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Management Review

of

Florida Power and Light Company
Street Light Expenditures

Report of Audit 05/06-XX-03

May 17, 2006



Office of Management and Budget

Internal Audit

MEMORANDUM NO. 06-33

DATE: May 17, 2006

TO: Public Works Director/Albert Carbon

SUBJECT: *Review of Florida Power and Light Company Street Light Expenditures – Account No. 07778-40281 (Index Code PBS680408/PBS030408)*

Enclosed is the “subject” Final Report of Audit.

Allyson C. Love
Director, Office of Management and Budget

Attachment - Final Report of Audit 05/06-XX-03

c: City Commission
City Manager/George Gretsas
Assistant City Manager/Kathleen Gunn
Assistant City Manager/Stephen Scott
Director of Finance/Betty Burrell

ACL/vf

REPORT OF AUDIT NO. 05/06-XX-03

DATE: February 17, 2006

TO: Public Works Director/Albert Carbon

VIA: Assistant Internal Audit Director/Renee Foley/5851

BY: Financial Management Analyst/Norm Mason

SUBJECT: **Review of Florida Power & Light Company Street Light Expenditures – Account No. 07778-40281 (Index Code PBS680408/PBS030408)**

BACKGROUND

As a regulated utility, Florida Power & Light Company (FPL) rates, rules and regulations are set by the Florida Public Service Commission (FPSC). The Electric Retail Tariff Book contains FPL's Electric Tariff Index of Rate Schedules specifying SL-1 (Sheet No. 8.715) for Street Lighting and provides details for the following monthly charges or clauses applied to the monthly rate:

Charge/Clause	Sheet No.
Fuel Charge	8.030
Conservation Charge	8.030
Capacity Payment Charge	8.030
Environmental Charge	8.030
Franchise Fee Clause	8.031
Tax Clause	8.031
Power Factor Clause	8.032

Service under the Street Lighting Rate Schedule SL-1 is subject to orders of governmental bodies having jurisdiction and to the currently effective "General Rules and Regulations for Electric Service" on file with the FPSC. In case of conflict between any provision of this schedule and said "General Rules and Regulations for Electric Service," the provision of this schedule shall apply. Application of this rate schedule is for lighting streets and roadways, whether public or private, which are thoroughfares for normal flow of vehicular traffic, as well as light for other applications such as municipally and privately owned parking lots and parks and recreational areas. Installation types include FPL-owned fixtures mounted on poles of FPL's existing distribution system and served from overhead wires. FPL will provide upon request special poles or underground wires at the charges on the SL-1 rate schedule: customer-owned systems are of a

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standard type and design, permitting service and lamp replacement at no abnormal cost to FPL. Service includes lamp renewals, patrol, and energy from dusk each day until dawn the following day and maintenance of FPL-owned Street Lighting Systems. Current Electric Charges/Total New Charges on the FPL account statement consist of the following three (3) major charges: 1) Electric Service Amount; 2) Gross Receipts Tax Increase; and 3) Franchise Charge.

The City of Fort Lauderdale (City) Public Works (PW) Department Finance Division receives FPL street lighting account statements from Finance/Central Accounting. Multiple bills including lighting and facilities are sent to the Maintenance Manager. The Maintenance Manager is responsible for reviewing and approving the account statements, and forwarding the account statements to Central Accounting for payment to FPL.

SCOPE

Our overall objective was to evaluate the effectiveness and adequacy of management and controls used over the City's street light expenditures. Judgmental sampling techniques were used to review seventeen (17) FPL street light account statements for the service period of November 3, 2003 through July 8, 2005. We reviewed procedures for processing account statements by the Finance and Public Works Departments to determine whether controls were in effect to verify: 1) timeliness of payments; 2) current rates were billed by FPL for the various charges included on account statements; and, 3) accuracy of units/quantities billed. Boundary testing via Geographical Information Systems (GIS) was performed to verify the City was only charged for services within corporate City limits. We did not conduct a physical inventory count. This audit was conducted according to generally accepted government auditing standards and accordingly, included such tests of internal controls as considered necessary under the circumstances. The review was conducted during the months of August through November 2005.

