

STATE OF FLORIDA

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Public Service Commission

August 26, 2002

Joint Administrative Procedures
Committee
Room 120 Holland Building
Tallahassee, FL 32399-1300

RE: Docket No. 011351-EI - Rule Nos. 25-6.044 and 25-6.0455

Dear Mr. Webb:

Enclosed is an original copy of the following materials concerning the above referenced proposed rules:

1. A copy of the rules.
2. A copy of the F.A.W. notice.
3. A statement of facts and circumstances justifying the proposed rules.
4. A federal standards statement.
5. A statement of estimated regulatory costs.

If there are any questions with respect to these rules, please do not hesitate to call me.

Sincerely,

Christiana T. Moore
Senior Attorney

JAPCSERVICERULES.CTM
Enclosures

cc: Division of the Commission Clerk
and Administrative Services

00012787
08976
FPSC-COUNCIL ON ULEA

1 25-6.044 Continuity of Service.

2 (1) Definitions applicable to this part:

3 (a) "Area of Service." A geographic area where a utility
4 provides retail electric service. An Area of Service can be the
5 entire system, a district, or a region into which a utility
6 divides its system. ~~"Service Interruption". An unplanned~~
7 ~~interruption of electric service greater than or equal to one~~
8 ~~minute due to a malfunction on the distribution system or a~~
9 ~~distribution-related outage caused by events on the utility's~~
10 ~~side of customer meters which is triggered by load management~~
11 ~~restoration. The term does not include interruptions due to~~
12 ~~momentary circuit breaker operations, hurricanes, tornados, ice~~
13 ~~on lines, planned load management, or electrical disturbances on~~
14 ~~the generation or transmission system.~~

15 (b) "Average Duration of Outage Events (L-Bar)." The sum
16 of each Outage Event Duration for all Outage Events occurring
17 during a given time period, divided by the Number of Outage
18 Events over the same time period within a specific Area of
19 Service. ~~"Customer Interruption Duration" (L). The time~~
20 ~~interval, in minutes, between the time when a utility first~~
21 ~~becomes aware of a service interruption and the time of~~
22 ~~restoration of service to a customer affected by that service~~
23 ~~interruption.~~

24 (c) "Customer Average Interruption Duration Index (CAIDI)."
25 The average time to restore service to interrupted retail

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1 customers within a specified Area of Service over a given period
2 of time. It is determined by dividing the sum of Customer
3 Minutes of Interruption by the total number of Service
4 Interruptions for the respective Area of Service. "System
5 Interruption Time". ~~The total customer minutes of service~~
6 ~~interruption experienced on a utility's system during a given~~
7 ~~time period, determined by summing the total minutes of Customer~~
8 ~~Interruption Duration for all interruptions during that time~~
9 ~~period. The total minutes of Customer Interruption Duration for~~
10 ~~an individual interruption is calculated by summing the Customer~~
11 ~~Interruption Duration for each customer affected by that~~
12 ~~individual interruption (estimated if actual data is not~~
13 ~~available).~~

14 (d) "Customers Experiencing More Than Five Interruptions
15 (CEMI5)." The number of retail customers that sustain more than
16 five Service Interruptions for a specified Area of Service over a
17 given period of time. "Number of Service Interruptions (N)."
18 ~~The sum of service interruptions for the entire distribution~~
19 ~~system, or whichever portion of the distribution system which is~~
20 ~~being reviewed.~~

21 (e) "Customer Minutes of Interruption (CMI)." For a given
22 Outage Event, CMI is the sum of each affected retail customer's
23 Service Interruption Duration. "Average length of a Service
24 Interruption (L-Bar)." ~~The time interval, in minutes, between~~
25 ~~the time when the utility first becomes aware of a service~~

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1 ~~interruption and restoration of service to the last customer~~
2 ~~affected by that service interruption, summed for all service~~
3 ~~interruptions occurring during a given time period, and divided~~
4 ~~by the Number of Service Interruptions in the same time period.~~

5 (f) "Momentary Average Interruption Event Frequency Index
6 (MAIFIE)." The average number of Momentary Interruption Events
7 recorded on primary circuits for a specified Area of Service over
8 a given period of time.

