

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of electric utilities'
long-term energy emergency plans, filed
pursuant to Rule 25-6.0185, F.A.C.

DOCKET NO. 110316-EM
ORDER NO. PSC-12-0147-PAA-EM
ISSUED: March 28, 2012

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

NOTICE OF PROPOSED AGENCY ACTION ORDER
APPROVING LONG TERM ENERGY EMERGENCY PLANS

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

Pursuant to Rule 25-6.0185, Florida Administrative Code ("F.A.C.") ("the rule"), we require electric utilities that own or control electric generation facilities to file a long-term energy emergency plan and periodic updates with both the Commission and the Florida Reliability Coordinating Council ("FRCC"). Fifteen utilities in Florida are required to comply with the rule: Florida Power & Light Company, Progress Energy Florida, Tampa Electric Company, Gulf Power Company, Orlando Utilities Commission, JEA, Utilities Commission of New Smyrna Beach, City of Lakeland, Seminole Electric Cooperative, City of Tallahassee, Florida Municipal Power Agency, Reedy Creek Improvement District, Homestead Energy Services, Gainesville Regional Utilities, and Florida Keys Electric Cooperative Association (the "affected utilities"). The affected utilities are required to review their plans every three calendar years and either submit a revised plan for our approval or provide a letter indicating the adequacy of the existing plan. We last approved the plans of the affected utilities in Order No. PSC-09-023-PAA-EM, issued April 15, 2009, in Docket No. 090047-EM, titled In re: Requests for approval of electric utilities' long-term energy emergency plans, filed pursuant to Rule 25-6.0185, F.A.C. By that Order, we also required the next set of plans be submitted by January 31, 2012. We have jurisdiction to approve these plans pursuant to Sections 366.04 and 366.05, Florida Statutes ("F.S.")

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Approval of Plans

Pursuant to our Rule 25-6.0185(1), F.A.C., an electric utility that owns or controls electric generation facilities must have on file a long-term energy emergency plan to establish a systematic and effective means of anticipating, accessing, and responding to a long-term emergency caused by a fuel shortage. The Rule further requires the affected utilities to file their long-term energy emergency plans as well as provide periodic updates with the Commission and FRCC. The affected utilities are required to review their plans every three calendar years and either submit a revised plan for our approval or provide a letter indicating the adequacy of the existing plan.

Each affected utility filed a plan as required by the Rule. We have reviewed the plans for compliance with the requirements of Rule 25-6.0185, F.A.C., which specifically requires all plans contain the following elements: (1) a description of actions to be taken by the utility upon the Governor's declaration of a fuel supply emergency; (2) a description of the interchange of energy and the physical sharing of fuel stocks and/or fuel deliveries; (3) a description of priorities for customer interruptions; and (4) objective criteria for notifying the Chairman of the FRCC Reliability Assessment Group ("RAG") of the existence of a long-term emergency. We find the plans filed by the affected utilities meet the rule's criteria for long-term energy emergency plans. Changes to the plans primarily consist of position name and assignment changes, including personnel name updates, as well as some editorial changes. A summary of plan changes by each affected utility is presented in Attachment A. Below is a summary of how each section of the rule is addressed by the plans.

Interchange of Energy and the Sharing of Fuels

All affected utilities monitor and forecast energy supplies for generation as well as load reserves on a constant basis. The plans specify the actions to be taken when the energy supply falls below a specific threshold or in the event of the Governor's declaration of an emergency. The utilities' plans generally address these requirements by ceasing power exports, obtaining power from affiliates or other utilities, and purchasing fuel from other utilities or any available suppliers.

Identification of Specific Actions during a Fuel Emergency

Once a fuel emergency is declared by the Governor or the utility itself, the general order of specific actions follow: (1) reduce power usage at the utility-owned facilities, (2) public appeals to conserve energy, (3) optimization of fuels, (4) appeals to customers to conserve, (5) voltage reductions to conserve fuels, (6) implementation of interruptible and load management programs, (7) initiate a request for relaxation of environmental constraints, and (8) implementing firm load curtailment procedures.

Priorities for Customer Interruption

The affected utilities' plans address priorities for customer interruption as follows: (1) appeals for voluntary consumption reduction by both residential and commercial customers; (2)

load management and interruptible load-shedding procedures; and (3) curtailment of firm load as necessary. These actions are described in detail in the plans or procedures referenced by the plans. Upon declaration of a fuel emergency, each fuel plan contains guidelines regarding customer notification at all stages of the event. Special provisions are included to insure firm power to customers on life support and for essential services such as fire and police services, hospitals, national defense, water, sanitation, and communication services, cold storage facilities, and public and commercial transportation.