OVERALL EVALUATION

Internal control procedures were not adequate to determine whether FPL street lighting account statements were accurate and charges appropriate. The City paid erroneous late payment fees totaling \$4,858.63 billed by FPL. We noted certain conditions that warrant management's attention to enhance the overall internal control environment. No written procedures exist on the handling and processing

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of FPL street light account statements, as well as a lack of reconciliations of rates and quantities billed. Rates charged for services were not verified to determine that the currently effective FPSC approved rate schedule was being charged on the account statements. Quantities billed were not verified to an Inventory List as to ownership/responsibility and count. PWM does not maintain an Inventory List of fixtures owned and maintained by FPL or those owned and maintained by the City. PWM also does not maintain a record of Street Lighting Agreements to confirm and track installations and removals of street fixtures to update an Inventory List. Furthermore, boundary testing revealed the City paid for facilities that may be outside of the corporate City limits.

FINDING 1

Internal control procedures were not adequate to determine whether FPL street lighting account statements were accurate and charges appropriate.

Our review of 17 FPL street lighting account statements for account #07778-40281 totaling \$5,861,817 for the period beginning with invoice date 11/03/03 through 07/08/05¹ revealed the following weaknesses (**Schedule 1**):

- No written procedures exist governing the processing of FPL street lighting account statements. The City was not performing a monthly reconciliation to support quantities billed and rates charged. (***Asset accountability/Fixed responsibility/ segregation of duties***)
- 2 (12%) of 17 invoices reviewed included late fees totaling \$4,858.63 that were charged erroneously. No communication was evidenced between PWM staff and FPL as to why late fees had been assessed. (***Asset accountability/safeguarding of assets***)

According to Barbara Roush/FPL Lighting Services Specialist (LSS), the fees were inappropriately assessed due to a backlog of billings. Account statements were not distributed from FPL on a timely basis from October 2004-January 2005 as a result of the hurricane relief efforts conducted by billing personnel. However, late payment charges totaling \$4,858.63 would be written off on account #07778-40281.

- Multiple billing periods were invoiced by FPL on numerous occurrences as opposed to receiving bills on a monthly billing cycle, which causes further

¹ Schedule 1, Item 10 Statement dated 8/5/04 contains charges for billing periods that go back to 1/6/03. Therefore, \$1,079,541.31 of total reviewed was for service dates 1/6/03 – 10/2/03.

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problems with payment accruals to the proper fiscal year. (*Asset accountability/prevention/detection controls*)

- Bills were not evidenced in PWM files for months subsequent to 8/5/04 and prior to 1/7/05 statement dates, nor did Finance/Central Accounting know whether the City ever received bills for these billing periods. Furthermore, no communication was evidenced to show efforts taken to contact FPL, nor did PWM staff go online to the FPL website: www.fpl.com/largebusiness/customer_service.shtml to obtain account information for the missing bills. (*Prevention/detection controls*)
- Rates charged for services were not verified by PWM staff to determine that the currently approved FPSC rate schedule SL-1 for Street Lighting was being applied to the bill. (*Asset accountability/safeguarding of assets*)
- No Inventory List was evidenced for City and/or FPL-owned street light facilities within the City of Fort Lauderdale to properly verify the accuracy of the quantities billed. Furthermore, quantities of facilities (e.g., fixtures and poles) were not being verified to ownership and maintenance responsibility on the account statement or component type and the physical location of the various components is not known/recorded. (*Asset accountability/safeguarding of assets*)
- No Street Light Agreements were maintained by PWM to record and track new installations and removals to those invoiced by FPL; thus, were not reconciled to “Summary of Changes to Total Number of Facilities by Location” of account statement (**Schedule 2**). (*Asset accountability/safeguarding of assets*)
- 23 (68%) of 34 components billed were City-owned and maintained units; however, FPL Detail of Rate Schedule Charges for Street Lights contained component codes that did not agree with those listed in the FPL Street Lighting Fixture Inventory Report. (*Asset accountability/safeguarding of assets*)

FPL's LSS indicated the FPL database became unmanageable using the existing component code structure. The Inventory Report provided was modified to utilize a new component code structure. However, the account statement process had not been updated at this point in time in order to incorporate the new component codes. Thus, the old codes remain on the account statements. An FPL Inventory Worksheet was provided to use as a cross-reference from the old to new component code.

