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-

DATE: August 4, 2009

TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk

FROM: Elisabeth Draper, Economic Analyst, Bureau of Certification, Economics & Tariffs

RE: Docket No. 080719-EI

Please add the attached tariff sheets and supporting documentation provided by PEF on July 14, 2009 to the above docket.

ED:kb

(2) Contribution by Applicant:

(a) Schedule of Charges:

Company standard design underground residential distribution 120/240 volt single-phase service (see also Part 11.03(7)):

To subdivisions with a density of 1.0 or more but less than six (6) dwelling units per acre ..... $646524.00 per dwelling unit

To subdivisions with a density of six (6) or more dwelling units per acre ..... $528465.00 per dwelling unit

To subdivisions with a density of six (6) or more dwelling units per acre taking service at ganged meter pedestals ..... $306245.00 per dwelling unit

To multi-occupancy buildings ..... See Part 11.06(2)

(b) The above costs are based upon arrangements that will permit serving the local underground distribution system within the subdivision from overhead feeder mains. If feeder mains within the subdivision are deemed necessary by the Company to provide and/or maintain adequate service and are required by the Applicant or a governmental agency to be installed underground, the Applicant shall pay the Company the average differential cost between such underground feeder mains within the subdivision and equivalent overhead feeder mains as follows:

Three-phase primary main or feeder charge per trench-foot within subdivision:

(U.G. - Underground, O.H. - Overhead)

#1/0 AWG U.G. vs. #1/0 AWG O.H ..... $5.61 per foot

500 MCM U.G. vs. 336 MCM O.H ..... $10.15 per foot

1000 MCM U.G. vs. 795 MCM O.H. ..... $14.40 per foot

The above costs are based on underground feeder construction using the direct burial method. If conduit is required, the following additional charge(s) will apply:

2 inch conduit	$1.55 per foot
4 inch conduit	$3.21 per foot
6 inch conduit	$5.01 per foot
Cable pulling – single phase	$1.83 per foot
Cable pulling – 3 phase small wire	$1.98 per foot
Cable pulling – 3 phase feeder	$2.56 per foot

The above costs do not require the use of pad-mounted switchgear(s), terminal pole(s), pull boxes or feeder splices. If such facilities are required, a differential cost for same will be determined by the Company on an individual basis and added to charges determined above.

(c) Credits (not to exceed the "average differential costs" stated above) will be allowed where, by mutual agreement, the Applicant provides trenching and backfilling for the use of the Company's facilities in lieu of a portion of the cash payment described above. These credits, based on the Company's design drawings, are:

Primary and/or Secondary Systems, for each Foot of Trench $2.35

Service Laterals, for each Foot of Trench $2.35

12.05 CONSTRUCTION CONTRACT:

(1) GENERAL:

Upon acceptance by the Applicant of the binding cost estimate, the Applicant shall execute a contract with the Company to perform the construction of the underground distribution facilities. The contract shall specify the type and character of system to be provided; establish the Facility Charge to be paid by Applicant prior to commencement of construction; specify details of construction to be performed by Applicant, if any; and address any other pertinent terms and conditions including those described in Part (4) below.

(2) FACILITY CHARGE:

Charge = Remaining net book value of existing overhead facilities to be removed;

plus, removal cost of existing overhead facilities;

minus, salvage value of existing overhead facilities;

plus, estimated construction cost of underground facilities including underground service laterals to residential customers meters or point of delivery for general service customers;

minus, estimated construction cost of overhead facilities including overhead service drops to customers' meters;

minus, qualifying binding cost estimate fee.

Plus, $13,030 per mile, (or $2.47 per foot) of the existing overhead facilities. This represents the net present value of the lifecycle operational costs differential including storm restoration.

(3) CONSTRUCTION BY APPLICANT:

If agreed upon by both the Applicant and the Company, the Applicant may construct or install portions of the underground system as long as such work meets the Company's engineering and construction standards. The Company will own and maintain the completed distribution facilities upon accepting the system as operational. The type of system provided will be determined by the Company's standards.

Any facilities provided by the Applicant will be inspected by Company inspectors prior to acceptance. Any deficiencies discovered as a result of these inspections will be corrected by the Applicant at his sole expense, including the costs incurred by performing the inspections. Corrections must be made in a timely manner by the Applicant, otherwise the Company will undertake the correction and bill the Applicant for all costs of such correction. These costs shall be additional to the original binding estimate.

