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DIVISION OF ECONOMICS
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Public Service Commission

April 7, 2020

STATEMENT OF ESTIMATED REGULATORY COSTS

Staff's First Data Request
Via e-mail

Michelle Hershel
Florida Electric Cooperatives Association, Inc.
2916 Apalachee Parkway
Tallahassee, FL 32301
mhershel@fecacom

Re: Docket No. 20200091-EU: Proposed amendment of Rule 25-6.064, F.A.C., Contribution-in-Aid-of-Construction for Installation of New or Upgraded Facilities; Rule 25-6.078, F.A.C., Schedule of Charges; Rule 25-6.115, F.A.C., Facility Charges for Conversion of Existing Overhead Investor-owned Distribution Facilities; and Rule 25-6.0343, F.A.C., Municipal Electric Utility and Rural Electric Cooperative Reporting Requirements.

Dear Ms. Hershel:

By this letter, the Commission staff is requesting your input on impacts, if any, that might result from potential revisions to Commission Rule 25-6.0343, F.A.C., Municipal Electric Utility and Rural Electric Cooperative Reporting Requirements. Pursuant to Section 120.54(3)(b)1, F.S., agencies are encouraged to prepare a statement of estimated regulatory costs (SERC) before the adoption, amendment, or repeal of any rule. In order to prepare the SERC, staff includes the questions below which pertain to staff's draft rule changes shown in Attachment A.

Proposed revisions to Section (2) of Rule 25-6.0343, F.A.C., applicable to municipal electric utilities and rural electric cooperatives state that the reports required by subsection (3) of this rule shall be filed with the Commission Clerk by March 1, 2020 and every three years thereafter for the three preceding calendar years. Would the above requirements:

1. Increase Rural Electric Cooperative's regulatory costs in excess of \$200,000 in the aggregate within one year after implementation of the rule?

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2. Reduce regulatory costs to Rural Electric Cooperatives by filing a report every three years as opposed to the annual filing pursuant to existing rule requirements? Please explain.
3. Increase Rural Electric Cooperatives' transactional costs (such as filing fees, license fees, cost of equipment required to be installed/used, procedures required to comply with rule requirements, additional operating costs, monitoring and/or reporting costs, and any other costs necessary to comply with the rule) in excess of \$200,000 in the aggregate within one year after implementation of the rule?
4. Please describe typical types of transactional costs that would be incurred by Rural Electric Cooperatives to implement the proposed revision to Section (2) of Rule 25-6.0343, F.A.C.
5. Please provide an explanation for the estimated transactional costs and methodology used.
6. Would the proposed revision to Section (2) of Rule 25-6.0343, F.A.C., have any adverse or positive impacts on small businesses, small cities, or small counties defined in Chapter 120.541(2)(e), F.S.?

Please file all responses electronically no later than April 21, 2020, via the Commission's website at www.floridapsc.com by selecting the Clerk's Office tab and Electronic filing Web Form. Please contact me at sguffey@psc.state.fl.us or at 850.413.6204 if you have any questions.

Thank you.

/s/Sevini Guffey
Sevini Guffey
Public Utility Analyst II

cc: Office of the Commission Clerk

Attachment A

Proposed amendments of:

- **Rule 25-6.0343, F.A.C., Municipal Electric Utility and Rural Electric Cooperative Reporting Requirements.**

1 **25-6.0343 Municipal Electric Utility and Rural Electric Cooperative Reporting**
2 **Requirements.**

3 (1) Application and Scope. The purpose of this rule is to define certain reporting requirements
4 by municipal electric utilities and rural electric cooperatives providing distribution service to
5 end-use customers in Florida.

6 (2) The reports required by subsections (3) of this rule shall be filed with the Commission
7 Clerk by March 1, 2020 and every three years thereafter for the three preceding calendar
8 years. The reports required by subsections (4), and (5) of this rule shall be filed with the
9 Commission Clerk by March 1, of each year for the preceding calendar year.

10 (3) Standards of Construction. Each municipal electric utility and rural electric cooperative
11 shall report the extent to which its construction standards, policies, practices, and procedures
12 are designed to address the ability of transmission and distribution facilities to mitigate
13 damage caused by extreme weather. Each utility report shall, at a minimum, address the extent
14 to which its construction standards, policies, guidelines, practices, and procedures:

15 (a) Comply, at a minimum, with the National Electrical Safety Code (ANSI C-2)
16 [NESC]. For electrical facilities constructed on or after February 1, 2007, the 2007
17 NESC shall apply. Electrical facilities constructed prior to February 1, 2007, shall be
18 governed by the edition of the NESC in effect at the time of the facility's initial
19 construction. A copy of the 2007 NESC, ISBN number 0-7381-4893-8, may be
20 obtained from the Institute of Electric and Electronic Engineers, Inc. (IEEE).

21 (b) Are guided by the extreme wind loading standards specified by Figure 250-2(d) of
22 the 2002 edition of the NESC for:

- 23 1. New construction;
- 24 2. Major planned work, including expansion, rebuild, or relocation of existing
- 25 facilities, assigned on or after the effective date of this rule; and

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from existing law.

1 3. Targeted critical infrastructure facilities and major thoroughfares taking into
2 account political and geographical boundaries and other applicable operational
3 considerations.

4 (c) Address the effects of flooding and storm surges on underground distribution
5 facilities and supporting overhead facilities.

6 (d) Provide for placement of new and replacement distribution facilities so as to
7 facilitate safe and efficient access for installation and maintenance.

8 (e) Include written safety, pole reliability, pole loading capacity, and engineering
9 standards and procedures for attachments by others to the utility's electric transmission
10 and distribution poles.

11 (4) Facility Inspections. Each municipal electric utility and rural electric cooperative shall
12 report, at a minimum, the following information pertaining to its transmission and distribution
13 facilities:

14 (a) A description of the utility's policies, guidelines, practices, and procedures for
15 inspecting transmission and distribution lines, poles, and structures including, but not
16 limited to, pole inspection cycles and pole selection process.

17 (b) The number and percentage of transmission and distribution inspections planned
18 and completed.

19 (c) The number and percentage of transmission poles and structures and distribution
20 poles failing inspection and the reason for the failure.

21 (d) The number and percentage of transmission poles and structures and distribution
22 poles, by pole type and class of structure, replaced or for which remediation was taken
23 after inspection, including a description of the remediation taken.

24 (5) Vegetation Management. Each municipal electric utility and rural electric cooperative shall
25 report, at a minimum, the following information pertaining to the utility's vegetation

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management efforts:

(a) A description of the utility’s policies, guidelines, practices, and procedures for vegetation management, including programs addressing appropriate planting, landscaping, and problem tree removal practices for vegetation management outside of road right-of-ways or easements, and an explanation as to why the utility believes its vegetation management practices are sufficient.

(b) The quantity, level, and scope of vegetation management planned and completed for transmission and distribution facilities.

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