

EXHIBIT A



Florida Power & Light Company

March 10, 2021

City of Margate
901 NW 66th Ave Suite A
Margate, FL 33063

Re: Overhead to Underground Primary Conversion FS#58, 600 N Rock Island Rd, Margate, FL, 33063

Dear Project Managers:

Pursuant to your request for a binding cost estimate, and your payment of \$768.00 for the non-refundable engineering deposit, our engineering cost estimates have been completed. The binding estimate amount, known also as CIAC (Contribution In Aid of Construction), required by FPL for converting those overhead electric distribution facilities described in your letter to underground, is \$49,903.03. This CIAC amount is based on the design shown on the attached FPL engineering drawings dated 3/3/2021, revision . Any non-FPL requested modifications to these drawings will be billed at an hourly rate of \$90.00.

This estimate does not include restoration of property affected by the conversion; describing, securing, and recording of easements; clearing of trench routes; or rearrangement of customer service entrances. This estimate includes no costs you may incur from other utilities/pole licensees affected by the conversion. These aspects, as stated before, are the responsibility of the applicant.

To fully account for all expenses which are part and parcel of the full cost of conversion and thereby ensure that other FPL customers do not pay for costs associated with your conversion (and likewise you theirs), FPL requires that the entity or person requesting the conversion agree to certain terms and conditions. The following identifies some, but is not limited to, the terms and conditions required of the applicant before commencing with the underground conversion of the overhead electrical distribution system. The applicant must:

- a. enter into agreements that will accommodate the conversion of other pole licensees (e.g. Tel. Co., CATV);
- b. describe, secure, and record all easements (along with opinion of title that they are valid), at no cost to FPL, necessary to accommodate the underground distribution system;
- c. secure all necessary permits before the commencement of construction.
- d. be responsible for the costs associated with maintaining service to any affected customer who refuses to rearrange his/her service entrance to accept service from the underground distribution system;
- e. agree to be responsible for all restoration of property affected by the installation of the underground system;
- f. protect FPL from any claim or suit regarding restoration or property affected by the conversion; and
- g. agree to clear easements of trees and all obstructions that might conflict with construction of the underground system.

This binding cost estimate is valid for 180 days, providing there is no work scope change. The 180 day window can be extended for a reasonable period of time for good cause. Should you request FPL to perform the conversion, please sign and return the attached Underground Facilities Conversion Agreement. If you do not request the conversion to be performed, or if the Agreement is not executed and its terms and conditions complied within the specified time period, your \$768.00 engineering deposit will be forfeited and the estimate withdrawn. If the agreement is executed and its terms and conditions complied within that time period, FPL will apply the deposit toward the CIAC amount you would owe for the conversion. The remaining amount of \$49,903.03 must be paid prior to commencement of construction by FPL. Should actual FPL costs be less than the amount collected, any amount collected in excess of the actual cost will be refunded. If the actual costs exceed the binding estimate amount, the applicant shall be responsible for those additional costs up to a maximum of 10% of the binding estimate amount.

I look forward to hearing from you. Please contact me at 954-956-2019 if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mike Keightley", is written over a horizontal line.

Mike Keightley
Distribution Engineer

UNDERGROUND FACILITIES CONVERSION AGREEMENT (NON-GAF)

This Agreement, is made and entered into this 10th day of March, 2021, by and between The City of Margate ("Applicant"), with an address of 901 NW 66th Ave, Margate FL 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 Applicant has requested that FPL convert certain overhead electric distribution facilities located within the following boundaries (the "Conversion"):
City of Margate

Fire Station #58

Property Boundaries

Margate, FL

(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").

