

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Request for exclusion under Rule 25-6.0455(3), F.A.C., for an outage event on March 17, 2004, by Gulf Power Company. | DOCKET NO. 040320-EI
ORDER NO. PSC-04-0706-PAA-EI
ISSUED: July 20, 2004

The following Commissioners participated in the disposition of this matter:

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

NOTICE OF PROPOSED AGENCY ACTION
ORDER GRANTING REQUEST TO EXCLUDE 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 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 April 12, 2004, Gulf Power Company ("Gulf" or "Company") filed a request pursuant to Rule 25-6.0455(3), Florida Administrative Code, seeking to exclude from its 2004 Annual Distribution Service Reliability Report service interruptions that occurred on March 17, 2004, when a marine vessel made contact with Feeder No. 6522, thereby causing the western phase of the feeder circuit crossing Bayou Chico to burn down.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

We have jurisdiction over this matter pursuant to Chapter 366, Florida Statutes, including Sections 366.04, 366.041, and 366.05, Florida Statutes.

In its request, Gulf states that on March 17, 2004, a deep-water buoy tender entered the Bayou Chico waterway, passed safely under Feeder No. 6522, then refueled at a nearby marina. According to Gulf, the deep-water buoy tender was equipped with three very tall shafts ("spuds") that are lowered to the sea bottom to stabilize the vessel when it is working on a specific buoy. The spuds were in a raised position when the buoy tender traveled through the navigable waterways of Bayou Chico. After refueling, the buoy tender operator increased the height of the spuds to compensate for a heavier load and to avoid dragging the spuds on the bottom of Bayou Chico. On attempting to again pass under Feeder No. 6522, contact was made causing the western phase of the feeder circuit to burn down. Service restoration to all affected customers was completed in 2 hours and 53 minutes. No customer made complaints to this Commission. Gulf is seeking approximately \$18,500 in damages from the operator/owner of the buoy tender.

Gulf included two attachments with its request. Exhibit A includes a one-line diagram of the circuits within the Bayou Chico area and a general road map of the area. Exhibit B contains two pictures of Gulf's feeder wires at the Bayou Chico crossing prior to restoration efforts and shows the dangling western phase wire of the feeder. Gulf asserts that the high tide clearance under Feeder No. 6522 exceeded the U.S. Army Corps of Engineers permitted height by at least 4 feet. Nevertheless, clearance was exceeded when the height of the buoy tender's spuds were increased after refueling.

In its request, Gulf explains that in 1966 the Bayou Chico aerial crossing was initially constructed with a 60-foot clearance adjacent to an existing drawbridge. Immediately upstream of Gulf's feeder crossing was a marina. In 1999, a new bridge was constructed upstream of the marina area with an increased 85-foot clearance and the old drawbridge was demolished. In response to questions posed by our staff, Gulf states that its Planning Department reviewed possible alternatives, such as relocating the feeder to the new bridge or constructing a submarine crossing at the existing location. Due to the expense of these alternatives, Gulf determined that maintaining the aerial feeder crossing at its existing location was the most viable option. Furthermore, Gulf states, the Bayou Chico aerial feeder crossing was accidentally torn down by a Department of Transportation contractor during demolition of the old bridge. Gulf states that it was permitted to reconstruct the aerial feeder crossing in an expedited process using two 125-foot concrete poles at the existing location, provided that Gulf achieved an 85-foot clearance requirement of the U.S. Army Corps of Engineers.

Our review indicates that the March 17, 2004, event is the first outage caused by a marine vessel at the rebuilt Bayou Chico feeder crossing, even though Gulf's feeder is now the only aerial crossing between the refueling marina in Bayou Chico and Pensacola Bay. Gulf states that the operator of the buoy tender was well aware of clearance issues because vessel personnel monitored clearances during both passages under Feeder No. 6522. However, Gulf asserts, the vessel personnel apparently misjudged the clearance during the second passage when contact

was made with one of the feeder wires. Vessel personnel avoided damage to the remaining feeder wires by lowering the spuds sufficiently to clear the other feeder wires. Thus, Gulf asserts, additional preventive measures, such as warning signs or additional aids to navigation, would not have avoided the outage event because vessel personnel were aware of the aerial feeder crossing and able to clear the wires when the spuds heights were properly set.

In addition to seeking recovery of damages, Gulf states that it has offered the owner/operators of the buoy tender training on the dangers of unsafe activity around electrical equipment. We believe such efforts may help to avoid similar future events. We note, however, that Gulf's aerial feeder crossing remains the only marine vessel height restriction between Pensacola Bay and a refueling marina which means that it is possible, especially during inclement weather, that a marine vessel may cause another outage by contacting Feeder No. 6522.

Upon review, we find that Gulf has demonstrated that this outage event was not within its control and that Gulf could not reasonably have prevented the outage. Gulf has shown that its feeder exceeded applicable clearance code requirements. The feeder's aerial clearance was increased from 60 feet to 85 feet in 1999. Further, based on Gulf's statements, the buoy tender personnel demonstrated that they were able to adjust the spuds heights to clear all feeder wires but failed to do so. Accordingly, we grant Gulf's request.

In reaching this conclusion, we note that one of the more expensive feeder circuit routes, such as a submarine crossing or relocation closer to the new bridge, could have avoided the instant outage event and may avoid the possibility of a similar future event. Repeated outages, increased customer complaints, and/or outages with very long duration at Bayou Chico may require Gulf to reconsider the reasonableness of maintaining the current aerial feeder crossing.

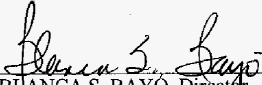
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Gulf Power Company's request to exclude, from its 2004 Annual Distribution Service Reliability Report, the March 17, 2004, outage event discussed in the body of this Order is granted. 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 20th day of July, 2004.



BLANCA S. BAYO, 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 August 10, 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.