

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed amendments to
Rule 25-6.0185, F.A.C., Electric
Utility Procedures for Long-Term
Energy Emergencies.

DOCKET NO. 980570-EU
ORDER NO. PSC-98-1520-NOR-EU
ISSUED: November 18, 1998

The following Commissioners participated in the disposition of
this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

NOTICE OF RULEMAKING

NOTICE is hereby given that the Florida Public Service
Commission, pursuant to Section 120.54, Florida Statutes, has
initiated rulemaking to amend Rule 25-6.0185, Florida
Administrative Code, relating to electric utility procedures for
long-term energy emergencies.

The attached Notice of Rulemaking will appear in the November
25, 1998 edition of the Florida Administrative Weekly.

If timely requested, a hearing will be held at the following
time and place:

9:30 a.m., December 18, 1998
Florida Public Service Commission
Betty Easley Conference Center
Room 152, 4075 Esplanade Way
Tallahassee, Florida

Written requests for hearing and written comments or
suggestions on the rule must be received by the Director, Division
of Records and Reporting, Florida Public Service Commission, 2540
Shumard Oak Boulevard, Tallahassee, Florida 32399-0862, no later
than December 17, 1998.

DOCUMENT NUMBER-DATE

12900 NOV 18 98

FPSC-RECORDS/REPORTING

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By ORDER of the Florida Public Service Commission, this 18th
day of November, 1998.



BLANCA S. BAYÓ, Director
Division of Records & Reporting

(S E A L)

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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
Emergencies 25-6.0185

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

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

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE TIME, DATE, AND PLACE SHOWN BELOW:

TIME AND DATE: 9:30 A.M., December 16, 1998

PLACE: Room 152, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS:
Director of Appeals, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862.

THE FULL TEXT OF THE PROPOSED RULE IS:

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

~~(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, e~~Each 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. 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 (FCG)~~. ~~The Florida Electric Power Coordinating Group will assess each utility's plan for compatibility with the Fuel Supply Shortage Element of the Florida Electrical Emergency Contingency Plan.~~

(4)(e)1. The Commission shall review and either ~~may~~ approve or reject each utility's plan. ~~In so doing, the Commission may rely upon the FCG 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) ~~FCG 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 §377.703 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 Plan:~~

~~II. DEFINITION~~

~~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 met 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 Shortage 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 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 Electric 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 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 FCG 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 situation.~~

~~(e) On page 9, the following paragraphs A, B and C are substituted for paragraphs A, B, and C 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 FCG 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 §377.703, 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 appraisal of the appropriate governmental agencies (see Appendix D, "Energy Management and Allocation Procedures").~~

~~— C. ACTIONS~~

~~— Upon the declaration of a Fuel Supply Emergency by the Governor, all participating utilities shall take the actions indicated in the following steps as deemed to be appropriate 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 as 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 FCG 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 (e) are substituted for paragraphs (c) and (e) in the plan:~~

~~(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.~~

~~(e) 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 FCG 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. Fuel 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.~~

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~~(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 Plan:~~

~~(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 Plan:~~

~~(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

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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).