Understanding Underground

The overhead to underground conversion process

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FPL®

POWERING TODAY.
EMPOWERING TOMORROW.®

What We Plan To Do Today…

- Overhead and underground systems
  - Main factors
- The undergrounding process
- Financial Support
- Storm Securesm
- Our commitment to you

Encourage Underground

- Almost 40% FPL distribution currently underground
- 67% of new homes and businesses are underground
- FPL
  - Supports ordinances requiring undergrounding
  - Received approval to invest portion of the cost to convert overhead lines to underground

Overhead-Underground Main Factors

- Aesthetics
- Reliability performance
- Conversions
  - Cost
  - Process

Main Power Facilities

from poles & wires…

Feeder Lines

Feeder Switches

…to cabinets

Pad Mounted Switch Cabinet

Transformers…

go from aerial…

…to padmount

Service “Drops”

go from weatherhead…

...to riser

Requires a licensed electrician

Reliability: Normal Weather

	Overhead Lines	Underground Lines
Outage Frequency	More Susceptible to lightning strikes, fast-growing vegetation	Less More resilient to weather elements
Length of Outage	Shorter Easier to locate and repair damage	Longer Damage is difficult to locate Repair may require excavation Delayed by flooding

Reliability: Severe Storm Conditions

Overhead

Susceptible to:

- Wind
- Debris
- Soft ground

Underground

Susceptible to:

- Flooding
- Tidal surge
- Saltwater contamination

Conversion Costs

- Contributing factors
  - Congestion & density
  - Site restoration
    - Landscaping
  - Easements
  - Streetlights
- Cost range $500,000 to $4 million per mile
  - FPL cost only
  - Does not include telephone and cable

Field conditions can present challenges and additional costs during conversion.

FPL's Plan to Support Conversions

- FPL has received approval to invest 25% of cost of qualified underground conversion projects sponsored by local governments
  - Governmental Adjustment Factor (GAF), 25% of the base Contribution-In-Aid-of-Construction (CIAC)
  - GAF is based on avoided storm restoration costs

GAF Eligibility Requirements

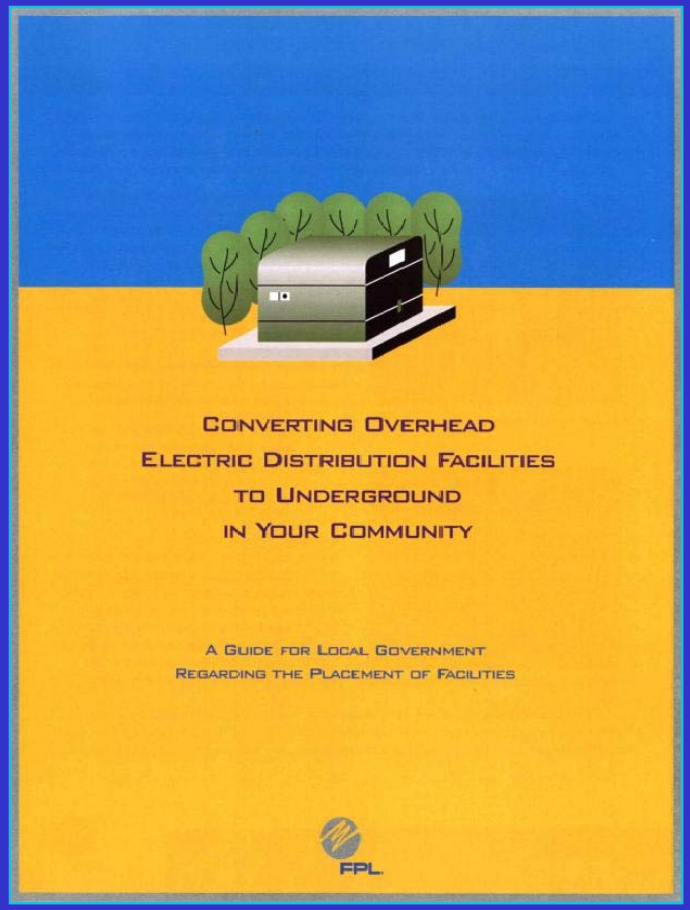
- Local government must be the applicant
- Community-wide project
  - Approximately 3 pole line miles or minimum 200 detached units
  - Islands or peninsulas
  - All affected customers must convert their services from overhead to underground

Conversion Process

- Applicant provides written request
- FPL provides non-binding ballpark estimate
- Applicant pays engineering deposit
- FPL provides a preliminary facilities layout
- Applicant secures easements or ROW agreement while FPL starts the engineering
- FPL performs detailed engineering/determines the binding cost

Right-of-Way Agreement

- Allows underground equipment to be placed in road rights-of-way as an alternative to private easements
  - Facility installations criteria are met
  - Local government assumes the responsibility for future relocations



Everyday Reliability

- Continue to harden the electrical Network
- Aggressive pole inspection schedule
- Cycled line clearing
- Encourage underground lines

Our Commitment to You

- Maintain dialogue with the community
- Listen to your interests and priorities
- Share updated information
- Provide dependable power and reliable service