

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Proposal to require investor-owned electric utilities to implement ten-year wood pole inspection program.

DOCKET NO. 060078-EI  
ORDER NO. PSC-06-0144-PAA-EI  
ISSUED: February 27, 2006

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman  
J. TERRY DEASON  
ISILIO ARRIAGA  
MATTHEW M. CARTER II  
KATRINA J. TEW

NOTICE OF PROPOSED AGENCY ACTION  
ORDER REQUIRING EACH ELECTRIC INVESTOR-OWNED UTILITY TO IMPLEMENT  
EIGHT-YEAR POLE INSPECTION CYCLE AND REQUIRING REPORTS

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.

BACKGROUND

The hurricanes of 2004 and 2005 that made landfall in Florida resulted in extensive storm restoration costs and long-term electric service interruptions for millions of electric investor-owned utility (IOU) customers. The hurricanes of 2004 resulted in a combined cost to Florida's four largest electric IOUs of over \$1.5 billion and caused 11.9 million customer service interruptions. Post-hurricane electric service restoration time in 2004 ranged from less than one hour to 14 days. These storm impacts were spread across the state, significantly affecting each of the electric IOUs and their customers.

The hurricanes of 2005 affected Florida Power & Light Company (FPL) and Gulf Power Company's (Gulf) service areas more than Progress Energy Florida, Inc. (PEF) or Tampa Electric Company's (TECO) service areas. Electric service restoration in 2005 ranged from less than one hour to 18 days. The total impact of the 2005 hurricanes in terms of storm restoration dollars, while not known with precision at this time, is expected to be much the same as it was in 2004.

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FPSC-COMMISSION CLERK

Meteorological experts have stated that the last two storms seasons, while extremely severe, are most likely part of a long term cycle of increased hurricane activity. William Gray and Philip Klotzbach of the Department of Atmospheric Science at Colorado State University, in their extended range forecast of Atlantic seasonal hurricane activity published in December, 2005, expect the current active period of increased hurricane activity to last another 15 to 20 years. The forecast states that there is a low probability that the coming 2006 and 2007 hurricane seasons, or the seasons that follow, will be equivalent to the major hurricane U.S. landfall events seen in 2004 and 2005. Nonetheless, with the forecast of increased hurricane activity, hurricane conditions are expected to affect Florida's electric grid much more than was experienced between 1966 and 2003, when U.S. hurricane landfall numbers were substantially below the long term average.

The severe hurricane seasons of 2004 and 2005 have underscored the importance of system maintenance activities of Florida's electric IOUs. These efforts to maintain system components can reduce the impact of hurricanes and tropical storms upon utilities' transmission and distribution systems. An obvious key component in electric infrastructure is the transmission and distribution poles. If a pole fails, there is high chance that the equipment on the pole will be damaged, and failure of one pole often causes other poles to fail. Thus, wooden poles must be maintained or replaced over time because they are prone to deterioration. Deteriorated poles have lost some or most of their original strength and are more prone to fail under certain environmental conditions such as high winds or ice loadings. The only way to know for sure which poles are acceptable, which poles must be treated or braced, and which poles must be replaced is through periodic inspections.

Restoration time can be significantly lengthened when a large number of poles fail due to a single meteorological event, overwhelming the ability of the electric IOU to respond quickly. A February 2005 report by the Edison Electric Institute indicated that a large number of poles throughout Florida required replacement after the storms of 2004. FPL, PEF, and Gulf replaced 31,700 poles due to the four hurricanes in 2004. In addition, 22,295 transformers were replaced, along with 3,192 miles of conductor. For named storms impacting Florida in 2004 and 2005, the number of failed poles resulting from a storm are correlated with the number of days required to restore service to customers.

Due to the unforeseeable weather pattern that has emerged and the expectation of continued intense activity for the foreseeable future, this Commission's statutory authority regarding the reliability and safety of the Florida grid requires that we carefully consider whether the utilities are taking all reasonable actions to assure that their distribution and transmission facilities, especially their poles, are properly maintained. Wood pole inspections are critical in order to be able to assess whether strength requirements have been maintained. This Commission should be fully informed of such wood pole inspection results. With such information, we may consider what actions, if any, may be necessary to ensure that wood poles are adequately maintained, including requirements such as more rapid replacement, chemical treatment, or bracing of deteriorated poles.

