



ORIGINAL

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FLORIDA PUBLIC  
SERVICE COMMISSION

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MAIL ROOM

**Florida  
Power**  
CORPORATION

**JAMES A. MCGEE**  
SENIOR COUNSEL

July 8, 1999

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

990894-EI

Re: Petition of Florida Power Corporation for approval of revised Rate Schedule LS-1, Lighting Service, providing an up-front payment option in lieu of monthly fixture and pole charges, and a related standard form contract.

Dear Ms. Bayo:

Enclosed for filing in the subject docket are an original and fifteen copies of the Petition of Florida Power Corporation.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Also enclosed is a 3.5 inch diskette containing the above-referenced document in WordPerfect format. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

JAM:ams  
Enclosure

DOCUMENT NUMBER - DATE

08174 JUL -99

FPSC-RECORDS/REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Petition of Florida Power Corporation for approval of revised Rate Schedule LS-1, Lighting Service, providing an up-front payment option in lieu of monthly fixture and pole charges, and a related standard form contract.

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Docket No. \_\_\_\_\_

Submitted for filing:  
July 9, 1999

**PETITION**

Florida Power Corporation (Florida Power or the Company) hereby petitions the Florida Public Service Commission (the Commission) for approval of (1) revised Rate Schedule LS-1, Lighting Service, contained in Section VI of the Company's filed tariff, which provides lighting customers the option of making an up-front lump sum payment in lieu of monthly fixture and pole charges, and (2) a related standard form Up-Front Lease Agreement, which implements the optional payment provision. The revisions to Rate Schedule LS-1 and the related standard form contract are attached hereto as Exhibit A. The rate schedule revisions shown in legislative format are attached as Exhibit B. In support of its petition, Florida Power states as follows:

**Introduction**

1. Florida Power is a public utility subject to the jurisdiction of the Commission under Chapter 366, Florida Statutes. Florida Power's General Offices are located at One Progress Plaza, St. Petersburg, Florida, 33701.

2. All notices, pleadings and correspondence required to be served on petitioner should be directed to:

James A. McGee, Esquire  
Post Office Box 14042  
St. Petersburg, FL 33733-4042  
Facsimile: (727) 820-5519

DOCUMENT NUMBER-DATE

08174 JUL-98

## Discussion

3. During the course of routine discussions with its governmental lighting customers, Florida Power has learned from several of these customers that they would find it advantageous in managing their capital and operating budgets to have the option of paying for the fixed costs of lighting fixtures and poles through a one-time lump sum payment instead of the monthly payments for these facilities currently required by the Company's lighting tariff. After an informal inquiry, Florida Power found that a number of other governmental lighting customers also considered this type of payment option to be desirable. In response to this interest by its lighting customers, Florida Power developed the tariff revisions contained in Exhibit A as a means to implement the availability of such a payment option to these customers.

4. The revisions to Rate Schedule LS-1 for which Florida Power seeks approval are contained in a new Special Provision 14. This new provision gives lighting customers the option to make an up-front lump sum payment in lieu of paying the monthly fixture and pole charges specified in Rate Schedule LS-1, subject to the following conditions:

- A. The customer will be required to execute the standard form Up-Front Lease Agreement (UFLA) contained in Exhibit A in lieu of the standard form agreement otherwise required for lighting service under Rate Schedule LS-1. The UFLA provides for an initial term of ten years, after which the then-effective monthly fixture and pole charges will be applicable.
- B. The customer's up-front lump sum payment will be calculated based on the present value of the otherwise applicable monthly fixture and pole charges over the initial term of the UFLA, discounted at the current

- interest rate paid on ten-year Treasury Notes, and adjusted for the income tax effect of receiving a lump sum payment instead of monthly payments.
- C. A minimum up-front lump sum payment of \$50,000 will be required because of the initial costs Florida Power must incur to establish the special account.
  - D. A one-time processing fee of \$1,500 will be charged to defray the costs of contract administration over the life of the UFLA.
  - E. If a customer requests multiple engineering estimates to determine the up-front lump sum payment that would be required under alternative lighting configurations, the Company may charge a fee to cover its reasonable costs to perform such estimates.