9 (g) "Momentary Interruption." The complete loss of voltage
10 for less than one minute. This does not include short duration
11 phenomena causing waveform distortion.

12 (h) "Momentary Interruption Event." One or more Momentary
13 Interruptions recorded by the operation of a utility distribution
14 interrupting device within a five minute period. For example,
15 two or three operations of a primary circuit breaker within a
16 five minute period that did not result in a Service Interruption
17 is one Momentary Interruption Event.

18 (i) "Number of Customers Served (C)." The sum of all
19 retail customers on the last day of a given time period within a
20 specific Area of Service.

21 (j) "Number of Outage Events (N)." The sum of Outage
22 Events for an Area of Service over a specified period of time.

23 (k) "Outage Event." An occurrence that results in one or
24 more individual retail customer Service Interruptions.

25 (l) "Outage Event Duration (L)." The time interval, in

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1 minutes, between the time when a utility first becomes aware of
2 an Outage Event and the time of restoration of service to the
3 last retail customer affected by that Outage Event.

4 (m) "Service Interruption." The complete loss of voltage
5 of at least one minute to a retail customer.

6 (n) "Service Interruption Duration." The time interval, in
7 minutes, between the time a utility first becomes aware of a
8 Service Interruption and the time of restoration of service to
9 that retail customer.

10 (o) "System Average Interruption Duration Index (SAIDI)."
11 The average minutes of Service Interruption Duration per retail
12 customer served within a specified Area of Service over a given
13 period of time. It is determined by dividing the total Customer
14 Minutes of Interruption by the total Number of Customers Served
15 for the respective Area of Service.

16 (p) "System Average Interruption Frequency Index (SAIFI)."
17 The average number of Service Interruptions per retail customer
18 within a specified Area of Service over a given period of time.
19 It is determined by dividing the sum of Service Interruptions by
20 the total Number of Customers Served for the respective Area of
21 Service.

22 (q) "Planned Service Interruption." A Service Interruption
23 initiated by the utility to perform necessary scheduled
24 activities, such as maintenance, infrastructure improvements, new
25 construction due to customer growth. Customers are typically

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1 notified in advance of these events.

2 (2) Each utility shall keep a record of its system
3 reliability and continuity of service data, customers' Service
4 Interruption notifications, and other data necessary for the
5 reports filed under these rules. The utility shall record each
6 Outage Event as planned or unplanned and shall identify the point
7 of origination such as generation facility, transmission line,
8 transmission substation equipment, or distribution equipment.
9 The cause of each Outage event shall be determined and recorded
10 in a standardized manner throughout the utility. The date and
11 time of the Outage Event and the number of Service Interruptions
12 for the Outage Event shall also be recorded ~~the cause of each~~
13 ~~Service Interruption, and shall categorize the cause as one or~~
14 ~~more of the following: lightning, tree or limb contacting line,~~
15 ~~animal, line downed by vehicle, dig-in, substation outage, line~~
16 ~~transformer failure, salt spray on insulator, and corrosion,~~
17 ~~other, or unknown, and shall further identify whether the~~
18 ~~initiating event occurred on overhead or underground distribution~~
19 ~~lines.~~

20 (3) Each utility shall make all reasonable efforts to
21 prevent interruptions of service and when such interruptions
22 occur shall attempt to restore service within the shortest time
23 practicable consistent with safety.

24 (4) When the service is necessarily interrupted or
25 ~~curtailed for prolonged periods and for the purpose of working on~~

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1 | ~~the system~~, it shall be done at a time which, when at all
2 | practicable, will result in~~cause~~ the least inconvenience to
3 | customers and all such scheduled interruptions shall be preceded
4 | by reasonable~~adequate~~ notice whenever practicable to affected
5 | customers. Each utility shall maintain a current copy of its
6 | noticing procedures with the Division of Economic Regulation.

