ORIGINAL

Progress Energy

JAMES A. McGEE
ASSOCIATE GENERAL COUNSEL
PROGRESS ENERGY SERVICE COMPANY, LLC

March 16, 2004

VIA OVERNIGHT DELIVERY

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 031122-EI

Dear Ms. Bayó:

In response to discussions with Staff, Progress Energy Florida has updated and improved the modeling of URD cost differentials contained in the exhibits to its original petition filed in the subject docket on December 22, 2003. Accordingly, I have enclosed for filing an original and seven copies of Progress Energy's amended petition, which restates and supercedes its original petition. All exhibits that contain changes from the original filing are marked "Revised 3/2/04" in the upper right corner.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. A 3½ inch diskette containing the above-referenced document in Word format is also enclosed. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

JAM/scc
Enclosures

cc: Elisabeth Draper

AUS
CAF
CMP
COM
CTR
ECR
GCL
OPC
MMS
SEC 1
OTH

100 Central Avenue (33701) • Post Office Box 14042 (33733) • St. Petersburg, Florida
Phone: 727.820.5184 • Fax: 727.820.5519 • Email: james.mcgee@pgnmail.com

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Progress Energy Florida for approval of revised Underground Residential Distribution tariffs.	Docket No. 031122-EI Submitted for filing: March 17, 2004

AMENDED PETITION

Progress Energy Florida, Inc. (Progress Energy or the Company), pursuant to Rule 25-6.078, F.A.C., hereby amends and restates its petition filed in this matter on December 22, 2003, and requests that the Florida Public Service Commission (the Commission) approve the revised tariff sheets, as hereby amended, contained in the attached Exhibit A. These tariff sheets comprise Progress Energy's Underground Residential Distribution (URD) policy established pursuant to Commission Rule 25-6.078, as set forth in Part XI of the Company's tariff Rules and Regulations Governing Electric Service. The revisions contained in these tariff sheets consist of updated URD charges based on the differential between the cost of overhead and underground facilities, as well as other minor revisions described below. Exhibit B provides the revised and amended tariff sheets in legislative format, showing the revisions to the currently effective tariff sheets.

This amended petition presents the results of recent improvements in modeling the costs of overhead and underground distribution facilities installed in the Commission's three standard subdivision layouts that better reflect the

Company's actual design, engineering and construction practices. These modeling improvements were developed in response to discussions with Staff regarding the practices reflected in the Company's original filing. The resulting changes consist of revised URD differential charges in Section 11.03(2)(b) on Tariff Sheet No. 4.113 in Exhibits A and B, on Schedules 1-3, and 5-10 in Exhibit C, and in the explanation of changes for Section 11.03(2)(b) in Exhibit D. All pages in the exhibits that contain changes from the original filing are marked "Revised 3/2/04" in the upper right corner.

In support of its amended petition, Progress Energy states as follows.

Introduction

1. Progress Energy is a public utility subject to the regulatory jurisdiction of the Commission pursuant to Chapter 366, Florida Statutes. The Company's principal place of business is located at 100 Central Avenue, St. Petersburg, Florida 33701.

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

James A. McGee, Esquire
Post Office Box 14042
St. Petersburg, FL 33733-4042
Facsimile: (727) 820-5519
Email: james.mcgee@pgnmail.com

For express private courier deliveries, the street address and zip code in paragraph 1 above should be used.

Discussion

3. The updated URD differential charges shown on the revised tariff sheets contained in Exhibit A have been calculated in accordance with Commission Rule 25-6.078. Exhibit C includes schedules from Form PSC/EAG 13, *Overhead/Underground Residential Differential Cost Data*, which provides the underlying data and analyses supporting Progress Energy's URD charges, as specified by Rule 25-6.078.

4. The proposed URD charges for typical subdivision lots are contained in Subsection 11.03(2)(a) of Progress Energy's tariff rules and regulations, which have both increased and decreased compared to the current charges established in 2001. The proposed charges have increased from $289 to $350, or 21.1%, for the 210-lot low density typical subdivision; and from $117 to $130, or 11.1%, for the 176-lot high density, gang metered typical subdivision. The proposed URD charges have decreased from $267 to $224, or 16.1%, for a 176-lot high density, individually metered typical subdivision. Other updated URD charges for three-phase conductors, customer trenching credits, and new and converted service laterals, are contained in Subsections 11.03(2)(b) and (c), 11.04(2)(a), and 11.05(4), respectively. Most of these updated charges are lower than the current charges, although several experienced moderate increases. A summary of the reasons for each of the changes from the current URD charges is provided in Exhibit D.

Other Tariff Revisions

5. In addition to updating the URD differential charges, Subsection 11.03(2)(a), *Schedule of Charges*, has been revised to clarify that the stated "point of delivery" charges apply to each dwelling unit. For example, where several meters are served by a single service lateral, the revision will make clear that the charge applies to each individual dwelling unit, irrespective of how service is provided.

6. Revisions to Subsections 11.04(2)(a) and 11.05(4), *Contribution by Applicant*, increase the maximum length of service laterals to which the standard "per foot" charge is applicable from 200 feet to 300 feet. Because service laterals that exceed the stated maximum length require specific, case-by-case cost estimates, increasing this maximum length reduces the number of these case-specific estimates. This benefits customers falling within the new maximum by providing easily determined costs without the delay of obtaining case-specific estimates, and benefits the Company by reducing the number of these cost estimates it must perform, thus saving time and manpower.

7. The various revisions to Sections 11.03, 11.04 and 11.05 addressed above affect three of the seven tariff sheets in Part XI, the URD section of the Company's tariff, *i.e.*, Sheets 4.113, 4.114 and 4.115. Exhibits A and B also include the remaining four tariff sheets in Part XI, Sheets 4.110, 4.111, 4.112, and

4.116, which have been revised only to reflect the change in the Company's name and logo.

WHEREFORE, Progress Energy respectfully requests that the Commission grant this amended petition and approve the revised and amended URD tariff sheets contained in Exhibit A hereto..

Respectfully submitted,

James A. McGee
Associate General Counsel
Progress Energy Service Company, LLC
Post Office Box 14042
St. Petersburg, Florida 33733-4042
Telephone: 727-820-5184
Facsimile: 727-820-5519
Email: james.mcgee@pgnmail.com

Attorney for
PROGRESS ENERGY FLORIDA, INC.

