

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of 2013-2015 storm
hardening plan, pursuant to Rule 25-6.0342,
F.A.C., by Gulf Power Company.

DOCKET NO. 130139-EI
ORDER NO. PSC-13-0641-PAA-EI
ISSUED: December 3, 2013

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING GULF POWER COMPANY'S UPDATED STORM HARDENING
PLAN FOR 2013-2015

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code, (F.A.C.).

Background

The hurricanes of 2004 and 2005 that made landfall in Florida resulted in extensive storm restoration costs and lengthy electric service interruptions for millions of electric investor-owned utility (IOU) customers. On January 23, 2006, Commission staff conducted a workshop to discuss the damage to electric utility facilities resulting from these hurricanes and to explore ways of minimizing future storm damages and customer outages. State and local government officials, independent technical experts, and Florida's electric utilities participated in the workshop.

On February 27, 2006, this Commission issued Order No. PSC-06-0144-PAA-EI, in Docket No. 060078-EI, requiring the IOUs to begin implementing an eight-year inspection cycle of their respective wooden poles.¹ In that Order, we noted:

¹ Docket No. 060078-EI, In re: Proposal to require investor-owned electric utilities to implement ten-year wood pole inspection program.

The severe hurricane season of 2004 and 2005 have underscored the importance of system maintenance activities of Florida's electric IOUs. These efforts to maintain system components can reduce the impact of hurricanes and tropical storms upon utilities' transmission and distribution systems. An obvious key component in electric infrastructure is the transmission and distribution poles. If a pole fails, there is a high chance that the equipment on the pole will be damaged, and failure of one pole often causes other poles to fail. Thus, wooden poles must be maintained or replaced over time because they are prone to deterioration. Deteriorated poles have lost some or most of their original strength and are more prone to fail under certain environmental conditions such as high winds or ice loadings. The only way to know for sure which poles must be replaced is through periodic inspections.

Order No. PSC-06-0144-PAA-EI, p. 2.

At the February 27, 2006, internal affairs meeting, we were briefed by Commission staff on additional actions to address the effects of extreme weather events on electric infrastructure. We also heard comments from interested persons and Florida's electric utilities regarding staff's recommended actions.

On April 25, 2006, this Commission issued Order No. PSC-06-0351-PAA-EI, in Docket No. 060198-EI, requiring all IOUs to file plans and estimated implementation costs for ten ongoing storm preparedness initiatives (Ten Initiatives) on or before June 1, 2006.² The Ten Initiatives are:

1. A Three-Year Vegetation Management Cycle for Distribution Circuits.
2. An Audit of Joint-Use Attachment Agreements.
3. A Six-Year Transmission Structure Inspection Program.
4. Hardening of Existing Transmission Structures.
5. A Transmission and Distribution Geographic Information System.
6. Post-Storm Data Collection and Forensic Analysis.
7. Collection of Detailed Outage Data Differentiating Between the Reliability Performance of Overhead and Underground Systems.
8. Increased Utility Coordination with Local Governments.
9. Collaborative Research on Effects of Hurricane Winds and Storm Surge.

² Docket No. 060198-EI, In re: Requirement for investor-owned electric utilities to file ongoing storm preparedness plans and implementation cost estimates.

10. A Natural Disaster Preparedness and Recovery Program.

These Ten Initiatives were not intended to encompass all reasonable ongoing storm preparedness activities. Rather, we viewed these initiatives as a starting point of an ongoing process.³ By Order Nos. PSC-06-0781-PAA-EI (addressing Tampa Electric Company, and Florida Public Utilities Company), PSC-06-0947-PAA-EI (addressing Progress Energy Florida Inc. and Gulf Power Company), and PSC-07-0468-FOF-EI (addressing Florida Power & Light Company), we addressed the adequacy of the IOU's plans for implementing the Ten Initiatives.

We also pursued rulemaking to address the adoption of distribution construction standards more stringent than the minimum safety requirements of the National Electric Safety Code and the identification of areas and circumstances where distribution facilities should be required to be constructed underground.⁴ Rule 25-6.0342, F.A.C., was ultimately adopted.⁵

Rule 25-6.0342, F.A.C., requires each IOU to file an Electric Infrastructure Storm Hardening Plan for review and approval by the Commission. The rule also requires a description of construction standards, policies, practices, and procedures to enhance the reliability of overhead and underground electrical transmission and distribution facilities. The rule requires, at a minimum, that each IOU's plan address the following items.

