

STATE OF FLORIDA



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# Public Service Commission

June 8, 2017

Kenneth J. Plante, Coordinator  
Joint Administrative Procedures Committee  
Room 680, Pepper Building  
111 W. Madison Street  
Tallahassee, FL 32399-1400

**Re: Docket No.170034-EU; Rule 25-6.0345 , F.A.C.**

Dear Mr. Plante:

Enclosed are the following materials concerning the above referenced proposed rule:

1. A copy of the proposed rule.
2. A copy of all materials incorporated by reference in the proposed rule.
3. A copy of the F.A.R. notice.
4. A statement of facts and circumstances justifying the proposed rule.
5. A federal standards statement.
6. Statement of Estimated Regulatory Costs for the rule.

RECEIVED-FPSC  
2017 JUN -8 PM 2: 12  
COMMISSION  
CLERK

RECEIVED  
2017 JUN -8 AM 11: 05  
JOINT ADMINISTRATIVE  
PROCEDURES COMMITTEE

Mr. Kenneth J. Plante

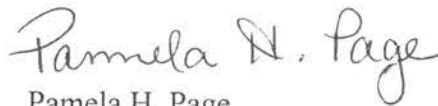
June 8, 2017

Page 2

The material incorporated by reference into the rule consists of copyrighted information. Please return this copy of the material after you have completed your review.

If there are any questions with respect to this rule, please do not hesitate to call me at 413-6214.

Sincerely,

A handwritten signature in cursive script that reads "Pamela H. Page".

Pamela H. Page  
Senior Attorney

Enclosures

cc: Office of Commission Clerk

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**25-6.0345 Safety Standards for Construction of New Transmission and Distribution Facilities.**

The Commission adopts and incorporates by reference the 2017 ~~2012~~ edition of the National Electrical Safety Code (NESC) C2-2017 ~~ANSI C-2~~ [NESC], as the applicable safety standards for transmission and distribution facilities subject to the Commission’s safety jurisdiction.

Each investor-owned electric utility, rural electric cooperative, and municipal electric system shall, at a minimum, comply with the standards in these provisions. A copy of the NESC C2-2017 may be obtained from the Institute of Electric and Electronic Engineers, Inc. (IEEE), 3 Park Avenue, New York, NY 10016-5997.

*Rulemaking Authority 350.127(2), 366.05(1) FS. Law Implemented 366.04(2), (6) FS.*

*History—New 8-13-87, Amended 2-18-90, 11-10-93, 8-17-97, 7-16-02, 2-1-07, 12-16-12,*

\_\_\_\_\_.

## Notice of Proposed Rule

### **PUBLIC SERVICE COMMISSION**

RULE NO.: RULE TITLE:

25-6.0345 Safety Standards for Construction of New Transmission and Distribution Facilities

PURPOSE AND EFFECT: To update the rule so that the 2017 Edition of the National Electrical Safety Code is incorporated by reference into the rule.

Docket No. 170034-EU

SUMMARY: The rule requires electric utilities to, at a minimum, comply with the National Electrical Safety Code as the applicable guidelines used by electric utilities for the construction of new transmission and distribution facilities.

### **SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:**

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has been prepared by the Agency.

The SERC examined the factors required by Section 120.541(2), FS, and concluded that the rule amendment will not have an adverse impact on economic growth, business competitiveness, or small business. Affected entities should benefit from safer installations due to the revised National Electrical Safety Code guidelines.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 350.127(2), 366.05(1), FS.

LAW IMPLEMENTED: 366.04(2), (6), FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAR.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Pamela H. Page, Office of General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, (850)413-6214, [phpage@psc.state.fl.us](mailto:phpage@psc.state.fl.us).

THE FULL TEXT OF THE PROPOSED RULE IS:

25-6.0345 Safety Standards for Construction of New Transmission and Distribution Facilities.

The Commission adopts and incorporates by reference the 2017 ~~2012 edition of the~~ National Electrical Safety Code (NESC) C2-2017 ANSI C-2 ~~{NESC}~~, as the applicable safety standards for transmission and distribution facilities subject to the Commission's safety jurisdiction. Each investor-owned electric utility, rural electric cooperative, and municipal electric system shall, at a minimum, comply with the standards in these provisions. A copy of the NESC C2-2017 may be obtained from the Institute of Electric and Electronic Engineers, Inc. (IEEE), 3 Park Avenue, New York, NY 10016-5997.

*Rulemaking Authority 350.127(2), 366.05(1) FS. Law Implemented 366.04(2), (6) FS. History—New 8-13-87, Amended 2-18-90, 11-10-93, 8-17-97, 7-16-02, 2-1-07, 12-16-12, \_\_\_\_\_.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Rick Moses

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Florida Public Service Commission

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: June 5, 2017

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: Volume 42, Number 243, December 16, 2016.