EXHIBIT A

REVISED URD TARIFF SHEETS

Nos. 4.110 through 4.116

PART XI

UNDERGROUND RESIDENTIAL DISTRIBUTION POLICY

11.01 Definitions:

The following words and terms used under this policy shall have the meaning indicated:

(1)	Applicant:	Any person, partnership, association, corporation, or governmental agency controlling or responsible for the development of a new subdivision or dwelling unit and applying for the construction of underground electric facilities.
(2)	Building:	Any structure, within subdivision, designed for residential occupancy and containing less than five (5) individual dwelling units.
(3)	Commission:	Florida Public Service Commission.
(4)	Company:	Progress Energy Florida, Inc.
(5)	Direct Burial:	A type of construction involving the placing of conductors in the ground without the benefit of conduit or ducts. Other facilities, such as transformers, may be above ground.
(6)	Distribution System:	Electric service facilities consisting of primary and secondary conductors, service laterals, transformers, and necessary accessories and appurtenances for the furnishing of electric power at utilization voltage.
(7)	Feeder Main:	A three-phase primary installation which serves as a source for primary laterals and loops through suitable overcurrent devices.
(8)	Mobile Home (Trailer):	A non-self propelled vehicle or conveyance, permanently equipped to travel upon the public highways, that is used either temporarily or permanently as a residence or living quarters.
(9)	Multiple-Occupancy Building:	A structure erected and framed of component structural parts and designed to contain five (5) or more individual dwelling units.
(10)	Point of Delivery:	The point where the Company's wires or apparatus are connected to those of the Customer.
(11)	Primary Lateral:	That part of the electric distribution system whose function is to conduct electricity at the primary level from the feeder main to the transformers serving the secondary street mains. It usually consists of a single-phase conductor or insulated cable, together with necessary accessory equipment for supporting, terminating and disconnecting from the primary mains by a fusible element.
(12)	Service Lateral:	The underground service conductors between the street or rear property main, including any risers at a pole or other structure or from transformers, and the first point of connection to the service entrance conductors in a terminal or meter box on the exterior building wall.
(13)	Subdivision:	The tract of land which is divided into five (5) or more building lots or upon which five (5) or more separate dwelling units are to be located, or the land on which is to be constructed new multiple-occupancy buildings.
(14)	Townhouse:	A one(1)-family dwelling unit of a group of three (3) or more such units separated only by firewalls. Each townhouse unit shall be constructed upon a separate lot and serviced with separate utilities and shall otherwise be independent of one another.

11.02 GENERAL:

(1) Application:

Underground electric distribution facilities are offered in lieu of overhead facilities in accordance with these Rules and Regulations for:

a) Residential Subdivision and Developments (Part 11.03)
b) New Service Laterals from Overhead Systems (Part 11.04)
c) Replacement of Existing Overhead Service (Part 11.05)
d) Multiple-Occupancy Residential Buildings (Part 11.06)

(2) Early Notification and Coordination:

In order for the Company to provide service when required, it is necessary that the Applicant notify the Company during the early stages of planning major projects. Close coordination is necessary throughout the planning and construction stages by the Company, the architect, the builder, the subcontractors, and the consulting engineer to avoid delays and additional expense. Particular attention must be given to the scheduling of the construction of paved areas and the various sub-grade installations of the several utilities.

(3) Changes to Plans:

The Applicant shall pay for any additional costs incurred by the Company due to changes made by the Applicant in the subdivision or development layout or grade as originally agreed upon between the Applicant and Company.

(4) Underground Installation Not Covered:

Where the Applicant requests underground electric facilities for residential subdivisions not falling within the dwelling units per acre density limitation as specified in Part 11.03(2)(a) or for residential developments of less than five (5) building lots and where overhead facilities would otherwise be provided, the Applicant shall pay the Company the estimated differential cost between the underground facilities and the suitable overhead facilities as determined by using the Company's current standard estimating data.

(5) Type of System Provided:

The costs quoted in these Rules are for underground residential distribution facilities of standard Company design with direct-buried cable and above-grade appurtenances. Unless otherwise stated, service provided will be 120/240-volt single phase. If other types of facilities are requested by the Applicant or required by governmental authority, the Applicant will pay the additional costs, if any.

(6) Ownership:

The Company will install, own, and maintain the electric distribution facilities up to the designated point of delivery except as otherwise noted. Any payment made by the Applicant, under the provisions of these Rules will not convey to the Applicant any rights of ownership.

(7) Rights of Way and Easements:

(a) General Requirements: The Company shall construct, own, operate, and maintain distribution lines within the Applicant's subdivision only along easements, public streets, roads and highways which the Company has the legal right to occupy, and on public lands and private property across which rights of way and easements satisfactory to the Company may be obtained without cost or condemnation to the Company.

(b) Scheduling, Clearing, and Grading: Rights of way and easements suitable to the Company must be furnished by the Applicant in a reasonable time to meet service requirements and must be cleared of trees, tree stumps, paving and other obstructions, staked to show property lines and final grade, and must be graded to within six (6) inches of final grade by the Applicant before the Company will commence construction, all at no charge to the Company. Such clearing and grading must be maintained by the Applicant during construction by the Company. Grade stakes must be provided at transformer locations.

(7) **Rights of Way and Easements (Continued):**

(c) Public Rights of Way: Where underground distribution facilities are located in dedicated road or street right-of-way, no easement is required.

(d) Recorded Public Easements: Where underground distribution facilities are located on private property, wholly within an area covered by a recorded subdivision utility easement, namely a reservation, and recorded plat of an easement for public utility purposes, no other easement is required.

(e) Service Laterals: Where underground service conductors are located on private property and portions not covered by recorded subdivision utility easement are wholly within the private property they service no easement is required.

(f) Other Locations: Where underground distribution facilities are located on private property other than as described in Part 11.02(7)(a) or 11.02(7)(e), easements are required and shall be prepared as outlined in instructions prepared by the Real Estate Department.

(g) Blanket Easements: Where underground primary and secondary distribution facilities for service to a mobile home park or a multiple occupancy project are located on a tract of land having one ownership and the easement area cannot be described without a detailed survey, a blanket easement covering the entire premises may be utilized at the discretion of the Division Engineer.

(8) Damage to Company's Equipment::

The Applicant shall be responsible to ensure that the Company's distribution system, once installed, is not damaged, destroyed, or otherwise disturbed during the construction of the project. This responsibility shall extend not only to those in his empty, but also to his subcontractors, and he shall be responsible for the full cost of repairing such damage.

(9) Charges:

The Company shall not be obligated to install any facilities within a subdivision until satisfactory arrangements for the payment of applicable charges, if any, have been completed.