- a. Compliance with National Electric Safety Code.
- b. Extreme wind loading (EWL) standards for: (i) new construction; (ii) major planned work, including expansion, rebuild, or relocation of existing facilities; (iii) critical infrastructure facilities and along major thoroughfares.
- c. Mitigation of damage due to flooding and storm surges.
- d. Placement of facilities to facilitate safe and efficient access for installation and maintenance.
- e. A deployment strategy that includes: (i) the facilities affected; (ii) technical design specifications, construction standards, and construction methodologies; (iii) the communities and areas where the electric infrastructure improvements are to be made; (iv) the impact on joint-use facilities on which third-party attachments exist;

³ Order No. PSC-06-0947-PAA-EI, p.2, issued November 13, 2006, in Docket No. 060198-EI, In re: Requirements for investor-owned electric utilities to file ongoing storm preparedness plans and implementation costs estimates.

⁴ Order No. PSC-06-0556-NOR-EU, issued June 28, 2006, in Docket No. 060172-EU, In re: Proposed rules governing placement of new electric distribution facilities underground, and conversion of existing overhead distribution facilities to underground facilities, to address effects of extreme weather events; and Docket No. 060173-EU, In re: Proposed amendments to rules regarding overhead electric facilities to allow more stringent construction standards than required by National Electric Safety Code.

⁵ Order No. PSC-07-0043A-FOF-EU, issued January 17, 2007, in Docket No. 060172-EU, In re: Proposed rules governing placement of new electric distribution facilities underground, and conversion of existing overhead distribution facilities to underground facilities, to address effects of extreme weather events; and Docket No. 060173-EU, In re: Proposed amendments to rules regarding overhead electric facilities to allow more stringent construction standards than required by National Electric Safety Code.

(v) an estimate of the costs and benefits to the utility of making the electric infrastructure improvements; and (vi) an estimate of the costs and benefits to third-party attachers affected by the electric infrastructure improvements.

f. The inclusion of Attachment Standards and Procedures for Third-Party Attachers.

On May 7, 2007, the storm hardening plans were filed by Tampa Electric Company (TECO), Progress Energy Florida, Inc. (formerly PEF, now Duke Energy Florida, Inc., or DEF), Gulf Power Company (Gulf), and Florida Power & Light Company (FPL). Docket Nos. 070297-EI (TECO), 070298-EI (PEF), 070299-EI (Gulf), and 070301-EI (FPL) were opened to address each filing. On June 19, 2007, we voted to set the dockets directly for an informal administrative hearing with the additional mandate for our staff to conduct a series of informal workshops to allow the parties and staff to identify disputed issues and potential areas for stipulation. By Order No. PSC-07-0573-PCO-EI, issued July 10, 2007, the dockets were consolidated for purposes of the hearing with the understanding that each utility's plan would be ruled on separately.⁶ Florida Public Utilities Company (FPUC) requested to file its storm hardening plan as part of its petition for general rate increase and have it addressed concurrently.⁷ FPUC's storm hardening plan was approved May 19, 2008.⁸

A formal administrative hearing was held October 3-4, 2007. During the course of the hearing, the parties reached agreement on a number of issues and the dockets were subsequently stipulated. We were also presented with a stipulated agreement entitled "Process to Engage Third-Party Attachers." This process, as designed, would allow for the exchange of information between the parties. Per the stipulation, annual status reports would be filed with this Commission.⁹ In addition, the stipulation stated that any disputes or challenges to issues related to a utility's plan would be resolved by the Commission in accordance with Rule 25-6.0342(7), F.A.C. A customer, applicant for service, or attaching entity could file a request for dispute resolution at any time.

On May 3, 2010, FPL, PEF, TECO, Gulf, and FPUC each filed 2010-2012 storm hardening plan updates as required by Rule 25-6.0342(2), F.A.C.. Docket Nos. 100262-EI

⁶ Docket Nos. 070297-EI, In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Tampa Electric Company; 070298-EI, In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Progress Energy Florida, Inc.; 070299-EI, In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Gulf Power Company; 070301-EI, In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Power & Light Company.

