



**Community Notification #2008-10d
(Issued 09/17/08)**

PROGRESS REPORT FROM UNDERGROUND ELECTRIC COMMITTEE (UEC) – PART IV

This is the fourth in a series of reports to the BSL community from the Underground Electric Committee. To review earlier reports in this series, “**Facts We Should All Know**,” “**Benefits of Underground Electric**,” and “**Additional Information**” go to www.bsipoa.org click on Notifications, and open Notifications 2008-10a, 10b, and 10c.

Estimated Costs - When the Underground Electric Committee formed in early 2006, one of its first goals was to obtain a cost estimate to place all electric service in BSL underground. At the Committee’s request, FPL provided a “ballpark estimate” of the cost to install a ready-to-operate underground system. That estimate in 2006 was 7.7 million dollars or \$3,800 per lot.

In 2008, the Public Service Commission granted FPL the opportunity to offer a 25% discount to cities and counties that chose to convert to underground service delivery. Since BSL is an organized subdivision within Charlotte County, it qualifies for that discount. The current “ballpark estimate” therefore, has been reduced to 5.8 million dollars or \$2850 per lot.

Additional savings are possible; for example, instead of a system completely installed by FPL, BSL could negotiate with private FPL approved contractors to reduce trenching and boring costs. Cost sharing by Comcast and Embarq as well as a proposed homeowner’s insurance premium reduction is also being pursued.

Payment Options - The UEC’s greatest challenge has involved identifying a payment plan acceptable to BSL property owners. After evaluating several options, the most cost-efficient plan, and the one recommended by the Committee, utilizes a program known as a Municipal Service Benefit Unit (MSBU). In an approved MSBU, Charlotte County covers the cost of installation, then sets up a ‘non ad valorem’ taxing structure to recover its costs over a 5, 10, 15, or even 20 year period. Since the money collected is considered taxes, BSL property owners can claim those payments when filing federal income taxes.

As an illustration, let’s assume the conversion costs a rounded-off total of \$3000 per lot. If a 10-year MSBU repayment period were established, the yearly tax payment for a property owner would be \$300 plus interest. A 15-year period would be \$200 yearly plus interest, while a 20-year span would cost \$150 plus interest.

What’s Next - The UEC realizes these brief reports can’t answer all the questions and concerns surrounding this important subject. To provide a forum to explore these issues in depth, the UE Committee has scheduled a property owners meeting at **7pm on Thursday, September 25 at the Burnt Store Presbyterian Church**. All BSL property owners are encouraged to attend.

Questions or comments can be addressed to the UE Committee at undergroundelectric@yahoo.com

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