Section 366.04(5), Florida Statutes, gives this Commission the jurisdiction over the planning, development, and maintenance of a coordinated electric power grid throughout Florida to assure an adequate and reliable source of energy for operational and emergency purposes in Florida. In addition, this Commission has the power to require repairs and improvements to the plant and equipment of any public utility when reasonably necessary to promote the convenience and welfare of the public and secure adequate service or facilities for those reasonably entitled thereto. Section 366.05(1), Florida Statutes. This Commission has exclusive jurisdiction to prescribe and enforce safety standards for transmission and distribution facilities of all investor owned, cooperative, and municipal electric utilities, and adopts the National Electric Safety Code (NESC) as its standards. Section 366.04(6), Florida Statutes, and Rule 25-6.0345, Florida Administrative Code. We may require reports from all electric IOUs to assure the development of adequate and reliable electric grids. Section 366.05(7), Florida Statutes.

### INSPECTION PROGRAM

As set forth below, the IOUs shall adopt an eight-year pole inspection program. In sum, there are five reasons why we find it appropriate for the IOUs to do so:

- 1) The NESC identifies wood pole minimum strength requirements that electric IOUs must maintain via periodic inspections;
- 2) In performing inspections, the electric IOUs are required by the NESC to consider the conditions to which the poles may be expected to be exposed;
- 3) It is probable that Florida is experiencing an extended period of increased hurricane activity, indicating that conditions have changed and punctuating the need for systematic review of electric IOUs' transmission and distribution wood poles to assure that they are reasonably robust;
- 4) The electric IOUs practice widely different wood pole inspection cycles, so a uniform wood pole inspection cycle implemented by all electric IOUs is necessary in order for this Commission to be able to assess electric reliability and safety; and
- 5) An eight-year wood pole inspection cycle aligns with the cycle recommended by the United States Department of Agriculture's Rural Utilities Service (RUS) for Florida's rural electric utilities.

### Forecasts of Future Storm Activity and this Commission's Jurisdictional Authority

The hurricanes and tropical storms of 2004 and 2005 have resulted in extremely high levels of extended electric service interruptions and storm restoration costs, profoundly affecting electric IOUs, electric IOU customers, and the state in general. The extended range forecast of Atlantic seasonal hurricane activity indicates that the weather conditions impacting the electric facilities of the state appear to have changed. This Commission has jurisdiction over the maintenance of Florida's electric transmission and distribution system. Wood poles are a primary component of that system, and are subject to deterioration over time. The NESC, which

comprises the safety standards for poles required by Florida Statutes, requires that wood poles be inspected periodically. While electric IOUs have programs in place to inspect their wood poles, recent audits performed by our staff indicate that the inspections are completed based on widely varying cycles.

The expected continuation of high levels of storm activity over the next 15 to 20 years, in conjunction with recent information regarding the varying cycles of pole inspection practices by the electric IOUs, provides a strong basis for this Commission to require the electric IOUs to periodically report their wood pole inspection results to the Commission. Such action is consistent with our statutory authority under Section 366.05, Florida Statutes. The statute states that this Commission has the power to “require repairs, improvements, additions, and extensions to the plant and equipment of any public utility when reasonably necessary to promote the convenience and welfare of the public and secure adequate service or facilities for those reasonably entitled thereto. . . .” Without adopting a requirement that electric IOUs conduct periodic pole inspections of reasonable frequencies and report the inspection results, this Commission will not have a reasonable means of assessing what repairs and improvements referenced in the statute are required and are completed. Under Section 366.05(7), Florida Statutes, this Commission is authorized to require reports from all electric IOUs to assure the development of adequate and reliable energy grids.

