




**Peace River Electric
Cooperative, Inc.**

Your Touchstone Energy® Cooperative 
www.precocoop

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VIA: ELECTRONIC FILING

May 20, 2020

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Revision of General Extension Tariff

Dear Mr. Teitzman:

On behalf of Peace River Electric Cooperative, Inc. (PRECO), enclosed for filing are three revised sheets for our General Extension Tariff. PRECO currently has two options (Option A & Option B) for developers to pay for underground service for subdivisions. The revisions provided include clarifications to Option A for better understanding between parties, and additional language to allow for the suspension of Option B during certain market conditions. There were no changes to how costs were calculated or the timeline on when certain contributions will be returned to the developer if so qualified.

Revisions

Revised Sheet 4.41	General Extensions
Revised Sheet 4.42	General Extensions
Revised Sheet 4.43	General Extensions

The PRECO Board will make final adoption of these revisions at the regular scheduled board meeting on June 23, 2020.

During the review process, should the Commission staff have questions regarding the filing, please contact Tucker Lemley, Vice President of Finance and Administration, at (863) 767-4634 or tucker.lemley@preco.coop.

Sincerely,

A handwritten signature in black ink that reads "Randall W. Shaw".

Randall W. Shaw
General Manager/CEO

RWS/tl
Enclosure

"STANDARD FORMAT"

“Continue from Sheet No. 4.40”

Three-phase

Due to the unique nature and cost of three-phase motor installations and the potential for problems to the cooperative’s electric system, the cooperative shall place the following restrictions on all three-phase installations:

1. No installation will be permitted on the cooperative’s system which will cause significant problems such as low voltage, voltage flicker, or other electrical disturbance to other members. Upon recognition of such trouble, the offending installation will, after reasonable notice, be corrected or removed from the cooperative’s system.
2. All motors will be designed and installed as described in section 303A.
3. When three-phase service cannot be economically justified because of the load characteristics, the cooperative will provide three-phase service if the member agrees to make a CIAC equal to the full estimated cost of all labor and materials, including transformers, in excess of the basic single-phase service needed to meet the member’s needs.

B. Underground Service

There is generally a higher initial cost to serve electric energy with underground facilities as opposed to overhead facilities.

Underground estimates will include, but not be limited to, such items as primary and secondary conductors, conduit, transformers and pads, metering equipment, labor, trenching and other necessary materials and expenses.

At no time will a three-phase closed delta be permitted in an underground line segment.

When the estimated underground cost is less than the estimated overhead cost, the installation may be placed underground. When the estimated underground cost exceeds the estimated overhead cost, the applicant will be required to make a contribution adequate to offset the differential. Any monies paid toward the offset will be considered as a CIAC. All equipment will remain the sole property of the cooperative unless a written agreement is otherwise entered into.

The cooperative shall in all cases design and operate the most economical system. Any cost in excess of this economical system will be borne by the applicant.

Except for primary distribution feeders, the cooperative will not install overhead distribution facilities or replace underground facilities with overhead facilities, in an area served by an underground distribution system unless sound engineering practices dictate otherwise.

Underground Service for Subdivisions

The cooperative will provide underground service to subdivisions as described above. No engineering and construction shall commence prior to payment in full of any required CIAC and/or a Consumer Advance for Construction (CAC).

“Continued to Sheet No. 4.42”

“Continue from Sheet No. 4.41”

We offer two payment options for developers based on the length of time until full use of the underground facilities is completed. The cooperative will maintain procedures that determine which payment option is applicable to each request for a new subdivision phase. The cooperative reserves the right to modify these procedures and suspend the use of Option B as market conditions change.