11.03 UNDERGROUND DISTRIBUTION FACILITIES FOR RESIDENTIAL SUBDIVISIONS AND DEVELOPMENTS.

(1) Availability:

When requested by the Applicant, the Company will provide underground electric distribution facilities in accordance with it standard practices in:

(a) recognized residential subdivisions of five or more building lots;

(b) tracts of land upon which five or more separate dwelling units are to be located;

(c) tracts of land upon which new multiple-occupancy buildings are to be constructed.

For building containing five or more dwelling units, see Part 11.06 of these Rules.

Revised 3/2/04

(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 ..... $350.00 per dwelling unit

To subdivisions with a density of six (6) or more
dwelling units per acre ..... $224.00 per dwelling unit

To subdivisions with a density of
six (6) or more dwelling units per acre taking service
at ganged meter pedestals ..... $130.00 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 ..... $4.37 per foot

500 MCM U.G. vs. 336 MCM O.H ..... $14.23 per foot

1000 MCM U.G. vs. 795 MCM O.H. ..... $18.08 per foot

The above costs assume that underground feeder construction utilizes system conduit but does not require the use of pad-mounted switchgear(s) or terminal pole(s). 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 $1.36

Service Laterals,
for each Foot of Trench $1.36

(3) Point of Delivery:

The point of delivery shall be determined by the Company and will be on the side of the building that is nearest the point at which the underground secondary electric supply is available to the property. The point of delivery will only be allowed on the rear of the building by special exception. The Applicant shall pay the estimated full cost of service lateral length required in excess of that which would have been needed to reach the Company's designated point of service.

(4) Location of Meter and Socket:

The Applicant shall install a meter socket at the point designated by the Company in accordance with the Company's specifications. Every effort shall be made to locate the meter socket in unobstructed areas in order that the meter can be read without going through fences, etc.

(5) Development of Subdivisions:

The above charges are based on reasonably full use of the land being developed. Where the Company is required to construct underground electric facilities through a section or sections of the subdivision or development where service will not be required for at least two (2) years, the Company may require a deposit from the Applicant before construction is commenced. This deposit, to guarantee performance, will be based on the estimated total cost of such facilities rather than the differential cost. The amount of the deposit, without interest, in excess of any charges for underground service will be returned to the Applicant on a prorata basis at quarterly intervals on the basis of installations to new customers. Any portion of such deposit remaining unrefunded, after five (5) years from the date the Company is first ready to render service from the extension, will be retained by the company.

(6) Relocation or Removal of Existing Facilities:

If the Company is required to relocate or remove existing overhead and/or underground distribution facilities in the implementation of these Rules, all costs thereof shall be borne exclusively by the Applicant. These costs shall include costs of relocation or removal, the in-place value (less salvage) of the facilities so removed, and any additional costs due to existing landscaping, pavement or unusual conditions.

(7) Other Provisions:

If soil compaction is required by the Applicant at locations where Company trenching is done, an additional charge may be added to the charges set forth in this tariff. The charge will be estimated based on the Applicant's compaction specifications.

11.04 UNDERGROUND SERVICE LATERALS FROM OVERHEAD ELECTRIC DISTRIBUTION SYSTEMS.

(1) New Underground Service Laterals:

When requested by the Applicant, the Company will install underground service laterals from overhead systems to newly constructe residential buildings containing less than five (5) separate dwelling units.

(2) Contribution by Applicant:

(a) The Applicant shall pay the Company the following average differential cost between an overhead service and an underground service lateral:

For Service Lateral up to 80 feet $355.00

For each foot over 80 feet up to 300 feet ....$ 0.60 per foot

Service laterals in excess of 300 feet shall be based on a specific cost estimate.

(b) Credits will be allowed where, by mutual agreement, the Applicant provides trenching and backfilling in accordance with the Company specifications and for the use of the Company facilities, in lieu of a portion of the cash payment described above. These credits, based on the Company's design drawings, are as follows:

For each Foot of Trench..... .....$ 1.36

The provisions of Paragraphs 11.03((3) and 11.03(4) are also applicable.

11.05 UNDERGROUND SERVICE LATERALS REPLACING EXISTING RESIDENTIAL OVERHEAD SERVICES:

(1) Applicability:

When requested by the Applicant, the Company will install underground service laterals from existing overhead lines as replacements for existing overhead services to existing residential buildings containing less than five (5) separate dwelling units.

(2) Rearrangement of Service Entrance:

The Applicant shall be responsible for any necessary rearranging of his existing electric service entrance facilities to accommodate the proposed underground service lateral in accordance with the Company's specifications.

(3) Trenching:

The Applicant shall also provide, at no cost to the Company, a suitable trench and perform the backfilling and any landscaping, pavement, or other suitable repairs. If the Applicant requests the Company to supply the trench, the charge to the Applicant for this work shall be based on a specific cost estimate.

(4) Contribution by Applicant:

The charge excluding trenching costs shall be as follows:

For Service Lateral up to 80 feet.....$ 257.20

For each foot over 80 feet up to 300 feet.....$ 0.96 per foot

Service laterals in excess of 300 feet shall be based on a specific cost estimate.

11.06 UNDERGROUND DISTRIBUTION FACILITIES TO MULTIPLE-OCCUPANCY RESIDENTIAL BUILDINGS:

(1) Availability:

Underground electric distribution facilities may be installed within the tract of land upon which multiple-occupancy residential buildings containing five (5) or more separate dwelling units will be constructed.

(2) Contribution by Applicant:

There will be no contribution from the Applicant so long as the Company is free to construct the extension in the most economical manner, and reasonably full use is made of the tract of land upon which the multiple-occupancy buildings will be constructed. Other conditions will require special arrangements.

(3) Responsibility of Applicant:

(a) Furnish details and specifications of the proposed building or complex of buildings. The Company will use these in the design of the electric distribution facilities required to render service.

(b) Where the Company determines that transformers are to be located inside the building, the Applicant shall provide:

i. The vault or vaults necessary for the transformers and the associated equipment, including the ventilation equipment.

ii. The necessary raceways or conduit for the Company's supply cables from the vault or vaults to a suitable point five (5) feet outside the building in accordance with the Company's plans and specifications.

iii. Conduits underneath all buildings when required for the Company's supply cables. Such conduits shall extend five (5) feet beyond the edge of the buildings for joining to the Company's facilities.

iv. The service entrance conductors and raceways from the Applicant's service equipment to the designated point of delivery within the vault.