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Establishment of an adequate system of controls and successful oversight/monitoring will help to ensure accurate and appropriate billing and payment of services rendered, including resolution of any erroneous fees and billing practices.

RECOMMENDATIONS AND MANAGEMENT COMMENTS

The *Public Works Director* should require the *Maintenance Manager* to:

Recommendation 1. *Establish written policies and procedures that incorporate, at a minimum, the recommendations mentioned below.*

Management Comment. *Management concurred with the finding and recommendation and stated:* “There are 260 FPL accounts paid by the City. These include all City buildings and water and wastewater facilities and pump stations. Additional staffing is required to implement this audit recommendation. Public Works has included one additional position to implement and maintain policies and procedures to review and promptly pay all FPL invoices. Public Works will develop an approved written policy by September 30, 2006 to correspond with the 2006/07 budget and staffing approval.” **Estimated completion date September 30, 2006.**

Recommendation 2. *Confirm credit was received from FPL for erroneous late fees totally \$4,858.63 for account #07778-40281. If not, follow-up with FPL Lighting Service Specialist.*

Management Comment. *Management concurred with the finding and recommendation and stated:* “Public Works will contact FPL regarding the erroneous late fee by June 1, 2006.” **Estimated completion date June 1, 2006.**

Recommendation 3. *Develop a control system to thoroughly scrutinize charges billed to identify any extraordinary and/or unusual charges such as erroneous late fees.*

Recommendation 4. *Consider the processing of FPL account statements with newly established procedures to be completed on the 15th and 30th day of the month (or the closest business day thereafter) to promote efficiency and avoid a possible late payment fee in the future (e.g., promoting payment by or closer to due date than within grace period).*

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Management Comment. *Management concurred with the finding and recommendations 3 and 4 and stated: “See staffing recommendation in Management Comment # 1.” Estimated completion date September 30, 2006.*

Recommendation 5. *Send a letter to FPL to emphasize the City’s need to receive account statements on a monthly basis/billing cycle and reflect the new component codes to facilitate reconciliation.*

Management Comment. *Management concurred with the finding and recommendation and stated: “Public Works will send a letter to FPL on billing cycles.” Estimated completion date June 15, 2006.*

Recommendation 6. *Not authorize payment of future new charges until receipt of prior account statement has been received and reviewed for accuracy and appropriateness. If account statement has not been received, it can be obtained on FPL’s corporate website: www.fpl.com/largebusiness/customer_service.shtml.*

Management Comment. *Management concurred with the finding and recommendation and stated: “Public Works will include this in the FPL billing cycling letter.” Estimated completion date June 15, 2006.*

Recommendation 7. *Verify rates billed on the account statement agree with those on the currently effective rate schedule approved by the Florida Public Service Commission to ensure FPL is applying the correct rate to each component. The Rate Schedule for Street Lighting is SL-1 located on FPL’s corporate website: www.fpl.com/about/rates/pdf/electric_tarriff_section_8.pdf.*

Management Comment. *Management concurred with the finding and recommendation and stated: “See staffing recommendation in Management Comment # 1.” Estimated completion date September 30, 2006.*

Recommendation 8. *Verify quantities billed by FPL are validated/reconciled monthly to quantities by component using the Inventory List. Maintaining a current inventory list of streetlight fixtures within the corporate limits of the City can be accomplished by using the Inventory List OMB obtained from FPL. Inventory list should be updated with any subsequent Street Lighting Agreements. Once updated, reconciliation must be made between quantities/components to “Summary of Changes to Total Number of Facilities by Location” section of invoice.*

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Management Comment. *Management concurred with the finding and recommendation and stated:* “See staffing recommendation in Management Comment # 9.” **Estimated completion date December 31, 2006.**

Recommendation 9. *Require a physical count be conducted to validate the accuracy of components/facilities existence on an updated Inventory List. Any exceptions found during the physical inventory should be brought to the attention of the FPL Account Manager with a written request that the City be given credit for the erroneous billing on a retroactive rather than a prospective basis.*

