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DIVISION OF APPEALS DAVID E SMETH DIRECTOR (850) 413-6245

Public Service Commission

November 30, 1998

Mr. Carroll Webb
Joint Administrative Procedures
Committee
120 Holland Building
Tallahassee, Florida 32399

Re: Docket No. 980570-EU - Proposed Amendments to Rule 25-6.0185, F.A.C., Electric Utility Procedures for Long-Term Energy Emergencies

Dear Mr. Webb:

ADM0185.MRD

APP ____

CAF ____

CMU ____

OTH

Commissioners

JOE GARCIA

J TERRY DEASON

SUSAN F. CLARK

E. LEON JACOBS, JR.

JULIA L. JOHNSON, CHAIRMAN

Enclosed are an original and two copies of the following materials concerning the above referenced proposed rule:

- A copy of the rule.
- 2. A copy of the F.A.W. notice.

	3.	A statement of facts and circumstances justifying the	
ACK		proposed rule.	
AFA			

4. A federal standards statement.

 No statement of estimated regulatory costs was prepared.

TR _____ If there are any questions with respect to this rule,

EAG ____please do not hesitate to call on me.

LEG _____ Sincerely,

OPC _____

SEC _____ Richard C. Bellak
Associate General Counsel
WAS

- Enclosures cc: Division of Records & Reporting OCUMENT NUMBER-DATE

25-6.0185 Electric Utility Procedures for Long-Term Energy Emergencies.

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(1) The Commission has reviewed the Florida Electric Power Coordinating Group's Emergency Procedure for Long Term Energy Emergencies, Fuel Supply Shortage Plan dated August 3, 1981 and adopts said plan, as amended below, as the Fuel Supply Shortage Element of the Florida Electrical Emergency Contingency Plan, under Section 377.703, Florida Statutes.

(1)(2)(a) By December 1, 1982, eEach electric utility in Florida that owns or controls electric generation facilities must have on file with shall develop and submit to the Commission a long-term energy emergency plan to establish a systematic and effective means of anticipating, assessing, and responding to a long-term emergency caused by a fuel supply shortage for fuel shortages. A long-term utility energy emergency exists when the fuel supplies of an individual utility are decreasing or are anticipated to decrease below a level adequate to provide continuous, uninterrupted service to its customers. Bach utility's plan shall be consistent with the requirements of the Fuel Supply Shortage Element of the Florida Electrical Emergency Contingency Plan. The plans shall also provide for the full reimburgement by an electric utility receiving energy or fuel during an energy emergency. Full reimburgement shall be all of the supplying utility's cost of replacing such energy or fuel with the same or alternate fuel or energy.

CODING: Words underlined are additions; words in struck through type are deletions from existing law.

- 1 -

(2) Beginning on January 31, 1999, and every three calendar 1 2 years thereafter, each utility subject to this rule must notify 3 the Commission in writing that the utility has reviewed its fuel 4 emergency plan. (a) If a utility determines that its existing plan requires 5 modification, a revised plan shall be submitted for Commission 6 7 approval with the notification of review. 8 (b) If a utility determines no changes are necessary, the utility must file a letter stating that the required review has 9 been conducted and that the existing plan continues to be 10 11 adequate. (3) (b) At the time the utility submits its revised plan to 12 the Commission, it shall also provide a copy of the plan to the 13 Florida Reliability Coordinating Council (FRCC), Electric Power 14 Coordinating Group (FCG) . The Plorida Bleetric Power 15 Goordinating Group will assess each utility's plan for 16 compatability with the Fuel Supply Shortage Bloment of the 17 Florida Electrical Emergency Contingency Plan-18 (4) (c) 1. The Commission shall review and either may approve 19 or reject each utility's plan. In so doing, the Commission may 20 21 rely upon the FCG for technical advice and assistance in assessing the plan's compatibility with the Fuel Supply Chortage 22 Element of the Plorida Electrical Emergency Contingency Plan. 23 The Commission's shall review shall consider whether each 24 utility's plan with regard to whether it adequately: 25

CODING: Words underlined are additions; words in etruck through type are deletions from existing law.