Option A

When full use of the facilities may not be realized for two (2) years or more, a CIAC and CAC will be required before construction commences and will be based on the total estimated cost of construction. The CIAC will be the amount of the differential charges for the underground service versus the overhead service. The estimated job cost for the provision of standard overhead service paid by the consumer will be first considered a CAC and may be returned to a designated party based on performance during the timeline outlined below. Any differences in the initial or revised CAC amount and the amount returned to the designated party, will be converted to CIAC and forfeited by the consumer and applied to the cost of the job to the cooperative. Returns will be calculated on a declining scale based on the performance timeline. The performance of the phase for purpose of the return will be based on the percentage of the lots in the phase energized with a meter placed. The CAC return timeline is as follows:

1. First 24 months – the return will be 100 percent
2. More than 24 months but less than 36 months – the return will be 75 percent
3. More than 36 months but less than 48 months – the return will be 50 percent
4. More than 48 months – there will be no return.

For any amount returned, payment will be made to the referenced party listed in the Developer Agreement of each phase and/or sub-phase requesting energized lots. All qualifying funds shall be evaluated and returned at least twice annually.

Option B

When full use of the facilities will be completed within two (2) years, the developer will sign an agreement outlining the terms and conditions of installation and will be required to pay in advance the full differential cost to provide underground service versus the overhead service based on current year per lot cost further defined in the developer agreement. Charges for subdivisions with a density of more than two (2) but less than six (6) dwelling units per acre are as follows:

	<u>Per Lot Cost</u>
1. PRECO will supply and install all primary, secondary, duct, and cable, excluding feeder line and switch gear.	Current year cost
2. Applicant or Developer will install the service trench and duct system. PRECO will supply the service duct, install the service conductor, and supply and install the primary, secondary conduit and conductor.	Current year cost less service to the house.

“Continued to Sheet No. 4.43”

“Continue from Sheet No. 4.42”

Option B charges also apply to other underground distribution installations including, but not limited to, lift stations, lighting meters, and feeder lines.

All construction done by the applicant/developer must meet the cooperative’s specifications and must be approved by the cooperative’s authorized representative before backfilling is complete.

Additional Charges

If the cooperative should incur additional costs because of changes to plans, layout or grade by the applicant, the applicant will be required to pay such additional CIAC as follows:

Design Plan Changes Only

The applicant agrees to pay the cooperative's current applicable rate for engineering personnel for all time spent to add, amend and/or modify the engineering design of a development due to changes made by applicant prior to the execution of the written agreement between the applicant and PRECO.

Design Plan, Layout and/or Grade Changes

The applicant shall pay for any additional costs imposed by the cooperative including, but not limited to, engineering personnel, administration, and construction costs, due to changes made subsequent to the execution of the written agreement between the applicant and PRECO.

Payment

The applicant shall receive a written invoice for charges; payment is due upon receipt. No engineering and construction shall commence prior to payment in full of the entire contribution and any additional charges.

Underground Service for Multiple Occupancy Buildings

For new residential multiple occupancy buildings (five or more dwellings), the applicant may request underground service.

Should the point of delivery not be preferred by the customer, a CIAC will be required to cover any additional cost that might be incurred.

The customer shall extend their building service to the cooperative's designated point of delivery regardless of the distance from the customer's switchgear.

This policy applies only to new residential multiple occupancy buildings. Electric service to other underground distribution installations will be in accordance with Section B. - Underground Service of this Rate Schedule.

"LEGISLATIVE FORMAT"

FIRST REVISED SHEET NO. 4.41
CANCELLING ORIGINAL SHEET NO. 4.41

“Continue from Sheet No. 4.40”

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Due to the unique nature and cost of three-phase motor installations and the potential for problems to the cooperative’s electric system, the cooperative shall place the following restrictions on all three-phase installations:

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2. All motors will be designed and installed as described in section 303A.
3. When three-phase service cannot be economically justified because of the load characteristics, the cooperative will provide three-phase service if the member agrees to make a CIAC equal to the full estimated cost of all labor and materials, including transformers, in excess of the basic single-phase service needed to meet the member’s needs.

B. Underground Service

There is generally a higher initial cost to serve electric energy with underground facilities as opposed to overhead facilities.