⁷ Order No. PSC-08-0019-POC-EI, issued January 4, 2008, in Docket No. 070300-EI, In re: Review of 2007 Electric Infrastructure Storm Hardening Plans files pursuant to Rule 25-6.0342 F.A.C., submitted by Florida Public Utilities Company, and in Docket No. 070304-EI, In re: Petition for rate increase by Florida Public Utilities Company.

⁸ Order No. PSC-08-0327-FOF-EI, issued May 19, 2008, in Docket No. 070300-EI, In re: Review of 2007 Electric Infrastructure Storm Hardening Plan files pursuant to Rule 25-6.0342 F.A.C., submitted by Florida Public Utilities Company, and in Docket No. 070304-EI, In re: Petition for rate increase by Florida Public Utilities Company.

⁹ Order Nos. PSC-07-1020-FOF-EI, PSC-07-1021-FOF-EI, PSC-07-1022-FOF-EI, PSC-07-1023-FOF-EI, issued December 28, 2007, in Docket Nos. 070297-EI, 070299-EI, and 070301-EI, and Order No. PSC-08-0327-FOF-EI, issued May 19, 2008, in Docket No. 070300-EI.

(PEF), 100263-EI (TECO), 100264-EI (FPUC), 100265-EI (Gulf), and 100266-EI (FPL) were opened to address the updates. FPUC filed an amended storm hardening update on May 28, 2010. On June 10, 2010, Commission staff conducted a workshop to better understand each IOU's plan. We approved the first updated storm hardening plans for PEF, TECO, Gulf, and FPUC at our October 26, 2010 Commission Conference. FPL's recommendation was deferred until the January 11, 2011 Commission Conference.¹⁰

On May 3, 2013, the five IOU's filed 2013-2015 storm hardening plan updates as required. Docket Nos. 130129-EI (DEF), 130131-EI (FPUC), 130132-EI (FPL), 130138-EI (TECO), and 130139-EI (Gulf) were opened. Staff did not conduct a workshop for these updated storm hardening plans; data request responses were sufficient in understanding the updated plans.

This Order addresses Gulf's plan updates as required by Rule 25-6.0342, F.A.C. This Order will address:

- I. Wooden Pole Inspection Program
- II. Ten Initiatives
- III. National Electric Safety Code (NESC) Compliance
- IV. Extreme Wind Loading (EWL) Standards
- V. Mitigation of Flooding and Storm Surge Damage
- VI. Facility Placement
- VII. Deployment Strategies

Attachment A to this Order describes the storm hardening requirements for each IOU. Attachments B contains a comparison of the provisions of Gulf's 2010-2012 approved and updated 2013-2015 storm hardening plan, and the cost of implementing the approved and updated plans.

This Commission has jurisdiction over this matter pursuant to Sections 360.04 and 366.05, Florida Statutes (F.S.).

Decision

Attachment B provides a summary of Gulf's currently approved storm hardening plan and the proposed changes contained in its updated plan. In addition, where available, the costs associated with the 2010-2012 and 2013-2015 plans are shown. Components of Gulf's updated plan are summarized below.

¹⁰ See Order Nos. PSC-10-0684-PAA-EI (DEF), PSC-10-0686-PAA-EI (TECO), PSC-10-0687-PAA-EI (FPUC), PSC-10-0688-PAA-EI (Gulf), PSC-11-0082-PAA-EI (FPL).

I. Wooden Pole Inspection Program

Gulf proposes to continue its wooden pole inspection program on an eight-year cycle utilizing the same inspection matrix approved by this Commission in 2010. This inspection matrix includes all poles based on age, treatment type, and condition. By using the matrix, all poles that Gulf inspects receive a visual inspection with sounding, boring, and excavation as appropriate. As of the end of the sixth year of the eight-year cycle, Gulf has inspected 88 percent of its poles and is on target to complete the eight-year cycle. Gulf will continue to file the results of these inspections in Gulf's Annual Electric Utility Distribution Reliability Report.