- 2 -

(a) - Identifies specific actions to be taken by the utility 1 2 upon the Governor's declaration of a fuel supply emergency; 3 (b) - Addresses interchange of energy and the physical 4 sharing of fuel stocks or fuel deliveries or both; 5 (c)- Sets priorities for customer interruptions; and 6 (d) - Establishes objective criteria for notifying the Chairman of the FRCC Reliability Assessment Group (RAG) FCG 7 Technical Advisory Group of the existence of a long-term energy 3 emergency on the system of the utility. 9 In reviewing individual utility plans of electric 10 (5) 2utilities serving areas west of the Apalachicola River, whose 11 electric facilities and emergency contingency plans are 12 coordinated with utilities outside of Florida, the Commission may 13 take into account such special considerations as may be just and 14 reasonable in light of such utilities' geographical location and 15 interconnections with utilities outside of Florida. 16 (6)3-Plans not approved by the Commission shall be 17 revised and resubmitted to the Commission pursuant to Commission 18 order and within the time specified in the order. 19 (d) Upon approval of an individual utility's plan, such 20 plan shall be incorporated as a supplement to the Fuel Supply 21 Shortage Blement of the Florida Bleetrical Emergency Contingency 22 Plon-23 (3) Where the plan or this rule refers to the Florida 24 Electric Power Coordinating Group (FCC), or any committee, group 25

CODING: Words underlined are additions; words in struck through type are deletions from existing law.

- 3 -

As-such, the actions specified herein ars primarily oriented toward those to be taken by the generating utilities in Peninsular Florida. Peninsular Florida io defined as the area cast of the Apalachicola River. The emergency plans and procedures of utilities receiving partial or full requirements service are concemitant with those of their wholesale suppliers and shall be coordinated and be consistent with the suppliers' individual utility plans. The actions of other generating utilities outside of peninsular Florida, such as Gulf Power Company, will be coordinated through liaison with appropriate emergency personnel. Gulf Power Company, while operating under its own plan as a result of its geographical location in the State and its interconnections to the Southern Blootric System, will coordinate its activities and participate where feasible and practical with the Fuel Supply Shortage Plan. (c) On page 7, the following paragraph A is substituted for paragraph A: A. DESIGNATION A long term utility energy emergency exists when the fuel supplies of an individual electric utility are decreasing or are anticipated to decrease below a level adequate to provide for continuous, uninterrupted

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1	service to its customers. If such a long term energy
2	emergency exists on the system of the utility; if that
3	individual utility's plan included
4	the elements as prescribed by Section IV, and if
5	implementation of these actions has been or is
6	anticipated to be inadequate to mitigate the energy
7	emergency on its system, then the utility will notify
в	the Chairman of the FCC Technical Advisory Group (TAG)
9	of this impending emergency. The Chairman of TAG,
10	after consultation with and concurrence by the Chairman
11	of the FGG Executive Committee, will notify the Florida
12	Public Service Commission and request the initiation of
13	a Fuel Supply Alert. The initiation of a Fuel Supply
14	Alert by the Commission will trigger the actions
15	indicated below.
16	(d) On page 0, the following paragraphs 4, 5, and 6 are
17	substituted for paragraphs 4, 5, and 6 of the plan+
18	
19	that the remaining days of fuel supply, expressed
20	in terms of Days Burn, for Florida be calculated
21	by the procedures detailed in Appendix C,
22	"Determination of Remaining Fuel Supply."
23	
24	Burn for Florida.
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1	to be appropriate by TAG:
2	(f) On page 10, the following paragraph 2 under Step A is
3	substituted for paragraph 2 in the plan:
4	- 2. Implement energy source conservation measures
5	throughout Florida so as to minimize the
6	generation of electricity from the fuel in short
7	supply considering economic constraints. Insofar
8	as practical, optimum usage will be made of
9	available purchased energy.
10	(g) On page 19, the following paragraph is substituted for
11	the first paragraph under the heading "1. Fuel Supply Alert
12	Actions":
13	Upon the initiation of a Fuel Supply Alert, the FCG
14	Public Information Committee (PIC) shall prepare a
15	uniform notification for use by all participating
15	utilities. The form and content of the notification
17	shall be approved, prior to issuance, by the Technical
18	Advisory Group.
19	(h) On page 19, the following paragraph is substituted for
20	paragraph (a) under the heading *2. Fuel Supply Emergency
21	Actions*+
22	(a) PIC shall transmit the previously approved
23	notification, as expeditiously as possible, to the
24	chief operating officer, energy emergency
25	executive or the appropriate designee of each