Management Comment. *Management concurred with the finding and recommendation and stated:* “FPL is currently performing an inventory of all billable elements related to street lighting. FPL has stated this inventory should be available in August provided there are no exceptional storms this year. Once this is received the Maintenance Division will hire either a consultant or interns to verify this inventory. Public Works will be hiring 2 or 3 engineering interns (1st and 2nd year engineering students) this summer. One of their assignments will be to inventory the City street light system.” **Estimated completion date December 31, 2006.**

Recommendation 10. *Periodically monitor the policies and procedures to be established to ensure system of internal controls is adequate to detect and prevent errors.*

Management Comment. *Management concurred with the finding and recommendation and stated:* “See staffing recommendation in Management Comment # 1. Review of policies and procedures will be completed quarterly.” **Estimated completion date September 30, 2006.**

The *Public Works Director* should require *Finance Support*:

Recommendation 11. *Staff to review all FPL accounts for accuracy and appropriateness of charges billed/paid by the City as a result of the issues contained in this report. Any exceptions found during the review should be brought in writing to the attention of the FPL Account Manager for resolution.*

Management Comment. *Management concurred with the finding and recommendation and stated:* “See staffing recommendation in Management

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Comment # 1. Public Works Finance section will assist and review the FPL billing policies and verify policies have been met before paying the final bill.” **Estimated completion date September 30, 2006.**

FINDING 2

The City paid for services rendered that may be outside of the corporate limits of the City.

The City’s GIS Specialist plotted the coordinates for the various street light components/facilities from the Inventory List we obtained from FPL to ascertain whether the City was being charged for services only within the corporate City limits.

According to map of FPL street light facilities provided by GIS, 159 (0.86%) of 18,492 components plotted appear to fall outside of the corporate City limits (**Figure 1**).

Account No.	Qty Outside of City Limits
07778-40281	131
50884-44012	28
Total	159

Furthermore, on 28 of 159 components the City entered into a Premium Lighting Agreement with FPL to install decorative street lights at Radice Corporate Center Park at NE 7th Avenue and Cypress Creek at a cost of \$57,036.25 approved by the City Commission on July 6, 2000. Based on the response received on account 50884-44012, Internal Audit questions whether points plotted in the map are accurate.

Internal Audit to determine whether the 159 facilities should be removed from the respective accounts and credits issued for erroneous billing on a retroactive basis rather than a prospective basis forwarded to Barbara Roush/FPL’s LSS on October 10, 2005, who estimated a six (6) week response time was needed. To date, no response has been received from FPL LSS. However, we did receive a response from Ray Rynning, FPL Account Manager to indicate an agreement exists that allowed for the installation of the decorative lighting.

Verification of the accuracy of the street light facilities falling outside of the corporate City limits will confirm payments made are appropriate.

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RECOMMENDATION 12

The Public Works Director should require the Maintenance Manager to verify/confirm the accuracy of street light facilities mapped by GIS Specialist using FPL shape files of the 159 plotted points falling outside of the corporate City limits. If the outcome is confirmed, include in letter to FPL (Recommendation 5) following up on previous written request the results of FPL's LSS to research 159 components falling outside of the City limits. Any exceptions found should be brought to the attention of the FPL Account Manager with a written request that the City be given credit for the erroneous billing on a retroactive rather than prospective basis.

MANAGEMENT COMMENT

*Management concurred with the finding and recommendation and stated: "FPL is currently performing an inventory of all billable elements related to street lighting. FPL has stated this inventory should be available in August provided there are no exceptional storms this year. Public Works is working with the City Information Technology Department to verify addresses of the components shown outside the City. Also, Public Works is hiring summer interns to verify street light and FPL service locations." **Estimated completion date December 31, 2006.***

EVALUATION OF MANAGEMENT COMMENTS

Management comments provided and actions taken and/or planned are considered responsive to the recommendations. Since over \$1M is paid annually to FPL for this account alone, verification of the accuracy and appropriateness of account statements prior to processing for payment must occur immediately with existing staffing for FPL accounts.