STATEMENT OF FACTS AND CIRCUMSTANCES  
JUSTIFYING RULE

The amendment of the rule incorporates by reference the 2017 edition of the National Electrical Safety Code as the applicable guidelines used by electric utilities for the construction of new transmission and distribution facilities. The Code is changed every five years so that it is up-to-date with changes in the industry and technology. It is a practical safeguard for utility workers and the public during the installation, operation, and maintenance of electric supply.

STATEMENT ON FEDERAL STANDARDS

There are no federal standards for this rule.



State of Florida



## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** February 13, 2017  
**TO:** Pamela Page, Senior Attorney, Office of the General Counsel  
**FROM:** Clyde D. Rome, Public Utility Analyst II, Division of Economics *CDR*  
**RE:** Statement of Estimated Regulatory Costs (SERC) for Recommended Revisions to Chapter 25-6 (Electric Service by Electric Public Utilities), Florida Administrative Code (F.A.C.)

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The purpose of this rulemaking initiative is to update Commission Rule 25-6.0345 (Safety Standards for Construction of New Transmission and Distribution Facilities), F.A.C. The recommended update is to incorporate by reference the most current version of the National Electric Safety Code (NESC) – 2017 edition. The recommended rule change would set forth the most current version of the NESC as the governing safety standards for new construction of electrical transmission and distribution systems. As noted in the attached SERC, 58 electric utilities would be affected by the recommended revisions.

The NESC is published by the Institute of Electrical and Electronics Engineers (IEEE) as Standard C2 and is revised every five years to keep it up to date and viable. The NESC standards are applicable to the systems and equipment operated by utilities. The NESC covers basic provisions for safeguarding of persons from hazards arising from the installation, operation, or maintenance of conductors and equipment in electric supply stations and overhead and underground electric supply and communication lines. It also includes work rules for the construction, maintenance, and operation of electric supply and communication lines and equipment.<sup>1</sup>

The attached SERC addresses the considerations required pursuant to Section 120.541, Florida Statutes (F.S.). No workshop was requested in conjunction with the recommended rule revisions. No regulatory alternatives were submitted pursuant to paragraph 120.541(1)(a), F.S. None of the impact/cost criteria established in paragraph 120.541(2)(a), F.S., will be exceeded as a result of the recommended revisions.

cc: (Draper, Daniel, Shafer, Moses, Cibula, SERC file)

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<sup>1</sup> IEEE Standards Association, 2017 NESC brochure: [https://standards.ieee.org/about/nesc/nesc\\_2017\\_brochure.pdf](https://standards.ieee.org/about/nesc/nesc_2017_brochure.pdf)

**Florida Public Service Commission  
Statement of Estimated Regulatory Costs  
Rule 25-6.0345, F.A.C.**

1. Will the proposed rule have an adverse impact on small business?  
[120.541(1)(b), F.S.] (See Section E., below, for definition of small business.)

Yes

No

For clarification, please see comments in Sections A(3) and E(1), below.

2. Is the proposed rule likely to directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate in this state within 1 year after implementation of the rule? [120.541(1)(b), F.S.]

Yes

No

If the answer to either question above is "yes", a Statement of Estimated Regulatory Costs (SERC) must be prepared. The SERC shall include an economic analysis showing:

A. Whether the rule directly or indirectly:

- (1) Is likely to have an adverse impact on any of the following in excess of \$1 million in the aggregate within 5 years after implementation of the rule?  
[120.541(2)(a)1, F.S.]

Economic growth Yes  No

Private-sector job creation or employment Yes  No

Private-sector investment Yes  No

- (2) Is likely to have an adverse impact on any of the following in excess of \$1 million in the aggregate within 5 years after implementation of the rule?  
[120.541(2)(a)2, F.S.]

Business competitiveness (including the ability of persons doing business in the state to compete with persons doing business in other states or domestic markets) Yes  No

Productivity Yes  No

Innovation Yes  No



(3) Is likely to increase regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule? [120.541(2)(a)3, F.S.]

Yes

No

Economic Analysis:

A summary of the key rule changes is included in the attached memorandum to counsel. Specific elements of the associated economic analysis are identified below in Sections B through F of this SERC.

The purpose of the recommended revision to Rule 25-6.0345, F.A.C., is to incorporate by reference the most current version of the National Electric Safety Code (NESC) – 2017 edition. The NESC is published by the Institute of Electrical and Electronics Engineers (IEEE) as Standard C2 and is revised every five years to keep it up to date and viable. The Commission amends rule 25-6.0345, F.A.C., each time IEEE publishes a new version of the NESC. This rule change would set forth the most current version of the NESC as the governing safety standards for new construction of electrical transmission and distribution systems.

As discussed in Section D., below, the amendments to Commission rules being recommended at this time are not anticipated to result in significant additional transactional costs. Therefore, none of the rule impact/cost criteria established in paragraph 120.541(2)(a), F.S., will be exceeded as a result of the recommended rule revisions.