1	participating utility.
2	(i) On page 20, the following paragraphs (c) and (c) are
3	substituted for paragraphs (c) and (e) in the plan-
4	(c) PIC will notify the Florida wire services as seen
5	as possible after initiation of the emergency and
6	shall prepare the appropriate press releases and
7	status-reports on the Florida situation throughout
8	the duration of the emergency. PIC shall
9	coordinate all appeals for reduction of
10	consumption and conservation coinciding with the
11	Fuel Supply Emergency actions contained in Section
12	VI of this plan. Issuance of any information by
13	PIC shall be at the direction of TAG and uniformly
14	administered throughout Florida by the individual
15	participanto.
16	(c) TAG will cotablish a liaison with the appropriate
17	emergency organization of other generating
18	utilities contiguous to Florida-
19	(j) On page 21, the following paragraph (c) is substituted
20	for paragraph (c) in the plan:
21	(e) The FCC staff will calculate the remaining days of
22	fuel supply, expressed in terms of Days Durn, for
23	Florida. The Dayo Burn for Florida shall be the
24	weighted average, based on energy source
25	requirement, of the individual participants' Days

1	Burn-
2	(k) On page 22, the following sentence to substituted for
3	the first sentence under the heading "2. Fuel Supply Emergency
4	Action" in the Plan.
5	
6	Upon the initiation of a Fuel Supply Emergency, the
7	following actions shall be taken, at the direction of
8	TAG.
9	(1) On page 32, the following paragraph (d) is substituted
10	for paragraph (d) in the Pian.
11	(d) The FCC Staff, or in their absence the Energy
12	Emergency Operation Tack Force, will continue to
13	calculate the Days Burn for Florida in the manner
14	previously iccorribed. This information will be
15	provided to TAG.
16	(m) On page 26, the following paragraphs (d) and (e) are
17	substituted for paragraphs (d) and (e) in the Plan:
18	(d) Begin review of the daily reports to establish a
19	trend of fuel usage to serve the Florida load.
20	(e) Recommended changes in generation and interchange
21	as necessary to optimize fuel use with due
22	consideration for the economical operation of
23	Florida's generation resources.
24	(n) On page 27, the following paragraph (5) is substituted
25	for paragraph (5) of the Plan:

1	(5) Utilize generation sources to minimize use of fuci
2	in short supply with due consideration for the
3	economic operation of Florida's generation
4	resources
5	Specific Authority: 350.127(2), 366.05(1), F.S.
6	Law Implemented: 366.04(5 3), 366.05(7) 377.703, F.S.
7	History: New 6/28/82, formerly 25-6.185, Amended
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NOTICE OF PROPOSED RULEMAKING FLORIDA PUBLIC SERVICE COMMISSION DOCKET NO. 980570-EU

RULE TITLE:

RULE NO.:

Electric Utility Procedures for Long-Term Energy 25-6.0185
Emergencies

PURPOSE AND EFFECT: The proposed amendments clarify and simplify rules concerning electric utility procedures for long-term energy emergencies due to fuel shortages and add a reporting requirement.

SUMMARY: Requires each electric utility in Florida that owns or controls electric generating facilities to have on file with the Commission a long-term energy emergency plan to anticipate, assess and respond to long-term emergencies due to a fuel supply shortage, and to review and report on the status of the plan every three years to the Commission.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: No significant additional costs or negative impacts on utilities, small businesses, small cities, or small counties were identified.

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

SPECIFIC AUTHORITY: 350.127(2), 366.05(1), FS

LAW IMPLEMENTED: 366.05 (5 3), 366.05(7) 377.703, FS

effective means of anticipating, assessing, and responding to a long-term emergency caused by a fuel supply shortage for fuel shortages. A long-term utility energy emergency exists when the fuel supplies of an individual utility are decreasing or are anticipated to decrease below a level adequate to provide continuous, uninterrupted service to its customers. Each utility's plan shall be consistent with the requirements of the Fuel Supply Shortage Element of the Florida Electrical Emergency Contingency Plan. The plans shall also provide for the full reimbursement by an electric utility receiving energy or fuel during an energy emergency. Full reimbursement shall be all of the supplying utility's cost of replacing such energy or fuel with the same or alternate fuel or energy.

- (2) Beginning on January 31, 1999, and every three calendar years thereafter, each utility subject to this rule must notify the Commission in writing that the utility has reviewed its fuel emergency plan.
- (a) If a utility determines that its existing plan requires modification, a revised plan shall be submitted for Commission approval with the notification of review.
- (b) If a utility determines no changes are necessary, the utility must file a letter stating that the required review has been conducted and that the existing plan continues to be adequate.

(3) (b) At the time the utility submits its revised plan to

the Commission, it shall also provide a copy of the plan to the Florida Reliability Coordinating Council (FRCC). Electric Power Coordinating Group (FGG). The Florida Electric Power Coordinating Group will assess each utility's plan for compatability with the Fuel Supply Shortage Element of the Florida Electrical Emergency Contingency Plan.

