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*RULES AND REGULATIONS (Continued)*

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5. Customer Facilities

Customer shall make or procure satisfactory conveyance to Company of all necessary easement and rights-of-way, including right of convenient access to Company's property, for furnishing adequate and continuous service or the removal of Company's property upon termination of service.

Customer should furnish Company a description of the load to be connected prior to wiring his premises or purchasing any electric equipment. Company will then furnish customer such information as characteristics of service which is or will be available at the point of delivery.

All wiring and equipment beyond Company's meter and accessories thereto, necessary to utilize service furnished by Company, shall be installed by and belong to the Customer and be maintained at his expense. Customer shall bring his wiring to a point of connection to Company's service lines at a location satisfactory to Company.

All wiring and electric equipment shall conform to the requirements of the National Electrical Code as adopted by Company and local ordinances, if any.

Company reserves the right to inspect and approve the installation of all wiring and equipment to utilize Company's service; but such inspection or failure to make inspection or the fact that Company may connect to such installation shall not make Company liable for any loss or damage which may be occasioned by the use of such installation or equipment used therefrom or of Company's service.

Customer shall install only such motors or other apparatus or appliances as are suitable for operation with the character of the service supplied by Company, and electric energy must not be used in such a manner as to cause detrimental voltage fluctuations or disturbances in Company's distribution system.

All apparatus used by Customer shall be of such type as to secure the highest practicable commercial efficiency, power factor and proper balancing of phases. Motors which are frequently started or motors arranged for automatic control must be equipped with controlling devices, approved by Company, to give maximum starting torque with minimum current flow.

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*RULES AND REGULATIONS (Continued)*

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6. Service Connections

A. General

Company reserves the right to designate the location of the point of connection, transformers and meters and to determine the amount of space which must be left unobstructed for the installation and maintenance thereof. Applicant may request an alternation of such a designation but, if consented to by Company, the excess cost of such revised designation over and above the cost of the original Company design shall be borne by Applicant.

Company reserves the right to postpone to a more favorable season the extension of lines and connection of services during seasons of the year when climatic conditions would cause abnormally high construction costs.

B. Overhead Service in Overhead Zone

Customer's wiring must be brought outside the building wall nearest Company's service wires so as to be readily accessible thereto or to transformer terminals if located close to the wall. All connections between the service entrance and meter location shall comply with local ordinances and shall be in rigid conduit or cable approved by Company. Company will furnish, install and maintain the service conductors to the point of connection to Customer's facilities.

C. Underground Service in Overhead Zone

Customers desiring an underground service in an overhead zone may make application for service with the Company. The Company will install and own the underground service from the meter location to the pole from which connection is to be made, including the necessary run of cable or conduit up the side of the pole. The Customer will pay in advance to the Company the estimated difference in the cost of the underground service and or equivalent overhead service.

D. Underground Service in Underground Residential Distribution Systems

The service connection to the building normally will be at the point of the building nearest the point at which the underground system enters the property to be served. If such service connection point on any building is more than seventy-five (75) feet, measured at right angles, from the serving property line, the Customer will pay the difference between an underground service and an equivalent overhead service for all service line in excess of seventy five (75) feet.

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*RULES AND REGULATIONS (Continued)*

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E. Underground Service in Underground Zone (Other Than Residential Areas)

Where service is supplied from an underground distribution system, at Company's choice, Company will provide and install the cable conduit or ducts from its manhole or street connection box or main feed lines in street to the property line adjoining the property to be served.

The Customer shall supply and install the cable conduit or ducts from the property line into the building, terminating said conduit or ducts inside the building wall at a point located by the Company inspector. The Customer shall make arrangements with the Company for Company to supply and install continuous run of cable conductors from the manhole or street connection box to the inside of the building wall. Customer shall be charged for materials, labor, and other expenses incurred from the portion of cable installed inside the building.

Where Company is required by governmental or other valid authority to install underground distribution, and abandon overhead distribution, Company shall not be required to bear any of the cost of making the necessary changes on Customer's premises. If, however, Company elects to change an existing Customer's service from overhead to underground, Company shall bear the cost of disconnecting the Customer's service from the overhead system and reconnecting it to the underground system unless such change is necessitated by a change in the Customer's requirements.

7. Line Extensions

A. Overhead Extensions

(1) Free Extensions

- (a) Company shall make extensions to or alterations in its facilities in accordance with Rule 25-6.064 of Florida Public Service Commission, these Rules and Regulations and free of charge to provide service to an applicant or group of applicants located within the Company's service area when the estimated total non-fuel revenue for the first four (4) years from the Applicant or Applicants equals or exceeds the estimated cost of the necessary includable construction; provided, however, that the patronage or demand will be of such permanency as to warrant the expenditure involved.

