Distribution Facilities ~~Excluding New~~**  
12 **~~Residential Subdivisions.~~**

13 (1) Each investor-owned ~~public~~ utility shall file a tariff showing the non-refundable  
14 deposit amounts for standard applications addressing ~~new construction~~ and the conversion of  
15 existing overhead electric distribution facilities to underground facilities ~~excluding new~~  
16 ~~residential subdivisions~~. The tariff shall include the general provisions and terms under which  
17 the public utility and applicant may enter into a contract for the purpose of ~~new construction~~  
18 ~~or conversion~~ conversion of existing overhead ~~electric~~ facilities to underground ~~electric~~ facilities. The  
19 non-refundable deposit amounts shall be calculated in the same manner as ~~approximate~~ the  
20 engineering costs for underground facilities serving each of the following scenarios: urban  
21 commercial, urban residential, rural residential, existing low-density single family home  
22 subdivision and existing high-density single family home subdivision service areas.

23 (2) For ~~the purposes~~ of this rule, the applicant is the person or entity requesting the  
24 conversion seeking the undergrounding of existing overhead electric distribution facilities to  
25 underground facilities. In the instance where a local ordinance requires developers to install

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1 underground facilities, the developer who actually requests the construction for a specific  
2 location is ~~when a developer requests local government development approval, the local~~  
3 ~~government shall not be~~ deemed the applicant for purposes of this rule.

4 (3) Nothing in the tariff shall prevent the applicant from constructing and installing all  
5 or a portion of the underground distribution facilities provided:

6 (a) ~~s~~Such work meets the investor-owned ~~public~~ utility's construction standards;

7 (b) ~~t~~The investor-owned ~~public~~ utility will own and maintain the completed  
8 distribution facilities; and

9 (c) ~~s~~Such agreement is not expected to cause the general body of ratepayers to incur  
10 additional ~~greater~~ costs.

11 (4) Nothing in the tariff shall prevent the applicant from requesting a non-binding cost  
12 estimate which shall be provided to the applicant free of any charge or fee.

13 (5) Upon an applicant's request and payment of the deposit amount, an investor-  
14 owned ~~public~~ utility shall provide a binding cost estimate for providing underground electric  
15 service.

16 (6) An applicant shall have at least 180 days from the date the estimate is received; to  
17 enter into a contract with the public utility based on the binding cost estimate. The deposit  
18 amount shall be used to reduce the charge as indicated in subsection (7) only when the  
19 applicant enters into a contract with the public utility within 180 days from the date the  
20 estimate is received by the applicant, unless this period is extended by mutual agreement of  
21 the applicant and the utility.

22 (7) The charge paid by the applicant shall be the charge for the proposed underground  
23 facilities as indicated in subsection (8) minus the charge for overhead facilities as indicated in  
24 subsection (9) minus the non-refundable deposit amount. The applicant shall not be required  
25 to pay an additional amount which exceeds 10 percent of the binding cost estimate.

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from existing law.

1 (8) For the purpose of this rule, the charge for the proposed underground facilities  
2 shall include:

3 (a) ~~†~~The estimated cost of construction of the underground distribution facilities based  
4 on the requirements of Rule 25-6.034, Standards of Construction, including the construction  
5 cost of the underground service lateral(s) to the meter(s) of the customer(s); and

6 (b) ~~For conversions,~~ the estimated remaining net book value of the existing facilities  
7 to be removed less the estimated net salvage value of the facilities to be removed.

8 (9) For the purpose of this rule, the charge for overhead facilities shall be the  
9 estimated construction cost to build new overhead facilities, including the service drop(s) to  
10 the meter(s) of the customer(s). Estimated construction costs shall be based on the  
11 requirements of Rule 25-6.034, Standards of Construction.

12 (10) An applicant requesting to a public utility for construction of underground  
13 distribution facilities under this rule may ~~petition~~ challenge the utility's cost estimates the  
14 ~~Commission~~ pursuant to Rule 25-22.032, F.A.C.

15 (11) For purposes of computing the charges required in subsections (8) and (9):

16 (a) The utility shall include the Net Present Value of operational costs including the  
17 average historical storm restoration costs for comparable facilities over the expected life of the  
18 facilities.

19 (b) If the applicant chooses to construct or install all or a part of the requested  
20 facilities, all utility costs, including overhead assignments, avoided by the utility due to the  
21 applicant assuming responsibility for construction shall be excluded from the costs charged to  
22 the customer, or if the full cost has already been paid, credited to the customer. At no time  
23 will the costs to the customer be less than zero.

24 (12) Nothing in this rule shall be construed to prevent any utility from waiving all or  
25 any portion of the cost for providing underground facilities. If, however, the utility waives

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1 any charge, the utility shall reduce net plant in service as though those charges had been  
2 collected unless the Commission determines that there is quantifiable benefits to the general  
3 body of ratepayers commensurate with the waived charge.

4 (131) Nothing in this rule shall be construed to grant any investor-owned electric  
5 utility any right, title or interest in real property owned by a local government.