(4)(c)1. The Commission shall review and either may approve or reject each utility's plan. In so doing, the Commission may rely upon the FGG for technical advice and assistance in assessing the plan's compatibility with the Fuel Supply Shortage Element of the Florida Electrical Emergency Contingency Plan. The Commission's shall review shall consider whether each utility's plan with regard to whether it adequately:

(a) - Identifies specific actions to be taken by the utility upon the Governor's declaration of a fuel supply emergency;

(b) Addresses interchange of energy and the physical sharing of fuel stocks or fuel deliveries or both;

(c) - Sets priorities for customer interruptions; and

(d) - Establishes objective criteria for notifying the

Chairman of the FRCC Reliability Assessment Group (RAG) FGG

Technical Advisory Group of the existence of a long-term energy emergency on the system of the utility.

(5)2. In reviewing individual utility plans of electric utilities serving areas west of the Apalachicola River, whose electric facilities and emergency contingency plans are

coordinated with utilities outside of Florida, the Commission may take into account such special considerations as may be just and reasonable in light of such utilities' geographical location and interconnections with utilities outside of Florida.

(6)3. Plans not approved by the Commission shall be revised and resubmitted to the Commission pursuant to Commission order and within the time specified in the order.

- (d) Upon approval of an individual utility's plan, such plan shall be incorporated as a supplement to the Fuel Supply Shortage Element of the Florida Electrical Emergency Contingency Plan. (3) Where the plan or this rule refers to the Florida Electric Power Coordinating Group (FCG), or any committee, group or individual that is a part of FCG, the reference means FCG or part thereof, or any other entity which the utilities subject to the Commission's jurisdiction under 5377.703 F.S., agree to have perform the functions outlined in this rule or plan-(4) The Florida Electric Power Coordinating Groups Emergency Procedure for Long Term Energy Emergencies, Fuel Supply Shortage Plan dated August 3, 1981 is amended as follows: (a) On page 3, the following definition is substituted for the definition in the Plant - II. DEFINITION An electric energy emergency exists when Florida has
- An electric energy emergency exists when Florida has inadequate energy generating capability by reason of a fuel supply shortage and is thereby prevented from operating at

required levels to supply its energy obligations. An energy emergency differs from a short term capacity emergency in that energy requirements cannot be me's over an extended period. The period of advance warning and expected duration of an energy emergency is usually measured in terms of weeks or months, as opposed to minutes or hours for a short term capacity deficiency.

(b) On page 4, the following paragraph is substituted for the last paragraph on page 4:

The Fuel Supply Chortage Plan is oriented toward energy emergencies caused by a fuel supply shortage. As such, the actions specified herein are primarily oriented toward those to be taken by the generating utilities in Peninsular Florida. Peninsular Florida is defined as the area east of the Apalachicola River. The emergency plans and procedures of utilities receiving partial or full requirements service are concomitant with those of their wholesale suppliers and shall be coordinated and be consistent with the suppliers' individual utility plane. The actions of other generating utilities outside of peninsular Florida, such as Gulf Power Company, will be coordinated through liaison with appropriate emergency personnel. Gulf Power Company, while operating under its own plan as a result of its geographical location in the State and its interconnections to the Southern Electric System, will coordinate its activities and participate where feasible and practical with the Fuel Supply Chortage Plan.

(c) On page 7, the following paragraph A is substituted for paragraph A:

A. DESIGNATION

A long term utility energy emergency exists when the fuel supplies of an individual electric utility are decreasing or are anticipated to decrease below a level adequate to provide for continuous, uninterrupted service to its customers. If such a long-term energy emergency exists on the system of the utility, if that individual utility's plan includes the elements as prescribed by Section IV; and if implementation of these actions has been or is anticipated to be inadequate to mitigate the energy emergency on its system, then the utility will notify the Chairman of the FCG Technical Advisory Group (TAG) of this impending emergency. The Chairman of TAG, after consultation with and concurrence by the Chairman of the FGG Executive Committee, will notify the Florida Public Service Commission and request the initiation of a Fuel Supply Alert. The initiation of a Fuel Supply Alert by the Commission will trigger the actions indicated below.