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To subdivisions with a density of six (6) or more dwelling units per acre ..... $528.00 per dwelling unit

To subdivisions with a density of six (6) or more dwelling units per acre taking service at ganged meter pedestals ..... $306.00 per dwelling unit

To multi-occupancy buildings..... See Part 11.06(2)

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PROGRESS ENERGY FLORIDA
OVERHEAD/UNDERGROUND RESIDENTIAL COST ESTIMATE

OVERHEAD vs. UNDERGROUND SUMMARY SHEET

SCHEDULE NO. 1

LOW DENSITY 210 LOT SUBDIVISION
COST PER SERVICE LATERALS

Revised 7/9/2009

ITEM	OVERHEAD	UNDERGROUND	DIFFERENTIAL
Labor	359	692	333
Material	415	599	184
SUB TOTAL	774	1291	517
NPV of Life Cycle Operational Cost including Storm Restoration and Lost Pole Attachment Revenue			129
Total including NPV of Life Cycle Cost			646

FLORIDA POWER CORPORATION
OVERHEAD/UNDERGROUND RESIDENTIAL COST ESTIMATE

OVERHEAD vs. UNDERGROUND SUMMARY SHEET

SCHEDULE NO. 5

HIGH DENSITY 176 LOT SUBDIVISION
COMPANY OWNED SERVICE LATERALS
COST PER SERVICE LATERAL

Revised 7/9/2009

ITEM	OVERHEAD	UNDERGROUND	DIFFERENTIAL
Labor	257	524	267
Material	294	391	97
SUB TOTAL	551	915	364
NPV of Life Cycle Operational Cost including Storm Restoration and Lost Pole Attachment Revenue			164
Total including NPV of Life Cycle Cost			528

FLORIDA POWER CORPORATION
OVERHEAD/UNDERGROUND RESIDENTIAL COST ESTIMATE

OVERHEAD vs. UNDERGROUND SUMMARY SHEET

SCHEDULE NO. 8

HIGH DENSITY 176 LOT SUBDIVISION
GANGED METERS
COST PER SERVICE

Revised 7/9/2009

ITEM	OVERHEAD	UNDERGROUND	DIFFERENTIAL
Labor	170	249	79
Material	267	307	40
SUB TOTAL	437	556	119
NPV of Life Cycle Operational Cost including Storm Restoration and Lost Pole Attachment Revenue			187
Total including NPV of Life Cycle Cost			306

Progress Energy Florida
Actuals for 5 Year Period of 2002-2006
Summary of NPV Life Cycle Costs per mile for Overhead and Underground Distribution
Revised 7/7/09 for Corrected 2002 Pole Attachment Revenues

	Including Storm	Excluding Storm	Storm
5 year average OH Unit Costs in 2007 Dollars - Annual	$ 4,242	$ 3,580	$ 662
5 year average UG Unit Costs in 2007 Dollars - Annual	$ 5,072	$ 4,902	$ 170
Differential in 2007 Dollars - OH more (less) than UG	$ (830)	$ (1,322)	$ 492

NPV of 38 Year Life Cycle - Costs per mile

Overhead	$ 66,586	$56,196	$10,390
Underground	$ 79,616	$76,946	$2,670
Differential - OH more (less) than UG	**$ (13,030)**	**$ (20,750)**	**$ 7,720**
ck	(0)		

NPV Life Cycle Costs - Per Lot Differentials

	OHD	UG			
Low Density					
Feet of Line	19,272	17,920			
Miles of Line	3.65	3.4			
Number of Lots	210	210			
Per Lot - OHD			$ 1,157	$ 977	$ 181
Per Lot - UG			$ 1,287	$ 1,244	$ 43
Per Lot - Differential			$ 129	$ 267	$ (137)
High Density-IND					
Feet of Line	8,290	8,850			
Miles of Line	1.57	1.7			
Number of Lots	176	176			
Per Lot - OHD			$ 594	$ 501	$ 93
Per Lot - UG			$ 758	$ 733	$ 25
Per Lot - Differential			$ 164	$ 232	$ (67)
High Density-GNG					
Feet of Line	7,973	8,850			
Miles of Line	1.51	1.7			
Number of Lots	176	176			
Per Lot - OHD			$ 571	$ 482	$ 89
Per Lot - UG			$ 758	$ 733	$ 25
Per Lot - Differential			$ 187	$ 251	$ (64)