#### Pole Inspection Requirements of the NESC

By Section 366.04(6), Florida Statutes, and Rule 25-6.0345, Florida Administrative Code, this Commission requires electric IOUs under its jurisdiction to comply with the NESC as the applicable safety standards for transmission and distribution facilities. Section 26 (Strength Requirements) of the NESC contains provisions for the strength factors of poles which must be maintained for the period that the pole is in service. The NESC requires electric IOUs to strengthen or replace poles in excess of 18 meters (60 feet) in length that have lost one quarter of their original strength at installation under full load bearing conditions. Poles greater than 18 meters in length are typically transmission poles. The NESC also requires electric IOUs to strengthen or replace poles equal to or less than 18 meters in length that have lost one third of their original strength at installation under no load bearing conditions. Poles equal to or less than 18 meters in length are typically distribution poles. In addition, when new or changed facilities add loads to existing poles, the strength of the pole must exceed the strength required at replacement. Otherwise, the pole must be replaced. The NESC also contains requirements for poles greater than 60 feet to maintain the strength to withstand extreme wind loading with consideration of the loads associated with attachments and conductors. Poles less than 60 feet are exempt from extreme wind loading requirements, but must be able to withstand winds of 60 miles per hour (as applies to the bare pole, excluding stresses resulting from wind loads on the conductors). Table 261-1A of Section 26 of the NESC describes the different types of installations and the strength reduction factor used to determine when the pole should be replaced or rehabilitated. A copy of this portion of the NESC is attached to this Order as Attachment A.

The strength requirements identified in the NESC as discussed above can only be met if the electric IOU in question is conducting pole inspections at a rate necessary to detect impairments to the poles. The code is not specific as to the exact schedule within which inspections must be made, but states the following: "Lines and equipment shall be inspected at such intervals as experience has shown to be necessary." Rule 214.A.2, NESC. The utility is responsible for considering the conditions of service which the installation reasonably can be expected to be exposed.

#### Inspection Requirements Related to Loadings: Pole Attachments

Factors such as electrical fixtures and non-electric pole attachments impose additional strength requirements that are considered at the time the pole is installed. Of course, many pole attachments occur well after the date of pole installation. The code states that "[w]hen new or changed facilities add loads to existing structures (a) the strength of the structure when new shall have been great enough to support the additional loads and (b) the strength of the deteriorated structure shall exceed the strength required at replacement. If either (a) or (b) cannot be met, the structure must be replaced, augmented, or rehabilitated." See Attachment A. We believe that third parties have completed pole attachments to electric IOU wood poles that were done without full consideration of the requirements of the NESC requirement. We base our belief on the verbal representations made at this Commission's January 23, 2006 Electric Infrastructure Workshop by New Strategem Consulting's Mary Wolter Glass and findings by KEMA, Inc. (KEMA), a company hired by FPL to examine the performance of FPL facilities during Hurricane Wilma. Thus, we find that wood pole strength inspections under such conditions require both remaining strength assessments as well as pole attachment loading assessments.

#### USDA Rural Utility Service (RUS) Guidelines Regarding Pole Inspection Cycles

The United States Department of Agriculture's RUS, formerly the Rural Electrification Administration, suggests pole-by-pole initial inspections within 10 years. The RUS suggests wood pole reinspections in Florida every eight years. The RUS also suggests reinspections more frequently than eight years in the event that a sampling of poles reveals advanced decay in greater than 1 percent of the poles inspected.

#### Electric IOUs' Pole Inspection Cycles

Recent audits by our staff have been conducted to examine system component maintenance activities at FPL, PEF, TECO, and Florida Public Utilities Corporation (FPUC). An audit of Gulf will be complete in early 2006.

Our staff's audits of FPL and PEF maintenance activities raised questions about these companies' pole inspection practices. Management audit reports on each company were published in July 2005. Regarding FPL, staff's report concluded that "FPL's sound and bore inspections do not appear to be conducted throughout every service area in sufficient number, are not completed in a timely cyclical manner, and may allow degraded poles to go unidentified." The report also stated that "FPL has no documented distribution procedures stating the accepted

company cycle time for specific [sound and bore] distribution pole inspections.” The report indicated that FPL’s current rate of sound and bore inspection equates to an inspection cycle of 60 years.