--- (d) On page 8, the following paragraphs 4, 5, and 6 are substituted for paragraphs 4, 5, and 6 of the plan:

4. TAG will request that the data be collected and that the

remaining days of fuel supply, expressed in terms of Days Burn, for Florida be calculated by the procedures detailed in Appendix C, "Determination of Remaining Fuel Supply." 5. The FCG Staff will calculate and publish the Days Burn for Florida. 6. TAG will advise the Executive Committee and the Commission regarding the status of the Florida fuel supply oituation-(e) On page 9, the following paragraphs A, B and C are substituted for paragraphs A, B, and G of the Plan: A. DESIGNATION Following the designation of a Fuel Supply Alert, the remaining days of fuel supply (Days Burn) will be determined and the FGG Executive Committee, upon advice from TAG, may request that the Governor of the State of Florida declare a Fuel Supply Emergency in Florida pursuant to 5377.703, F.S. or other appropriate statutory authority. B. RESPONSIBILITY Upon the declaration of a Fuel Supply Emergency by the Governor, the Technical Advisory Group will assume emergency responsibility for coordinating the initiation and termination of all Fuel Supply Emergency actions, monitoring of the fuel supply situation and continuing apprisal of the appropriate governmental agencies (see Appendix D, "Energy

Management and Allocation Procedures").

CACTIONS
- Upon the declaration of a Fuel Supply Emergency by the
Governor, all participating utilities shall take the action
indicated in the following steps as deemed to be appropriat
by TAG:
(f) On page 10, the following paragraph 2 under Step A is
substituted for paragraph 2 in the plan:
2. Implement energy source conservation measures throughout
Florida so as to minimize the generation of electricity from the
fuel in short supply considering economic constraints. Insofar a
practical, optimum usage will be made of available purchased
energy.
(g) On page 19, the following paragraph is substituted for
the first paragraph under the heading "1. Fuel Supply Alert
Actions":
Upon the initiation of a Fuel Supply Alert, the FGG Public
Information Committee (PIC) shall prepare a uniform
notification for use by all participating utilities. The
form and content of the notification shall be approved,
prior to issuance, by the Technical Advisory Group.
(h) On page 19, the following paragraph is substituted for
paragraph (a) under the heading "2. Fuel Supply Emergency
Actions":
(a) PIC shall transmit the previously approved notification
as expeditiously as possible, to the chief operating

officer, energy-emergency executive or the appropriate designee of each participating utility. (i) On page 20, the following paragraphs (c) and (c) are substituted for paragraphs (c) and (c) in the plant (c) PIC will notify the Florida wire services as soon as possible after initiation of the emergency and shall prepare the appropriate press releases and status reports on the Florida situation throughout the duration of the emergency. PIC shall coordinate all appeals for reduction of consumption and conservation coinciding with the Fuel Supply Emergency actions contained in Section VI of this plan. Issuance of any information by PIC shall be at the direction of TAG and uniformly administered throughout Florida by the individual participants. (c) TAG will establish a liaison with the appropriate emergency organization of other generating utilities contiguous to Florida. (j) On page 21, the following paragraph (c) is substituted for paragraph (c) in the plan: (c) The FGG staff will calculate the remaining days of fuel supply, expressed in terms of Days Burn, for Florida. The Days Burn for Florida shall be the weighted average, based on energy source requirement, of the individual participants' Days Burn. (k) On page 22, the following sentence is substituted for

the first sentence under the heading "2. Fue? Supply Emergency Action" in the Plan-Upon the initiation of a Fuel Supply Emergency, the following actions shall be taken, at the direction of TAG. (1) On page 22, the following paragraph (d) is substituted for paragraph (d) in the Plan. (d) The FCG Staff, or in their absence the Energy Emergency Operation Task Force, will continue to calculate the Days Burn for Florida in the manner previously described. This information will be provided to TAG. (m) On page 26, the following paragraphs (d) and (e) are substituted for paragraphs (d) and (e) in the Plant (d) Begin review of the daily reports to establish a trend of fuel usage to serve the Florida load. (e) Recommended changes in generation and interchange as necessary to optimize fuel use with due consideration for the economical operation of Florida's generation resources. (n) On page 27, the following paragraph (5) is substituted for paragraph (5) of the Plant (5) Utilize generation sources to minimize use of fuel in short supply with due consideration for the economic operation of Florida's generation resources. Specific Authority 350.127(2), 366.05(1), FS. Law Implemented 366.04(5 3), 366.05(7) 377.703, FS. History--New 6-28-82, formerly 25-6.185, Amended

NAME OF PERSON ORIGINATING PROPOSED RULE: Connie Kummer

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULE:

Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: November 3, 1998

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW:

Volume 23, Number 37, September 12, 1997

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).