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*RULES AND REGULATIONS (Continued)*

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- (b) The formula used to calculate the maximum amount of no-charge extension or alteration will be as follows:

- (1) for customers in rate classes that pay only energy charges, i.e., do not pay demand charges:

$$\text{maximum amount} = 4 \times (\text{non-fuel energy charge KWH}) \\ (\text{estimated annual KWH usage})$$

- (2) for customers in classes that pay both energy charges and demand charges:

$$\text{maximum amount} = 4 \times (\text{non-fuel energy charge KWH}) \\ (\text{estimated annual KWH usage}) \\ + 4 \times (\text{estimated annual demand} \\ \text{charge revenue from sales} \\ \text{over new line})$$

(2) Other Extensions

When the line extension or alteration required in order to furnish service within Company's service area is a reasonable extension of the Company's facilities but greater than the free construction specified above, and the Applicant or Applicants shall contract to use service for at least four (4) years, such extension or alteration shall be made subject to the following condition;

- (a) Applicant or Applicants shall make a non-refundable contribution in aid of construction (CIAC)OH prior to commencement of construction, in an amount equal to the amount that the estimated cost to provide the extension or alteration exceeds the maximum amount of the no-charge extension or alteration as determined in A (b) (1) or A (b) (2) above.

B. Underground Extension

(1) New residential subdivisions and multiple-occupancy buildings.

- (a) Company shall make underground extension of its facilities to serve new residential subdivisions or new multiple-occupancy buildings, in accordance with the provisions of the "Rules for Residential Electric Underground Service" of the Florida Public Service Commission; provided that the Applicant or Applicants, in accordance with the Rules of the Florida Public Service Commission, will pay to the Company in an amount equal to the difference in cost between an underground system (exclusive of supply system feeders) and an equivalent overhead system.

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*RULES AND REGULATIONS (Continued)*

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(2) Residential, commercial, industrial extensions

- (a) Company shall make underground extensions or alterations in its facilities in accordance with Rule 25-6.064 of Florida Public Service Commission and these Rules and Regulations to provide underground service to an applicant or group of applicants, within the Company's service area provided that the applicant, or group of applicants, pay the Company a contribution in aid of underground construction (CIAC)<sub>UG</sub> in an amount equal to the estimated difference in cost to provide underground service instead of overhead service to the Applicant(s) plus the amount, if any, by which the estimated cost to provide an overhead service exceeds the maximum amount of no-charge construction (CIAC)<sub>OH</sub> as determined in A(2) above.
- (b) The following formula shall be used to determine the contribution in aid of underground construction with all cost based on Rule 25-6.0342, FAC, Electric Infrastructure Storm Hardening:

$$(CIAC)_{UG} = (\text{estimated cost to provide underground service facilities including distribution line, transformer, service drop and other necessary fixtures}) \text{ minus } (\text{the estimated cost to provide service using overhead facilities}) \text{ plus } (CIAC)_{OH}.$$

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*RULES AND REGULATIONS (Continued)*

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8. Underground Electric Distribution Facility Charges

A. Definitions

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

- (1) Applicant: The Applicant is the person or entity seeking the undergrounding of existing or newly planned electric distribution facilities by the Company. When a developer requests local government development approval, the local government shall not be deemed the applicant for purposes of this rule.
- (2) Commission: Florida Public Service Commission.
- (3) Cost Estimate: A non-refundable deposit charged an Applicant by the Company for the purpose of preparing a binding cost estimate of the amount required for the Company to construct or convert particular distribution facilities as underground.
- (4) Company: Florida Public Utilities Company.
- (5) Distribution Facilities: All electrical equipment of the Company required to deliver electricity to homes and businesses.
- (6) Facility Charge: That charge required to be paid by an Applicant for the Company to construct or convert particular distribution facilities as underground.
- (7) High Density Subdivision: A subdivision having a density of six (6) or more dwelling units per acre.
- (8) Low Density Subdivision: A subdivision having a density of at least 1.5 dwelling units per acre but less than six (6) dwelling units per acre.
- (9) Overhead: Pertains to distribution facilities consisting of conductors, switches, transformers, etc. which are installed above ground on supporting poles.
- (10) Underground: Pertains to distribution facilities consisting of conductors, switches, transformers, etc. which are installed below or on the ground.

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*RULES AND REGULATIONS (Continued)*

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B. General

(1) Application

This tariff section applies to request for underground electric distribution facilities offered in lieu of overhead facilities. The installation of underground distribution lines in new residential subdivisions is not covered in this section of the tariff. These installations are covered under “Rules of the Florida Public Service Commission”, Chapter 25-6, Part V, “Rules for Residential Electric Underground Extensions”, and the Company’s “Rules and Regulations”, Item 7.