(3) Responsibility of Applicant (Continued):

(c) Where the Company determines that transformers are to be located outside the building, the Applicant shall provide:

i. The transformer enclosure or space for pad-mounted equipment, if required.

ii. The service entrance conductors and raceway from the Applicant's service equipment to the point of delivery designated by the Company at or near the building.

iii. Where the Customer's service entrance equipment is on the outside wall, Customer must extend conduit of size specified by the Company from the meter base or other point of connection, down to three (3) feet below grade and five (5) feet away from building. This will eliminate the need for the Company to break footing to allow for installation of riser pole.

(4) Responsibility of the Company:

(a) The Company will:

i. Provide the Applicant with the Company's plans to supply the proposed building or complex of buildings, and specifications for the facilities to be provided by the Applicant.

ii. Furnish and install the primary or secondary conductors from existing or proposed facilities adjoining the property to the point of delivery, together with the ducts, if required, outside the building.

iii. Furnish and install the necessary transformers and associated equipment located either outside the building or in the vault(s) within the building.

iv. Be solely responsible for the installation, operation, and maintenance of all of its facilities.

(5) Service Voltage:

The Company will supply service at one of the several secondary voltages available as mutually agreed upon between the Applicant and the Company.

EXHIBIT B

REVISED URD TARIFF SHEETS

Nos. 4.110 through 4.116

(Legislative Format)

PART XI

UNDERGROUND RESIDENTIAL DISTRIBUTION POLICY

11.01 Definitions:

The following words and terms used under this policy shall have the meaning indicated:

(1)	Applicant:	Any person, partnership, association, corporation, or governmental agency controlling or responsible for the development of a new subdivision or dwelling unit and applying for the construction of underground electric facilities.
(2)	Building:	Any structure, within subdivision, designed for residential occupancy and containing less than five (5) individual dwelling units.
(3)	Commission:	Florida Public Service Commission.
(4)	Company:	Progress Energy Florida, Inc. ~~Florida Power Corporation~~
(5)	Direct Burial:	A type of construction involving the placing of conductors in the ground without the benefit of conduit or ducts. Other facilities, such as transformers, may be above ground.
(6)	Distribution System:	Electric service facilities consisting of primary and secondary conductors, service laterals, transformers, and necessary accessories and appurtenances for the furnishing of electric power at utilization voltage.
(7)	Feeder Main:	A three-phase primary installation which serves as a source for primary laterals and loops through suitable overcurrent devices.
(8)	Mobile Home (Trailer):	A non-self propelled vehicle or conveyance, permanently equipped to travel upon the public highways, that is used either temporarily or permanently as a residence or living quarters.
(9)	Multiple-Occupancy Building:	A structure erected and framed of component structural parts and designed to contain five (5) or more individual dwelling units.
(10)	Point of Delivery:	The point where the Company's wires or apparatus are connected to those of the Customer.
(11)	Primary Lateral:	That part of the electric distribution system whose function is to conduct electricity at the primary level from the feeder main to the transformers serving the secondary street mains. It usually consists of a single-phase conductor or insulated cable, together with necessary accessory equipment for supporting, terminating and disconnecting from the primary mains by a fusible element.
(12)	Service Lateral:	The underground service conductors between the street or rear property main, including any risers at a pole or other structure or from transformers, and the first point of connection to the service entrance conductors in a terminal or meter box on the exterior building wall.
(13)	Subdivision:	The tract of land which is divided into five (5) or more building lots or upon which five (5) or more separate dwelling units are to be located, or the land on which is to be constructed new multiple-occupancy buildings.
(14)	Townhouse:	A one(1)-family dwelling unit of a group of three (3) or more such units separated only by firewalls. Each townhouse unit shall be constructed upon a separate lot and serviced with separate utilities and shall otherwise be independent of one another.

11.02 **GENERAL:**

(1) Application:

Underground electric distribution facilities are offered in lieu of overhead facilities in accordance with these Rules and Regulations for:

a) Residential Subdivision and Developments (Part 11.03)
b) New Service Laterals from Overhead Systems (Part 11.04)
c) Replacement of Existing Overhead Service (Part 11.05)
d) Multiple-Occupancy Residential Buildings (Part 11.06)

(2) Early Notification and Coordination:

In order for the Company to provide service when required, it is necessary that the Applicant notify the Company during the early stages of planning major projects. Close coordination is necessary throughout the planning and construction stages by the Company, the architect, the builder, the subcontractors, and the consulting engineer to avoid delays and additional expense. Particular attention must be given to the scheduling of the construction of paved areas and the various sub-grade installations of the several utilities.

(3) Changes to Plans:

The Applicant shall pay for any additional costs incurred by the Company due to changes made by the Applicant in the subdivision or development layout or grade as originally agreed upon between the Applicant and Company.

(4) Underground Installation Not Covered:

Where the Applicant requests underground electric facilities for residential subdivisions not falling within the dwelling units per acre density limitation as specified in Part 11.03(2)(a) or for residential developments of less than five (5) building lots and where overhead facilities would otherwise be provided, the Applicant shall pay the Company the estimated differential cost between the underground facilities and the suitable overhead facilities as determined by using the Company's current standard estimating data.

(5) Type of System Provided:

The costs quoted in these Rules are for underground residential distribution facilities of standard Company design with direct-buried cable and above-grade appurtenances. Unless otherwise stated, service provided will be 120/240-volt single phase. If other types of facilities are requested by the Applicant or required by governmental authority, the Applicant will pay the additional costs, if any.

(6) Ownership:

The Company will install, own, and maintain the electric distribution facilities up to the designated point of delivery except as otherwise noted. Any payment made by the Applicant, under the provisions of these Rules will not convey to the Applicant any rights of ownership.

(7) Rights of Way and Easements:

(a) General Requirements: The Company shall construct, own, operate, and maintain distribution lines within the Applicant's subdivision only along easements, public streets, roads and highways which the Company has the legal right to occupy, and on public lands and private property across which rights of way and easements satisfactory to the Company may be obtained without cost or condemnation to the Company.

(b) Scheduling, Clearing, and Grading: Rights of way and easements suitable to the Company must be furnished by the Applicant in a reasonable time to meet service requirements and must be cleared of trees, tree stumps, paving and other obstructions, staked to show property lines and final grade, and must be graded to within six (6) inches of final grade by the Applicant before the Company will commence construction, all at no charge to the Company. Such clearing and grading must be maintained by the Applicant during construction by the Company. Grade stakes must be provided at transformer locations.

(7) **Rights of Way and Easements (Continued):**

(c) Public Rights of Way: Where underground distribution facilities are located in dedicated road or street right-of-way, no easement is required.

