

RESOLUTION NO. 12-06

A RESOLUTION REVISING THE REQUIREMENTS FOR CHARGES REGARDING ELECTRIC LINE EXTENSIONS OR ADDITIONS FOR RESIDENTIAL AND COMMERCIAL CUSTOMERS OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, AND REVISING SECTION 1.02 OF THE ELECTRIC SERVICE RULES AND REGULATIONS, RESCINDING ALL RESOLUTIONS, OR PORTIONS THEREOF, IN CONFLICT HEREWITH AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Utilities Commission, City of New Smyrna Beach, Florida, has the full and exclusive authority over the management, supply, operation and control of all the City's electric, water and wastewater (sanitary sewer), and reuse (reclaimed) water utilities and has the duty to prescribe rules, rates and regulations governing the use of such facilities, wherever such are provided by the Utilities Commission, and to make such changes from time to time in the rules, rates and regulations as it deems necessary; and

WHEREAS, the Utilities Commission has in the past, and plans to continue in the future, to provide electric primary distribution facilities to residential and commercial customers, and recognized the need for a clear and concise Statement of Policy as to the qualifications and prerequisites for electric line extensions, and introduced and adopted the existing electric line extension policy on November 10, 1982, in Section 1.02 of the Utilities Commission Electric Service Rules and Regulations; and

WHEREAS, the Utilities Commission subsequently recognized a shortfall in the recovery of costs for electric line extensions or additions, and the need to revise said policy to recover all the costs of operation and maintenance expenses for said extensions or additions; and

WHEREAS, the Utilities Commission presented said proposed change in policy to the customers of the Utilities Commission, and to other parties of interest, at two public hearings, which were duly noticed and advertised on this matter; preliminary public hearing held on September 18, 2006 and final public hearing held on October 16, 2006.

NOW, THEREFORE, BE IT RESOLVED BY THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, AS FOLLOWS:

SECTION 1: That the following rate schedule has been revised as shown on the tariff sheet attached to and made a part of this resolution as follows: First Revised Sheet No. 4.5 – RATE SCHEDULE – ELECTRICAL LINE EXTENSIONS OR ADDITIONS.

SECTION 2: If any section, subsection, sentence, clause, phrase, or portion of this Resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereof.

SECTION 3: All Resolutions, or portions thereof, in conflict herewith are hereby rescinded and superseded.

SECTION 4: After adoption by the Utilities Commission, this Resolution shall take effect November 1, 2006.

THE ABOVE AND FOREGOING RESOLUTION was introduced at a regular meeting of the Utilities Commission, City of New Smyrna Beach, Florida, held on October 16, 2006, by Commissioner Spangler, who moved its adoption, which motion was seconded by Commissioner Allen, and upon roll call vote of the Commission was as follows:

CHAIRMAN	<u>[Signature]</u>	yes
VICE CHAIRMAN	<u>[Signature]</u>	yes
SECY.-TREAS.	<u>[Signature]</u>	yes
ASST. SECY.-TREAS.	William Hall	ABSENT
COMMISSIONER	<u>[Signature]</u>	yes

APPROVED:
[Signature]
CHAIRMAN

ATTEST:
[Signature]
SECRETARY-TREASURER

S E A L

APPROVED AS TO FORM AND
CORRECTNESS:
[Signature]
Utilities Commission Attorney

ELECTRICAL POLE LINE EXTENSIONS OR ADDITIONS

ELECTRIC POLE LINE EXTENSIONS:

Is the construction of an aboveground (overhead) primary distribution facility, which adds to the Utilities Commission's existing facilities.

APPLICATIONS:

Upon acceptance of the application for service in the Utilities Commission service territory, the Utilities Commission will proceed to do such work and to provide and install such equipment as may be necessary in order to render service. This may include the extension of an existing line when necessary. In general, where the major portion of an anticipated extension will be built on public rights-of-way, and the new customer can reasonably be characterized as permanent, then the Utilities Commission will do all necessary construction at no cost to the customer. Where these guidelines clearly do not apply, the Utilities Commission may charge the customer all costs in excess of 2-1/2 times the estimated annual non-fuel revenue (exclusive of the costs for transformers, secondary connections, and meters), and/or such other charges as the particular circumstance may dictate. When kW demand factors, intermittent usage patterns, or premature investment result in necessarily inefficient utilization of the Utilities Commission's facilities, the Utilities Commission may require cash advances, minimum guarantees, or other means of providing a fair return on investment.

The terms and charges will be determined by the Utilities Commission staff based on the above conditions.