KEMA concluded in its January 12, 2006, publication titled “Technical Report: Post Wilma Engineering Analysis” that FPL distribution pole performance during non-hurricane conditions is good, and that non-hurricane pole failures have virtually no contribution to service interruptions. However, KEMA also stated that “FPL does not have a systematic test-and-treat program for its older distribution wood pole population.” While the report indicated that various wood pole inspection programs were utilized by FPL, it also noted that the Osmose program (FPL’s sound and bore inspection program) is very small in scope.

In staff’s audit report of PEF transmission and distribution wood pole inspections, our staff concluded that PEF has not maintained its 10-year ground-line inspection cycle as outlined in its procedures. The report concludes that “Progress Energy Florida does not currently have a fully-implemented monitoring system to track distribution ground-line inspections.” Ground line inspections are similar to the sound and bore inspections completed by FPL. The report included data showing that PEF had planned 72,178 pole inspections in 2003, yet PEF completed only 10,716 such inspections.

According to the June 2005 management audit of TECO’s electric service quality, TECO targets comprehensive ground line inspections on a ten year cycle. According to the March 2005 staff audit of FPUC’s electric service quality, FPUC’s inspection cycle varies from one year (Northeast Division) to ten years (Northwest Division), but the full extent of these pole inspections (e.g., visual, sound and bore, excavation, etc.) are not known. Gulf’s pole inspection cycle is not known at this time but will be included in our 2006 staff management audit of that utility.

Based on the results of our staff audit reports, it is apparent to us that electric IOUs practice widely varying cycles of wood pole inspections. We find that cycles longer than eight years may not be sufficient to detect wood poles that have deteriorated to the point that they no longer meet the requirements of the NESC.

#### Inspection and Reporting Cost Estimate

The incremental costs of maintaining an eight year sound and bore inspection cycle will vary by electric IOU because some electric IOUs are currently performing inspections at that rate while other electric IOUs are not and because different electric IOUs have different quantities of poles. For example, FPL’s sound and bore pole inspection costs between 1999 and 2004 averaged \$45.20 per pole. The number of poles annually inspected for FPL consistent with an eight year inspection cycle would be approximately 136,250 poles (1,090,000 wood poles/8 years). Thus, the annual cost to FPL for conducting such inspections, based on historical costs, is approximately \$6,158,500 (136,250 poles x \$45.20). Since FPL already conducts an average of 16,629 sound and bore inspections per year, the incremental cost of inspecting the larger number of poles as required herein is \$5,406,869 ((136,250 - 16,629) x \$45.20)). Additional

costs for inspecting wood poles for other factors affecting the strength of the pole, such as the addition of pole attachments as well as certain professional and administrative costs to prepare and file the reports for each electric IOU will be required. Those costs are not quantified but are expected to be relatively small compared to the costs of the increased inspection programs required herein.

The cost of conducting these inspections, while not insignificant, must be compared to the storm restoration costs incurred in 2004 and 2005. FPL's estimated storm restoration costs in 2004 were \$999 million, and its storm restoration costs in 2005 as requested for cost recovery in Docket No. 060038-EU are \$906 million.

The incremental costs for other electric IOUs, such as TECO, which are performing sound and bore inspections consistent with or close to an eight year cycle, should be relatively small. If in the future, we adopt more stringent pole strength standards than those required in the NESC, these costs could change according to the additional requirements imposed.

#### Concrete Poles

We propose no specific action unique to the inspection of concrete poles because the strength of concrete poles does not diminish over time like wood poles. Any deterioration of a concrete pole is generally observed by cracks and surface blemishes. Therefore, the adequacy and frequency of visual inspections is not a specific concern at this time. More information is necessary before we take any action concerning concrete pole inspections.

#### Conclusion

The specific standards of the NESC require inspection of electric IOU's wood poles based upon the conditions reasonably expected to be imposed on them. The last two hurricane seasons and the meteorological forecasts for the 2006 hurricane season and beyond provide clear indications that conditions have changed. Commission rules require that electric IOUs must inspect their poles on a periodic basis, yet no systematic wood pole inspection reporting requirement exists at this time. We find it appropriate to require each electric IOU to annually report to this Commission the results of its prior calendar year inspections of its wooden transmission and distribution poles. Such inspection shall be based on the requirements of the NESC and an eight-year inspection cycle.