7 | (5) The provisions of this rule shall not apply to a
8 | curtailment or an interruption of service to customers receiving
9 | service under interruptible rate classifications when the
10 | curtailment or interruption of service occurs pursuant to the
11 | affected retail customer's service agreement.

12 | Specific Authority: 366.05(1), F.S.

13 | Law Implemented: 366.03, 366.04(2)(c), 366.04(5), 366.05, F.S.

14 | History: New 7/29/69, formerly 25-6.44, amended 02/25/93, _____.

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1 25-6.0455 Annual Distribution Service Reliability Report.

2 (1) Each utility shall file a ~~written~~ Distribution Service
3 Reliability Report with the Director of the Commission's Division
4 of Economic Regulation Electric and Gas on or before March 1st of
5 each year, ~~for covering~~ the preceding calendar year. The report
6 shall contain the following information:

7 (a) the utility's total number of Outage Events ~~service~~
8 ~~interruptions~~ (N), categorized by cause for the highest 10 causes of
9 Outage Events ~~as specified in Rule 25-6.044~~, and the Average
10 Duration of Outage Events ~~average length of service interruptions~~
11 ~~experienced~~ (L-Bar), and Average Service Restoration Time (CAIDI).

12 The utility shall record these data and analyses on Form PSC/ECR
13 102-1, entitled "Outage Events" which may be obtained from the
14 Division of Economic Regulation, 2540 Shumard Oak Boulevard,
15 Tallahassee, Florida 32399-0850, 850/413-6900;

16 (b) identification of the three percent of the utility's
17 Primary Circuits (feeders) with the highest number of feeder
18 breaker interruptions. For each primary circuit so ~~Each feeder~~
19 ~~shall be identified~~ the utility shall report the primary circuit
20 identification by its number or name, substation origin, and
21 general location, as well as the estimated number of affected
22 customers by in each service class served by the feeder circuit,
23 Number of Outage Events as well as the number of service
24 interruptions (N) , Average Duration of Outage Events and average
25 length of service interruption (L-Bar) , Average Service Restoration

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1 Time (CAIDI), whether the same circuit is being reported for the
2 second consecutive year, the number of years the primary circuit
3 was reported on the "Three Percent Feeder List" in the past five
4 years, and the corrective action date of completion for the feeder.
5 The utility shall record these data and analyses on Form PSC/ECR
6 102-2, entitled "Three Percent Feeder List" which may be obtained
7 from the Division of Economic Regulation, 2540 Shumard Oak
8 Boulevard, Tallahassee, Florida 32399-0850, 850/413-6900;

9 (c) the reliability indices SAIDI, CAIDI, SAIFI, MAIFIE, and
10 CEMI5 for its system and for each district or region into which its
11 system may be divided. The utility shall report these data and
12 analyses on Form PSC/ECR 102-3, entitled "System Reliability
13 Indices" which may be obtained from the Division of Economic
14 Regulation, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-
15 0850, 850/413-6900. Any utility furnishing electric service to
16 fewer than 50,000 retail customers shall not be required to report
17 the reliability indices MAIFIE or CEMI5;

18 (d) the calculations for each of the required indices and
19 measures of distribution reliability;

20 (2) A utility may exclude from the Annual Distribution
21 Service Reliability Report the Outage Events directly caused by one
22 or more of the following: planned interruptions, a storm named by
23 the National Hurricane Center, a tornado recorded by the National
24 Weather Service, ice on lines, a planned load management event, an
25 electric generation disturbance, an electric transmission system

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1 disturbance, or an extreme weather or fire event causing activation
2 of the county emergency operation center.

