

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint petition for authority to deviate from requirements of Order PSC-06-0144-PAA-EI regarding CCA wood pole inspections, by Progress Energy Florida, Inc., Florida Power & Light Company, and Tampa Electric Company.

DOCKET NO. 080219-EI  
ORDER NO. PSC-08-0615-PAA-EI  
ISSUED: September 23, 2008

The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman  
LISA POLAK EDGAR  
KATRINA J. McMURRIAN  
NANCY ARGENZIANO  
NATHAN A. SKOP

NOTICE OF PROPOSED AGENCY ACTION  
ORDER APPROVING CERTAIN DEVIATIONS FROM THE  
REQUIREMENTS OF ORDER NO. PSC-06-0144-PAA-EI

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

On February 27, 2006, we ordered each electric investor-owned utility (IOU) to implement an eight-year wood pole inspection cycle and submit annual reports.<sup>1</sup> We found it appropriate to require each electric IOU to implement a pole inspection program utilizing the sound and bore technique for all wood poles and directed all utilities to excavate all Southern Pine poles and other pole types as appropriate per Rural Utilities Service (RUS) Bulletin 1730B-121.

On April 15, 2008, Progress Energy Florida, Inc. (PEF), Florida Power & Light Company (FPL), and Tampa Electric Company (TECO) (collectively "utilities") filed a joint petition seeking our approval to deviate from current inspection requirements by discontinuing sounding and boring and excavation of chromated copper arsenate (CCA) poles that are less than 16 years

<sup>1</sup> Order No. PSC-06-0144-PAA-EI issued in Docket No. 060078-EI, In Re: Proposal to Require Investor-Owned Electric Utilities to Implement a Ten-Year Wood Pole Inspection Program.

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of age. The utilities proposed to continue visual inspection as well as overload analysis on all CCA poles regardless of age. Each utility provided data showing that there is a significantly lower rejection rate for CCA poles that are less than 16 years of age when compared to the rejection rates of older CCA poles.

Commission staff initially filed a recommendation on July 17, 2008. On July 25, 2008, the recommendation was withdrawn and the initial request was amended. The utilities agreed to modify their request to be in accord with the deviation we approved for Gulf Power Company (Gulf) in Order No. PSC-07-0078-PAA-EU.<sup>2</sup> Such a deviation requires visual inspections and sounding on all poles and boring on poles suspected of internal decay as well as full excavation sampling on poles that are less than 16 years old.

We have jurisdiction pursuant to Sections 366.04 and 366.05, Florida Statutes.

#### Decision

On February 27, 2006, we ordered each electric IOU to implement an eight-year wood pole inspection cycle and submit annual reports. Page 9, of Order No. PSC-06-0144-PAA-EI states:

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.

In Order No. PSC-06-0778-PAA-EU, we found that Gulf's inspection plan deviated from Order No. PSC-06-0144-PAA-EI, in that it did not include excavation of CCA poles under 15 years old. Gulf provided us with data which indicated that the rejection rate of poles under 15 years of age was significantly lower than that of poles 16-20 years old. In Order No. PSC-07-0078-PAA-EU, we determined that Gulf should not be required to excavate around CCA poles under 15 years of age as part of its wood pole inspection process. Gulf is still required to perform visual inspections as well as sounding on all poles and boring on poles suspected of internal decay. Gulf was also required to augment its inspection program to include full excavation sampling.

Data provided by PEF, FPL, and TECO, illustrated in Table 1 below, shows a similar trend to that shown by Gulf's data, in that the rejection rate for CCA poles that are under 16 years old is distinctly lower than the rejection rates of older CCA poles. The utilities initially requested to be exempt from not only full excavation but sound and bore for all CCA poles 16 years old and younger as well. Commission staff noted, however, that such an exemption was

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<sup>2</sup> Issued January 29, 2007, in Docket No. 060531-EU, In Re: Review of all electric utility wooden pole inspection programs.

beyond what we had previously approved for Gulf in Order No. PSC-07-0078-PAA-EU. In subsequent discussions between our staff and the utilities, staff suggested that the requested deviations were not supported by the data provided by PEF, FPL, and TECO. The utilities agreed to modify their request to be in accord with what we approved for Gulf in Order No. PSC-07-0078-PAA-EU. Although the request by the utilities seeks a deviation for CCA poles less than 16 years old while the approved Gulf deviation was for CCA poles less than 15 years old, we find that the data provided by the utilities supports the requested age threshold. Thus we find that an exemption, consistent with that which was granted to Gulf, which requires visual inspections and sounding on all poles and boring on poles suspected of internal decay as well as full excavation sampling on poles that are less than 16 years old, is reasonable at this time. Such a deviation will ensure adequate inspection standards while allowing for reduced annual expenditures. The utilities expect to realize between \$175,000-\$420,000 in annual cost savings as a result of discontinuing full excavation.

Table 1: Aggregate Summary of CCA Pole Inspection Data

Age	Poles Inspected	Pole Failures	Percent Failed
0-10	46213	35	0.08%
11-15	27539	36	0.13%
16-20	34907	92	0.26%

We find that granting the utilities a deviation similar that which was granted to Gulf is reasonable at this time. Therefore, the utilities shall be required to sound and selectively bore all CCA poles under the age of 16 years, but not be required to perform full excavation on these poles. In order to ensure that more rigorous inspection requirements are not warranted, the utilities shall also be required to augment their annual inspection program to include full excavation sampling of CCA poles that would not normally qualify for full excavation. The results of the utilities' sampling shall be filed in their annual distribution reliability reports.

Based on the foregoing, it is

ORDERED that Progress Energy Florida, Inc., Florida Power & Light Company, and Tampa Electric Company shall be granted authority to deviate from the sounding and boring and excavation requirements of Order No. PSC-06-0144-PAA-EI with regard to CCA wood poles less than 16 years old as set forth in the body of this Order. It is further

ORDERED that, consistent with the deviation granted to Gulf Power Company in Order No. PSC-07-0078-PAA-EU, Progress Energy Florida, Inc., Florida Power & Light Company, and Tampa Electric Company shall be required to sound and selectively bore all CCA poles under the age of 16 years, but shall not be required to perform full excavation on these poles. It is further


ORDERED that Progress Energy Florida, Inc., Florida Power & Light Company, and Tampa Electric Company shall also be required to perform full excavation sampling to validate their inspection method. It is further

ORDERED that the results of the utilities' sampling shall be filed in their annual distribution reliability reports. 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 Commission Clerk, 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 23rd day of September, 2008.

  
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ANN COLE  
Commission Clerk

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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 Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on October 14, 2008.

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.