Notification of the FRCC

The affected utilities addressed the notification of the FRCC as a step in their plans with some utilities listing the person assigned to this function.

Conclusion

We find all affected utilities' plans meet Rule 25-6.0185(1), F.A.C.'s established criteria for long-term energy emergency plans. The majority of the changes to the plans consist of position name and assignment changes, including personnel name updates, as well as some editorial changes. After a thorough review of the affected utilities' long-term energy emergency plans, we find the plans meet the established requirements specified in Rule 25-6.0185, F.A.C., and are therefore approved.

Filing of Revised Plans or Updates

Rule 25-6.0185(2), F.A.C., requires each affected utility subject to the rule to notify us, in writing, every three calendar years, that the utility has reviewed its fuel emergency plan. Therefore, each affected utility shall file the next plan update, or letter indicating no changes, with the our Commission Clerk no later than January 31, 2015, and every three calendar years thereafter. To reduce review time, each affected utility shall file a type-and-strike version of their plan which clearly indicates what changes were made, as well as a clean copy of the plan.

Closure of Docket

If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of this order, this docket shall be closed upon the issuance of a consummating order.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the proposed amendments to each of the affected utilities' long-term energy emergency plans is approved. It is further

ORDERED that each affected utility shall file with our Commission Clerk its next plan update, or a letter indicating no changes to the plan are necessary, no later than January 31, 2015, and every three calendar years thereafter. Each plan update shall include a clean copy and a type-and-strike version which clearly indicates changes to the plan. 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 28th day of March, 2012.



ANN COLE
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

LDH

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

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petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 18, 2012.

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.

Plan Summaries

FLORIDA POWER & LIGHT COMPANY

- a) Non-substantive changes of formatting and organizational and title changes.
- b) Makes FPL's Vice President of Energy Marketing and Trading responsible for initiating a Fuel Supply Advisory, Alert or Emergency

PROGRESS ENERGY FLORIDA

- a) Title change from Senior Vice President, Power Operations to Executive Vice President, Energy Supply

TAMPA ELECTRIC COMPANY

- a) Updates section titles and page numbering in Table of Contents
- b) Revises authority and department responsibilities for specific actions
- c) Decreases one of the inventory fuel remaining days from 50 to 45 days
- d) Removes section titled Firm Load Curtailment Coordinator
- e) Changes the term "load control" to "demand side management"

GULF POWER COMPANY

- a) Change in position title
- b) Removal of repeated language

ORLANDO UTILITIES COMMISSION

- a) Adds the City of Vero Beach, Florida to the duties related to OUC's role in emergency fuel planning and dispatch under its Interlocal Agreement

JEA

- a) Provided a letter indicating that no changes were made to its existing plan

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH

- a) Provided a letter indicating that no changes were made to its existing plan

CITY OF LAKELAND

- a) Restructured plan to include a general overview of responsibilities, and add appendixes of each individual groups' detailed Energy Emergency Plan
- b) Added declaration responsibility to include the Governor of Florida and the Lakeland Electric Fuel Manager
- c) Added contact responsibility for FRCC Director of Operations to the Energy Emergency Coordinator
- d) Identified Emergency Coordinator as the Manager of System Control
- e) Updated Energy Emergency contact list

SEMINOLE ELECTRIC COOPERATIVE

- a) Reflects changes in position titles due to internal restructuring
- b) Reflects changes in Seminole's Member's General Managers

CITY OF TALLAHASSEE

- a) Includes a statement regarding fuel reserve periods in which the company states that the city maintains an oil inventory sufficient to supply the City's operational needs under peak demands and constrained fuel supply scenarios

FLORIDA MUNICIPAL POWER AGENCY

- a) Updates contact information

REEDY CREEK IMPROVEMENT DISTRICT

- a) Names Progress Energy Florida as the recipient of Reedy Creek's Capacity Assessment information for inclusion into Progress' Capacity Assessment Report
- b) Includes the Balancing Area Operator as a party to all communications regarding real time system conditions

HOMESTEAD ENERGY SERVICES

- a) Reflects changes in position titles

GAINESVILLE REGIONAL UTILITIES

- a) Updates departmental responsibilities and operations

FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

- a) No changes
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