(d) Recorded Public Easements: Where underground distribution facilities are located on private property, wholly within an area covered by a recorded subdivision utility easement, namely a reservation, and recorded plat of an easement for public utility purposes, no other easement is required.

(e) Service Laterals: Where underground service conductors are located on private property and portions not covered by recorded subdivision utility easement are wholly within the private property they service no easement is required.

(f) Other Locations: Where underground distribution facilities are located on private property other than as described in Part 11.02(7)(a) or 11.02(7)(e), easements are required and shall be prepared as outlined in instructions prepared by the Real Estate Department.

(g) Blanket Easements: Where underground primary and secondary distribution facilities for service to a mobile home park or a multiple occupancy project are located on a tract of land having one ownership and the easement area cannot be described without a detailed survey, a blanket easement covering the entire premises may be utilized at the discretion of the Division Engineer.

(8) Damage to Company's Equipment::

The Applicant shall be responsible to ensure that the Company's distribution system, once installed, is not damaged, destroyed, or otherwise disturbed during the construction of the project. This responsibility shall extend not only to those in his empty, but also to his subcontractors, and he shall be responsible for the full cost of repairing such damage.

(9) Charges:

The Company shall not be obligated to install any facilities within a subdivision until satisfactory arrangements for the payment of applicable charges, if any, have been completed.

11.03 UNDERGROUND DISTRIBUTION FACILITIES FOR RESIDENTIAL SUBDIVISIONS AND DEVELOPMENTS.

(1) Availability:

When requested by the Applicant, the Company will provide underground electric distribution facilities in accordance with it standard practices in:

(a) recognized residential subdivisions of five or more building lots;

(b) tracts of land upon which five or more separate dwelling units are to be located;

(c) tracts of land upon which new multiple-occupancy buildings are to be constructed.

For building containing five or more dwelling units, see Part 11.06 of these Rules.

Revised 3/2/04

(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, ~~taking service at each dwelling unit point of delivery~~ ..... $350.00 ~~$289.00~~ per dwelling unit

To subdivisions with a density of six (6) or more dwelling units per acre ~~taking service at each dwelling unit point of delivery~~ ..... $224.00 ~~$267.00~~ per dwelling unit

To subdivisions with a density of six (6) or more dwelling units per acre taking service at ganged ~~grouped~~ meter pedestals ..... $130.00~~$117.00~~ 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 ..... $4.37 ~~$ 5.08~~ per foot

500 MCM U.G. vs. 336 MCM O.H ..... $14.23 ~~$13.71~~ per foot

1000 MCM U.G. vs. 795 MCM O.H. ..... $18.08~~$14.57~~ per foot

The above costs assume that underground feeder construction utilizes system conduit but does not require the use of pad-mounted switchgear(s) or terminal pole(s). 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 ..... $1.36~~$ 1.09~~

Service Laterals, for each Foot of Trench ..... $1.36~~$ 1.09~~

(3) Point of Delivery:

The point of delivery shall be determined by the Company and will be on the side of the building that is nearest the point at which the underground secondary electric supply is available to the property. The point of delivery will only be allowed on the rear of the building by special exception. The Applicant shall pay the estimated full cost of service lateral length required in excess of that which would have been needed to reach the Company's designated point of service.

(4) Location of Meter and Socket:

The Applicant shall install a meter socket at the point designated by the Company in accordance with the Company's specifications. Every effort shall be made to locate the meter socket in unobstructed areas in order that the meter can be read without going through fences, etc.

(5) Development of Subdivisions:

The above charges are based on reasonably full use of the land being developed. Where the Company is required to construct underground electric facilities through a section or sections of the subdivision or development where service will not be required for at least two (2) years, the Company may require a deposit from the Applicant before construction is commenced. This deposit, to guarantee performance, will be based on the estimated total cost of such facilities rather than the differential cost. The amount of the deposit, without interest, in excess of any charges for underground service will be returned to the Applicant on a prorata basis at quarterly intervals on the basis of installations to new customers. Any portion of such deposit remaining unrefunded, after five (5) years from the date the Company is first ready to render service from the extension, will be retained by the company.

(6) Relocation or Removal of Existing Facilities:

If the Company is required to relocate or remove existing overhead and/or underground distribution facilities in the implementation of these Rules, all costs thereof shall be borne exclusively by the Applicant. These costs shall include costs of relocation or removal, the in-place value (less salvage) of the facilities so removed, and any additional costs due to existing landscaping, pavement or unusual conditions.

(7) Other Provisions:

If soil compaction is required by the Applicant at locations where Company trenching is done, an additional charge may be added to the charges set forth in this tariff. The charge will be estimated based on the Applicant's compaction specifications.

11.04 UNDERGROUND SERVICE LATERALS FROM OVERHEAD ELECTRIC DISTRIBUTION SYSTEMS.

(1) New Underground Service Laterals:

When requested by the Applicant, the Company will install underground service laterals from overhead systems to newly constructed residential buildings containing less than five (5) separate dwelling units.

(2) Contribution by Applicant:

(a) The Applicant shall pay the Company the following average differential cost between an overhead service and an underground service lateral:

For Service Lateral up to 80 feet	$355.00 ~~$399.00~~
For each foot over 80 feet up to 300 ~~200~~ feet	$ 0.601.25 per foot

Service laterals in excess of 300 ~~200~~ feet shall be based on a specific cost estimate.

(b) Credits will be allowed where, by mutual agreement, the Applicant provides trenching and backfilling in accordance with the Company specifications and for the use of the Company facilities, in lieu of a portion of the cash payment described above. These credits, based on the Company's design drawings, are as follows:

For each Foot of Trench $ ~~1.09~~ 1.36

The provisions of Paragraphs 11.03((3) and 11.03(4) are also applicable.

11.05 UNDERGROUND SERVICE LATERALS REPLACING EXISTING RESIDENTIAL OVERHEAD SERVICES:

(1) Applicability:

When requested by the Applicant, the Company will install underground service laterals from existing overhead lines as replacements for existing overhead services to existing residential buildings containing less than five (5) separate dwelling units.

(2) Rearrangement of Service Entrance:

The Applicant shall be responsible for any necessary rearranging of his existing electric service entrance facilities to accommodate the proposed underground service lateral in accordance with the Company's specifications.

(3) Trenching:

The Applicant shall also provide, at no cost to the Company, a suitable trench and perform the backfilling and any landscaping, pavement, or other suitable repairs. If the Applicant requests the Company to supply the trench, the charge to the Applicant for this work shall be based on a specific cost estimate.