### INSPECTION METHODOLOGY

#### Wood Pole Inspection Methods

Wood pole inspection methods vary, but three basic methods are used, usually in combination, in order to assess the condition of wood poles. These methods include:

- 1) Visual inspections which may be completed in conjunction with thermo vision (infrared) pole attachment inspections;

- 2) Employee assessments completed prior to climbing poles in conjunction with field work; and
- 3) Sound and bore pole inspections, often performed by outsourced contractors, which often include excavation of the pole to a depth of 18 inches.

Visual inspections provide little value for determining the loss in strength caused by internal rot and fungal decay within poles, though some defects such as woodpecker holes or broken cross arms may be detected. The climbing inspections involve sounding the pole with a hammer and probing it with a screwdriver, a method which may be adequate for detecting a severely rotten pole. However, slight or moderate rot could not be detected using this method.

Sound and bore inspections are performed by contractors such as Osmose Corporation. Sound and bore inspections, including excavation, are by far the most effective form of inspection for determining the internal condition of the wood poles. In these inspections, the pole is sounded (hammered) to determine whether any hollows exist. If so, the pole is drilled in several locations to determine the extent of the hollow cavity. The drilling can be used to determine the thickness of the remaining shell. The soil is excavated around the pole below ground level to determine the extent of exterior pole rot and wood loss. At this point, fungicide treatment of the pole is an option if the pole has sufficient remaining good wood. Detailed records are kept of these inspections, and the poles are marked by the contractor with the date and type(s) of inspection and mitigation performed.

Wood pole inspections conducted using one of the three methods may result in one of three remedial actions: treatment (as specified above), bracing, or replacement.

#### Pole Inspection for Strength Requirements Related to Pole Attachments

Factors such as incremental pole attachments impose additional strength requirements that are considered at the time the pole is installed. Of course, many pole attachments occur well after the date of pole installation. We have previously noted that the NESC states that “[w]hen new or changed facilities add loads to existing structures (a) the strength of the structure when new shall have been great enough to support the additional loads and (b) the strength of the deteriorated structure shall exceed the strength required at replacement. If either (a) or (b) cannot be met, the structure must be replaced, augmented, or rehabilitated.” See Attachment A. We believe that third parties have completed pole attachments to wood poles that were done without full consideration of the requirements of the NESC requirement. Thus, wood pole strength inspections under such conditions require both remaining strength assessments as well as pole attachment loading assessments.

#### USDA Rural Utility Service (RUS) Guidelines

Of the three inspections, only sound and bore inspections provide the quantitative data allowing for meaningful evaluations of remaining pole strength. The RUS suggests that sound and bore inspections are the minimum acceptable inspection method. The RUS indicates that



visual inspection methods lack the recommended accuracy. According to the RUS, the sound and bore inspections should include excavations, especially for Southern Pine poles, because excavations greatly increase the effectiveness of the inspection.

### Conclusion

We find it appropriate to require the wood pole inspections to be based on the sound and bore technique for all poles. This method produces information about remaining pole strength requirements as required by the NESC, whereas the visual and thermovision inspection methods cannot provide such information. The sound and bore technique shall include excavation for all Southern Pine poles and other pole types as appropriate, in accordance with the suggestions of the RUS.

Moreover, if an electric IOU does not maintain records of the strength impact assessments of pole attachments affixed to the pole after the time of original pole installation, poles with additional attachments shall be inspected for strength impacts in order to determine whether the IOU has complied with the NESC (i.e., when new or changed facilities add load to existing structures, the strength of the structure when new shall have been great enough to support the additional loads). In those specific cases, this type of assessment shall be completed in addition to the wood pole sound and bore inspections in order to ensure that the pole is not overloaded.