II. Ten Initiatives

Initiative One – Three-Year Vegetation Management cycle for Distribution Circuits

Gulf proposes to continue its three-year trim cycle for feeders and four-year cycle for laterals. When Gulf evaluated the reliability data associated with the trim cycles, there was an improvement or reduction in customer interruptions and customer minutes of interruptions related to outages caused by trees. With the reduction in customer interruptions and customer minutes of interruptions related to outages caused by trees, Gulf does not propose any modification of the trim cycles for its feeders and laterals. Gulf plans to evaluate reliability data at the end of each year to determine if the trim cycles continue to improve system performance.

Initiative Two – Audits of Joint-Use Attachment Agreements

Gulf proposes to continue field audits of joint-use poles which are conducted every five years. The field audits are outlined in the contractual agreements with third-party attachers. The audits include poles owned by the Company and poles that are not owned by Gulf where the Company has attached its equipment. The last joint-use field audit was conducted in 2011, and the data collected during that audit was GPS pole location, pole owner, pole type, pole treatment, pole height and class, manufacture date, attachment information, and pole identification numbers. The next joint-use field audit is scheduled for 2016.

Initiative Three – Six-Year Transmission Structure Inspection Program

Gulf proposes to continue its approved plan for Initiative Three. Under the previously approved plan, Gulf inspects all of its substations annually and schedules inspections of its transmission structures based on achieving a six-year inspection cycle of these facilities.

Initiative Four – Hardening of Existing Transmission Structures

Gulf proposes to continue its existing plan for hardening transmission facilities. It is Gulf's position that adherence to the current design and construction standards, along with the recommended six-year structure inspection program, will provide for sufficient hardening of the system throughout its service territory. During 2010 through 2012, Gulf completed the installation of storm guys on all wooden H-frame structures and replaced over 750 wood cross-

arms. Gulf proposes to continue replacing wooden H-frame cross-arms with steel cross-arms in 2013 through 2015. Gulf plans to replace 600 wood cross-arms during the next three years.

Initiative Five – Transmission and Distribution Geographic Information System (GIS)

Gulf has established GIS databases for distribution, transmission, and land records. The GIS has the capabilities to provide electronic models of Gulf's electrical system that is overlaid on a representation of the land base. The system also provides data to other Gulf systems such as the Trouble Call Management System. Gulf proposes to maintain and update data for its asset management programs and forensic data analysis in its GIS.

Initiative Six – Post-Storm Data Collection and Forensic Analysis

Gulf has a process for the collection, evaluation and reporting of storm damage data for post-storm forensic analysis. Contractors will be retained by Gulf to gather and evaluate storm forensic data to determine the benefits of particular approaches to hardening as they might be applied to new construction and major planned work, including expansion, rebuilding, and relocation of existing facilities. Gulf proposes to continue to use the forensic program that is in place. Gulf also proposes to conduct refresher training courses for proper forensic collection procedures. These courses will continue as needed over the next three years.

Initiative Seven – Collection of Detailed Outage Data Differentiating Between the Reliability Performance of Overhead and Underground Systems

Gulf proposes to continue recording the number of overhead and underground customers in order to calculate reliability indices. In addition, data obtained on outages will be collected and stored for future analysis. The data collected on outages will include how the underground cable is buried and what type of pole is used for overhead systems.

Initiative Eight – Increased Coordination with Local Governments

Gulf proposes to continue working with the county Emergency Operation Centers in its service area through numerous programs in order to keep the community and local governments informed of storm occurrences and restoration activities. In addition, Gulf proposes to maintain year-round contact with city and county officials to ensure cooperation in planning, communicating, and coordinating for storm-related activities. Gulf will communicate with local governments, community groups, and homeowners associations regarding vegetation management projects.

Initiative Nine – Collaborative Research on Effects of Hurricane Winds and Storm Surge

The electric utilities previously established a non-profit, member-financed organization to coordinate all research efforts through the Public Utility Research Center (PURC), located in the Warrington College of Business at the University of Florida. PURC's work is focused on three main areas of concern: hurricane wind effects, vegetation management, and undergrounding of electric infrastructure. Gulf entered into a Memorandum of Understanding with PURC that

extends PURC's research efforts for the IOUs through December 31, 2013. Gulf proposes to continue to participate in the research and development activities that PURC initiates.