3 (3) A utility may submit a request to exclude an Outage Event
4 from the Annual Distribution Service Reliability Report that is not
5 specifically provided for in Rule 25-6.0455(2). Such a request
6 must be filed with the Commission's Division of the Commission
7 Clerk and Administrative Services within 30 days of the Outage
8 Event for which an exclusion is being requested. The Commission
9 will approve the request if the utility is able to demonstrate that
10 the outage was not within the utility's control, and that the
11 utility could not reasonably have prevented the outage.

12 Specific Authority: 366.05(1), F.S.

13 Law Implemented: 366.03, 366.04(2)(c)&(f), 366.04(5), 366.05,
14 366.05(7), F.S.

15 History: New 02/25/93, amended .

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NOTICE OF PROPOSED RULEMAKING

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 011351-EI

RULE TITLE: RULE NO.:

Continuity of Service 25-6.044

Annual Distribution Service Reliability Report 25-6.0455

PURPOSE AND EFFECT: To revise electric reliability reporting requirements so that the Commission can better assess the reliability and quality of service provided.

SUMMARY: Revises the rules governing investor-owned electric utility continuity of service and the annual distribution service reliability report.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The four largest utilities affected are anticipated to have minimal incremental transactional costs to comply with the rule. An exception from reporting certain information is provided for a small utility to reduce the additional cost imposed by the reporting requirements.

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: 366.05(1), FS.

LAW IMPLEMENTED: 366.03, 366.04(2)(c)&(f), 366.04(5), 366.05(7), FS.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF THE COMMISSION CLERK AND

ADMINISTRATIVE SERVICES, 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 SCHEDULED AND ANNOUNCED IN THE FAW.

THE PERSON TO BE CONTACTED REGARDING THESE PROPOSED RULES IS:
Christiana T. Moore, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6245.

THE FULL TEXT OF THESE PROPOSED RULES ARE:

25-6.044 Continuity of Service.

(1) Definitions applicable to this part:

(a) "Area of Service." A geographic area where a utility provides retail electric service. An Area of Service can be the entire system, a district, or a region into which a utility divides its system. "Service Interruption". An unplanned interruption of electric service greater than or equal to one minute due to a malfunction on the distribution system or a distribution-related outage caused by events on the utility's side of customer meters which is triggered by load management restoration. The term does not include interruptions due to momentary circuit breaker operations, hurricanes, tornados, ice on lines, planned load management, or electrical disturbances on the generation or transmission system.

(b) "Average Duration of Outage Events (L-Bar)." The sum of each Outage Event Duration for all Outage Events occurring during a given time period, divided by the Number of Outage Events over the same time period within a specific Area of Service.

~~"Customer Interruption Duration" (L). The time interval, in minutes, between the time when a utility first becomes aware of a service interruption and the time of restoration of service to a customer affected by that service interruption.~~

(c) "Customer Average Interruption Duration Index (CAIDI)."
The average time to restore service to interrupted retail customers within a specified Area of Service over a given period of time. It is determined by dividing the sum of Customer Minutes of Interruption by the total number of Service Interruptions for the respective Area of Service. ~~"System Interruption Time". The total customer minutes of service interruption experienced on a utility's system during a given time period, determined by summing the total minutes of Customer Interruption Duration for all interruptions during that time period. The total minutes of Customer Interruption Duration for an individual interruption is calculated by summing the Customer Interruption Duration for each customer affected by that individual interruption (estimated if actual data is not available).~~

(d) "Customers Experiencing More Than Five Interruptions (CEMI5)." The number of retail customers that sustain more than five Service Interruptions for a specified Area of Service over a given period of time. ~~"Number of Service Interruptions (N)". The sum of service interruptions for the entire distribution system, or whichever portion of the distribution system which is being reviewed.~~

(e) "Customer Minutes of Interruption (CMI)." For a given Outage Event, CMI is the sum of each affected retail customer's

Service Interruption Duration. ~~"Average length of a Service Interruption (L-Bar)." The time interval, in minutes, between the time when the utility first becomes aware of a service interruption and restoration of service to the last customer affected by that service interruption, summed for all service interruptions occurring during a given time period, and divided by the Number of Service Interruptions in the same time period.~~

(f) "Momentary Average Interruption Event Frequency Index (MAIFIE)." The average number of Momentary Interruption Events recorded on primary circuits for a specified Area of Service over a given period of time.