### REPORTING REQUIREMENTS

This Commission needs to understand the nature of each electric IOU's pole inspection program on a going-forward basis. By requiring that such programs be provided in advance of the pole inspection data collection period, we can be assured that any issues that may arise out of our staff's review of the pole inspection programs can be brought to our immediate attention. Thus, each electric IOU shall submit a comprehensive wood pole inspection plan to the Director of the Division of Economic Regulation by April 1, 2006. In its filings, each electric IOU shall include its plan for pole-specific data gathering, pole inspection program enforcement, and collocated poles inspections (how poles shared by two or more companies will be inspected). The plans shall also identify any pole inspection standards utilized by the electric IOU that supersede those of the NESC and any other details necessary to understand its pole inspection program.

The Commission recognizes that each IOU may face utility-specific circumstances. It is therefore appropriate to afford some flexibility in the manner in which the individual IOU plans implement the requirements of this order. For example, a utility may not complete the full 12.5% of total poles inspected in any single year due to unanticipated severe weather events causing extensive damage to the transmission and distribution system, or a utility may provide the support to show that it does not have access to enough trained workforce to perform all of the required inspections in a given year. To the extent that any IOU's plan deviates in any material respect from the requirements of this order, staff is directed to present its recommendation

regarding the plan to the Commission for further consideration in light of the utility's specific circumstances.

The annual report of pole inspections, hereafter referred to as the Pole Inspection Report, shall be filed by March 1 of each year with the Division of Economic Regulation. It shall contain the information listed below for the previous calendar year. The first report shall be provided on March 1, 2007, but it shall contain inspection data for May 2006, through December 2006, rather than for a full twelve-month period, given the timing of this Order. All annual inspection reports, including the 2006 Pole Inspection Report, shall contain the following informational sections:

- 1) A review of the methods the company used to determine NESC compliance for strength and structural integrity of the wood poles included in the previous year's annual inspections, taking into account pole loadings where required;
- 2) An explanation of the inspected poles selection criteria, including, among other things, geographic location and the rationale for including each such selection criterion;
- 3) Summary data and results of the company's previous year's transmission and distribution wood pole inspections, addressing the strength, structural integrity, and loading requirements of the NESC (See Attachment B to this Order); and
- 4) The cause(s) of each pole failure for poles failing inspection, to the extent that such cause(s) can be discerned in the inspection. Also, the specific actions the company has taken or will take to correct each pole failure.

We find this reporting requirement to be the appropriate action to take at this time. We note that in the event that in the future, this Commission adopts reliability standards related to pole inspections that supersede the safety requirements reflected in the NESC, we may modify the reporting requirements accordingly to reflect the new standards.

Furthermore, we find that March 1 is the optimal date for the filing of annual Pole Inspection Reports because it coincides with the filing deadline of the Annual Distribution Reliability Report requirement pursuant to Rule 25-6.0455, Florida Administrative Code. A requirement to file by March 1 allows the companies adequate time to prepare the report and also allows this Commission the ability to respond to the information contained in the report in a timely fashion. Reporting requirements for 2006 shall be abbreviated to include only May 2006 through December 2006. This will allow the electric IOUs time to coordinate their inspection programs and provide this Commission with details about their individual inspection program plans prior to the initiation of the inspection program.

#### SEVERABILITY

The inspection and reporting requirements established by this order are intended to apply separately to each IOU. Accordingly, a protest to this order by (or directed to) one IOU shall not

prevent this order from becoming final at the end of the protest period as to any IOU which is not the subject of the protest.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that each electric investor-owned utility (IOU) shall implement an inspection program of its wooden transmission and distribution poles based on the requirements of the National Electric Safety Code and an eight-year inspection cycle. It is further

ORDERED that each electric IOU shall annually report to this Commission the results of its prior calendar year inspections of its wooden transmission and distribution poles. It is further

ORDERED that all wood pole inspections required herein shall be based on the sound and bore technique for all poles. The sound and bore technique shall include excavation for all Southern Pine poles and other pole types as appropriate, in accordance with the recommendations of the United States Department of Agriculture's Rural Utilities Service for Florida's rural electric utilities. It is further