Underground estimates will include, but not be limited to, such items as primary and secondary conductors, conduit, transformers and pads, metering equipment, labor, trenching and other necessary materials and expenses.

At no time will a three-phase closed delta be permitted in an underground line segment.

When the estimated underground cost is less than the estimated overhead cost, the installation may be placed underground. When the estimated underground cost exceeds the estimated overhead cost, the applicant will be required to make a contribution adequate to offset the differential. Any monies paid toward the offset will be considered as a CIAC. All equipment will remain the sole property of the cooperative unless a written agreement is otherwise entered into.

The cooperative shall in all cases design and operate the most economical system. Any cost in excess of this economical system will be borne by the applicant.

Except for primary distribution feeders, the cooperative will not install overhead distribution facilities or replace underground facilities with overhead facilities, in an area served by an underground distribution system unless sound engineering practices dictate otherwise.

Underground Service for Subdivisions

The cooperative will provide underground service to subdivisions as described above. No engineering and construction shall commence prior to payment in full of any required CIAC and/or a Consumer Advance for Construction (CAC).



~~We offer two payment options for developers based on the length of time until full use of the underground facilities is completed.~~

“Continued to Sheet No. 4.42”

FIRST REVISED SHEET NO. 4.42
CANCELLING ORIGINAL SHEET NO. 4.42

“Continue from Sheet No. 4.41”

We offer two payment options for developers based on the length of time until full use of the underground facilities is completed. The cooperative will maintain procedures that determine which payment option is applicable to each request for a new subdivision phase. The cooperative reserves the right to modify these procedures and suspend the use of Option B as market conditions change.

Option A

When full use of the facilities may not be realized for two (2) years or more, a CIAC and CAC will be required before construction commences and will be based on the total estimated cost of construction. The CIAC will be the amount of the differential charges for the underground service versus the overhead service. The estimated job cost for the provision of standard overhead service paid by the consumer will be first considered a CAC and may be returned to a designated party based on performance during the timeline outlined below. Any differences in the initial or revised CAC amount and the amount returned to the designated party, will be converted to CIAC and forfeited by the consumer and applied to the cost of the job to the cooperative. Returns will be calculated on a declining scale based on the performance timeline. The performance of the phase for purpose of the return will be based on the percentage of the lots in the phase energized with a meter placed. The CAC return timeline is as follows~~The CIAC will not accrue interest and only the excess of any differential charges for underground versus overhead service will be refunded as follows:~~

1. First 24 months – the return will be 100 percent
2. More than 24 months but less than 36 months – the return will be 75 percent
3. More than 36 months but less than 48 months – the return will be 50 percent
4. More than 48 months – there will be no return.

For any amount returned, payment will be made to the referenced party listed in the Developer Agreement of each phase and/or sub-phase requesting energized lots. All qualifying funds shall be evaluated and returned at least twice annually.

~~For any amount returned, payment will be made to the party requesting permanent electric service and receiving a certificate of occupancy from the appropriate federal, state and/or local government.~~

Option B

When full use of the facilities will be completed within two (2) years, the developer will sign an agreement outlining the terms and conditions of installation and will be required to pay in advance the entire cost full differential cost to provide underground service versus the overhead service based on current year per lot cost further defined in the developer agreement. Charges for subdivisions with a density of more than two (2) but less than six (6) dwelling units per acre are as follows:

- | | |
|--|---------------------|
| | <u>Per Lot Cost</u> |
| 1. PRECO will supply and install all primary, secondary, duct, and cable, excluding feeder line and switch gear. | Current year cost |



2. Applicant or Developer will install the service trench and duct system. PRECO will supply the service duct, install the service conductor, and supply and install the primary, secondary conduit and conductor.

Current year cost less service to the house.

~~Option B charges also apply to other underground distribution installations including, but not limited to, lift stations, lighting meters, and feeder lines.~~

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