

**UNDERGROUND FACILITIES CONVERSION AGREEMENT –
GOVERNMENTAL ADJUSTMENT FACTOR WAIVER**

This Agreement is made and entered into this _____ day of _____, 20____, by and between
CITY OF CORAL GABLES (“Local Government Applicant”), a Florida municipal corporation or county with an
address of 405 Biltmore Way, Coral Gables, FL 33134 and **FLORIDA POWER & LIGHT COMPANY** (“FPL”), a Florida
corporation with an address of P.O. Box 14000, 700 Universe Boulevard, Juno Beach, FL 33408-0429.

WHEREAS, the Local Government Applicant has requested that FPL convert certain overhead electric distribution facilities
located within the following boundaries (the “Conversion”):

Along Casuarina Concourse – Old Cutler Rd. to the 700 block of Casuarina Concourse (collectively, the “Existing Overhead
Facilities”) to underground facilities, including transformers, switch cabinets and other appurtenant facilities installed above
ground as set forth in Attachment A hereof (collectively, the “Underground Facilities”, WR # 6207621).

NOW THEREFORE, in consideration of the foregoing premises and the covenants and agreements set forth herein, and other
consideration the sufficiency of which is hereby acknowledged, the parties intending to be legally bound, hereby covenant and
agree as follows:

1. **Governmental Adjustment Factor Waiver (“GAF Waiver”) Eligibility Criteria.** The Local Government Applicant
represents and warrants that it meets the following eligibility criteria for the Conversion:
 - a. In order for the Conversion to incorporate a sufficient amount of overhead facilities to provide electrical
continuity, the Conversion must include a minimum of approximately 3 pole line miles or approximately 200
detached dwelling units within contiguous or closely proximate geographic areas (the “Conversion Area”). The
Conversion may be completed in mutually agreed upon phases, with the project size minimums applying to the
aggregate project – provided that any necessary subsequent phase begins within a 1 year period from
completion of the prior phase and the minimums are met within, at most, 3 phases; and
 - b. The Local Government Applicant must require all customers within the Conversion Area who currently have
overhead service directly from the Existing Overhead Facilities to convert their service entrances to
underground within 6 months of completion of the Underground Facilities installation or each phase thereof;
and
 - c. The Local Government Applicant must be willing and able to execute a right of way (“ROW”) agreement with
FPL if the Local Government Applicant requests that facilities be placed in the ROW; and
 - d. For any affected laterals, the complete lateral must be converted, including all stages of any multi-stage lateral;
and
 - e. The Local Government Applicant must demonstrate to the reasonable satisfaction of FPL that the sum of the
GAF Waiver credit plus any federal or state funds that the Local Government Applicant is able to use to support
the Conversion does not exceed the otherwise applicable CIAC as calculated before application of the GAF
Waiver.

Special Circumstances. Conversions which do not meet the project size minimums described in section 1.a are
eligible for the GAF Waiver in the following special circumstances:

- i. 100% of the Existing Overhead Facilities within the Local Government Applicant’s corporate limits
are to be converted, but are less than the pole line mileage or dwelling unit minimums; or
- ii. A single lateral that serves at least one Critical Infrastructure Facility as determined by the
appropriate local agency with the mutual agreement of FPL; or
- iii. An island or peninsula where 100% of the Existing Overhead Facilities are to be converted; or

(Continued on Sheet No. 9.726)

(Continued from Sheet No. 9.725)

iv. When the aggregate size of the first 3 phases of a project would satisfy the minimum size criteria but, for mutually-agreed engineering or logistical reasons, those phases are non-contiguous; provided that (a) the next (4th) phase must be adjacent to one or more of the first 3 phases such that the combined contiguous area meets the minimum size criteria, and (b) this 4th phase begins within 1 year from completion of the 3rd phase.

2. **Contribution-in-Aid-of-Construction (CIAC).** The Local Government Applicant shall pay FPL a CIAC as required by FPL's Electric Tariff and Section 25-6.115 of the Florida Administrative Code with the Otherwise Applicable CIAC amount reduced by the GAF Waiver.

i. Otherwise Applicable CIAC	\$ 1,301,928	_____
ii. GAF Waiver	\$ 325,482	_____
iii. CIAC Due	\$ 976,446	_____ (FPL Performs ALL UG Work)

In the event the actual cost of the Conversion exceeds the estimate, the Otherwise Applicable CIAC shall be adjusted by the lesser of (a) the difference between the actual cost of the Conversion and the estimate, or (b) 10% of the Otherwise Applicable CIAC identified above. The GAF Waiver shall also be adjusted accordingly and the Local Government Applicant shall pay FPL the resulting difference in the amount of the CIAC Due.