6 Specific Authority 366.04, 366.05(1) FS.

7 Law Implemented 366.03, 366.04, 366.05 FS.

8 History--New 9-21-92, Amended.

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State of Florida



**Public Service Commission**  
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** June 7, 2006  
**TO:** Office of General Counsel (Moore)  
**FROM:** Division of Economic Regulation (Hewitt) *[Handwritten initials]*  
**RE:** Statement of Estimated Regulatory Costs for Proposed Amendments to Rule 25-6.034, F.A.C., Standard of Construction; Rule 25-6.0345, F.A.C., Safety Standards for Construction of New Transmission and Distribution Facilities, Rule 25-6.064, F.A.C., Extension of Facilities; Contributions-in-Aid-of-Construction, Rule 25-6.078, F.A.C., Schedule of Charges, and proposed new Rule 25-6.0341, F.A.C., Location of Utility Facilities, Rule 25-6.0342, F.A.C., Third-Party Attachments Standards and Procedures, and Rule 25-6.0343, F.A.C., Standards of Construction – Municipal Electric Utilities and Rural Electric Cooperatives. Docket No. 060172-EU and 060173-EU

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**SUMMARY OF THE RULE**

The above rules contain the requirements for all electric utilities to construct their electrical systems to a minimum standard which is installed, maintained, and operated in accordance with generally accepted engineering practices. The rules require that utilities must comply with applicable safety standards for transmission and distribution facilities of the National Electrical Safety Code (NESC). The rules also contain the procedures for the calculation of contributions-in-aid-of-construction (CIAC) by customers requesting extension of distribution facilities. The rules contain the schedule for charging a differential cost for providing underground service. Finally, the rules contain the requirement that investor-owned utilities (IOUs) file a tariff for deposit amounts for the conversion of overhead electric to underground facilities.

The proposed rule amendments would add specificity to the broad policy of construction standards and require each IOU to establish its own construction standard for overhead and underground electrical transmission and distribution facilities. Each IOU would also have to establish guidelines and procedures for the application of the extreme wind loading standards to (1) new construction, (2) major planned upgrades and relocation of existing facilities, and (3) targeted critical infrastructure and major thoroughfares. Also, the proposed changes would adopt the NESC as the minimum applicable safety standards for transmission and distribution facilities. Rule changes would establish a uniform procedure to calculate amounts due as CIAC. IOUs would also have to establish a written policy as part of their tariff on the installation of underground electrical distribution facilities in new residential subdivisions and file a tariff for converting overhead to underground facilities.

A new proposed rule would facilitate and encourage the placement of electric distribution facilities in readily accessible locations such as adjacent to public roads and along front edges of properties. Another proposed rule would require IOUs to establish written procedures for attachments by others to the utility's poles. An additional new proposed rule would require municipal and cooperative electric utilities to establish standards of construction for all overhead and underground electrical transmission and distribution facilities to ensure adequate, reliable, and safe electric service.

Other minor changes are also proposed to clarify CIAC calculations, expand the costs included in determining overhead/underground cost differences, and allow waiver of CIAC in certain circumstances.

#### ESTIMATED NUMBER OF ENTITIES REQUIRED TO COMPLY AND GENERAL DESCRIPTION OF INDIVIDUALS AFFECTED

The five investor owned electric utilities (IOUs), 18 electric cooperatives, and 35 municipally operated companies, would be affected by the proposed rule changes. The electric companies sell electricity to industrial, commercial, and residential customers throughout the state. In addition, cable television companies, incumbent local exchange telephone companies (LECs), as well as any other telecom carriers owning electric utility pole attached equipment, could be indirectly affected by some of the proposed rule changes. As of 2005 there were 10 ILECs, 415 competitive LECs, and 681 Interexchange Telephone Companies (IXCs), and an unknown number of non-PSC regulated telecommunications companies, many of which may have pole attachments.

#### RULE IMPLEMENTATION AND ENFORCEMENT COST AND IMPACT ON REVENUES FOR THE AGENCY AND OTHER STATE AND LOCAL GOVERNMENT ENTITIES

There would be some implementation and enforcement costs for the Commission as it monitors compliance with the proposed rule changes. The Commission would benefit by the proposed rule amendments from fewer petitions for storm damage relief. There should be no impact on agency revenues and the costs of administering the rules would be covered by existing staff.

There should be no negative impact on other state and local government entities. Those entities should benefit from the improved electrical transmission and distribution system.

#### ESTIMATED TRANSACTIONAL COSTS TO INDIVIDUALS AND ENTITIES

The IOUs would have significant transactional costs from the proposed rule changes. The four major IOUs reported estimated costs to implement storm hardening programs for their systems to range between \$63 million and \$193 million. The cost estimates are based on capital additions to pre-2006 capital budget levels and do not include ongoing operation and maintenance costs. However, the additional costs are minor compared to the hundreds of million dollars in damage caused by storms. Other rule changes would have additional costs but estimates are not available at this time.

Municipal and cooperative electrical utilities could also have significant costs but they have not submitted any estimates to the Commission.

Requiring the placement of IOU electric distribution facilities in readily accessible locations would impact non-electric companies that attach their equipment on utility poles. There have been no estimates submitted that would indicate the magnitude of the impact.

The IOUs and others would benefit from strengthening of their facilities if less damage is incurred and service interruptions are decreased thus lessening lost revenues.

Electric company customers would benefit significantly from the proposed rule changes because the electrical service system should better withstand storms and hurricanes, although the ratepayers may eventually pay for all or some of the additional costs for the upgrades.

#### IMPACT ON SMALL BUSINESSES, SMALL CITIES, OR SMALL COUNTIES

There should be a net positive impact on small businesses, cities, and counties with improved storm hardened electrical system facilities. The cost of the improvements may be born by ratepayers, stockholders, or some combination, depending on the funding means chosen but should be more than offset by the positive economic impact from fewer and less widespread outages.

CH:kb

cc: Mary Andrews Bane  
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