Initiative Ten – Natural Disaster Preparedness and Recovery Program

Gulf proposes to continue refining its Storm Recovery Plan, which identifies planning procedures and preparations for natural disasters within Gulf's service area. This plan builds on lessons learned and encompasses recovery effort experiences within its service area as well as knowledge gained from assisting other utilities that have suffered weather-related natural disasters. This plan is reviewed and revised annually. No major revisions were submitted in the company's March 1, 2013, annual filing.

Additional Projects

In addition to the Ten Initiatives required by this Commission's order, Gulf proposes three additional projects to its updated plan that concentrate on reliability. First, Gulf proposes to continue to install additional distribution automation devices on distribution feeders for outage restoration. These devices would be controlled by company personnel remotely or placed on automated restoration schemes and would protect feeders from temporary faults. Second, Gulf proposes to continue the installation of automatic overhead faulted circuit indicators. Doing this would reduce customer outage time because these devices indicate the passage of fault current that is greater than a predetermined current magnitude. Gulf will install faulted circuit indicators at 14 locations per year. Last, Gulf proposes to continue to implement systems and applications that would permit the remote control of distribution line devices such as re-closers and switches and the acquisition of operational data, in order to reduce customer outage times.

III. National Electric Safety Code (NESC) Compliance

Gulf's updated plan addresses the extent to which, at a minimum, Gulf complies with the NESC pursuant to Rule 25-6.0345(2), F.A.C. Gulf's distribution facilities comply with, and in most cases exceed, the minimum requirements of NESC. Gulf's transmission structures and substations also comply with NESC.

IV. Extreme Wind Loading (EWL) Standards

New Construction

Gulf's updated plan proposes to continue to adopt Grade B construction standards on all new distribution construction, maintenance work, and major projects. All of Gulf's new transmission construction is designed using EWL criteria. Although Gulf has completed the implementation of Grade B construction into its construction practices, and completed the extreme wind loading pilot projects and replacement of wooden poles with concrete poles on critical multiple feeder poles outlined in its 2007-2009 and 2010-2012 Storm Hardening Plan; Gulf still lacks the data to support the benefits associated with the upgrades due to a lack of major storms during this time period to test the construction practices. Gulf believes it is prudent

to move cautiously into further application of the extreme wind loading standards and wood to concrete pole replacements until it is able to determine the cost and outage benefits.

Major Planned Work

In order to obtain the most potential cost/benefit, Gulf proposes to target critical pole lines with multiple feeders on them and convert them to Grade B construction. In addition, its existing wooden poles will be replaced with concrete poles from the substations to strategic operational points on the feeders. Gulf believes using concrete poles will extend the life of the pole and provide uniform pole strength for the entire pole height. Gulf will continue to maintain meteorological wind stations located at strategic locations that collect granular wind data to help determine the effectiveness of these facility upgrades in future storm events.

Critical Infrastructure

In the current plan, Gulf performed EWL pilot projects for distribution facilities serving critical infrastructures such as hospitals, fuel depots, sewage treatment plants, and major roadway crossings across the its service area. Gulf proposes to continue applying EWL standards to critical infrastructure facilities and major thoroughfares as pilot projects, and will use Grade B for all new distribution facility construction.

V. Mitigation of Flooding and Storm Surge Damage

Gulf proposes to continue adherence to its current overhead and underground storm hardening specifications in order to minimize damage in areas subject to flooding and storm surges. These specifications will evolve as Gulf continues to seek out best practices and learn from the review of gathered forensic data. Gulf's updated plan shows projects completed during the 2007-2009 plan and 2010-2012 plans and projects schedule for 2013 through 2015. Gulf stated new underground installation and conversions of overhead facilities to underground facilities are customer driven. Future underground transmission projects will be engineered to consider the impact of flooding or storm surges from weather events; however, Gulf does not currently have any such new projects planned.

