



# Public Service Commission

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## -M-E-M-O-R-A-N-D-U-M-

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SEP 17 AM 10:59  
RECORDS AND REPORTING

**DATE:** SEPTEMBER 15, 1998

**TO:** DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

**FROM:** DIVISION OF APPEALS (BELLAK) *RCB DES*  
 DIVISION OF ELECTRIC & GAS (KUMMER) *JBY*  
 DIVISION OF RESEARCH & REGULATION REVIEW (HEWITT) *BH*

**RE:** DOCKET NO. 980570-EU - PROPOSED AMENDMENTS TO RULE 25-6.0185, ELECTRIC UTILITY PROCEDURES FOR LONG-TERM ENERGY EMERGENCIES

**AGENDA:** OCTOBER 6, 1998 - REGULAR AGENDA - RULE PROPOSAL - INTERESTED PERSONS MAY PARTICIPATE

**RULE STATUS:** PROPOSAL MAY BE DEFERRED

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\EAG\WP\980570.RCM

### CASE BACKGROUND

By request filed April 22, 1998, staff sought amendment of Rule 25-6.0185, Electric Utility Procedures for Long-Term Energy Emergencies. In the request, staff noted that it is prudent management for utilities which own or control generating units to have a plan in place to handle fuel shortage emergencies. Maintenance of fuel supplies is vital to keep electric power flowing during emergencies. Filing those plans with the Florida Reliability Coordinating Council (FRCC) and the Commission ensures that all plans are coordinated to best meet state needs by sharing critical information.

The requested amendment will provide the following:

DOCUMENT NUMBER-DATE

~~10216~~ SEP 17 8

FPSC-RECORDS/REPORTING

- a. A clear definition of which utilities are required to file a fuel emergency plan;
- b. When plan updates and reviews are required;
- c. Correct references to the Florida Reliability Coordinating Council (FRCC) which replaced the Florida Electric Power Coordinating Group (FCG) for emergency planning coordination;
- d. Clarification and streamlining the criteria fuel emergency plans must meet for approval by the FPSC;
- e. Removal of rule language taking exception to certain portions of the FCG Emergency Procedure for Long Term Energy Emergencies, Fuel Supply Shortage Plan dated August 3, 1981.

#### **DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission propose the attached amendments to Rule 25-6.0185?

**RECOMMENDATION:** Yes. The Commission should propose the attached amendments to Rule 25-6.0185.

**STAFF ANALYSIS:** The rule as amended will benefit utilities by providing clearer rule language concerning emergency plan applicability and development criteria. Periodic review will ensure that emergency plans remain adequate in changing conditions. Clearer rule language will also benefit staff in evaluating plans and monitoring compliance, while periodic review will ensure that the most current plans are available to both the Commission and state emergency management officials. The reduced likelihood of loss of electric power in a fuel supply emergency will benefit both ratepayers generally and small businesses.

**ISSUE 2:** If no requests for hearing or comments are filed, should the rule amendments as proposed be filed for adoption with the Secretary of State and the docket be closed?

DOCKET NO. 980570 LU  
DATE: SEPTEMBER 15, 1998

**RECOMMENDATION:** Yes.

**STAFF ANALYSIS:** Unless comments or requests for hearing are filed, the rule as proposed may be filed with the Secretary of State without further Commission action. The docket may then be closed.

RCB

1  
2           25-6.0185   Electric Utility Procedures for Long-Term Energy  
3 Emergencies.

