

FLORIDA PUBLIC SERVICE COMMISSION
NOTICE OF STAFF RULE DEVELOPMENT WORKSHOP

TO

ALL INTERESTED PERSONS

DOCKET NO. 20190131-EU

IN RE: PROPOSED ADOPTION OF RULE 25-6.030, F.A.C., STORM PROTECTION PLAN AND RULE 25-6.031, F.A.C., STORM PROTECTION PLAN COST RECOVERY CLAUSE, AND PROPOSED AMENDMENT OR REPEAL OF RULE 25-6.0143, F.A.C., USE OF ACCUMULATED PROVISION ACCOUNTS 228.1, 228.2, AND 228.4, RULE 25-6.034, F.A.C., STANDARD OF CONSTRUCTION, RULE 25-6.0341, F.A.C., LOCATION OF THE UTILITY'S ELECTRIC DISTRIBUTION FACILITIES, RULE 25-6.0342, F.A.C., ELECTRIC INFRASTRUCTURE STORM HARDENING, RULE 25-6.0343, F.A.C., MUNICIPAL ELECTRIC UTILITY AND RURAL ELECTRIC COOPERATIVE REPORTING REQUIREMENTS, RULE 25-6.0345, F.A.C., SAFETY STANDARDS FOR CONSTRUCTION OF NEW TRANSMISSION AND DISTRIBUTION FACILITIES, RULE 25-6.044, F.A.C., CONTINUITY OF SERVICE, RULE 25-6.0455, F.A.C., ANNUAL DISTRIBUTION SERVICE RELIABILITY REPORT, RULE 25-6.061, F.A.C., RELOCATION OF POLES, RULE 25-6.064, F.A.C., CONTRIBUTION-IN-AID-OF-CONSTRUCTION FOR INSTALLATION OF NEW OR UPGRADED FACILITIES, RULE 25-6.077, F.A.C., INSTALLATION OF UNDERGROUND DISTRIBUTION SYSTEMS WITHIN NEW SUBDIVISIONS, RULE 25-6.078, F.A.C., SCHEDULE OF CHARGES, INSTALLATION OF UNDERGROUND DISTRIBUTION SYSTEMS WITHIN NEW SUBDIVISIONS, RULE 25-6.081, F.A.C., CONSTRUCTION PRACTICES, AND RULE 25-6.115, F.A.C., FACILITY CHARGES FOR CONVERSION OF EXISTING OVERHEAD INVESTOR-OWNED DISTRIBUTION FACILITIES.

ISSUED: August 8, 2019

NOTICE is hereby given that a staff rule development workshop will be held at the following time and place:

Tuesday, August 20, 2019, 9:30 a.m.
Room 148, Betty Easley Conference Center
4075 Esplanade Way
Tallahassee, FL 32399-0850

The draft rules and the agenda for the workshop are attached.

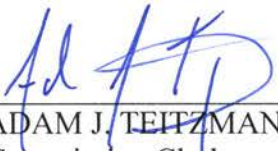
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One or more Commissioners may be in attendance and participate in the workshop. The persons to be contacted regarding this rule development are Adria Harper, (850) 413-6082, aharper@psc.state.fl.us or Andrew King, (850) 413-6195, aking@psc.state.fl.us., Office of the General Counsel, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this workshop should contact the Office of Commission Clerk no later than five days prior to the workshop at 2540 Shumard Oak Boulevard., Tallahassee, Florida 32399-0850 or 850-413-6770 (Florida Relay Service, 1-800-955-8770 Voice or 1-800-955-8771 TDD). Assisted Listening Devices are available upon request from the Office of Commission Clerk, Gerald L. Gunter Building, Room 152.

If a named storm or other disaster requires cancellation of the proceedings, notice of cancellation will be provided on the Commission's website (<http://www.psc.state.fl.us/>) under the Hot Topics link found on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at 850-413-6199.

By DIRECTION of the Florida Public Service Commission this 8th day of August, 2019.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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FLORIDA PUBLIC SERVICE COMMISSION

AGENDA

STAFF RULE DEVELOPMENT WORKSHOP - DOCKET NO. 20190131-EU

In re: Proposed Adoption of Rule 25-6.030, F.A.C., Storm Protection Plan and Rule 25-6.031, F.A.C., Storm Protection Plan Cost Recovery Clause, and proposed amendment or repeal of Rule 25-6.0143, Use of Accumulated Provision Accounts 228.1, 228.2, and 228.4, Rule 25-6.034, Standard of Construction, Rule 25-6.0341, Location of the Utility's Electric Distribution Facilities, Rule 25-6.0342, Electric Infrastructure Storm Hardening, Rule 25-6.0343, Municipal Electric Utility and Rural Electric Cooperative Reporting Requirements, Rule 25-6.0345, Safety Standards for Construction of New Transmission and Distribution Facilities, Rule 25-6.044 Continuity of Service, Rule 25-6.0455, Annual Distribution Service Reliability Report, Rule 25-6.061, Relocation of Poles, Rule 25-6.064, Contribution-in-Aid-of-Construction for Installation of New or Upgraded Facilities, Rule 25-6.077, Installation of Underground Distribution Systems within New Subdivisions, Rule 25-6.078, Schedule of Charges, Installation of Underground Distribution Systems within New Subdivisions, Rule 25-6.081, Construction Practices, Rule 25-6.115 Facility Charges for Conversion of Existing Overhead Investor-owned Distribution Facilities.