B. A good faith estimate of: [120.541(2)(b), F.S.]

(1) The number of individuals and entities likely to be required to comply with the rule.

Potentially affected entities include 58 electric utilities. Utilities which come under the jurisdiction of the Commission in the future also would be required to comply.

(2) A general description of the types of individuals likely to be affected by the rule.

Florida's 58 electric utilities are comprised of 5 investor-owned utilities, 34 municipally-owned electric utilities, 16 rural electric cooperatives, and 3 independent wholesale power generation and distribution companies. Florida's 5 investor-owned electric utilities serve approximately 7.57 million customers.

[Sources: (1) Master Commission Directory, PSC - June 2016; (2) Facts and Figures of the Florida Utility Industry, PSC - March 2016]



C. A good faith estimate of: [120.541(2)(c), F.S.]

(1) The cost to the Commission to implement and enforce the rule.

- None. To be done with the current workload and existing staff.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

(2) The cost to any other state and local government entity to implement and enforce the rule.

- None. The rule will only affect the Commission.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

(3) Any anticipated effect on state or local revenues.

- None.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

D. A good faith estimate of the transactional costs likely to be incurred by individuals and entities (including local government entities) required to comply with the requirements of the rule. "Transactional costs" include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used, procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring or reporting, and any other costs necessary to comply with the rule.

[120.541(2)(d), F.S.]

- None. The rule will only affect the Commission.
- Minimal. Provide a brief explanation.
- Other. Provide an explanation for estimate and methodology used.

The NESC covers basic provisions for safeguarding of persons from hazards arising from the installation, operation, or maintenance of conductors and equipment in electric supply stations and overhead and underground electric supply and communication lines. It also includes work rules for the construction, maintenance, and operation of electric supply and communication lines and equipment. Substantive updates to the 2012 standards which are incorporated in the 2017 edition include:

1. Adding definitions for *communication* and *supply space*,
2. Adding exceptions for underground cable grounding requirements,
3. Revising and reorganizing the guy insulator placement rules,
4. Revising and reorganizing the Grades of Construction application rules, and
5. Revising the Part 4 worker safety rules to align with changes made to 29 CFR by the Occupational Safety and Health Administration (OSHA).<sup>1</sup>

The NESC is a consensus standard that has been prepared by the National Electrical Safety Code Committee under procedures approved by the American National Standards Institute (ANSI). The membership of the NESC Committee is composed of national organizations and is certified by ANSI as having an appropriate balance of the interests of members of the public, utility workers, regulatory agencies, and the various types of public and private utilities.

Therefore, to the extent that any additional transactional costs potentially may result from updates reflected in the NESC – 2017 edition, such costs would be associated with the ANSI-approved recommendations of the NESC Committee and would not result directly from staff's recommended rule modifications. Affected entities should benefit from safer installations due to the revised NESC standards.

E. An analysis of the impact on small businesses, and small counties and small cities: [120.541(2)(e), F.S.]

(1) "Small business" is defined by Section 288.703, F.S., as an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments.

<sup>1</sup> IEEE Standards Association, 2017 NESC brochure: [https://standards.ieee.org/about/nesc/nesc\\_2017\\_brochure.pdf](https://standards.ieee.org/about/nesc/nesc_2017_brochure.pdf)

No adverse impact on small business. [See clarification below.]

Minimal. Provide a brief explanation.

Other. Provide an explanation for estimate and methodology used.

Based on a review of investor-owned electric utility annual reports, staff believes that none of the five Florida investor-owned electric utilities would be likely to meet the definition of "small business" as defined in Section 288.703, F.S. The numbers of rural electric cooperatives and independent wholesale power generation and distribution companies, if any, that potentially might meet the definition of "small business" as defined in Section 288.703, F.S., are difficult to estimate. Additional transactional costs, if any, which potentially might result from the recommended rule changes, are discussed in Section D above.

(2) A "Small City" is defined by Section 120.52, F.S., as any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census. A "small county" is defined by Section 120.52, F.S., as any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census.

No impact on small cities or small counties.

Minimal. Provide a brief explanation.

Other. Provide an explanation for estimate and methodology used.

Based on a review of the "Florida Estimates of Population" published by the Bureau of Economic and Business Research (2015), it is estimated that 14 municipally-owned electric utilities potentially might meet the definition of "small city" as defined in Section 120.52, F.S. Additional transactional costs, if any, which potentially might result from the recommended rule changes, are discussed in Section D above.

F. Any additional information that the Commission determines may be useful.  
[120.541(2)(f), F.S.]

None.

Additional Information:



G. A description of any regulatory alternatives submitted and a statement adopting the alternative or a statement of the reasons for rejecting the alternative in favor of the proposed rule. [120.541(2)(g), F.S.]

No regulatory alternatives were submitted.

A regulatory alternative was received from

Adopted in its entirety.

Rejected. Describe what alternative was rejected and provide a statement of the reason for rejecting that alternative.