4           ~~(1) The Commission has reviewed the Florida Electric Power~~  
5 ~~Coordinating Group's Emergency Procedure for Long-Term Energy~~  
6 ~~Emergencies, Fuel Supply Shortage Plan dated August 3, 1981 and~~  
7 ~~adopts said plan, as amended below, as the Fuel Supply Shortage~~  
8 ~~Element of the Florida Electrical Emergency Contingency Plan, under~~  
9 ~~Section 377.703, Florida Statutes.~~

10           ~~(1)(2)(a)~~   By ~~December 1, 1982,~~ ~~e~~Each electric utility in  
11 Florida that owns or controls electric generation facilities must  
12 have on file with ~~shall develop and submit to~~ the Commission a  
13 long-term energy emergency plan to establish a systematic and  
14 effective means of anticipating, assessing, and responding to a  
15 long-term emergency caused by a fuel supply shortage for fuel  
16 shortages. A long-term utility energy emergency exists when the  
17 fuel supplies of an individual utility are decreasing or are  
18 anticipated to decrease below a level adequate to provide  
19 continuous, uninterrupted service to its customers. ~~Each utility's~~  
20 ~~plan shall be consistent with the requirements of the Fuel Supply~~  
21 ~~Shortage Element of the Florida Electrical Emergency Contingency~~  
22 ~~Plan. The plans shall also provide for the full reimbursement by~~  
23 ~~an electric utility receiving energy or fuel during an energy~~  
24 ~~emergency. Full reimbursement shall be all of the supplying~~  
25

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~~struck-through~~ type are deletions from existing law.

1  
2 ~~Florida Electrical Emergency Contingency Plan.~~ The Commission's  
3 ~~shall~~ shall consider whether each utility's plan ~~with regard~~  
4 ~~to whether it~~ adequately:

5       (a) ~~Identifies~~ specific actions to be taken by the utility  
6 upon the Governor's declaration of a fuel supply emergency;

7       (b) ~~Addresses~~ interchange of energy and the physical sharing  
8 of fuel stocks or fuel deliveries or both;

9       (c) ~~Sets~~ priorities for customer interruptions; and

10       (d) ~~Establishes~~ objective criteria for notifying the Chairman  
11 of the FRCC Reliability Assessment Group (RAG) ~~FCG Technical~~  
12 ~~Advisory Group~~ of the existence of a long-term energy emergency on  
13 the system of the utility.

14       (5) ~~2~~ In reviewing individual utility plans of electric  
15 utilities serving areas west of the Apalachicola River, whose  
16 electric facilities and emergency contingency plans are coordinated  
17 with utilities outside of Florida, the Commission may take into  
18 account such special considerations as may be just and reasonable  
19 in light of such utilities' geographical location and  
20 interconnections with utilities outside of Florida.

21       (6) ~~3~~ Plans not approved by the Commission shall be  
22 revised and resubmitted to the Commission pursuant to Commission  
23 order and within the time specified in the order.

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2       ~~(d) Upon approval of an individual utility's plan, such plan~~  
3 ~~shall be incorporated as a supplement to the Fuel Supply Shortage~~  
4 ~~Element of the Florida Electrical Emergency Contingency Plan.~~

5       ~~(3) Where the plan or this rule refers to the Florida~~  
6 ~~Electric Power Coordinating Group (FCG), or any committee, group or~~  
7 ~~individual that is a part of FCG, the reference means FCG or part~~  
8 ~~thereof, or any other entity which the utilities subject to the~~  
9 ~~Commission's jurisdiction under 5377.703 F.S., agree to have~~  
10 ~~perform the functions outlined in this rule or plan.~~

11       ~~(4) The Florida Electric Power Coordinating Groups Emergency~~  
12 ~~Procedure for Long Term Energy Emergencies, Fuel Supply Shortage~~  
13 ~~Plan dated August 3, 1981 is amended as follows:~~

14       ~~(a) On page 3, the following definition is substituted for~~  
15 ~~the definition in the Plan:~~

16       ~~II. DEFINITION~~

17       ~~An electric energy emergency exists when Florida has~~  
18 ~~inadequate energy generating capability by reason of a~~  
19 ~~fuel supply shortage and is thereby prevented from~~  
20 ~~operating at required levels to supply its energy~~  
21 ~~obligations. An energy emergency differs from a~~  
22 ~~short term capacity emergency in that energy requirements~~  
23 ~~cannot be met over an extended period. The period of~~  
24 ~~advance warning and expected duration of an energy~~  
25 ~~emergency is usually measured in terms of weeks or~~