VI. Facility Placement

Gulf proposes to continue promoting proper placement of facilities adjacent to public roads, to use easements, public streets, roads and highways, to obtain easements for underground facilities and to use road right-of-ways for conversions of overhead systems to underground systems. Pursuant to Rule 25-6.0341, F.A.C., Gulf's updated plan proposes safe and efficient access for installation and maintenance placement of new and replacement distribution facilities.

VII. Deployment Strategies

Facilities Affected, Including Specifications and Standards

Gulf's updated plan provides a detailed description of its deployment strategy, including a description of the facilities affected, technical design specifications, construction standards, and construction methodologies to be employed. Gulf states that it will continue the replacement of wooden cross-arms with steel cross-arms on H-frame structures on the transmission system. In addition, Gulf's proposes to continue to upgrade construction standards to Grade B which has the potential to minimize possible outages and improve restoration efforts to its ratepayers.

Areas of Infrastructure Improvements

Gulf's updated plan provides a detailed description of the communities and areas where electric infrastructure improvements will be made, including facilities identified by the utility as critical infrastructure and along major thoroughfares.

Joint-Use Facilities

Gulf has worked with all third-party attachers to provide sufficient details of proposed electric infrastructure improvements and to determine potential impacts to joint-use facilities. For joint-use notifications and coordination of construction activities, Gulf uses the national Joint-Use Notification System. In third-party attachers' contracts, Gulf provides details on notification protocol for new attachment permits and over lashing projects and the associated construction coordination.

Utility Cost/Benefit Estimates

In Gulf's updated plan, a spreadsheet was provided of all costs relating to implementation of the proposed updated plan. These costs seem to be reasonable as compared to the last approved storm hardening plan. Attachment B shows costs associated with implementing Gulf's updated plan. Gulf cannot estimate the reductions in storm restoration cost and outages that results from storm hardening initiatives because of the lack of data at this time. When a major storm event happens in the future, Gulf will be able to evaluate the effectiveness of Grade B construction and critical infrastructure storm hardening projects.

Attachers Cost/Benefit Estimates

Gulf's attachers have not provided their cost and benefit data at this time. Gulf sought input regarding its 2013-2015 updated plan by supplying drafts and conducting face-to-face semi-annual meetings with attaching entities. However, Gulf was not contacted by any attaching entities.

VIII. Attachment Standards and Procedures

Gulf's updated plan includes Attachment Standards and Procedures. These standards and procedures encompass information governing safety, reliability, pole loading capacity, and engineering standards and procedures for third-party attachments.

IX. Conclusion

Gulf's updated plan is largely a continuation of much of its current Commission approved plan. Gulf's updated plan also includes improvements to many ongoing storm hardening activities, additions to the Ten Initiatives, as well as continued practices that have enhanced reliability. We find that Gulf is taking proactive steps to improve its system to withstand severe weather events and presents a reasonable approach to storm hardening that has the potential to enhance reliability and reduce restoration costs and outage times. Therefore, we hereby approve Gulf's updated 2013-2015 storm hardening plan.

Based on the foregoing, it is

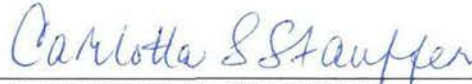
ORDERED that Gulf Power Company's updated 2013-2015 Storm Hardening Plan is hereby approved. It is further

ORDERED that the findings set forth in the body of this Order are hereby approved. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed upon the issuance of a consummating order.

By ORDER of the Florida Public Service Commission this 3rd day of December, 2013.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

JEG

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on December 24, 2013.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Storm Hardening Requirements: Wooden Pole Inspection Program & 10 Initiatives

Eight-Year Wooden Pole Inspection Program

1. Implement an eight-year wooden pole inspection cycle by Order Nos. PSC-06-0144-PAA-EI and PSC-07-0078-PAA-EU.
2. File an annual report with the Commission.
3. Provide cost estimates.

Initiative 1 – A Three-Year Vegetation Management Cycle for Distribution Circuits

1. Three-year tree trim cycle for primary feeders (minimum).
2. Three-year cycle for laterals as well, if not cost-prohibitive.
3. Provide cost estimate.