(g) "Momentary Interruption." The complete loss of voltage for less than one minute. This does not include short duration phenomena causing waveform distortion.

(h) "Momentary Interruption Event." One or more Momentary Interruptions recorded by the operation of a utility distribution interrupting device within a five minute period. For example, two or three operations of a primary circuit breaker within a five minute period that did not result in a Service Interruption is one Momentary Interruption Event.

(i) "Number of Customers Served (C)." The sum of all retail customers on the last day of a given time period within a specific Area of Service.

(j) "Number of Outage Events (N)." The sum of Outage Events for an Area of Service over a specified period of time.

(k) "Outage Event." An occurrence that results in one or more individual retail customer Service Interruptions.

(l) "Outage Event Duration (L)." The time interval, in minutes, between the time when a utility first becomes aware of an Outage Event and the time of restoration of service to the last retail customer affected by that Outage Event.

(m) "Service Interruption." The complete loss of voltage of at least one minute to a retail customer.

(n) "Service Interruption Duration." The time interval, in minutes, between the time a utility first becomes aware of a Service Interruption and the time of restoration of service to that retail customer.

(o) "System Average Interruption Duration Index (SAIDI)." The average minutes of Service Interruption Duration per retail customer served within a specified Area of Service over a given period of time. It is determined by dividing the total Customer Minutes of Interruption by the total Number of Customers Served for the respective Area of Service.

(p) "System Average Interruption Frequency Index (SAIFI)." The average number of Service Interruptions per retail customer within a specified Area of Service over a given period of time. It is determined by dividing the sum of Service Interruptions by the total Number of Customers Served for the respective Area of Service.

(q) "Planned Service Interruption." A Service Interruption initiated by the utility to perform necessary scheduled activities, such as maintenance, infrastructure improvements, new construction due to customer growth. Customers are typically notified in advance of these events.

(2) Each utility shall keep a record of its system reliability and continuity of service data, customers' Service Interruption notifications, and other data necessary for the reports filed under these rules. The utility shall record each Outage Event as planned or unplanned and shall identify the point of origination such as generation facility, transmission line, transmission substation equipment, or distribution equipment. The cause of each Outage event shall be determined and recorded in a standardized manner throughout the utility. The date and time of the Outage Event and the number of Service Interruptions for the Outage Event shall also be recorded ~~the cause of each Service Interruption, and shall categorize the cause as one or more of the following: lightning, tree or limb contacting line, animal, line downed by vehicle, dig-in, substation outage, line transformer failure, salt spray on insulator, and corrosion, other, or unknown, and shall further identify whether the initiating event occurred on overhead or underground distribution lines.~~

(3) Each utility shall make all reasonable efforts to prevent interruptions of service and when such interruptions occur shall attempt to restore service within the shortest time practicable consistent with safety.

(4) When the service is necessarily interrupted or curtailed ~~for prolonged periods and for the purpose of working on the system,~~ it shall be done at a time which, when at all practicable, will result in~~cause~~ the least inconvenience to customers and all such scheduled interruptions shall be preceded

by ~~reasonable~~adequate notice whenever practicable to affected customers. Each utility shall maintain a current copy of its noticing procedures with the Division of Economic Regulation.

(5) The provisions of this rule shall not apply to a curtailment or an interruption of service to customers receiving service under interruptible rate classifications when the curtailment or interruption of service occurs pursuant to the affected retail customer's service agreement.

25-6.0455 Annual Distribution Service Reliability Report.

