

**Office of Inspector General  
Robert E. Clift, Inspector General**



January 14, 2015

Audit Report No. 15I-5001  
Utility Overhead Certification

As part of the Office of Inspector General's efforts to monitor compliance with Title 23, Part 645.117(d)(2), Code of Federal Regulations (C.F.R.), written assurance stating that utility relocation projects included only allowable costs was requested from utility entities who received \$100,000 or more in federal pass-through funds from the State of Florida Department of Transportation (department).

23 C.F.R. 645.117(d)(2) states:

Costs not eligible for Federal reimbursement include, but are not limited to, the costs associated with advertising, sales promotion, interest on borrowings, the issuance of stock, bad debts, uncollectible accounts receivable, contributions, donations, entertainment, fines, penalties, lobbying, and research programs.

During fiscal year ended June 30, 2014, six entities received \$100,000 or more of federal pass-through funds. Of these six entities, a total of \$8,816,577 for the relocation of utilities was disbursed and \$2,714,246 (31%) consisted of federal pass-through funds.

As a result of the request for certification, all six entities provided letters assuring compliance for federal pass-through funds with 23 C.F.R. 645.117(d)(2), as shown in the table below.

Entity	Federal Funding (certified)	State Funding (not certified)	Bond Funding (not certified)	Total Funding by entity
CHELCO <sup>1</sup>	\$ 138,806	\$ ---	\$ ---	\$ 138,806
Clay Electric Cooperative	\$ 106,175	\$ ---	\$ 44,220	\$ 150,395
Florida Power and Light	\$ 270,710	\$ 4,361,512	\$ 1,390,314	\$ 6,022,536
JEA <sup>2</sup>	\$ 1,749,922	\$ 156,307	\$ 149,978	\$ 2,056,207
Century Link <sup>3</sup>	\$ 268,754	\$ ---	\$ ---	\$ 268,754
Level 3 Communications <sup>4</sup>	\$ 179,879	\$ ---	\$ ---	\$ 179,879
<b>TOTAL</b>	<b>\$ 2,714,246</b>	<b>\$ 4,517,819</b>	<b>\$ 1,584,512</b>	<b>\$ 8,816,577</b>

No state criteria exists that are comparable to the federal requirements found in 23 C.F.R. 645.117(d)(2) for the remaining \$6,102,331, or 69 percent, that was disbursed.

<sup>1</sup> Choctawhatchee Electric Cooperative, Inc.

<sup>2</sup> Jacksonville Electric Authority

<sup>3</sup> Previously known as Qwest Communications.

<sup>4</sup> Previously known as Time Warner (TW) Telecom.

**Office of Inspector General  
Florida Department of Transportation**

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**DISTRIBUTION, PROJECT TEAM AND STATEMENT OF ACCORDANCE**

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**Information Distribution:**

Jim Boxold, Secretary  
    Brian Blanchard, P.E., Assistant Secretary for Engineering and Operations  
    Tom Byron, P.E., Chief Engineer  
    Trey Tillander, P.E., Manager, Specifications and Estimates Office  
    Thomas R. Bane, P.E., State Utilities Engineer  
    Robert Robertson, Structures Design Office  
    Mike Dew, Chief of Staff and Legislative Programs  
Melinda Miguel, Chief Inspector General, Executive Office of the Governor

**Project Team:**

Engagement was conducted by Ashley Clark, Audit Team Leader  
    Under the supervision of:  
    Intermodal Audit Manager; and  
    Kristofer B. Sullivan, Director of Audit  
Approved by: Robert E. Clift, Inspector General

***Statement of Accordance***

*The mission of the department is  
to provide a safe transportation system that ensures the mobility of people and goods,  
enhances economic prosperity, and preserves the quality of our environment and communities.*

*The mission of the Office of Inspector General is  
to promote integrity, accountability and process improvement in the Department of  
Transportation by providing objective fact-based assessments to the DOT team.*

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