Initiative 2 – Audit of Joint-Use Attachment Agreements

1. (a) Each investor-owned electric utility shall develop a plan for auditing joint-use agreements that includes pole strength assessments.
(b) These audits shall include both poles owned by the electric utility poles owned by other utilities to which the electric utility has attached its electrical equipment.
2. The location of each pole, the type and ownership of the facilities attached, and the age of the pole and the attachments to it should be identified.
3. Each investor-owned utility shall verify that such attachments have been made pursuant to a current joint-use agreement.
4. Stress calculations shall be made to ensure that each joint-use pole is not overloaded or approaching overloading for instances not already addressed by Order No. PSC-06-0144-PAA-EI.
5. Provide compliance cost estimate and cost estimate for alternative action, if any.

Initiative 3 – Six-Year Transmission Inspection Program

1. Develop a plan to fully inspect all transmission towers and other transmission supporting equipment (such as insulators, guying, grounding, splices, cross-braces, bolts, etc.).
2. Develop a plan to fully inspect all substations (including relay, capacitor, and switching stations).
3. Provide compliance cost estimate and cost estimate for alternative actions, if any.

Initiative 4 – Hardening of Existing Transmission Structures

1. Develop a plan to upgrade and replace existing transmission structures. Provide a scope of activity, limiting factors, and criteria for selecting structure to upgrade and replace.
2. Provide a timeline for implementation.
3. Provide compliance cost estimate and cost estimate for alternative actions, if any.

Initiative 5 – Transmission and Distribution Geographic Information System

1. To conduct forensic review.
2. To assess the performance of underground systems relative to overhead systems.
3. To determine whether appropriate maintenance has been performed.

4. To evaluate storm hardening options.
5. Provide a timeline for implementation.
The utilities have the flexibility to propose a methodology that is efficient and cost-effective.

Initiative 6 – Post-Storm Data Collection and Forensic Analysis
1. Develop a program that collects post-storm information for performing forensic analyses.
2. Provide a timeline for implementation.
The utilities have the flexibility to propose a methodology that is efficient and cost-effective.

Initiative 7 – Collection of Detailed Outage Data Differentiating between the Reliability Performance of Overhead and Underground Systems
1. Collect specific storm performance data that differentiates between overhead and underground systems, to determine the percentage of storm-caused outages that occur on overhead and underground systems, and to assess the performance and failure mode of competing technologies, such as direct bury cable versus cable-in-conduit, concrete poles versus wooden poles, location factors such as front-lot versus back-lot, and pad-mounted versus vault.
2. Provide a timeline for implementation.
The Utilities have the flexibility to propose a methodology that is efficient and cost-effective.

Initiative 8 – Increased Coordination with Local Governments
1. Each utility should actively work with local communities year-round to identify and address issues of common concern, including the period following a severe storm like a hurricane and also ongoing, multi-hazard infrastructure issues such as flood zones, area prone to wind damage, development trends in land use and coastal development, joint-use of public right-of-way, undergrounding facilities, tree trimming, and long-range planning and coordination.
2. Incremental plan costs.

Initiative 9 – Collaborative Research
1. Must establish a plan that increases collaborative research.
2. Must identify collaborative research objective.
3. Must solicit municipals, cooperatives, educational and research institutions.
4. Must establish a timeline for implementation.
5. Must identify the incremental costs necessary to fund the organization and perform the research.

Initiative 10 – A Natural Disaster Preparedness and Recovery Program
1. Develop a formal Natural Disaster Preparedness and Recovery Plan that outlines the utility's disaster recovery procedures if the utility does not already have one.

Gulf Power Company

Eight-Year Wooden Pole Inspection Program

Current Plan	Updated Plan
1. Implement an eight-year wooden pole inspection cycle for distribution poles.	1. No change
2. File the progress of this inspection in the Annual Reliability Report.	2. No change
3. Costs for 2010-2012 were \$6,291,726.	3. Costs for 2013 are estimated to be \$2,061,333.

Initiative 1 – A Three-Year Vegetation Management Cycle for Distribution Circuits

Current Plan	Updated Plan
1. Implement a three-year trim cycle on all main line feeders.	1. No change
2. Shorten the trim-cycle length on lateral lines to four years and reduce the emphasis on danger tree removal in residential areas.	2. No change
3. Costs for 2010-2012 were \$15,109,557.	3. Costs for 2013 are estimated to be \$5,593,128.