(1) Each utility shall file a ~~written~~ Distribution Service Reliability Report with the Director of the Commission's Division of Economic Regulation ~~Electric and Gas~~ on or before March 1st of each year, for covering the preceding calendar year. The report shall contain the following information:

(a) the utility's total number of Outage Events ~~service interruptions~~(N), categorized by cause for the highest 10 causes of Outage Events ~~as specified in Rule 25-6.044~~, and the Average Duration of Outage Events ~~average length of service interruptions experienced~~-(L-Bar), and Average Service Restoration Time (CAIDI). The utility shall record these data and analyses on Form PSC/ECR 102-1, entitled "Outage Events" which may be obtained from the Division of Economic Regulation, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 850/413-6900;

(b) identification of the three percent of the utility's Primary Circuits (feeders) with the highest number of feeder breaker interruptions. For each primary circuit so ~~Each feeder shall be identified~~ the utility shall report the primary circuit

identification by its number or name, substation origin, and general location, as well as the estimated number of affected customers by in each service class served by the feeder circuit, Number of Outage Events as well as the number of service interruptions (N) , Average Duration of Outage Events and average length of service interruption (L-Bar), Average Service Restoration Time (CAIDI), whether the same circuit is being reported for the second consecutive year, the number of years the primary circuit was reported on the "Three Percent Feeder List" in the past five years, and the corrective action date of completion for the feeder. The utility shall record these data and analyses on Form PSC/ECR 102-2, entitled "Three Percent Feeder List" which may be obtained from the Division of Economic Regulation, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 850/413-6900;

(c) the reliability indices SAIDI, CAIDI, SAIFI, MAIFIe, and CEMI5 for its system and for each district or region into which its system may be divided. The utility shall report these data and analyses on Form PSC/ECR 102-3, entitled "System Reliability Indices" which may be obtained from the Division of Economic Regulation, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 850/413-6900. Any utility furnishing electric service to fewer than 50,000 retail customers shall not be required to report the reliability indices MAIFIe or CEMI5;

(d) the calculations for each of the required indices and measures of distribution reliability;

(2) A utility may exclude from the Annual Distribution

Service Reliability Report the Outage Events directly caused by one or more of the following: planned interruptions, a storm named by the National Hurricane Center, a tornado recorded by the National Weather Service, ice on lines, a planned load management event, an electric generation disturbance, an electric transmission system disturbance, or an extreme weather or fire event causing activation of the county emergency operation center.

(3) A utility may submit a request to exclude an Outage Event from the Annual Distribution Service Reliability Report that is not specifically provided for in Rule 25-6.0455(2). Such a request must be filed with the Commission's Division of the Commission Clerk and Administrative Services within 30 days of the Outage Event for which an exclusion is being requested. The Commission will approve the request if the utility is able to demonstrate that the outage was not within the utility's control, and that the utility could not reasonably have prevented the outage.

NAME OF PERSON ORIGINATING PROPOSED RULES: Jim Breman

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULES:
Florida Public Service Commission.

DATE PROPOSED RULES APPROVED: August 20, 2002

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: Volume
28, Number 5, February 1, 2002

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must

ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of the Commission Clerk and Administrative Services 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).

**STATEMENT OF FACTS AND CIRCUMSTANCES
JUSTIFYING RULE**

In 1997, the Commission determined that an investigation into electric utilities' reliability and quality of service was necessary because the number of customer complaints had increased. The investigation revealed that the existing reporting requirements were not sufficient to adequately assess the reliability and quality of service provided. Over the following three-year trial period, the additional information that would be necessary to better track reliability and quality of service and to measure improvements was identified. The new distribution service reliability indices are those defined by the Institute of Electrical and Electronics Engineers, Inc. (IEEE), and are widely used by electric utilities throughout the country to gauge distribution service reliability. The additional information will provide the Commission with more consistently prepared as well as comparative data.

STATEMENT ON FEDERAL STANDARDS

There is no federal standard on the same subject.