August 20, 2019

9:30 a.m.

Betty Easley Conference Center, Room 148
4075 Esplanade Way
Tallahassee, Florida 32399-0850

1. Welcome – Staff.
2. Staff overview and stakeholder comments on draft Rule 25-6.030, Storm Protection Plan.
3. Staff overview and stakeholder comments on draft Rule 25-6.031, Storm Protection Plan Cost Recovery Clause.
4. Discussion on whether existing PSC rules should be amended or repealed.
5. Discussion of next steps.
6. Adjourn.

1 **25-6.030 Storm Protection Plan.**

2 (1) Application and Scope. Each investor-owned electric utility (utility) must file a petition
3 with the Commission for the approval of a Transmission and Distribution Storm Protection
4 Plan (Storm Protection Plan) that covers the utility’s immediate 10-year planning period. Each
5 utility must file, for Commission approval, an updated Storm Protection Plan at least every 3
6 years.

7 (2) For the purpose of this rule, the following definitions apply:

8 (a) “Storm protection program” – a category or type of activity that is undertaken to
9 enhance the utility’s existing infrastructure for the purpose of reducing restoration costs,
10 reducing outage times, and improving overall service reliability.

11 (b) “Storm protection project” – a specific activity within a storm protection program
12 designed for the enhancement of a specified portion of existing electric transmission or
13 distribution facilities for the purpose of reducing restoration costs, reducing outage times, and
14 improving overall service reliability.

15 (c) “Transmission and distribution facilities” – all utility owned poles and fixtures, towers
16 and fixtures, overhead conductors and devices, substations and related facilities, land and land
17 rights, roads and trails, underground conduits, and underground conductors.

18 (3) Contents of the Storm Protection Plan. For each Storm Protection Plan, the following
19 information must be provided:

20 (a) A description of how implementation of the proposed Storm Protection Plan will
21 strengthen electric utility infrastructure to withstand extreme weather conditions by promoting
22 the overhead hardening of electrical transmission and distribution facilities, the
23 undergrounding of certain electrical distribution lines, and vegetation management.

24 (b) A description of how implementation of the proposed Storm Protection Plan will
25 reduce restoration costs and outage times associated with extreme weather events and improve

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1 overall service reliability.

2 (c) A description of the utility's service area, including areas prioritized for enhancement
3 and any areas where the utility has determined that enhancement of the utility's existing
4 transmission and distribution facilities would not be feasible, reasonable, or practical. Such
5 description must include a general map, number of customers served within each area, and the
6 utility's reasoning for prioritizing certain areas for enhanced performance and for designating
7 other areas of the system as not feasible, reasonable, or practical.

8 (d) A description of each proposed storm protection program that includes:

9 1. A description of how each proposed storm protection program is designed to enhance
10 the utility's existing transmission and distribution facilities including an estimate of the
11 resulting reduction in outage times and restoration costs due to extreme weather events;

12 2. If applicable, the actual or estimated start and completion dates of the program;

13 3. A description of any storm protection programs that were considered but not included in
14 the Storm Protection Plan, and an explanation for why the program was not included;

15 4. A cost estimate including capital and operating expenses, both fixed and variable;

16 5. A comparison of the costs identified in subparagraph (3)(d)4. and the benefits identified
17 in subparagraph (3)(d)1.; and

18 6. A description of the criteria used to select and prioritize proposed storm protection
19 programs.

20 (d) For each of the first three years in a utility's Storm Protection Plan, the utility must
21 provide a description of each proposed storm protection project that includes:

22 1. The actual or estimated construction start and completion dates;

23 2. A description of the affected existing facilities, including number and type(s) of
24 customers served, historic service reliability performance during extreme weather events, and
25 how this data was used to prioritize the proposed storm protection project; and

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1 3. A cost estimate including capital and operating expenses, both fixed and variable; and
2 4. A description of the criteria used to select and prioritize proposed storm protection
3 projects.

4 (e) For each of the first three years in a utility's Storm Protection Plan, the utility must
5 provide a description of its proposed vegetation management activities including:

6 1. The projected locations and frequency;

7 2. The projected miles of affected transmission and distribution overhead facilities;

8 3. The estimated annual labor and equipment costs for both utility and contractor
9 personnel; and

10 4. An description of how the vegetation management activity will reduce outage times and
11 restoration costs due to extreme weather events.