**City of Fort Lauderdale - Office of Management and Budget
Review of FPL Street Lighting Expenditures
(Account #07778-40281; Index Code PBS680408/PBS030408)**

Schedule 1

Per FPL Account Statements					A	B	C	D	E (A+B+C+D)	Per IA (FAMIS & Check Detail)		
Item #	Statement Date	Service Dates	Billing Periods	Previous Statement Balance	Payments Received	Additional Activity	New Charges	Total Due	Amount Paid	Check #	Check Date	
1	11/3/03	10/3/03	11/3/03	1	\$ 125,114.00	\$ -	\$ -	\$ 125,002.96	\$ 250,116.96	\$ 125,002.96	324389	12/10/03
2	12/4/03	11/3/03	12/4/03	1	250,116.96	(125,114.00) *	-	125,130.88	250,133.84	125,130.88	325177	12/23/03
3	1/7/04	9/4/03	1/7/04	4	250,133.84	(250,133.84)	(375,122.60)	498,443.41	123,320.81	123,320.81	328227	02/10/04
4	2/6/04	1/7/04	2/6/04	1	123,320.81	-	(970.72)	123,429.15	245,779.24	122,458.43	330063	03/04/04
5	3/9/04	2/6/04	3/9/04	1	245,779.24	(245,779.24)	-	123,429.15	123,429.15	123,429.15	331473	03/31/04
6	4/7/04	2/6/04	4/7/04	2	123,429.15	(123,429.15)	(123,429.15)	246,901.06	123,471.91	123,471.91	334398	05/10/04
7	5/6/04	2/6/04	5/6/04	3	123,471.91	-	(246,901.06)	370,324.17	246,895.02	246,895.02	336143	06/04/04
8	6/7/04	5/6/04	6/7/04	1	246,895.02	(123,471.91)	-	123,419.68	246,842.79	123,419.68	337693	06/30/04
9	7/7/04	6/7/04	7/7/04	1	246,842.79	(374,867.04) ^	-	123,426.74	(4,597.51)	-	-	-
10	8/5/04	1/6/03	8/5/04	19	(4,597.51)	-	(2,198,146.63)	2,316,626.14	113,882.00	113,882.00	341883	08/31/04
	9/5/04	8/6/04	9/5/04									
	10/5/04	9/6/04	10/5/04									
	11/5/04	10/6/04	11/5/04									
	12/5/04	11/6/04	12/5/04									
11	1/7/05	12/6/04	1/7/05	1	492,002.15	-	-	125,157.62	617,159.77	125,157.62	356647	03/17/05
12	2/8/05	1/7/05	2/8/05	1	617,159.77	-	4,552.34 ^	125,157.62	746,869.73	125,157.62	360535	03/31/05
13	3/10/05	1/7/05	3/10/05	2	746,869.73	-	(125,157.62)	256,930.68	878,642.79	256,930.68	362323	04/22/05
14	4/8/05	1/7/05	4/8/05	3	878,642.79	(250,315.24)	(256,930.68)	392,631.03	764,027.90	392,631.03	363744	05/10/05
15	5/9/05	1/7/05	5/9/05	4	764,027.90	(256,930.68)	(388,917.06)	521,953.02	640,133.18	521,953.02	365725	06/06/05
16	6/8/05	5/9/05	6/8/05	1	640,133.18	(392,631.03)	-	131,896.54	379,398.69	-	-	-
17	7/8/05	6/8/05	7/8/05	1	379,398.69	(521,953.02)	-	131,957.16	(10,597.17)	-	-	-
	Total				\$ 6,248,740.42	\$ (2,539,511.15)	\$ (3,711,023.18)	\$ 5,861,817.01	\$ 5,734,909.10	\$ 2,648,840.81		
	Portion of payment FPL applied to Add'l Activity					\$ 4,552.34 ^						
						\$ (2,534,958.81)						
	Payment Made by City ~					\$ (113,882.00)						
	Total Payments made by City/Received by FPL					\$ (2,648,840.81)						
Legend:												
* Payment not included in total since prior to 10/3/03 service date.												
^ Payment totaled \$370,314.70; however, FPL posted \$374,867.04 to "Payments" received and \$4,552.34 to "Additional Activity."												
~ Confirmed receipt of payment via verification on FPL Website and CFL FAMIS.												
Unable to determine whether account statement(s) were ever issued/sent by FPL and/or received by City (missing account												
Includes more than one billing period.												