WHEREFORE, Florida Power Corporation respectfully requests that the Commission grant this petition and approve the revised Rate Schedule LS-1 and related standard form contract contained in the attached Exhibit A.

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL  
FLORIDA POWER CORPORATION

By 

James A. McGee  
Post Office Box 14042  
St. Petersburg, FL 33733-4042  
Telephone: (727) 820-5184  
Facsimile: (727) 820-5519

**EXHIBIT A**

**REVISIONS TO RATE SCHEDULE LS-1  
AND RELATED STANDARD FORM  
UP-FRONT LEASE AGREEMENT**



Rate Code

16  
 17

RATE SCHEDULE LS-1  
 LIGHTING SERVICE  
 (Continued from Page No. 2)

II. Pole (Continued)

Billing Type	Description	Charge Per Unit
487	35' Tenon Top Concrete, Triple Flood Mount/Includes Bracket	\$12.08
488	35' Tenon Top Concrete, Double Flood Mount/Includes Bracket	11.81
489	35' Tenon Top Concrete, Single Flood Mount	8.80
491	30' Tenon Top Concrete, Triple Flood Mount/Includes Bracket	11.04
492	16' Smooth Decorative Concrete/The Colonial	6.38
494	46' Tenon Top Concrete/Non-Flood Mount/1-4 Fixtures	12.68
496	30' Tenon Top Concrete/Non-Flood Mount/1-4 Fixtures	9.81
497	16' Decorative Concrete w/decorative base/The Washington	16.92
498	35' Tenon Top Concrete/Non-Flood Mount/1-4 Fixtures	10.26
499	16' Decorative Concrete-Vic II	9.98

Notes:

- (1) Restricted to existing installations.
- (2) Includes ballast losses.
- (3) Shown for information only. Energy charges are billed by applying the foregoing energy and demand charges to the total monthly KWH.

Additional Charges:

Fuel Cost Recovery Factor:	See Sheet No. 6.105
Gross Receipts Tax Factor:	See Sheet No. 6.106
Right-of-Way Utilization Fee:	See Sheet No. 6.106
Municipal Tax:	See Sheet No. 6.106
Sales Tax:	See Sheet No. 6.106

Minimum Monthly Bill:

The minimum monthly bill shall be the sum of the Customer Charge and applicable Fixture and Maintenance Charges.

Terms of Payment:

Bills rendered hereunder are payable within the time limit specified on bill at Company-designated locations.

Term of Service:

Except as provided in Special Provision #14, service under this rate schedule shall be for a minimum initial term of six (6) years from the commencement of service and shall continue thereafter until terminated by either party by written notice sixty days prior to termination. Upon early termination of service under this schedule the Customer shall pay an amount equal to the remaining monthly lease amount for the term of contract, applicable Customer Charges and removable cost of the facilities.

Special Provisions:

1. The Company will require a written contract from the Customer for service under this rate upon the Company's standard form.
2. Where the Company provides a fixture or pole type other than those listed above, the monthly charges, as applicable shall be computed as follows:
  - I. Fixture
    - (a) Fixture Charge: 1.46% of the Company's average installed cost.
    - (b) Maintenance Charge: The Company's estimated cost of maintaining fixture.
  - II. Pole
    - Pole Charge: 1.67% of installed cost
3. The Customer shall be responsible for the cost incurred to repair or replace any fixture or pole which has been willfully damaged. The Company shall not be required to make such repair or replacement prior to payment by the Customer for damage.

