



FECA

Florida Electric Cooperatives Association, Inc.

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February 25, 2016

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

VIA: Electronic Filing

160041-EU

RE: Petition for a Variance from or Waiver of the Annual Reporting Requirements in Rule 25-6.0343 of the Florida Administrative Code, for Municipal Electric Utilities and Rural Electric Cooperatives

Dear Ms. Stauffer:

Attached for filing in the above-styled matters is a Petition of Florida Electric Cooperatives Association for a Variance from or Waiver of the Annual Reporting Requirements in Rule 25-6.0343, F.A.C., for Municipal Electric Utilities and Rural Electric Cooperatives.

Thank you for your assistance in this matter.

Sincerely,

Michelle Hershel

Attachment

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for a Variance from or)
Waiver of the Annual Reporting)
Requirements in Rule 25-6.0343)
of the Florida Administrative Code,)
for Municipal Electric Utilities and)
Rural Electric Cooperatives)

Docket No. _____
Filed: February 25, 2016

**PETITION BY THE FLORIDA ELECTRIC COOPERATIVES
ASSOCIATION, INC. FOR AVARIANCE FROM OR WAIVER OF
THE ANNUAL REPORTING REQUIREMENTS IN RULE
25-6.0343, F.A.C., FOR MUNICIPAL ELECTRIC UTILITIES AND RURAL
ELECTRIC COOPERATIVES**

The Florida Electric Cooperatives Association, Inc. (“FECA”), on behalf of its fifteen distribution member-electric cooperatives,¹ respectfully petitions the Florida Public Service Commission (“PSC” or “Commission”) for a variance from or a waiver of certain reporting requirements in Rule 25-6.0343, F.A.C., pursuant to Rule 28-104.002, F.A.C., and Section 120.542, Florida Statutes. Specifically, FECA is requesting that the requirement in Rule 25-6.0343(2), F.A.C., to annually report construction standards, facility inspections and vegetation management efforts be waived or varied to allow for reports to be filed every three years. The change would reduce the number of reports required to be submitted, but FECA believes it would still provide the necessary information to the PSC staff to allow

¹ Central Florida Electric Cooperative, Inc., CHELCO, Clay Electric Cooperative, Inc., Escambia River Electric Cooperative, Inc., Florida Keys Electric Cooperative Association, Inc., Glades Electric Cooperative, Inc., Gulf Coast Electric Cooperative, Inc., Okefenoke Rural Electric Membership Corporation, Peace River Electric Cooperative, Inc., Sumter Electric Cooperative, Inc., Suwannee Valley Electric Cooperative, Inc., Talquin Electric Cooperative, Inc., West Florida Electric Cooperative Association, Inc., Withlacoochee River Electric Cooperative, Inc.

them to evaluate each electric cooperative's plan to inspect, maintain and protect its facilities from extreme weather damage. In support of receiving a variance or waiver from Rule 25-6.0343, F.A.C., FECA submits the following:

SUMMARY OF PETITION

Rule 25-6.0343, F.A.C., was adopted after the devastating 2004/2005 hurricane seasons in Florida. The purpose of the rule is to provide the PSC with information on how each distribution electric cooperative (and each electric municipal utility) is evaluating, preparing and maintaining its transmission and distribution facilities in order to mitigate damages caused by extreme weather events. The electric cooperatives must file annual reports which address the extent to which its construction standards, policies, guidelines, practices and procedures: 1) comply with the National Electrical Safety Code; 2) are guided by the NESC extreme wind loading standards; 3) address the effects of flooding and storm surges; 4) provide for placement of new and replacement distribution facilities; and 5) include written safety, pole reliability, pole loading capacity and engineering standards for attachments by others. (Rule 25-6.0343(3)(a)-(e), F.A.C.) In addition, the utilities must report on transmission and distribution facility inspections and provide information pertaining to the utility's vegetation management efforts. (Rule 25-6.0343(4)-(5), F.A.C.) The investor-owned electric

utilities (“IOUs”) have similar reporting requirements, however, the Commission only requires the IOUs to submit a report every three years.

FECA’s members have filed annual standard of construction reports since the Rule’s inception in 2006. The PSC staff summarizes each report in a table that is in the appendix of the report *Review of Investor-Owned Utilities Service Reliability Reports*. On January 14, 2015, the PSC staff held an informal meeting for all electric utilities to discuss the reliability report. At this meeting FECA and the Florida Municipal Electric Association questioned whether this information was needed every year, and whether it could be on the same schedule as the IOUs, which is every three years. Staff did not object to cooperatives and municipals switching to a three-year reporting cycle and it was suggested that this could be accomplished through a rule waiver/variance.

Waiver or Variance of Reporting Requirement
In Rule 25-6.0343, F.A.C.