Initiative 2 – Audit of Joint-Use Attachment Agreements

Current Plan	Updated Plan
1. (a) Discontinue the pole strength assessment on 5% random sample.	1. (a) No change
(b) Audit all Gulf-owned poles and third-party poles per Joint-Use contract agreements on a five-year cycle.	(b) No change
2. All required data will be collected and stored during the five-year inspection cycle.	2. No change
3. Verify attachments have been made pursuant to current joint-use agreements through a five-year cycle.	3. No change
4. Discontinue the 5% random sample due to low failure rates over the three-year pilot project.	4. No change
5. Cost for 2010-2012 were \$337,722	5. Costs for 2013 are estimated to be \$0.

Initiative 3 – Six-Year transmission Inspection Program

Current Plan	Updated Plan
1. Wooden pole inspection activities (PSC-06-0144-PAA-EI, Docket No.	1. No change

060078-EI). All other portions of the system: Gulf does not hold itself to a rigid number of annual inspections. Period of 12 years will show that on average a six-year cycle is achieved.	
2. Substations inspected at least annually. Structures inside new substations built to withstand wind speed in excess of 150 MPH.	2. No change
3. Costs for 2010-2012 were \$1,173,055.	3. Costs for 2012 are estimated to be \$244,526.

Initiative 4 – Hardening of Existing Transmission Structures	
Current Plan	Updated Plan
1. Install storm guy H-Frames. Replace wooden cross-arms with steel cross-arms and other activities.	1. No change
2. Adhere to current design and construction standards using generally accepted engineering practices, in conjunction with the recommended six-year structure inspection program.	2. No change
3. Costs for 2010-2012 were \$7,678,000.	3. Costs for 2013 are estimated to be \$1,040,000.

Initiative 5 – Transmission and Distribution Geographic Information System	
Current Plan	Updated Plan
1. Gulf's plan includes forensic reviews.	1. No change
2. Gulf's plan includes underground versus overhead.	2. No change
3. Plan includes determination of appropriate maintenance.	3. No change
4. Plan includes evaluation of storm hardening options.	4. No change
5. Data is currently being captured.	5. No change

Initiative 6 – Post-Storm Data Collection and Forensic Analysis	
Current Plan	Updated Plan
1. Distribution & Transmission: Concurrent with storm restoration, crews of contractors to survey a sample of lines affected by the storm. Inland and coastal areas to be surveyed.	1. No change
2. Costs for 2010-2012 were \$0.	2. Costs for 2013 were \$0.

Initiative 7 – Collection of Detailed Outage Data Differentiating between the Reliability Performance of Overhead and Underground Systems	
Current Plan	Updated Plan
1. Record number of overhead and underground customers and calculate SAIDI and SAIFI for each outage. As outages occur, collect data by type of buried cable and type of pole.	1. No change
2. Implementation is ongoing.	2. No change

Initiative 8 – Increased Coordination with Local Governments	
Current Plan	Updated Plan
1. Gulf plan builds on existing programs of years round activities like workshops with community leaders, pre-hurricane planning with participation in all local government hurricane preparedness drills, exercises, information fairs by line clearing specialists, and a standing Emergency Operations Center staffed 24 hours a day.	1. No change
2. Costs for 2010-2012 were \$0.	2. Costs for 2013 were estimated to be \$0.

Initiative 9 – Collaborative Research	
Current Plan	Updated Plan
1. Collaborative research efforts, led by PURC, which began in 2007.	1. No change
2. Research vegetation management during storm and non-storm times, wind during storm and non-storm events hurricane and damage modeling towards further understanding the costs and benefits of undergrounding.	2. No change
3. Gulf will solicit participation from other utilities and organizations.	3. No change
4. Implementation is ongoing	4. Gulf has entered into a Memorandum of Understanding with the University of Florida's PURC, which extends research through December 31, 2013.
5. Costs for 2010-2012 were \$64,118.	5. Costs for 2013-2015 cannot be determined at this time.

Initiative 10 – A Natural Disaster Preparedness and Recovery Program	
Current Plan	Updated Plan
Disaster Preparedness/Recovery Plan has been developed and filed.	Continue to refine.