ORDERED that if an electric IOU does not maintain records of the strength impact assessments of pole attachments affixed to the pole after the time of original pole installation, poles with additional attachments shall be inspected for strength impacts in order to determine whether the IOU has complied with the National Electric Safety Code (i.e., when new or changed facilities add load to existing structures, the strength of the structure when new shall have been great enough to support the additional loads). In those specific cases, this type of assessment shall be completed in addition to the wood pole sound and bore inspections in order to ensure that the pole is not overloaded. It is further

ORDERED that each electric IOU shall submit a comprehensive wood pole inspection plan to the Director of the Division of Economic Regulation by April 1, 2006. In its filings, each electric IOU shall include its plan for pole-specific data gathering, pole inspection program enforcement, and collocated poles inspections (how poles shared by two or more companies will be inspected). The plans shall also identify any pole inspection standards utilized by the electric IOU that supersede those of the National Electric Safety Code and any other details necessary to understand its pole inspection program. It is further

ORDERED that because of utility-specific circumstances, it is appropriate to afford some flexibility in the manner in which the individual IOU plans implement the requirements of this order. To the extent any IOU's plan deviates in any material respect from the requirements of this order, staff is directed to present its recommendation regarding the plan to the Commission for further consideration in light of the utility's specific circumstances. It is further

ORDERED that the annual Pole Inspection Report shall be filed by March 1 of each year with the Division of Economic Regulation. It shall contain the informational sections detailed in the body of this Order for the previous calendar year. The first report shall be provided on

March 1, 2007, and shall contain inspection data for May 2006 through December 2006, rather than for a full twelve-month period. It is further

ORDERED that Attachments A and B, attached to this Order, are incorporated herein by reference. 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 a timely protest to this order by (or directed to) one IOU shall not affect the other IOUs. This order will become final at the end of the protest period as to any IOU which is not the subject of a protest. It is further

ORDERED that any protest of this Order shall identify with specificity the item or measure being protested, and any such protest shall not prevent the remainder of the Order from becoming final and effective with respect to the electric IOU that has filed, or is the subject of, the protest. 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 27th day of February, 2006.

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

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records

( S E A L )

RG

DISSENT:

COMMISSIONER ISILIO ARRIAGA dissents from the majority's decision with the following opinion:

This Commission has been given the authority and obligation to ensure a reliable electric grid, as found in Section 366.04(5), Florida Statutes.

The commission shall further have jurisdiction over the planning, development, and maintenance of a coordinated electric power grid throughout Florida to assure an adequate and reliable source of energy for operational and emergency purposes in Florida and the avoidance of further uneconomic duplication of generation, transmission, and distribution facilities.

This section, in conjunction with Section 366.05(7), Florida Statutes, clearly states that the Commission has the jurisdiction to require electric utilities to report to the Commission to assure the development of a reliable energy grid. Additionally, in Section 366.04(6), the Legislature has been specific as to our jurisdiction to be

. . . exclusive jurisdiction to prescribe and enforce safety standards for transmission and distribution facilities of all public electric utilities, cooperatives organized under the Rural Electric Cooperative Law, and electric utilities owned and operated by municipalities. . . .

The Florida Legislature has been clear in its direction on the importance of a reliable and safe grid in Florida during emergency and non-emergency situations. Hence, it is critical for the future of the state that the Commission takes the appropriate actions to ensure for a reliable and safe power grid. One of the many steps already ordered by the Commission is the inspection of wood poles in the state. Wood pole inspections are critical in determining the current status of the grid, and these reports have an impact on policy development which is our statutory obligation, guaranteeing that the state is in the best possible position to endure storm activity and manage for growth and development in the state.

In looking at the path of hurricanes and the State's need for a safe and reliable grid, it is clear that storms do not discriminate between public utilities and the other electric utilities. It is further clear that any weather event in the state has drastic ramifications throughout the entire state. Although we are heading in the right direction with the majority of the system performing wood pole inspections, and with additional action by the Commission, it is my position that pole inspections done in 8 year cycles and the subsequent reporting of results is an imperative to be applied to all electric utilities in the state. We should not be selective in the application of the statute in ensuring a reliable electric grid for the state of Florida. Hence, I dissent from the majority only on the premise that the order does not go far enough to include all electric utilities, as defined in Section 366.02(2), Florida Statutes, and in concordance with the Commission's exclusive jurisdiction as defined in Section 366.04(6), Florida Statutes.