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. **Avoided Storm Restoration Cost ("ASRC") Eligibility Criteria.** The Applicant represents and warrants that it meets, and is capable and willing to enforce, the applicable eligibility criteria for the Conversion (select one of the following ASRC Tiers):

() ASRC

Tier 1:

- 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 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. If the Applicant requests that facilities be placed in the ROW, the Applicant must be willing and able to execute a right of way ("ROW") agreement with FPL or secure a ROW agreement through the appropriate local government(s) with FPL; and
- d. For any affected laterals, the complete lateral must be converted, including all stages of any multi-stage lateral; and
- e. There are no state or federal funds available to the Applicant to cover any portion of the cost of the Conversion.

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

- i. An island or peninsula where 100% of the Existing Overhead Facilities are to be converted; or
- ii. 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.

(Continued on Sheet No. 9.721)

(Continued from Sheet No. 9.720)

() **ASRC Tier 2.** All eligibility criteria remain the same as Tier 1 with the exception that the Conversion Area must only include between approximately 1 to 3 pole line miles or a minimum of approximately 85 detached dwelling units within contiguous or closely proximate geographic areas.

(X) **ASRC Tier 3.** A Conversion Area that is less than 1 pole line mile within contiguous or closely proximate geographic areas. Additionally, Tier 1 requirements for project completion timing in paragraph 1.a., as well as, paragraphs 1.b. and 1.d. do not apply.

2. **Contribution-in-Aid-of-Construction (CIAC).** The Applicant shall pay FPL a CIAC as required by FPL's Electric Tariff and Section 25-6.115 of the Florida Administrative Code.
- | | |
|--------------------------|---------------------------|
| i. CIAC (excluding ASRC) | \$53,337.93 |
| ii. ASRC | \$2,666.90 |
| iii. CIAC Due | <u>\$49,903.03</u> |

In the event the actual cost of the Conversion (excluding ASRC) exceeds the estimate, the CIAC (excluding ASRC) 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 CIAC (excluding ASRC) identified above. The ASRC shall also be adjusted accordingly and the Applicant shall pay FPL the resulting difference in the amount of the CIAC Due.

3. **Applicant-Installed Facilities.** The 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 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 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 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 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. **ASRC Repayment.** If the Applicant does not satisfy the relevant eligibility criteria, the Applicant shall repay the ASRC 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 Applicant elects to have electric service within the Conversion Area supplied by a provider other than FPL, the Applicant shall repay FPL a pro-rata share of the ASRC. The pro-rata share (which shall reflect partial years) shall be determined as follows:

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

Non-governmental Applicants, whose CIAC includes a Tier 1 or Tier 2 ASRC, shall provide, at the time of execution of this Agreement, either a surety bond or irrevocable bank letter of credit (the "Security Instrument") in a form acceptable to FPL evidencing ability to repay the ASRC. This Security Instrument shall remain in effect until such time as all customers within the Conversion Area are converted. The Applicant may provide either an amended or replacement Security Instrument in a form acceptable to FPL at any time to reflect the pro-rata adjustments to the ASRC amount. If, upon notice of cancellation or prior to expiration of the Security Instrument, a replacement Security Instrument in a form acceptable to FPL is not provided by the Applicant to FPL, FPL will require the third party issuing the Security Instrument to pay the full balance due in accordance with this Agreement in cash.

(Continued on Sheet No. 9.722)

(Continued from Sheet No. 9.721)

9. **Termination Prior to the Conversion Completion.** Failure by the 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 Applicant may terminate this Agreement at any time prior to the start of the Conversion and the CIAC paid by the Applicant will be refunded to the 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 Applicant shall not assign this Agreement without the written consent of FPL.
11. **Adoption and Recording.** This Agreement shall be adopted by the Applicant and maintained in the official records of the 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 Applicant and FPL, the terms of this Agreement shall control.

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

APPLICANT**FPL**

Signed_____

Signed_____

Name_____

Name_____

Title_____

Title_____

Signed_____

Name_____

Title_____

Approved as to Terms and Conditions (if required by Applicant)

Signed_____

Name_____

Title_____

Approved as to Form and Legal Sufficiency (if required by Applicant)

Signed_____

Name_____

Title_____

Effective: November 13, 2008