3. **Applicant-Installed Facilities.** The Local Government Applicant may, upon entering into an applicant-installed facilities agreement satisfactory to FPL, construct and install all or a portion of the Underground Facilities. Such work must meet FPL's construction standards and FPL will own and maintain the completed facilities. The Local Government Applicant agrees to rectify any deficiencies, found by FPL, prior to the connection of any customers to the Underground Facilities and the removal of the Existing Overhead Facilities.
4. **Compliance with Tariff.** The Local Government Applicant agrees to comply with and abide by the requirements, terms, and conditions of FPL's Electric Tariff.
5. **Timing of Conversion.** Upon compliance by the Local Government Applicant with the requirements, terms, and conditions of FPL's Electric Tariff, this Agreement and any other applicable agreements, FPL will proceed in a timely manner with the Conversion in accordance with the construction drawings and specifications set forth in Attachment A hereof.
6. **Relocation.** In the event that the Underground Facilities are part of, or are for the purposes of, relocation, then this Agreement shall be an addendum to the relocation agreement between FPL and the Local Government Applicant. In the event of any conflict between the relocation agreement and this Agreement or the Electric Tariff, this Agreement and the Electric Tariff shall control.
7. **Term.** This Agreement shall remain in effect for as long as FPL or any successor or assign owns or operates the Underground Facilities.
8. **GAF Waiver Repayment.** If the Local Government Applicant does not satisfy the relevant eligibility criteria, the Local Government Applicant shall repay the GAF Waiver within 30 days of written notice from FPL of such failure. Additionally, if at any point within 30 years of completion of the Underground Facilities installation, the Local Government Applicant elects to have electric service within the Conversion Area supplied by a provider other than FPL, the Local Government Applicant shall repay FPL a pro-rata share of the GAF Waiver. The pro-rata share (which shall reflect partial years) shall be determined as follows:

$$\text{GAF Waiver} * [(30 - \text{years since the Underground Facilities completion date}) / 30]$$

(Continued on Sheet No. 9.727)

(Continued from Sheet No. 9.726)

- 9. **Termination Prior to the Conversion Completion.** Failure by the Local Government Applicant to comply with any of the requirements, terms, or conditions of this Agreement or FPL's Electric Tariff shall result in termination of this Agreement. The Local Government Applicant may terminate this Agreement at any time prior to the start of the Conversion and the CIAC paid by the Local Government Applicant will be refunded to the Local Government Applicant; provided however, that the refund of the CIAC shall be offset by any costs incurred by FPL in performing under the Agreement up to the date of termination.
- 10. **Assignment.** The Local Government Applicant shall not assign this Agreement without the written consent of FPL.
- 11. **Adoption and Recording.** This Agreement shall be adopted by the Local Government Applicant and maintained in the official records of the Local Government Applicant for the duration of the term of this Agreement. This Agreement also shall be recorded in the Official Records of the County in which the Underground Facilities are located, in the place and in the manner in which deeds are typically recorded.
- 12. **Conflict between Terms of Franchise Agreement.** In the event of a conflict between the terms of this Agreement and any permit or franchise agreement entered into by Local Government Applicant and FPL, the terms of this Agreement shall control.

IN WITNESS WHEREOF, FPL and the Local Government Applicant have executed this Agreement on the date first set forth above.

CITY OF CORAL GABLES

FPL

Signed _____

Signed _____

Name _____

Name _____

Title _____

Title _____

Signed _____

Name _____

Title _____

Approved as to Terms and Conditions

Signed _____

Name _____

Title _____

Approved as to Form and Legal Sufficiency

Signed _____

Name _____

Title _____

Overhead to Underground Conversion - Customer Cost Sheet

Project: City of Coral Gables - Gable Estates (CC)

Date Estimate Provided to Customer: May 2, 2016

FPL Performs All Work

Underground Cost

New UG Installation (+)	\$1,371,101	Cost for FPL to install new underground facilities
Equivalent OH Installation (-)	(\$233,079)	Cost to install an overhead system at current hardening standards

Existing Overhead Cost

OH Removal & Make Ready Cost (-)	\$84,550	Cost for FPL to remove existing overhead facilities
Existing OH Value (+)	\$69,217	Net Book Value of existing OH facilities to be removed
Operational Cost Diff (+)	\$10,139	
Salvage Value (-)	\$0	Credit for re-usable items
Subtotal*	<u>\$1,301,928</u>	Total customer contribution as specified in Tariff 12.2.3
GAF	<u>(\$325,482)</u>	
CIAC*	<u>\$976,446</u>	
Engineering Deposit (-)	<u>(\$7,346)</u>	Engineering deposit previously collected
Net Due FPL*	<u>\$969,100</u>	Total customer contribution owed

Cost Breakdowns for Customer Contributions

	Total	Labor/Vehicle	Material	Direct Engineering, Supervision, and Support
New UG Facilities (+)	\$1,371,101	\$580,644	\$518,533	\$271,924
Credit for equivalent OH (-)	(\$233,079)	(\$86,738)	(\$98,701)	(\$47,640)
OH Removal Cost (+)	\$84,550	\$73,475	\$0	\$11,075
Total	<u>\$1,222,572</u>	<u>\$567,381</u>	<u>\$419,832</u>	<u>\$235,359</u>
Net Book Value (+)	\$69,217			
Operational Cost Diff (+)	\$10,139	(1.2 miles)		
Salvage Value (-)	\$0			
Subtotal*	<u>\$1,301,928</u>			
GAF	<u>(\$325,482)</u>			
CIAC*	<u>\$976,446</u>			
Engineering Deposit (-)	<u>(\$7,346)</u>			Engineering deposit previously collected
Net Due FPL*	<u>\$969,100</u>			

Major Material Breakdown

	Quantity	Item
Install	47,638	Primary UG Cable (feet)
	3	UG Switch Cabinet (VISTA's)
	23	UG Transformer (each)
	10	Splice box for UG feeder (each)
Remove	16,995	OH Primary Conductor (feet)
	13	Poles (each)
	30	OH Transformer (each)
	594	Primary UG Cable (feet)