MEMORANDUM

May 30, 2002

TO: DIVISION OF APPEALS (MOORE)

FROM: DIVISION OF ECONOMIC REGULATION (HEWITT) *CBH-ESR* *JOJ*

SUBJECT: STATEMENT OF ESTIMATED REGULATORY COSTS FOR PROPOSED AMENDMENTS TO RULES 25-6.044, CONTINUITY OF SERVICE, F.A.C., AND 25-6.0455, ELECTRIC SERVICE RELIABILITY, DOCKET NO. 011351-EI

SUMMARY OF THE RULE

Rules 25-6.044, Continuity of Service, and 25-6.0455, Electric Service Reliability, F.A.C., provide definitions, require investor-owned electric utilities (IOUs) to keep records of the cause of service interruptions, identify outages as to overhead or underground distribution lines, minimize customer inconvenience, and make outage reports.

The proposed amendments would revise and add definitions of terms used by the electric distribution industry to measure and improve service reliability, add reporting requirements, and add new reporting forms.

ESTIMATED NUMBER OF ENTITIES REQUIRED TO COMPLY AND GENERAL DESCRIPTION OF INDIVIDUALS AFFECTED

There are five investor-owned electric utility companies operating in Florida. Each would have to comply with the proposed rule amendments.

RULE IMPLEMENTATION AND ENFORCEMENT COST AND IMPACT ON REVENUES FOR THE AGENCY AND OTHER STATE AND LOCAL GOVERNMENT ENTITIES

The Public Service Commission and other state entities are not expected to experience implementation costs other than the costs associated with promulgating a proposed rule. Existing Commission staff would continue to handle the monitoring and review of IOU compliance and reports.

Local government entities should have no additional costs or impacts.

ESTIMATED TRANSACTIONAL COSTS TO INDIVIDUALS AND ENTITIES

Most of the IOUs affected reported they would have minimal incremental transactional costs to comply with the proposed rule. Although most of the IOUs now collect much of the service outage data currently, there could be some minimal additional cost to report the information on the new PSC

forms but for one company, significant additional cost to collect the data. The level of accuracy may vary between companies because of the different systems and processes utilized by each company, but the reported results should not be materially affected.

Florida Public Utilities Company (FPUC) Marianna Division, reported that Momentary Average Interruption Event Frequency Index (MAIFI) or Customers Experiencing More than Five Interruptions (CEMI5) data cannot be provided with their present system. Based on a very preliminary study, FPUC estimated that there would be an initial cost of \$1.5 million for a Supervisory Control and Data Acquisition (SCADA) system to capture data for MAIFIs. Another \$2.5 million would be required to complete the conversion of paper maps into a Geographic Information System computer based mapping system detailed to the customer level, implementing an Automated Outage Management System, and linking both systems together to capture data for CEMI5. There would be an estimated \$250,000 per year in recurring cost to operate and maintain SCADA, Mapping, and Outage Systems.

FPUC believes that the \$4 million in additional investment to provide the two indices would represent an increase of 13% in their rate base without any significant benefit to their approximately 26,000 electric customers.

The other IOUs, from indications at staff workshops, already have data collection systems in place to provide the proposed information reporting.

IMPACT ON SMALL BUSINESSES, SMALL CITIES, OR SMALL COUNTIES

Small businesses, small cities, and small counties would not be adversely affected.

ALTERNATIVE METHODS

FPUC proposed two possible alternatives. FPUC stated that either would allow it and its customers to avoid the dramatic increase in their costs. Option 1: adopt the IOU "Strawman Proposal" and give FPUC an exclusion on MAIFI. Option 2: adopt the proposed rule amendments and give FPUC an exclusion on MAIFI and CEM5. Although these options would eliminate the possible increase in both the rate base and operating costs of FPUC, the intent of the rule would not be met.

The other affected IOUs also believe that their "Strawman" proposal represents a lower cost alternative method of accomplishing the requirements of the proposed rule. However, the "Strawman" proposal basically would just require System Average Interruption Duration Index reporting which does not have frequency nor duration of outages. Thus, some of the basic reporting requirements of the rule would not be met as well as the intended accountability and standards for maintaining the reliability of their systems.

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