(4) Contribution by Applicant:

The charge excluding trenching costs shall be as follows:

For Service Lateral up to 80 feet..... ~~$364.19~~ $257.20

For each foot over 80 feet up to 300 ~~200~~ feet..... ~~$1.12~~ $0.96 per foot

Service laterals in excess of 300 200 feet shall be based on a specific cost estimate.

11.06 UNDERGROUND DISTRIBUTION FACILITIES TO MULTIPLE-OCCUPANCY RESIDENTIAL BUILDINGS:

(1) Availability:

Underground electric distribution facilities may be installed within the tract of land upon which multiple-occupancy residential buildings containing five (5) or more separate dwelling units will be constructed.

(2) Contribution by Applicant:

There will be no contribution from the Applicant so long as the Company is free to construct the extension in the most economical manner, and reasonably full use is made of the tract of land upon which the multiple-occupancy buildings will be constructed. Other conditions will require special arrangements.

(3) Responsibility of Applicant:

(a) Furnish details and specifications of the proposed building or complex of buildings. The Company will use these in the design of the electric distribution facilities required to render service.

(b) Where the Company determines that transformers are to be located inside the building, the Applicant shall provide:

i. The vault or vaults necessary for the transformers and the associated equipment, including the ventilation equipment.

ii. The necessary raceways or conduit for the Company's supply cables from the vault or vaults to a suitable point five (5) feet outside the building in accordance with the Company's plans and specifications.

iii. Conduits underneath all buildings when required for the Company's supply cables. Such conduits shall extend five (5) feet beyond the edge of the buildings for joining to the Company's facilities.

iv. The service entrance conductors and raceways from the Applicant's service equipment to the designated point of delivery within the vault.

(3) Responsibility of Applicant (Continued):

(c) Where the Company determines that transformers are to be located outside the building, the Applicant shall provide:

i. The transformer enclosure or space for pad-mounted equipment, if required.

ii. The service entrance conductors and raceway from the Applicant's service equipment to the point of delivery designated by the Company at or near the building.

iii. Where the Customer's service entrance equipment is on the outside wall, Customer must extend conduit of size specified by the Company from the meter base or other point of connection, down to three (3) feet below grade and five (5) feet away from building. This will eliminate the need for the Company to break footing to allow for installation of riser pole.

(4) Responsibility of the Company:

(a) The Company will:

i. Provide the Applicant with the Company's plans to supply the proposed building or complex of buildings, and specifications for the facilities to be provided by the Applicant.

ii. Furnish and install the primary or secondary conductors from existing or proposed facilities adjoining the property to the point of delivery, together with the ducts, if required, outside the building.

iii. Furnish and install the necessary transformers and associated equipment located either outside the building or in the vault(s) within the building.

iv. Be solely responsible for the installation, operation, and maintenance of all of its facilities.

(5) Service Voltage:

The Company will supply service at one of the several secondary voltages available as mutually agreed upon between the Applicant and the Company.

EXHIBIT C

DEVELOPMENT OF UPDATED URD COSTS

Schedules from Form PSC/EAG 13

Revised 3/2/04

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

ITEM	OVERHEAD	UNDERGROUND	DIFFERENTIAL
Labor	255	507	252
Material	310	408	98
TOTAL	565	915	350

Revised 3/2/04

PROGRESS ENERGY FLORIDA
OVERHEAD/UNDERGROUND RESIDENTIAL COST DATA

COST PER SERVICE LATERAL OVERHEAD MATERIAL AND LABOR

SCHEDULE NO. 2

LOW DENSITY 210-LOT SUBDIVISION

ITEM	MATERIAL	LABOR	TOTAL
Service(2)	50.52	49.45	99.97
Primary	28.73	41.62	70.35
Secondary	39.29	21.36	60.65
Initial Tree Trim	0.00	11.96	11.96
Poles	85.23	41.48	126.71
Transformers	87.09	14.57	101.66
Sub-Total(1)	290.86	180.44	471.30
Stores Handling(3)	18.78	0.00	18.78
Sub-Total	309.64	180.44	490.08
Engineering(5)	0.00	74.34	74.34
TOTAL	309.64	254.78	564.42

1-Includes Sales Tax.
2-Includes Meter and Meter Socket.
3-10% of all material except transformer units with a cost of: 71.10
and meters with a cost of 32.00
4-Includes Administration, General and Transportation.
5-20% of all matl. and labor except transformer units with a cost of: 76.91
and meters with a cost of: 41.45

Revised 3/2/04

PROGRESS ENERGY FLORIDA
OVERHEAD/UNDERGROUND RESIDENTIAL COST DATA

COST PER SERVICE LATERAL UNDERGROUND MATERIAL AND LABOR

SCHEDULE NO. 3

LOW DENSITY 210-LOT SUBDIVISION

ITEM	MATERIAL	LABOR	TOTAL
Service (2)	69.54	65.50	135.04
Primary	69.53	30.72	100.25
Secondary	119.80	69.21	189.01
Transformers	124.06	26.08	150.14
TRENCHING:			
Prim. & Secondary	0.00	116.84	116.84
Service	0.00	70.40	70.40
Sub-Total	382.93	378.75	761.68
Stores Handling(3)	25.00	0.00	25.00
Sub-Total	407.93	378.75	786.68
Engineering(5)	0.00	127.87	127.87
TOTAL	407.93	506.62	914.54

1-Includes Sales Tax.

2-Includes Meter and Meter Socket.
and meters with a cost of: 32.00

4-Includes Administration, General and Transportation.