Continued on Page No. 4)

ISSUED BY: W. C. Slusser, Jr., Director, Pricing Department

EFFECTIVE:



Rate Code

16

17

RATE SCHEDULE LS-1  
LIGHTING SERVICE  
(Continued from Page No. 3)

Page 4 of 4

Special Provisions: (Continued)

4. Maintenance Service for Customer-owned fixtures at charges stated hereunder shall be restricted to fixtures being maintained as of November 1, 1992. For additional requests of the Company to perform maintenance of Customer-owned fixtures, the Company may consider providing such service and bill the Customer in accordance with the Company's policy related to "Work Performed for the Public."
5. KWH consumption for Company-owned fixtures shall be estimated in lieu of installing meters. KWH estimates will be made using the following formula:  
$$\text{KWH} = \text{Unit Wattage (including ballast losses)} \times 350 \text{ hours per month}$$
6. KWH consumption for Customer-owned fixtures shall be metered. Installation of Customer-owned lighting facilities shall be provided for by the Customer. The Company may consider installing customer owned lighting facilities and will bill the Customer in accordance with the Company's policy related to "Work Performed for the Public." Any costs incurred by the Company to provide for consolidation of existing lighting facilities for the purpose of metering shall be at the Customer's expense.
7. No Pole Charge shall be applicable for a fixture installed on a Company-owned pole which is utilized for other general distribution purposes.
8. Replacement of lamps of Company maintained fixtures will be made by the Company within 3 business days after the Customer notifies the Company that the lamp is burned out.
9. For a fixture type restricted to existing installations and requiring major renovation or replacement, the fixture shall be replaced by an available sodium vapor fixture of the Customer's choosing and the Customer shall commence being billed at its appropriate rate. Where the Customer requests the continued use of the same fixture type for appearance reasons, the Company will attempt to provide such fixture and the Customer shall commence being billed at a rate determined in accordance with Special Provision No. 2 for the cost of the renovated or replaced fixture.
10. The Customer will be responsible for trimming trees and other vegetation that obstruct the light output from fixture(s) or maintenance access to the facilities.
11. After December 31, 1998, all new leased lighting shall be installed on poles owned by the Company.
12. Alterations to leased lighting facilities requested by Customer after date of installation, i.e. redirect, install shields, etc., will be billed to the Customer in accordance with the Company's policy related to "Work Performed for the Public".
13. Service for street or area lighting is normally provided from existing distribution facilities. Where suitable distribution facilities do not exist, it will be the Customer's responsibility to pay for necessary additional facilities. Refer to section IV, paragraph 3.01 of the Company's General Rules and Regulations Governing Electric Service to determine the Contribution In Aid of Construction owed by the Customer
14. The Customer shall have the option to make an up-front lump sum payment in lieu of paying the otherwise applicable monthly charges specified in this rate schedule, for those premium lighting fixtures and poles designated by the Company, subject to the following conditions:
  - A. The Customer must execute the Company's standard form Up-Front Lease Agreement (UFLA) with an initial term of ten (10) years, after the initial term the then effective monthly fixture and pole charges will be applicable.
  - B. The up-front lump sum payment shall be calculated based on the present value of the otherwise applicable monthly fixture and pole charges over the initial ten-year term of the UFLA, discounted at a rate equal to the interest rate paid on ten ten-year Treasury Notes at the end of the month prior to execution of the UFLA, and shall be adjusted for Federal and State tax impacts from the receipt of a lump sum payment instead of monthly payments over a ten-year period.
  - C. The minimum up-front lump sum payment is \$50,000.
  - D. A processing fee of \$1,500 shall be paid upon execution of the UFLA to defray the costs of contract administration over the term of the UFLA.
  - E. If the Customer request multiple engineering estimates to determine the up-front lump sum payment that would be required under alternative lighting configurations, the Company may charge a fee to cover its reasonable costs to perform such estimates.