STREET LIGHTINGRATE SCHEDULE: SL-1AVAILABLE:

In all territory served.

APPLICATION:

For lighting streets and roadways, whether public or private, which are thoroughfares for normal flow of vehicular traffic. Lighting for other applications such as: municipally and privately-owned parking lots; parks and recreational areas; or any other area not expressly defined above, is not permitted under this schedule.

TYPE OF INSTALLATION:

FPL-owned fixtures normally will be mounted on poles of FPL's existing distribution system and served from overhead wires. On request of the Customer, FPL will provide special poles or underground wires at the charges specified below. Customer-owned systems will be of a standard type and design, permitting service and lamp replacement at no abnormal cost to FPL.

SERVICE:

Service includes lamp renewals, patrol, energy from dusk each day until dawn the following day and maintenance of FPL-owned Street Lighting Systems.

LIMITATION OF SERVICE:

For Mercury Vapor, Fluorescent and Incandescent luminaires, no additions or changes in specified lumen output on existing installations will be permitted under this schedule after October 4, 1981 except where such additional lights are required in order to match existing installations.

Stand-by or resale service is not permitted hereunder.

CUSTOMER CONTRIBUTIONS:

A Contribution-in-Aid-of-Construction (CIAC) will be required for:

- a) the differential cost between employing rapid construction techniques in trenching, backfilling and pole installation work where no obstructions exist, and the added cost to overcome obstructions such as sprinkler systems, paved surfaces (such as sidewalks, curbs, gutters, and roadways), landscaping, sodding and other obstructions encountered along the Street Light System installation route, including repair and replacement. If the Customer elects to perform work such as trenching and restoration, they will be reimbursed by FPL with a credit (not to exceed the total CIAC cost) for the value of this work as determined by FPL;
- b) the installation cost of any new overhead distribution facilities and/or the cost of alterations to existing distribution facilities which are required in order to serve the Street Lighting System less four (4) times the additional annual non-fuel energy revenue generated by the installation or alteration of the Street Lighting System, plus where underground facilities are installed, the differential installation cost between underground and overhead distribution facilities.

These costs shall be paid by the Customer prior to the initiation of any construction work by FPL. The Customer shall also pay any additional costs associated with design modifications requested after the original estimate has been made.

(Continued on Sheet No. 8.716)

(Continued from Sheet No. 8.715)

REMOVAL OF FACILITIES:

If Street Lighting facilities are removed either by Customer request or termination or breach of the agreement, the Customer shall pay FPL an amount equal to the original installed cost of the removed facilities less any salvage value and any depreciation (based on current depreciation rates as approved by the Florida Public Service Commission) plus removal cost.

MONTHLY RATE:

Luminaire Type	Lamp Size		KWH/Mo. Estimate	Charge for FPL-Owned Unit (\$)				Charge for Customer-Owned Unit (\$)	
	Initial Lumens/Watts			Fixtures	Mainte-nance	Energy Non-Fuel	Total	Relamping/ Energy	Energy Only
						**	***	****	
High Pressure Sodium Vapor	5,800	70	29	3.55	1.36	.59	5.50	1.28	.59
" "	9,500	100	41	3.62	1.37	.83	5.82	1.53	.83
" "	16,000	150	60	3.72	1.40	1.22	6.34	1.92	1.22
" "	22,000	200	88	5.64	1.79	1.79	9.22	2.49	1.79
" "	50,000	400	168	5.71	1.76	3.41	10.88	4.12	3.41
" "	* 12,800	150	60	3.88	1.56	1.22	6.66	2.15	1.22
" "	* 27,500	250	116	6.00	1.90	2.35	10.25	3.09	2.35
" "	* 140,000	1,000	411	9.04	3.47	8.34	20.85	9.98	8.34
Mercury Vapor	* 6,000	140	62	2.81	1.23	1.26	5.30	1.95	1.26
" "	* 8,600	175	77	2.84	1.23	1.57	5.64	2.26	1.57
" "	* 11,500	250	104	4.74	1.77	2.11	8.62	2.85	2.11
" "	* 21,500	400	160	4.73	1.75	3.25	9.73	3.97	3.25
" "	* 39,500	700	272	6.68	2.96	5.52	15.16	7.08	5.52
" "	* 60,000	1,000	385	6.85	2.88	7.81	17.54	8.79	7.81
Incandescent	* 1,000	103	36				6.90	2.45	.73
" "	* 2,500	202	71				7.15	3.16	1.44
" "	* 4,000	327	116				8.37	4.12	2.35
" "	* 6,000	448	158				9.33	4.97	3.20
" "	* 10,000	690	244				11.23	6.85	4.95
Fluorescent	* 19,800	300	122				-	3.38	2.47
" "	* 39,600	700	264				-	6.54	5.36