12 (f) An estimate of the annual jurisdictional revenue requirements for each year of the
13 Storm Protection Plan.

14 (g) An estimate of rate impacts for each of the first three years of the Storm Protection
15 Plan for residential, commercial, and industrial customers.

16 (h) A description of any implementation alternatives that could mitigate the resulting rate
17 impact for each of the first three years of the proposed Storm Protection Plan.

18 (i) Any other factors the utility requests the Commission to consider.

19 (4) By June 1, each utility must submit to the Commission Clerk an annual status report on
20 the utility's Storm Protection Plan programs and projects. The annual status report shall
21 include:

22 (a) Identification of all Storm Protection Plan programs and projects completed or planned
23 for completion;

24 (b) Actual costs and rate impacts associated with completed programs and projects as
25 compared to the estimated costs and rate impacts for those programs and projects; and

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1 (c) Estimated costs and rate impacts associated with programs and projects planned for
2 completion during the next year of the Storm Protection Plan.

3 *Rulemaking Authority 366.96, FS. Law Implemented 366.96, FS. History–New _____.*

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1 **25-6.031 Storm Protection Plan Cost Recovery Clause.**

2 (1) Application and Scope. This rule applies to each investor-owned electric utility
3 (utility).

4 (2) After the Commission has issued a final order approving a utility's Transmission and
5 Distribution Storm Protection Plan (Storm Protection Plan), a utility may file a petition for
6 recovery of associated costs through the Storm Protection Plan cost recovery clause. The
7 utility's petition shall be supported by testimony that provides details on the annual Storm
8 Protection Plan implementation activities and associated costs, and how those activities and
9 costs are consistent with its approved Storm Protection Plan.

10 (3) An annual hearing to address petitions for recovery of Storm Protection Plan costs will
11 be limited to determining the reasonableness of projected Storm Protection Plan costs, the
12 prudence of actual Storm Protection Plan costs incurred by the utility, and to establish Storm
13 Protection Plan cost recovery factors consistent with the requirements of this rule.

14 (4) Deferred accounting treatment. Storm Protection Plan cost recovery clause true-up
15 amounts shall be afforded deferred accounting treatment at the 30-day commercial paper rate.

16 (5) Subaccounts. To ensure separation of costs subject to recovery through the clause, the
17 utility filing for cost recovery shall maintain subaccounts for all items consistent with the
18 Uniform System of Accounts prescribed by this Commission, pursuant to Rule 25-6.014,
19 F.A.C.

20 (6) Recoverable costs.

21 (a) The utility's petition for recovery of costs associated with its Storm Protection Plan
22 may include costs incurred after the filing of the utility's Storm Protection Plan.

23 (b) Storm Protection Plan costs recoverable through the clause shall not include costs
24 recovered through the utility's base rates or any other cost recovery mechanism.

25 (c) The utility may recover the annual depreciation expense on capitalized Storm

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1 Protection Plan expenditures using the utility's most recent Commission-approved
2 depreciation rates. The utility may recover a return on the undepreciated balance of the costs
3 calculated at the utility's weighted average cost of capital using the return on equity most
4 recently approved by the Commission.

5 (7) Pursuant to the order establishing procedure in the annual cost recovery proceeding, a
6 utility shall submit the following for Commission review and approval as part of its cost
7 recovery filings:

8 (a) Final True-Up for Previous Year. The utility shall submit its final true-up of Storm
9 Protection Plan revenue requirements based on actual costs for the prior year and previously
10 filed costs and revenue requirements for such prior year and a description of the work actually
11 performed during such year.

12 (b) Estimated True-Up for Current Year. The utility shall submit its actual/estimated true-
13 up of Storm Protection Plan revenue requirements based on a comparison of current year
14 actual/estimated costs and the previously-filed projected costs and revenue requirements for
15 such current year and a description of the work projected to be performed during such year.

16 (c) Projected Costs for Subsequent Year. The utility shall submit its projected Storm
17 Protection Plan costs and revenue requirements for the subsequent year and a description of
18 the work projected to be performed during such year.

19 (d) True-Up of Variances. The utility shall report observed true-up variances including
20 sales forecasting variances, changes in the utility's prices of services and/or equipment, and
21 changes in the scope of work relative to the estimates provided pursuant to subparagraphs
22 (7)(b) and (7)(c). The utility shall also provide explanations for variances regarding the
23 implementation of the approved Storm Protection Plan.

24 (e) Proposed Storm Protection Plan Cost Recovery Factors. The utility shall provide the
25 calculations of its proposed factors and effective 12-month billing period

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1 (8) Recovery of costs under this rule does not preclude a utility from proposing inclusion
2 of future Storm Protection Plan costs in base rates in a subsequent rate proceeding.
3 *Rulemaking Authority 366.96, FS. Law Implemented 366.96, FS. History–New _____.*
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