**LIGHTING SERVICE APPLICATION  
AND UP-FRONT LEASE AGREEMENT**

CUSTOMER NAME: \_\_\_\_\_

SERVICE LOCATION(S): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(Street address, city/county)

ACCOUNT NUMBER
WORK ORDER NUMBER
WO#
FPC CONTACT
UFLA NUMBER
UP-FRONT PAYMENT (\$)
\$
DATE INSTALLED
CONTRACT EXPIRATION DATE

Application is hereby made to the Florida Power Corporation (hereinafter called the Company or FPC) for lighting service at the above location(s). \_\_\_\_\_ (hereinafter called the Customer) requests and agrees on this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ to receive and pay for lighting service from the Company in accordance with the rates, terms and provisions of the Company's Rate Schedule LS-1, or its successor, as the same is on file with the Florida Public Service Commission (FPSC) and as may be amended and subsequently filed with the FPSC.

**PURPOSE**

The purpose of this Up-Front Lease Agreement (hereinafter called UFLA or Agreement) is to allow the Customer to make an up-front lump sum payment in lieu of paying monthly fixture and pole charges during the initial term of this agreement for the street and area lighting facilities described below. Under this UFLA, the Customer will receive a monthly bill under a separate account for all other lighting charges except fixture and pole charges, including customer charges, maintenance charges, energy and demand charges, and fuel charges, as well as any applicable taxes or franchise fees.

**LIGHTING FACILITIES**

The Company shall install, own, and maintain the following lighting facilities (hereinafter called the Facilities):

**Fixture Type and Number Installed:**

**Pole Type and Number Installed:**

**Additional Facilities:**



## TERMS AND CONDITIONS

1. This UFLA shall be in effect for an initial term of ten (10) years from the date of service initiation and shall continue in effect thereafter until terminated by either party upon 60 days prior written notice. The date of service initiation shall be defined as the date the first lights are energized.
2. The Customer shall be billed under a separate account, and shall pay when due, all applicable charges for the Facilities in accordance with Rate Schedule LS-1, except fixture and pole charges during the initial term of this UFLA. After the initial term, the then-effective fixture and pole charges for the Facilities shall be billed to, and paid by, the Customer.
3. The Customer shall pay to FPC an up-front lump sum payment of \$ \_\_\_\_\_, including a processing fee of \$1,500, prior to the start of installation of the Facilities.
4. Unless otherwise agreed to by FPC, the Customer shall obtain all lighting services (maintenance, energy, etc.) associated with or required by the Facilities from FPC during the term of this UFLA.
5. The Facilities available pursuant to this UFLA are limited to those premium lighting fixtures and poles designated by FPC.
6. The Customer shall be responsible for paying all applicable Contribution in Aid of Construction charges in advance of installation of the Facilities in accordance with the Company's General Rules and Regulations governing electric service.
7. The Customer shall be responsible for trimming trees that may either obstruct the light output from fixture(s) or that obstruct maintenance access to the facilities.
7. The Company, while exercising reasonable diligence at all times to furnish service hereunder, does not guarantee continuous lighting and will not be liable for damages resulting from any interruption, deficiency or failure of service, and reserves the right to interrupt service at any time for necessary repairs to lines or equipment or any safety-related reason.
8. Installation shall be made only when, in the judgment of the Company, the location and the type of the facilities are, and will continue to be, easily and economically accessible to Company equipment and personnel for both construction and maintenance.
9. Any modification of this Agreement, including the facilities to be provided hereunder, may only be made through the execution of an additional or supplemental agreement delineating the modifications to be accomplished.
10. FPC will, at the request of the Customer, relocate the lighting facilities covered by this Agreement, if provided sufficient rights-of-way or easements to do so. The Customer shall be responsible for the payment of all costs associated with any such Customer-requested relocation of FPC lighting facilities.
11. FPC may, at any time, substitute for any luminaire/lamp installed hereunder another luminaire/lamp which shall be of at least equal illuminating capacity and efficiency.
12. The Customer agrees to take responsibility for the cost incurred to repair or replace any fixture or pole that has been willfully or accidentally damaged. The Company shall not be required to make such repair or replacement prior to payment by the Customer for damage.
13. In the event that the otherwise applicable fixture or pole charges change during the initial term of this Agreement, no additional customer funding will be required. However, the remaining initial term will be adjusted to reflect the impact of the new charges and result in either an increase or a decrease in the initial ten-year term.
14. Should the Customer fail to pay any bills due and rendered pursuant to this Agreement or otherwise fail to perform the obligations contained in this Agreement, said obligations being material and going to the essence of this Agreement, FPC may cease to supply electric energy or service until the Customer has paid the bills due and rendered or has fully cured such other breach of this Agreement. Any failure of FPC to exercise its rights hereunder shall not be a waiver of its rights. It is understood, however, that such discontinuance of the supplying of electric energy or service shall not constitute a breach of this Agreement by FPC, nor shall it relieve the Customer of the obligation to perform any of the terms and conditions of this Agreement.

