

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Request for exclusion under Rule 25-6.0455(3), F.A.C., for outages on April 13, 2004 resulting from weather system known as a "Mesoscale Convective System," by Florida Power & Light Company.

DOCKET NO. 040449-EI
ORDER NO. PSC-04-1102-PAA-EI
ISSUED: November 8, 2004

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman
J. TERRY DEASON
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON

NOTICE OF PROPOSED AGENCY ACTION
ORDER GRANTING REQUEST TO EXCLUDE OUTAGES FROM
ANNUAL DISTRIBUTION SERVICE RELIABILITY REPORT

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.

Rule 25-6.0455, Florida Administrative Code, requires each investor-owned electric utility to file an Annual Distribution Service Reliability Report containing data that this Commission uses to assess changes in distribution reliability. Under subsection (2) of the rule, a utility may exclude specified outage events, such as a storm named by the National Hurricane Center, a tornado recorded by the National Weather Service, ice on lines, and an extreme weather event causing activation of the county emergency operation center. In addition, under subsection (3), a utility may petition this Commission to exclude an outage event not specifically enumerated in subsection (2). However, the utility must "demonstrate that the outage was not within the utility's control, and that the utility could not reasonably have prevented the outage," Rule 25-6.0455(3), Florida Administrative Code.

On May 13, 2004, Florida Power & Light Company ("FPL" or "Company") filed a petition pursuant to Rule 25-6.0455(3), Florida Administrative Code, seeking to exclude from its 2004 Annual Distribution Service Reliability Report the service interruptions that occurred on April 13, 2004, due to a weather-related event. April 13, 2004, was the second day of inclement weather associated with a large weather system traveling west to east across parts of peninsular Florida. An unusual wind event followed the passing thunderstorms with gusts reaching 70

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miles per hour in portions of south-central Florida. FPL recorded the first customer service interruption at 12:04 a.m. The subsequent customer interruptions totaled 114,935 in FPL's south-central service areas. FPL's response to the level of outages include a request for assistance from other utilities; deployment of 950 line personnel (both FPL and non-FPL), 500 vegetation management personnel, and 90 support personnel; and extending normal working hours up to 16 hour shifts. FPL restored service to the last affected customer on April 14, 2004, at 12:57 p.m. FPL's estimated total cost to restore service is approximately \$1.1 million, excluding fixed costs and payroll expenses.

FPL's petition includes three reports by the National Weather Service ("NWS") which are specific to the April 13, 2004, weather event. The first NWS report, "April 13, 2004, Peninsular Florida Severe Wind Event," describes the meteorological characteristics of the wind event as more typical of weather that occurs in the Great Plains and other Southern states. The second NWS report, "Preliminary Local Storm Report," provides a chronology of non-thunderstorm wind damage reported for the greater Miami and Tampa Bay areas. The final NWS report, "Storm Data and Unusual Weather Phenomena," discusses an estimated \$300,000 in property damage due to high winds throughout Lee County and sustained winds in excess of 30 knots (34.5 miles per hour).

FPL asserts that weather events similar to the one on April 13, 2004, are infrequent and occur once in twenty-five years. FPL was unable, however, to provide historical data for Florida supporting its assertion. FPL's response to discovery further indicates that a Florida-specific analysis is not available and would take months to complete. Consequently, the expected frequency of similar weather events in peninsular Florida is uncertain. We note that outage data due to similar weather events, if any, has historically been included in FPL's Annual Distribution Service Reliability Reports. This petition is FPL's first request to exclude outages due to a weather event not specifically provided for by 25-6.0455, Florida Administrative Code.

FPL maintains that this weather event was similar in size and scope to a named tropical storm. Outages due to named tropical storms are specifically excluded pursuant to Rule 25-6.055(2), Florida Administrative Code, as being beyond the utility's ability to avoid. Thus, FPL asserts that that it could not reasonably be expected to avoid outages caused by the large scale weather event of April 13, 2004.

FPL also believes that the efforts it was required to make to restore service were comparable to those associated with a named tropical storm. When a named tropical storm occurs, FPL mobilizes and reallocates its workforce and asks for assistance from other utilities. FPL did so in response to the April 13, 2004, weather event. FPL's restoration efforts across its entire service area reduced service interruptions from all causes to 8,275, which is 2,000-5,000 less than the total level of service interruptions recorded three days before and three days after the weather event. Consequently, FPL believes its service restoration efforts were reasonable and its petition should be granted.

Our review of this matter indicates that two customers filed outage complaints on April 13, 2004, and that FPL promptly addressed each complaint to the customer's satisfaction without the need for follow-up by our staff.

In addressing a petition for exclusion of outages due to weather events, we stated in Order No. PSC-03-1008-PAA-EI, issued September 8, 2003, in Docket No. 030270-EI, In re: Request for exclusion under Rule 25-6.0455(3), F.A.C., concerning outage events associated with storm on 2/22/03, by Gulf Power Company, at page 4:

We are . . . concerned with the potential for inconsistent requests for exclusions under subsection (3) of the rule. Certainly, for Annual Distribution Service Reliability Reports to provide the basis for meaningful analysis of reliability trends and comparisons to peers, consistency is necessary among a particular utility's excluded outage events and among various utilities' excluded outage events. Thus, in order to maintain a consistent quality of data, we will consider, when addressing future exclusion requests under subsection (3) of the rule, the consistency of such exclusions with prior exclusion requests by the utility and other utilities, as well as whether the outage event to be excluded is unique in comparison to outage events which have historically not been excluded from the utility's Annual Distribution Service Reliability Reports.

Gulf shall file its 2003 Annual Distribution Service Reliability Report with and without the exclusions granted herein to enable assessment of trends in Gulf's distribution reliability indices.

FPL's petition is similar to the petition of Gulf Power Company that was addressed in Docket No. 030270-EI. In both cases the weather events were sufficiently severe to cause high levels of damage across large geographical areas and appear unique in comparison to outage events that have historically not been excluded from the utilities' Annual Distribution Service Reliability Reports. In both cases, the utilities provided evidence that reasonable service restoration actions had been taken. We find that FPL has demonstrated that the resulting outages were not within its control and that it could not reasonably have prevented the outages. Thus, we approve FPL's petition. Consistent with Order No. PSC-03-1008-PAA-EI, FPL shall file its 2004 Annual Distribution Service Reliability Report with and without the exclusion to enable assessment of trends in FPL's distribution reliability indices.

Based on the foregoing, it is


ORDERED by the Florida Public Service Commission that Florida Power & Light Company's petition to exclude from its 2004 Annual Distribution Service Reliability Report service interruptions that resulted from a weather-related event on April 13, 2004, is granted. It is further

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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 Director, Division of the Commission Clerk and Administrative Services, 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.

By ORDER of the Florida Public Service Commission this 8th day of November, 2004.



BLANCA S. BAYO, Director
Division of the Commission Clerk
and Administrative Services

(SEAL)

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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 Director, Division of the Commission Clerk and Administrative

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Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 29, 2004.

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.