5-20% of all matl. and labor except transformer units with a cost of: 105.90
and meters with a cost of: 41.45

Revised 3/2/04

PROGRESS ENERGY FLORIDA
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

ITEM	OVERHEAD	UNDERGROUND	DIFFERENTIAL
Labor	185	358	173
Material	243	294	51
TOTAL	428	652	224

Revised 3/2/04

PROGRESS ENERGY FLORIDA
OVERHEAD/UNDERGROUND RESIDENTIAL COST DATA

COST PER SERVICE LATERAL OVERHEAD MATERIAL AND LABOR

SCHEDULE NO. 6

HIGH DENSITY 176-LOT SUBDIVISION
COMPANY OWNED SERVICE LATERALS

ITEM	MATERIAL	LABOR	TOTAL
Service(2)	57.32	52.55	109.87
Primary	18.21	20.37	38.58
Secondary	28.65	12.95	41.60
Initial Tree Trim	0.00	8.44	8.44
Poles	57.17	25.42	82.59
Transformers	68.02	11.58	79.60
Sub-Total(1)	229.37	131.31	360.68
Stores Handling(3)	14.02	0.00	14.02
Sub-Total	243.39	131.31	374.70
Engineering(5)	0.00	54.15	54.15
TOTAL	243.39	185.46	428.85

1-Includes Sales Tax.
2-Includes Meter and Meter Socket
3-10% of all material except transformer units with a cost of 57.14
and meters with a cost of: 32.00
4-Includes Administration, General and Transportation.
5-20% of all matl. and labor except transformer units with a cost of: 62.52
and meters with a cost of: 41.45

Revised 3/2/04

PROGRESS ENERGY FLORIDA
OVERHEAD/UNDERGROUND RESIDENTIAL COST DATA

COST PER SERVICE LATERAL UNDERGROUND MATERIAL AND LABOR

SCHEDULE NO. 7

HIGH DENSITY 176-LOT SUBDIVISION
COMPANY OWNED SERVICE LATERALS

ITEM	MATERIAL	LABOR	TOTAL
Service (2)	68.69	63.65	132.34
Primary	25.58	22.18	47.76
Secondary	86.28	40.39	126.67
Transformers	97.31	18.69	116.00
TRENCHING:			
Prim. & Secondary	0.00	70.61	70.61
Service	0.00	54.57	54.57
Sub-Total	277.86	270.09	547.95
Stores Handling(3)	16.39	0.00	16.39
Sub-Total	294.25	270.09	564.34
Engineering(5)	0.00	87.43	87.43
TOTAL	294.25	357.52	651.77

1-Includes Sales Tax.
2-Includes Meter and Meter Socket.
3-10% of all material except transformer units with a cost of: 81.99
and meters with a cost of. 32.00
4-Includes Administration, General and Transportation.
5-20% of all matl. and labor except transformer units with a cost of: 85.74
and meters with a cost of: 41.45

Revised 3/2/04

PROGRESS ENERGY FLORIDA
OVERHEAD/UNDERGROUND RESIDENTIAL COST ESTIMATE

OVERHEAD vs. UNDERGROUND SUMMARY SHEET

SCHEDULE NO. 8

HIGH DENSITY 176-LOT SUBDIVISION
GANGED METERS
COST PER SERVICE

ITEM	OVERHEAD	UNDERGROUND	DIFFERENTIAL
Labor	130	225	95
Material	183	218	35
TOTAL	313	443	130

Revised 3/2/04

PROGRESS ENERGY FLORIDA
OVERHEAD/UNDERGROUND RESIDENTIAL COST DATA

COST PER SERVICE OVERHEAD MATERIAL AND LABOR

SCHEDULE NO. 9

HIGH DENSITY 176-LOT SUBDIVISION
GANGED METERS

ITEM	MATERIAL	LABOR	TOTAL
Service(2)	47.77	31.56	79.33
Primary	14.66	20.78	35.44
Secondary	8.26	3.56	11.82
Initial Tree Trim	0.00	8.44	8.44
Poles	32.87	15.91	48.78
Transformers	69.85	12.83	82.68
Sub-Total(1)	173.41	93.08	266.49
Stores Handling(3)	9.38	0.00	9.38
Sub-Total	182.79	93.08	275.87
Engineering(5)	0.00	36.49	36.49
TOTAL	182.79	129.57	312.35

1-Includes Sales Tax.
2-Includes Meter and Meter Socket.
3-10% of all material except transformer units with a cost of: 47.64
and meters with a cost of: 32.00
4-Includes Administration, General and Transportation.
5-20% of all matl. and labor except transformer units with a cost of: 51.98
and meters with a cost of: 41.45

Revised 3/2/04

PROGRESS ENERGY FLORIDA
OVERHEAD/UNDERGROUND RESIDENTIAL COST DATA

COST PER SERVICE UNDERGROUND MATERIAL AND LABOR

SCHEDULE NO. 10

HIGH DENSITY 176-LOT SUBDIVISION
GANGED METERS

ITEM	MATERIAL	LABOR	TOTAL
Service (2)	84.96	58.69	143.65
Primary	25.09	19.43	44.52
Secondary			0.00
Transformers	97.54	18.76	116.30
TRENCHING:			
Prim. & Secondary	0.00	73.08	73.08
			0.00
Sub-Total	207.59	169.96	377.55
Stores Handling(3)	10.69	0.00	10.69
Sub-Total	218.28	169.96	388.24
Engineering(5)	0.00	54.98	54.98
TOTAL	218.28	224.94	443.22

1-Includes Sales Tax.
2-Includes Meter and Meter Socket.
3-10% of all material except transformer units with a cost of: 68.72
and meters with a cost of: 32.00
4-Includes Administration, General and Transportation.
5-20% of all matl. and labor except transformer units with a cost of: 71.87
and meters with a cost of: 41.45

PROGRESS ENERGY FLORIDA
OVERHEAD / UNDERGROUND RESIDENTIAL COST DATA

AVERAGE UNDERGROUND FEEDER COSTS

SCHEDULE NO. 12

1/0 Al. Underground Cable

	Material	Labor	Total
From Computer Study	$19,263.90	$16,221.74	$35,485.64
Stores 10%	$1,926.39	$0.00	$1,926.39
Subtotal			$37,412.03
Engineering & Supervision 20%			$7,482.00
Total			$44,894.03

1/0 AAAC Overhead Conductor

	Material	Labor	Total
From Computer Study	$7,307.85	$10,124.33	$17,432.18
Stores 10%	$730.79	$0.00	$730.79
Subtotal			$18,162.97
Engineering & Supervision 20%			$3,632.59
Total			$21,795.56

Differential = (45,853.67 - 19,033.06) / 5280
= $4.37 /ft.

PROGRESS ENERGY FLORIDA
OVERHEAD / UNDERGROUND RESIDENTIAL COST DATA

AVERAGE UNDERGROUND FEEDER COSTS

SCHEDULE NO. 12

500 MCM Al. Underground Cable

	Material	Labor	Total
From Computer Study	$55,420.66	$24,214.66	$79,635.32
Stores 10%	$5,542.07	$0.00	$5,542.07
Subtotal			$85,177.39
Engineering & Supervision 20%			$17,035.48
Total			$102,212.87

336 MCM AAAC Overhead Conductor

	Material	Labor	Total
From Computer Study	$10,960.64	$10,506.35	$21,466.99
Stores 10%	$1,096.06	$0.00	$1,096.06
Subtotal			$22,563.05
Engineering & Supervision 20%			$4,512.61
Total			$27,075.66

Differential = (97,880.49 -25,486.84) / 5280
= $14.23 /ft.

