

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for exclusion
under Rule 25-6.0455(3), F.A.C.,
for outage events associated
with plane crash on 3/8/03, by
Gulf Power Company.

DOCKET NO. 030312-EI
ORDER NO. PSC-03-1004-PAA-EI
ISSUED: September 8, 2003

The following Commissioners participated in the disposition of
this matter:

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

NOTICE OF PROPOSED AGENCY ACTION
ORDER GRANTING REQUEST FOR EXCLUSION OF OUTAGE EVENT 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 annually a 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 the Commission to exclude an outage event not specifically enumerated in subsection (2), provided that the utility can

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"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 April 3, 2003, Gulf Power Company ("Gulf") filed a request pursuant to Rule 25-6.0455(3), Florida Administrative Code, seeking to exclude from its 2003 Annual Distribution Service Reliability Report service interruptions associated with a plane crash on March 8, 2003. This request, along with another request in Docket No. 030270-EI, represent the first applications of subsection (3) of the rule. We have jurisdiction over this matter pursuant to Chapter 366, Florida Statutes, including Sections 366.04, 366.041, and 366.05, Florida Statutes.

According to Gulf and press reports, a military training jet crashed into a residential area in Valparaiso, which is located in Gulf's Central District, at 1:45 p.m. on March 8, 2003. Gulf reported that the incident caused the interruption of electric service to 187 customers. Total time to restore power was approximately 4.5 hours, including delays to accommodate military and emergency personnel. The 187 customers interrupted experienced an average interruption period of 190.9 minutes. In addition to the data provided in its request, Gulf provided a map of the airplane crash site, identification of the location and type of Gulf facilities that were damaged, and a description of Gulf's restoration effort.

The resulting system-level impact of this outage event is an estimated 0.093 minutes to Gulf's System Average Interruption Duration Index (SAIDI). SAIDI is an index most commonly used by utilities to measure distribution service reliability performance. A SAIDI value of 100 means that customers experience on average 100 minutes of interruption during the year. Gulf reported a SAIDI value of 89.17 minutes in its 2002 Annual Distribution Service Reliability Report. Compared with this number, the impact of the March 8 incident is approximately 0.1 percent.

Based on the information provided by Gulf, we find that this incident caused outages that were not within Gulf's control and could not reasonably have been prevented by Gulf.

While this event does not have a major impact on Gulf's system reliability, we believe that the requested exclusion is necessary in order to maintain a consistent quality of data that is used as a basis for Gulf's Annual Distribution Service Reliability Reports. The purpose of allowing exclusions for certain outage events is to ensure that these reports fairly represent the level of service reliability the utility delivers to its customers. Comparing a utility's reliability reports from one year to the next allows the utility, this Commission, and the public to assess improvements or the need for improvements to a utility's distribution reliability. As more requests for exclusions are granted under the new provisions in Rule 25-6.0455(3), Florida Administrative Code, the data produced in utilities' Annual Distribution Service Reliability Reports will become less comparable to data produced in prior years' reports that do not exclude outages caused by the same or similar types of events for which exclusions are granted.

Thus, it is important to gauge the effects of exclusions in order to make meaningful analysis of reliability trends. Although exclusion data are provided along with requests for exclusions, we find that such data should also be provided in Gulf's Annual Distribution Service Reliability Report. Exclusion data support the indices contained in the report, and filing the data with the report will enhance the integrity of the report. This will also allow a more efficient assessment by the Commission, the public, and interested parties of the effects of exclusions granted under subsection (3) of the rule.

We are also 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.

To determine the potential impacts of inconsistent use of exclusions, our staff requested that Gulf provide information concerning all outage events caused by motor vehicles. Gulf identified 79 outage events caused by motor vehicles between the time subsection (3) of the rule was adopted in November 2002 and April 1, 2003. Gulf did not request an exclusion for any of these

outage events even though it considered those events to be outside of its control. For 2002, Gulf reported 246 outage events caused by motor vehicles. Exclusion of those events would have had an impact of 6.02 minutes on Gulf's SAIDI. This indicates that significant impacts to reported performance could result from inconsistent use of exclusions.

By seeking an exclusion for only the plane crash and not asking for exclusion for the motor vehicle events, Gulf has been consistent with its historical reporting of outage data. Gulf explained that this particular plane crash is an extraordinary incident. We believe that this is the type of outage event that Rule 25-6.0455(3), Florida Administrative Code, was designed to address. 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.

In conclusion, we find that the outage events associated with the March 8 plane crash qualify for exclusion under Rule 25-6.0455(3), Florida Administrative Code. These outages and the associated delays in service restoration, which were the result of an extraordinary incident, were not within Gulf's control and could not reasonably have been prevented by Gulf. Further, to ensure the integrity of Gulf's Annual Distribution Service Reliability Report, Gulf shall provide data for this exclusion in its Annual Distribution Service Reliability Report to allow a more efficient assessment of the effects of exclusions granted under subsection (3) of the rule.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Gulf Power Company's request to exclude from its 2003 Annual Distribution Service Reliability Report service interruptions associated with a military training jet crash on March 8, 2003, is granted. It is further

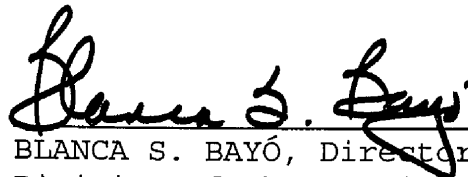
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ORDERED that Gulf Power Company shall provide the data associated with the exclusion granted herein as part of its 2003 Annual Distribution Service Reliability Report. It is further

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 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 September, 2003.



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

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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 Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on September 29, 2003.

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 docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.