(2) Application Request

An applicant shall submit a request in writing for the Company to develop a cost estimate to accomplish the undergrounding of particular electric facilities. The request shall be accompanied by an appropriate deposit and shall specify the following information:

- a. the area(s) being sought to be undergrounded
- b. a list of all electric customers affected
- c. an estimated time frame for undergrounding to be accomplished
- d. details of any construction by the Applicant
- e. any other pertinent information which the Applicant possesses that may assist the

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*RULES AND REGULATIONS (Continued)*

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C. Cost Estimate Deposits

(1) Non-Binding Cost Estimates

The Company will provide a non-binding cost estimate related to the request at no cost to the Applicant. The non-binding cost estimate shall be an order of magnitude estimate to assist the requestor in determining whether to go forward with a binding cost estimate.

(2) Binding Cost Estimates

Upon the payment of a non-refundable deposit, as specified below, the Company shall provide an applicant with a binding cost estimate specifying the facility charge required for the installation. The facility charge to be collected pursuant to a binding cost estimate from an applicant shall not be subject to increase or refund unless the project scope is enlarged or reduced, or the project is not completed at the request of the applicant.

The deposit shall be forfeited, and the binding cost estimate provided to an Applicant shall be considered expired, if the Applicant does not enter into a contract for the installation of the requested underground electric distribution within 180 days of delivery of the binding cost estimate by the Company. For good cause the Company may extend the 180 day time limit.

The deposit for a binding cost estimate, which approximates the engineering costs for underground facilities associated with preparing the requested estimate, shall be calculated as follows:

I. New Construction (Excluding New Residential Subdivisions)

<u>Facilities Classification</u>	<u>Deposit Amount</u>
Urban Commercial	\$3,715 per overhead primary mile
Urban Residential	\$2,565 per overhead primary mile
Rural Residential	\$1,946 per overhead primary mile

II. Conversions

<u>Facilities Classification</u>	<u>Deposit Amount</u>
Urban Commercial	\$5,750 per overhead primary mile
Urban Residential	\$4,511 per overhead primary mile
Rural Residential	\$3,273 per overhead primary mile
Low Density Subdivision	\$18.00 per lot
High Density Subdivision	\$17.00 per lot

The deposit must be paid to the Company to initiate the estimating process. The deposit will be applied in the calculation of the facility charge to be required for the installation of underground distribution facilities.



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*RULES AND REGULATIONS (Continued)*

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D. Construction Contract

(1) General

Upon acceptance by the Applicant of a 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 those other terms and conditions described in Part (4) below.

(2) Facilities Charge

The charge shall be calculated in accordance with the appropriate formula described below with all cost based on Rule 25-6.0342, FAC, Electric Infrastructure Storm Hardening:

a. New Construction

Charge =

Estimated cost of construction of underground facilities including underground service laterals to customers' meters;  
Minus, estimated construction cost of overhead facilities including overhead service drops to customers' meters;  
Minus, qualifying cost estimate deposit.

b. Conversion

Charge =

Remaining 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 cost of construction of underground facilities including underground service laterals to customers' meters;  
Minus, estimated construction cost of overhead facilities including overhead service drops to customers' meters;  
Minus, qualifying cost estimated deposit.

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*RULES AND REGULATIONS (Continued)*

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E. Construction By Applicant

If agreed upon by 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 cost estimate.

F. Other Terms And Conditions

- (1) Easements: Easements satisfactory to both the Company and the Customer must be provided for by the Applicant prior to commencement of construction at no expense to the Company. Additional easements are not required when facilities are to be 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 and where underground electrical facilities are not prohibited. Where underground distribution facilities for serving more than one customer are located on private property, easements are required.

Secondary voltage underground facilities wholly within one property for the purpose of serving only one customer do not require easements. All primary voltage underground facilities require easements. Easements are not required for facilities in public rights-of-way.

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*RULES AND REGULATIONS (Continued)*

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- (2) **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 obstruction, 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, pullbox, and switch locations.
- (3) **Restoration:** All removal and restoration of buildings, roads, driveways, sidewalks, patios, fences, ditches, landscaping, sprinkler systems, other utilities, etc. shall be the full responsibility of the Applicant and shall cause no cost to the Company. Removal of all construction debris not belonging to the Company shall be the responsibility of the Applicant or other.
- (4) **Other Joint Users on the Company Poles:** Applicant must make arrangements with all other overhead utilities and third parties to remove their overhead facilities from the Company's poles prior to construction or to concurrently convert their facilities to underground or remove them at no cost to the Company. The Applicant shall produce, if requested by the Company, executed agreements with all joint users guaranteeing this requirement.
- (5) **Affected Electric Customers:** Applicant must make arrangements with all affected Company customers to, in a timely fashion, prepare their premises and service entrance for underground electrical service from the new underground distribution system. All customers affected by the undergrounding request must agree to accept underground service. This customer conversion will be at no cost to the Company.
- (6) **Damage to Company's Underground Facilities:** The Applicant shall be responsible to ensure 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 employ, but also to his subcontractors, and he shall be responsible for the full cost of repairing such damage.