- * These units are closed to new FPL installations.
- ** The non-fuel energy charge is 2.029¢ per kwh.
- *** Bills rendered based on "Total" charge. Unbundling of charges is not permitted.
- **** New Customer installations of those units closed to FPL installations cannot receive relamping service.

Charges for other FPL-owned facilities:

Wood pole used only for the street lighting system	\$ 2.54
Concrete pole used only for the street lighting system	\$ 3.49
Fiberglass pole used only for the street lighting system	\$ 4.13
Underground conductors not under paving	1.91¢ per foot
Underground conductors under paving	4.66¢ per foot

The Underground conductors under paving charge will not apply where a CIAC is paid pursuant to section "a)" under "Customer Contributions." The Underground conductors not under paving charge will apply in these situations.

(Continued on Sheet No. 8.717)

(Continued from Sheet No. 8.716)

On Customer-owned Street Lighting Systems, where Customer contracts to relamp at no cost to FPL, the Monthly Rate for non-fuel energy shall be 2.029¢ per kwh of estimated usage of each unit plus adjustments. On Street Lighting Systems, where the Customer elects to install Customer-owned monitoring systems, the Monthly Rate for non-fuel energy shall be 2.029¢ per kwh of estimated usage of each monitoring unit plus adjustments. The minimum monthly kwh per monitoring device will be 1 kilowatt-hour per month, and the maximum monthly kwh per monitoring device will be 5 kilowatt-hours per month.

During the initial installation period:

- Facilities in service for 15 days or less will not be billed;
- Facilities in service for 16 days or more will be billed for a full month.

WILLFUL DAMAGE:

Upon the **second** occurrence of willful damage to any FPL-owned facilities, the Customer will be responsible for the cost incurred for repair or replacement. If the lighting fixture is damaged, based on prior written instructions from the Customer, FPL will:

- a) Replace the fixture with a shielded cutoff cobrahead. The Customer shall pay \$120.00 for the shield plus all associated costs. However, if the Customer chooses to have the shield installed after the first occurrence, the Customer shall only pay the \$120.00 cost of the shield; or
- b) Replace with a like unshielded fixture. For this, and each subsequent occurrence, the Customer shall pay the costs specified under "Removal of Facilities"; or
- c) Terminate service to the fixture.

Option selection shall be made by the Customer in writing and apply to all fixtures which FPL has installed on the Customer's behalf. Selection changes may be made by the Customer at any time and will become effective ninety (90) days after written notice is received.

Conservation Charge	See Sheet No. 8.030
Capacity Payment Charge	See Sheet No. 8.030
Environmental Charge	See Sheet No. 8.030
Fuel Charge	See Sheet No. 8.030
Franchise Fee	See Sheet No. 8.031
Tax Clause	See Sheet No. 8.031

TERM OF SERVICE:

Initial term of ten (10) years with automatic, successive five (5) year extensions unless terminated in writing by either FPL or the Customer at least ninety (90) days prior to the current term's expiration.

RULES AND REGULATIONS:

Service under this schedule is subject to orders of governmental bodies having jurisdiction and to the currently effective "General Rules and Regulations for Electric Service" on file with the Florida Public Service Commission. In case of conflict between any provision of this schedule and said "General Rules and Regulations for Electric Service", the provision of this schedule shall apply.

