

Sandra Soto

From: Hong Wang
Sent: Wednesday, June 13, 2018 8:38 AM
To: 'rpayton@fhba.com'
Subject: FW: Review of Electric Utility Hurricane Preparedness and Restoration Act
Attachments: 2018 LETTER - To FPSC June 12.pdf

Dear Mr. Payton,

Your comments, attached, will be placed in consumer correspondence in Docket 20170215-EU.

Sincerely,

Hong Wang

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
850-413-6762

From: Rusty Payton <rpayton@fhba.com>
Date: June 13, 2018 at 7:46:21 AM EDT
To: "CSTAUFFE@PSC.STATE.FL.US" <CSTAUFFE@PSC.STATE.FL.US>
Subject: Review of Electric Utility Hurricane Preparedness and Restoration Act

Carlotta,

Attached are the comments of the Florida Home Builders Association concerning the PSC's review of Electric Utility Hurricane Preparedness and Restoration Act (Docket Number: 20170215-EU).

Feel free to contact me if we can provide any further clarification. Thanks.

Rusty Payton, Florida Home Builders Association
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June 12, 2018

Florida Public Service Commission
c/o Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

In re: Docket No. 20170215-EU; Review of Electric Utility Hurricane Preparedness and Restoration Actions

Dear Commissioners of the FPSC:

The Florida Homebuilders Association (FHBA) files public comments in support of underground distribution lines in new residential developments, because undergrounding appears to be the most cost-effective solution to preventing outages and optimizing the electric grid. Although the upfront cost to undergrounding may be higher, undergrounding saves the general body of ratepayers money by reducing physical damage to local electrical infrastructure, as well as, reducing utility's operation and maintenance while optimizing revenue for the electrical utility by keeping the lights on.

BACKGROUND ON FHBA

Established in 1949, FHBA is an association with more than 8,000 members in Florida. Our mission is to maintain a viable economy for Florida's home building industry. The FHBA members incur significant costs to underground distribution lines in, and sometimes around, the land developed for new housing developments. It should be noted that the FHBA does not regularly appear before the Commission, and does not seek to intervene in the docket despite having a substantial interest in the outcome of storm hardening. However, this topic is of great interest to our members and the FHBA writes this letter for inclusion of public comments in this docket. Particularly, our members are very interested in the possible modifications to cost-in-aid-of-construction (CIAC) - the inputs within the formula and the values assigned to each input.

FHBA'S PUBLIC COMMENTS

The FHBA applauds the Commission's current and past efforts related to enhancing hurricane preparedness and hardening Florida's electrical grid. The FHBA also appreciates the balancing act the Commission exercises - to help further strengthen the infrastructure while minimizing rate impacts to customers. With that in mind, the FHBA has reviewed the Commission's most

recent workshops held on May 2-3, 2018, and finds much support for undergrounding distribution lines to reduce physical damage to the grid, electrical outages, and restoration times.

In particular, the FHBA agrees with the Florida Industrial Power Users Group, Florida Retail Federation and the Office of Public Counsel that undergrounding enhances reliability and reduces a utility's operation and maintenance costs. These reduced O&M costs translate into utility savings, and these savings should be accurately reflected in the CIAC formula used to allocate costs to developers. To further support this notion, the FHBA is not aware of any noteworthy damage to underground electrical facilities. Our awareness is consistent with the majority of utilities that responded to Commission staff's first data request (which is pasted below for ease of reference).

Please provide an assessment of the performance of underground facilities during Hurricanes Matthew, Hermine, Irma, Maria, and Nate. As part of this assessment please summarize the number of underground facilities that required repair or replacement for each event.

Response: The utility had minimal underground facility damage from the Hurricanes.¹

In light of the general consensus amongst all parties mentioned above, the FHBA supports undergrounding for reliability purposes and reduced operations and maintenance which would otherwise be incurred by the utilities. Another added value for quicker restoration is that undergrounding provides instant electrification once feeders connected to our developments are energized. Lastly, to the extent undergrounding for new developments does not become the standard for a utility, the FHBA respectfully requests the Commission examine the increased credit in the CIAC formula, because undergrounding saves the utility time, money and resources on the following hurricane preparedness and restoration process:

1. Reduced vegetation management and tree trimming obligations for clearance of above ground electrical facilities;
2. Reduced pole inspections and annual monitoring of hardening efforts;
3. Reduced number and need for mutual aid crews and personnel assignments for restoration electrical facilities;
4. Reduced number and need of trucks stocked, staged and fuel deliveries;
5. Reduced number and need of food, lodging and staging of mutual aid crews outlined above;
6. Reduced damage to above ground electrical facilities, poles and distribution lines;
7. Reduced call volume and electronic notifications to the utilities' customer care centers, which in turn, show maximize employee resources and ability to assist other customers;

¹ See Response to Staff's First Data Request, November 14, 2017:
<http://www.psc.state.fl.us/library/filings/2017/10692-2017/10692-2017.pdf>

8. Reduced loss of revenue from subdivisions that did not lose power because they undergrounded distribution lines throughout the subdivision; or alternative, were immediately energized upon restoration of feeders.
9. Loss of revenue, or alternatively, increased revenues from undergrounding, will help offset cost of above ground damage from the high winds of a hurricane or tropical storm;

CONCLUSION

In conclusion, the FHBA applauds the Commission's current and past efforts related to enhancing hurricane preparedness and hardening Florida's electrical grid. We understand and appreciate the balancing act the Commission exercises to further strengthen the infrastructure while minimizing rate impacts to customers. Although the upfront cost to underground distribution lines may be higher, undergrounding saves the general body of ratepayers money by reducing physical damage to local electrical infrastructure, as well as, reducing utility's operation and maintenance while optimizing revenue for the electrical utility by keeping the lights on.

Sincerely,

A handwritten signature in black ink that reads "Rusty Payton". The signature is written in a cursive, flowing style.

Rusty Payton,
CEO/Chief Lobbyist