



Ms. Blanca S. Bayo, Director
Bureau of Records and Hearing Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0870

November 20, 2001

Re: Docket No. 011351
Comments of Lakeland Electric, City of Lakeland Florida

Lakeland Electric (LAKELAND) would like to thank the Florida Public Service Commission for the opportunity to make comments regarding Electric Distribution Reliability Standards, Rule No. 25-6.044, 25-6.0455 and 25-6.0456. Please find enclosed an original and 15 copies of these comments.

LAKELAND understands that at the present time, these proposed Rules would not directly apply to LAKELAND, but could however impact our customers. Because of that potential impact, LAKELAND offers the following comments to be considered as part of this rulemaking record.

1. LAKELAND appreciates the FPSC's desire to improve electric reliability for Florida's electric customers. Based upon measures being proposed, LAKELAND agrees with the utilities at the September 26th workshop that significant effort and expense will be incurred to gather the information in the proposed reporting requirements. The proposed rules require the tracking and tagging of all customers on a circuit that experience an outage. Currently, LAKELAND only tracks those customers who contact the utility to report an outage. New systems and additional resources at a substantial cost would have to be developed to collect all the data necessary.
2. LAKELAND cautions against the blanket targeting of all primary circuits with more than two outages in a reporting period. There are many causes of outages, some of which are out of the control of the utility such as those caused by vehicle accidents, vandalism and public safety issues. The reporting process should be set up to take into account those types of outages that the utility has no control over versus those caused by events the utility could control better, such as lack of maintenance, vegetation, animals etc.

3. LAKELAND highly encourages the FPSC to define terms and measures as per IEEE P1366, Power Distribution Reliability Indices. While the definitions in the proposed rule are very close, there are some minor differences.

LAKELAND offers the following additional comments to specific sections to the proposed rule:

A. 25-6.0455(2)

LAKELAND suggests the following paragraph replace paragraph 2 as currently proposed. The language offered here provides for better defined exclusions. Many of these events are events that the utility would not have any control of, are out of normal planning and design conditions and therefore should not cause penalties to be accrued by the utility.

- (2) A Utility may exclude from the Annual Distribution Service Reliability report, Outage Events directly caused by one or more of the following: planned maintenance, utilization of load management or interruptible loads, an electric generation disturbance, an electric transmission system disturbance, a tropical depression, storm or hurricane identified by the National Hurricane Center, a tornado or other severe weather event recorded or announced by the National Weather Service, ice on lines, fire event, outage events located in areas declared a disaster area or in a state of emergency, or other outage causing events resulting in activation of the city or county emergency operation center.

B. 25-6.0456(1)

There is some ambiguity in regards to the applicability of including Rules 25-6.046 and 25-6.047, Voltage Standards and Constant Current Standards, in these proceedings. The two aforementioned Rules are clearly Service Quality Rules and not Reliability Standards. In the initial notice of proposed rulemaking the purpose and effect were stated as "To provide better definitions of terms used to assess distribution reliability and continuity of electric service, to require additional information for assessment, provide for setting of standards for each utility, and to require refunds to customers who receive substantially less than average service". The two issues are not necessarily linked to each other in all circumstances. A customer may never have an outage, thereby having excellent reliability, but still have very poor quality of service. Conversely, the customer could have excellent voltage and current profiles but suffer many outages a year. If the primary concern is with reliability and continuity of service, then Lakeland would suggest dropping the reference to 25-6.046 and 25-6.047 from the proposed rule. If also, there is a quality of service issue to be addressed, then the purpose of this proposed rulemaking should be expanded to properly address all the issues.

C. 25-6.0456 (3b)

LAKELAND disagrees with the establishment of the 105% of the benchmark value as a not to exceed target absent any historical data to support the contention. The availability of the distribution system is greatly impacted by weather, a variable the utility has no control over. Even though exclusions for major weather events are provided for, Florida being the undisputed lightning capital of North America, weather has a tremendous impact on reliability. It is uncertain whether a 5% bandwidth is feasible at this point. LAKELAND would suggest a measure based on one (1) standard deviation from the norm of the baseline. If a fixed number is to be a part of the measure then perhaps the measure could be a combination such as 'the greater of X % or one (1) standard deviation from the norm of the baseline'.

D. 25-6.0456 (4)

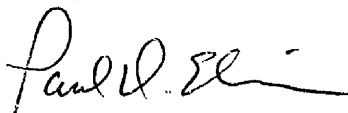
Absent additional evidence, LAKELAND disagrees with the need for a progress report in November of each year. LAKELAND recommends deleting this requirement.

E. 25-6.0456 (5)

LAKELAND shares the concerns expressed by other utilities that the proposed penalty provision will lead to customer expectations of receiving an annual rebate. LAKELAND understands a desire to have mechanism to maintain and improve reliability and customer service levels. Any such mechanism should avoid direct monetary compensation to the customer to avoid sending incorrect signals. The goal is to improve reliability. If it is perceived that the only way to ensure improved reliability is through economic incentives, then those incentives should be directed to improve the system reliability. The Commission should compel the affected utilities to apply any monetary incentives towards physical system upgrades that improve reliability.

LAKELAND supports the concept that a utility should be rewarded for exceeding reliability goals and expectations. Such rewards could be in a number of forms such as higher allowed returns, performance based rates, etc.

Thank you,



Paul H. Elwing

xc: James Stanfield
Ron Tomlin