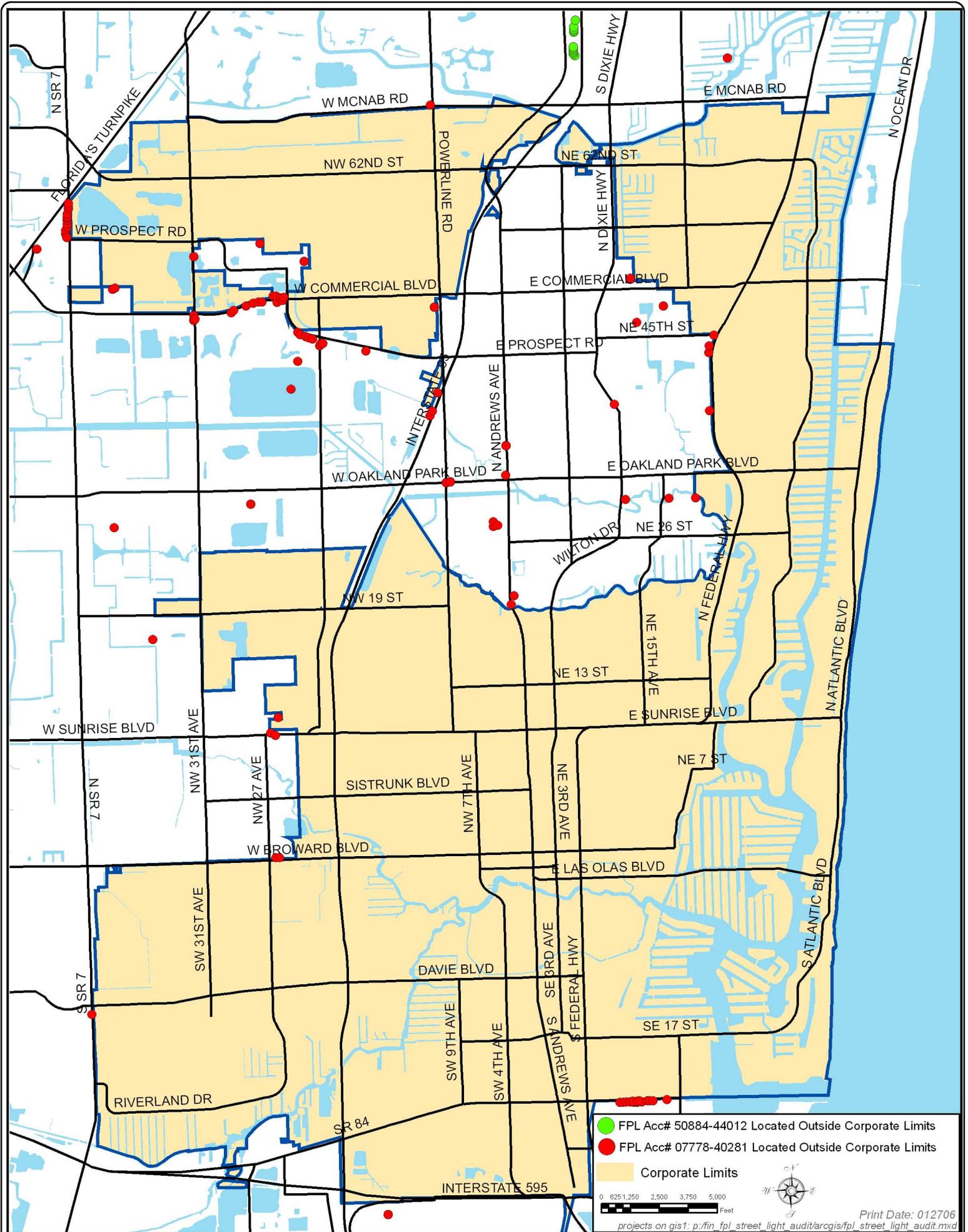


Figure 1

**City of Fort Lauderdale:
 Florida Power and Light Street Light Map**