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 March 20, 2006.

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.

T-261-1A

PART 2. SAFETY RULES FOR OVERHEAD LINES

T-261-1B

**Table 261-1A**

**Strength Factors for Structures,<sup>1</sup> Crossarms, Support Hardware, Guys, Foundations, and Anchors for Use with Overload Factors of Table 253-1**

[It is recognized that structures will experience some level of deterioration after installation, depending upon materials, maintenance, and service conditions. The table values specify strengths required at installation. Footnotes specify deterioration allowed, if any. When new or changed facilities add loads to existing structures (a) the strength of the structure when new shall have been great enough to support the additional loads and (b) the strength of the deteriorated structure shall exceed the strength required at replacement. If either (a) or (b) cannot be met, the structure must be replaced, augmented, or rehabilitated.]

	Grade B	Grade C
<b>Strength factors for use with loads of Rule 250B</b>		
Metal and Prestressed-Concrete Structures <sup>6</sup>	1.0	1.0
Wood and Reinforced-Concrete Structures <sup>2,4</sup>	0.65	0.85
Support Hardware	1.0	1.0
Guy Wire <sup>5,6</sup>	0.9	0.9
Guy Anchor and Foundation <sup>6</sup>	1.0	1.0
<b>Strength factors for use with loads of Rule 250C</b>		
Metal and Prestressed-Concrete Structures <sup>6</sup>	1.0	1.0
Wood and Reinforced-Concrete Structures <sup>3,4</sup>	0.75	0.75
Support Hardware	1.0	1.0
Guy Wire <sup>5,6</sup>	0.9	0.9
Guy Anchor and Foundation <sup>6</sup>	1.0	1.0

<sup>1</sup> Includes poles.

<sup>2</sup> Wood and reinforced concrete structures shall be replaced or rehabilitated when deterioration reduces the structure strength to 2/3 of that required when installed. If a structure is replaced, it shall meet the strength required by Table 261-1A. Rehabilitated portions of structures shall have strength greater than 2/3 of that required when installed.

<sup>3</sup> Wood and reinforced concrete structures shall be replaced or rehabilitated when deterioration reduces the structure strength to 3/4 of that required when installed. If a structure is replaced, it shall meet the strength required by Table 261-1A. Rehabilitated portions of structures shall have strength greater than 3/4 of that required when installed.

<sup>4</sup> Where a wood or reinforced concrete structure is built for temporary service, the structure strength may be reduced to values as low as those permitted by footnotes (2) and (3) provided the structure strength does not decrease below the minimum required during the planned life of the structure.

<sup>5</sup> For guy insulator requirements, see Rule 279.

<sup>6</sup> Deterioration during service shall not reduce strength capability below the required strength.

POLE INSPECTION REPORT

Company: \_\_\_\_\_

Summary of Pole Inspections  
Period: \_\_\_\_\_

Type of Inspection: \_\_\_\_\_

Type of Pole: Class \_\_\_\_ Material \_\_\_\_\_ Vintage \_\_\_\_ Installed Population \_\_\_\_

Number of inspections planned and number completed \_\_\_\_ / \_\_\_\_ . Include reason for any variance between planned and completed pole inspections. All variances justification should address resultant backlog, if any, and plans to address any backlog.

Number of inspected poles addressing a prior backlog \_\_\_\_ .

Number of poles failing the inspection \_\_\_\_ .

Number of poles requiring minor follow-up \_\_\_\_ .

Number of poles requiring a change in inspection cycle \_\_\_\_ .

Number of poles that required no change in inspection cycle or remediation \_\_\_\_ .

Number of poles that were overloaded \_\_\_\_ .

Number of poles with estimated remaining pole life of less than 8 years \_\_\_\_ .