PROGRESS ENERGY FLORIDA
OVERHEAD / UNDERGROUND RESIDENTIAL COST DATA

AVERAGE UNDERGROUND FEEDER COSTS

SCHEDULE NO. 12

1000 MCM Al. Underground Cable

	Material	Labor	Total
From Computer Study	$75,041.14	$27,506.86	$102,548.00
Stores 10%	$7,504.11	$0.00	$7,504.11
Subtotal			$110,052.11
Engineering & Supervision 20%			$22,010.42
Total			$132,062.53

795 MCM AAAC Overhead Conductor

	Material	Labor	Total
From Computer Study	$17,892.20	$10,824.83	$28,717.03
Stores 10%	$1,789.22	$0.00	$1,789.22
Subtotal			$30,506.25
Engineering & Supervision 20%			$6,101.25
Total			$36,607.50

Differential = (115,033.82 - 38,100.28) / 5280
= $18.08 /ft.

PROGRESS ENERGY FLORIDA

UNDERGROUND SERVICE LATERALS REPLACING EXISTING RESIDENTIAL OVERHEAD SERVICES

Fixed Cost	
Overhead to Underground Service Differential (Calculated Previously)	$355.00
Removal Cost of Overhead Service (From Computer Study)	$28.91
Less Trenching	($131.20)
Depreciated Cost of Overhead Service	$49.08
Salvage of Overhead Service	($44.59)
Total	$257.20
Variable Cost (Based on 120 ft)	
Overhead to Underground Service Differential (Calculated Previously)	$72.07
Less Trenching (From Computer Study)	($65.60)
Removal of Overhead Service (From Computer Study)	$62.92
Depreciated Cost of Overhead Service	$190.57
Salvage of Overhead Service	($144.57)
Total	$115.39
Cost per foot = $115.39 / 120	$0.96

PROGRESS ENERGY FLORIDA

UNDERGROUND SERVICE LATERALS FROM
OVERHEAD ELECTRIC DISTRIBUTION SYSTEMS

Underground Fixed Costs:	Material	Labor	Total
From Computer Study	$135.12	$311.96	$447.08
Stores 20%	$27.02		$27.02
Engineering 2 hrs. @ $31.80		$63.60	$63.60
Total			$537.70

Underground Excess Costs:	Material	Labor	Total
From Computer Study	$159.16	$243.32	$402.48
Stores 20%	$31.83		$31.83
Total (for 120 ft)			$434.31

Overhead Fixed Costs:	Material	Labor	Total
From Computer Study	$34.23	$109.98	$144.21
Stores 20%	$6.85		$6.85
Engineering 1 hrs. @ $31.80		$31.80	$31.80
Total			$182.86

Overhead Excess Costs:	Material	Labor	Total
From Computer Study	$213.04	$106.59	$319.63
Stores 20%	$42.61		$42.61
Total (for 120 ft)			$362.24

DIFFERENTIAL

Fixed Underground		$538.00		
Fixed Overhead	-	$183.00		
Difference		$355.00		
Excess Underground		$434.31		
Excess Overhead	-	$362.24	Cost per foot:	
Difference		$72.07	= $149.72/120	$0.60

EXHIBIT D

SUMMARY OF REASONS FOR CHANGES IN UPDATED URD CHARGES

Revised 3/2/04

Updated URD Differential Charges
Summary of Reasons for Changes

Section 11.03(2)(a)

Higher differential charges for the 210-lot low density subdivision were caused by increases in Progress Energy's contract labor rates in 2003 and 2004, and to a lesser extent, an increase in the Company's wages and salaries. These labor increases impacted both overhead and underground costs, but had a greater effect on underground costs because it is more labor-intensive. Offsetting some of the higher differential were reduced material costs that impacted underground costs more than overhead costs. Overhead material costs decreased largely due to a design change in the size of certain poles. Underground material costs were reduced primarily due to the use of direct burial cable. The combination of slightly higher overhead costs and significantly higher underground costs resulted in the higher differential for this standard subdivision layout.

Lower differential charges for the 176-lot high density subdivision with individual services were a result of redesigning the overhead layout from back lot-line to front lot-line service in order to reduce the response and restoration time of outages on the service lines. This increased the number of poles, which in turn offset other reductions in material costs and increased labor costs. Underground costs remained almost exactly the same because of offsetting increases and decreased in labor and material, respectively, for the same reasons that affected underground costs in low density subdivisions described above. The flat costs of underground coupled with an increase in overhead costs resulted in the lower differential for this standard subdivision layout.

Higher differential charges for the 176-lot high density subdivision with ganged services also resulted from redesigning the overhead layout from back lot-line to front lot-line service. However, unlike the high density subdivision described above, the redesign produced lower costs because the additional poles required are provided by the developer. Underground costs increased because of higher labor costs which more than offset reduced material costs. The reasons for these changes in underground labor and material costs are the same as described above. The combination of lower overhead costs and higher underground costs resulted in the higher differential for this subdivision.

Section 11.03(2)(b)

The average differentials for three-phase underground vs. three-phase overhead lines within typical subdivisions were affected by improvements in work practices, particularly for direct buried 1/0 cable, and higher contract labor rates, producing mixed results.

1/0 ug vs. 1/0 oh	$ 4.37 per foot, down from $5.08 per foot
500 ug vs. 336 oh	$14.23 per foot, up from $13.71 per foot
1000 ug vs. 795 oh	$18.08 per foot, up from $14.57 per foot

Section 11.03(2)(c)

Higher labor rates resulted in an increase in the customer credit for trenching of $1.36 per foot, up from a credit of $1.09 per foot

Section 11.04(2)(a)

The cost for underground service from an overhead source decreased. Higher contract labor costs were more than offset by work practice efficiencies and reductions in material costs. The overhead costs associated with the increase in the maximum length of "cost per foot" service laterals lowered the differential for the extra footage.

Cost for new service up to 80 feet - $355.00, down from $399.00
Cost per extra foot from 81 to 300 feet - $0.60 per foot, down from $1.25 per foot.

Section 11.05(4)

The cost for converting overhead service to underground service was lowered, primarily due to work practice improvements for direct buried cable and reductions in material costs.

Underground service conversion up to 80 feet - $257.20, down from $364.19
Underground service conversion from 81 to 300 feet - $0.96 per foot, down from $1.12 per foot.