15. The Customer may terminate this Agreement prior to the expiration of the initial term by giving the Company at least sixty (60) days advance written notice. Upon such early termination, the Customer shall pay an amount equal to the remaining customer charges for the balance of the initial term. No refund of the up-front lump sum payment or any portion thereof will be made to the Customer. The Customer will be responsible for the cost of removing the Facilities.
16. Upon the written consent of FPC, this Agreement may be assigned by the Customer. No assignment shall relieve the Customer from its obligations hereunder until such obligations have been assumed in writing by the third party assignee and agreed to by FPC.
17. This Agreement supersedes all previous agreements or representations, either written, oral or otherwise between the Customer and FPC, with respect to the Facilities and constitutes the entire agreement between the parties. This Agreement does not create any rights or provide any remedies to third parties or create any additional duty, obligation or undertakings by FPC to third parties.
18. This Agreement shall inure to the benefit of, and be binding upon the successors and assigns of the Customer and FPC.
19. This agreement is subject to FPC's Tariff for Retail Service and the rules of the FPSC, as they may be hereafter revised, amended or supplemented. In the event of any conflict between the terms of this Agreement and the provisions of FPC's Tariff or the FPSC's rules, the latter shall control.

**IN WITNESS WHEREOF**, the parties hereby caused this Agreement to be executed in triplicate by their duly authorized representatives on the day and year first written above.

**Accepted by:**

\_\_\_\_\_  
 Customer (Print or type name of Organization)

By: \_\_\_\_\_  
 (Signature)

\_\_\_\_\_  
 (Print or type name)

Title: \_\_\_\_\_

**FLORIDA POWER CORPORATION**

By: \_\_\_\_\_  
 (Signature)

\_\_\_\_\_  
 (Print or type name)

Title: \_\_\_\_\_

**EXHIBIT B**

**REVISIONS TO RATE SCHEDULE LS-1  
(LEGISLATIVE FORMAT)**



Rate Code  
 16  
 17

RATE SCHEDULE LS-1  
 LIGHTING SERVICE  
 (Continued from Page No. 2)

II. Pole (Continued)

billing Type	Description	Charge Per Unit
487	35' Tenon Top Concrete, Triple Flood Mount/Includes Bracket	\$12.08
488	35' Tenon Top Concrete, Double Flood Mount/Includes Bracket	11.81
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Notes:

- (1) Restricted to existing installations.
- (2) Includes ballast losses.
- (3) Shown for information only. Energy charges are billed by applying the foregoing energy and demand charges to the total monthly KWH.

Additional Charges:

Fuel Cost Recovery Factor:	See Sheet No. 6.105
Gross Receipts Tax Factor:	See Sheet No. 6.106
Right-of-way Utilization Fee:	See Sheet No. 6.106
Municipal Tax:	See Sheet No. 6.106
Sales Tax:	See Sheet No. 6.106

Minimum Monthly Bill:

The minimum monthly bill shall be the sum of the Customer Charge and applicable Fixture and Maintenance Charges.