1. FECA is a Florida corporation and a trade association that represents almost all of Florida’s electric cooperatives. FECA’s distribution electric cooperative members are: Central Florida Electric Cooperative, Inc., CHELCO, Clay Electric Cooperative, Inc., Escambia River Electric Cooperative, Inc., Florida Keys Electric Cooperative Association, Inc., Glades Electric Cooperative, Inc., Gulf Coast Electric Cooperative, Inc., Okefenoke Rural Electric Membership

Corporation, Peace River Electric Cooperative, Inc., Sumter Electric Cooperative, Inc., Suwannee Valley Electric Cooperative, Inc., Talquin Electric Cooperative, Inc., West Florida Electric Cooperative Association, Inc., Withlacoochee River Electric Cooperative, Inc. FECA's distribution electric cooperatives provide retail service to approximately 800,000 retail accounts that are located throughout 53 Florida counties. FECA's members own and operate transmission and distribution facilities throughout Florida. One of the purposes of FECA is to represent the interests of its members before the Commission and to avoid unnecessary, redundant filings by 15 individual utilities. To this end, if the Commission approves the above-stated waiver or variance, such approval will be applicable to each of FECA's members, individually.

2. Any pleadings, motions, notices, orders, or other documents required to be served upon FECA should be served upon the following individuals:

William B. Willingham, Esq.
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Michelle Hershel, Esq.
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3. The purpose of rule 25-6.0343, F.A.C., is to "define certain reporting requirements by municipal electric utilities and rural electric cooperatives

providing distribution service to end-use customers in Florida.” which reports are to include information regarding the municipal electric utilities’ and rural electric cooperatives’ standards of construction, facility inspections, and vegetation management efforts. Rule 25-6.0343, F.A.C., implements section 366.04(2)(f)(6), Florida Statutes (2015). Pursuant to Rule 25-6.0343(2), F.A.C., utility reports must be filed annually.

4. The IOUs file similar reports pursuant to Rule 25-6.0342, F.A.C. However, pursuant to Rule 25-6.0342(2), F.A.C., their reports are only filed every 3 years, not annually.

5. The Commission can grant FECA’s request under Section 120.542(2), Florida Statutes, when the purpose of the underlying statute will be, or has been, achieved by other means, and when application of a rule would violate principles of fairness. These requirements are met here and, therefore, FECA’s petition should be granted.

6. Section 366.04(2)(f), Florida Statutes, authorizes the Commission to “prescribe and require the filing of periodic reports...as may be reasonably available and as necessary to exercise its jurisdiction...” The statute is silent as to the frequency of filing.

7. The purpose of Rule 25-6.0343, F.A.C., is to provide enough information for the Commission to determine if a utility is prudently upgrading and

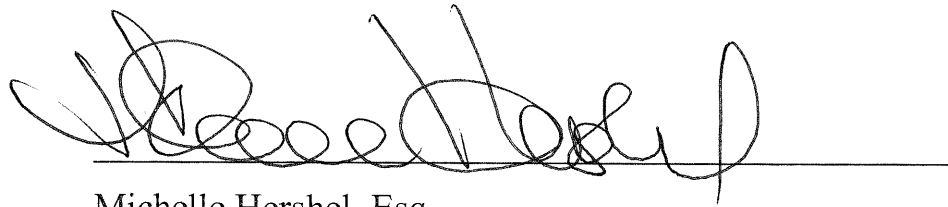
hardening its facilities to mitigate damages from extreme weather. Improvements and “hardening” of a utility’s transmission and distribution facilities is a continuous, deliberate process which is gradually accomplished through long term planning. Each year, improvements, modifications and repairs are made to strengthen a utility’s system, however, FECA believes that reviewing these improvements over a longer period (three years) may actually be more beneficial since the staff can evaluate more significant improvements.

7. Since the Commission has determined that it is sufficient for the IOUs to file similar reports every three years, FECA believes it is fair to allow electric cooperatives and municipals to file on the same reporting schedule instead of annually. This would lessen the man hours spent by utility personnel on generating the reports and would provide essentially the same information on a more comprehensive basis. If granted, FECA requests that the waiver or variance be permanent.

In summary, FECA believes a permanent waiver or variance from the annual reporting requirement under Rule 25-6.0343(2), F.A.C., to a three-year reporting requirement should be granted because a 3 year reporting window will satisfy the purpose of the rule and should provide staff with the necessary data to evaluate and ensure that an electric cooperative is prudently enhancing its transmission and distribution facilities to mitigate damages from extreme weather. If granted, FECA

believes it would benefit staff if the three-year reporting cycle coincided with the IOU filings, therefore, it should begin in March, 2016. This request will not have any impact on the reports to be filed by FECA's members this year, or for 2016 when the IOUs' next filings are due.

Respectfully submitted this 25th of February, 2016.

A handwritten signature in black ink, appearing to read "Michelle Hershel", written over a horizontal line.

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cc: Joint Administrative Procedures Committee