Terms of Payment:

Bills rendered hereunder are payable within the time limit specified on bill at Company-designated locations.

Term of Service:

Except as provided in Special Provision VII, service under this rate schedule shall be for a minimum initial term of six (6) years from the commencement of service and shall continue thereafter until terminated by either party by written notice sixty days prior to termination. Upon early termination of service under this schedule the customer shall pay an amount equal to the remaining monthly lease amount for the term of contract applicable Customer Charges and removable cost of the facilities.

Special Provisions:

1. The Company will require a written contract from the Customer for service under this rate upon the Company's standard form.
2. where the Company provides a fixture or pole type other than those listed above, the monthly charges, as applicable shall be computed as follows:
  - I. Fixture
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    - Pole Charge: 1.67% of installed cost
3. The Customer shall be responsible for the cost incurred to repair or replace any fixture or pole which has been willfully damaged. The Company shall not be required to make such repair or replacement prior to payment by the customer for damage.

Continued on Page No. 4)

ISSUED BY: W. C. Slusser, Jr., Director, Pricing Department

EFFECTIVE:



Rate Code

16  
17

RATE SCHEDULE LS-1  
LIGHTING SERVICE  
(Continued from Page No. 3)

Page 4 of 4

Special Provisions: (Continued)

4. Maintenance Service for Customer-owned fixtures at charges stated hereunder shall be restricted to fixtures being maintained as of November 1, 1992. For additional requests of the Company to perform maintenance of Customer-owned fixtures, the Company may consider providing such service and bill the Customer in accordance with the Company's policy related to "Work Performed for the Public."
5. KWH consumption for Company-owned fixtures shall be estimated in lieu of installing meters. KWH estimates will be made using the following formula:

$$\text{KWH} = \text{Unit Wattage (including ballast losses)} \times 350 \text{ hours per month}$$

6. KWH consumption for Customer-owned fixtures shall be metered. Installation of Customer-owned lighting facilities shall be provided for by the Customer. The Company may consider installing customer owned lighting facilities and will bill the Customer in accordance with the Company's policy related to "Work Performed for the Public." Any costs incurred by the Company to provide for consolidation of existing lighting facilities for the purpose of metering shall be at the Customer's expense.
7. No Pole Charge shall be applicable for a fixture installed on a Company-owned pole which is utilized for other general distribution purposes.
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9. For a fixture type restricted to existing installations and requiring major renovation or replacement, the fixture shall be replaced by an available sodium vapor fixture of the Customer's choosing and the Customer shall commence being billed at its appropriate rate. Where the Customer requests the continued use of the same fixture type for appearance reasons, the Company will attempt to provide such fixture and the Customer shall commence being billed at a rate determined in accordance with Special Provision No. 2 for the cost of the renovated or replaced fixture.
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12. Alterations to leased lighting facilities requested by Customer after date of installation, i.e. redirect, install shields, etc., will be billed to the Customer in accordance with the Company's policy related to "Work Performed for the Public".
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14. The Customer shall have the option to make an up-front lump sum payment in lieu of paying the otherwise applicable monthly charges specified in this rate schedule for those premium lighting fixtures and poles designated by the Company, subject to the following conditions:

- A. The customer must execute the Company's standard form Up-Front Lease Agreement (UFLA) with an initial term of ten (10) years. After the initial term the then effective monthly fixture and pole charges will be applicable.
- B. The up-front lump sum payment shall be calculated based on the present value of the otherwise applicable monthly fixture and pole charges over the initial ten-year term of the UFLA, discounted at a rate equal to the current interest rate paid on ten-year Treasury Notes at the end of the month prior to execution of the UFLA, and shall be adjusted for federal and State tax impacts from the receipt of a lump sum payment instead of monthly payments over a ten-year period.
- C. The minimum up-front lump sum payment is \$50,000.
- D. A processing fee of \$1,500 shall be paid upon execution of the UFLA to defray the costs of contract administration over the term of the UFLA.
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