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2           ~~months, as opposed to minutes or hours for a short term~~  
3           ~~capacity deficiency.~~

4           ~~(b) On page 4, the following paragraph is substituted for the~~  
5           ~~last paragraph on page 4:~~

6           ~~The Fuel Supply Shortage Plan is oriented toward~~  
7           ~~energy emergencies caused by a fuel supply shortage. As~~  
8           ~~such, the actions specified herein are primarily oriented~~  
9           ~~toward those to be taken by the generating utilities in~~  
10           ~~Peninsular Florida. Peninsular Florida is defined as the~~  
11           ~~area east of the Apalachicola River. The emergency plans~~  
12           ~~and procedures of utilities receiving partial or full~~  
13           ~~requirements service are concomitant with those of their~~  
14           ~~wholesale suppliers and shall be coordinated and be~~  
15           ~~consistent with the suppliers' individual utility plans.~~  
16           ~~The actions of other generating utilities outside of~~  
17           ~~peninsular Florida, such as Gulf Power Company, will be~~  
18           ~~coordinated through liaison with appropriate emergency~~  
19           ~~personnel. Gulf Power Company, while operating under its~~  
20           ~~own plan as a result of its geographical location in the~~  
21           ~~State and its interconnections to the Southern Electric~~  
22           ~~System, will coordinate its activities and participate~~  
23           ~~where feasible and practical with the Fuel Supply~~  
24           ~~Shortage Plan.~~

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2 ~~(c) On page 7, the following paragraph A is substituted for~~  
3 ~~paragraph A:~~

4 ~~A. DESIGNATION~~

5 ~~A long term utility energy emergency exists when the~~  
6 ~~fuel supplies of an individual electric utility are~~  
7 ~~decreasing or are anticipated to decrease below a level~~  
8 ~~adequate to provide for continuous, uninterrupted service~~  
9 ~~to its customers. If such a long term energy emergency~~  
10 ~~exists on the system of the utility, if that individual~~  
11 ~~utility's plan includes~~

12 ~~the elements as prescribed by Section IV, and if~~  
13 ~~implementation of these actions has been or is~~  
14 ~~anticipated to be inadequate to mitigate the energy~~  
15 ~~emergency on its system, then the utility will notify the~~  
16 ~~Chairman of the FCG Technical Advisory Group (TAG) of~~  
17 ~~this impending emergency. The Chairman of TAG, after~~  
18 ~~consultation with and concurrence by the Chairman of the~~  
19 ~~FCG Executive Committee, will notify the Florida Public~~  
20 ~~Service Commission and request the initiation of a Fuel~~  
21 ~~Supply Alert. The initiation of a Fuel Supply Alert by~~  
22 ~~the Commission will trigger the actions indicated below.~~

23 ~~(d) On page 8, the following paragraphs 4, 5, and 6 are~~  
24 ~~substituted for paragraphs 4, 5, and 6 of the plan:~~

25  
  
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1  
2 ~~4. TAG will request that the data be collected and~~  
3 ~~that the remaining days of fuel supply, expressed~~  
4 ~~in terms of Days Burn, for Florida be calculated by~~  
5 ~~the procedures detailed in Appendix C,~~  
6 ~~"Determination of Remaining Fuel Supply."~~

7 ~~5. The FCG Staff will calculate and publish the Days~~  
8 ~~Burn for Florida.~~

9 ~~6. TAG will advise the Executive Committee and the~~  
10 ~~Commission regarding the status of the Florida fuel~~  
11 ~~supply situation.~~

12 ~~(c) On page 9, the following paragraphs A, B and C are~~  
13 ~~substituted for paragraphs A, B, and C of the Plan:~~

14 ~~A. DESIGNATION~~

15 ~~Following the designation of a Fuel Supply Alert, the~~  
16 ~~remaining days of fuel supply (Days Burn) will be~~  
17 ~~determined and the FCG Executive Committee, upon advice~~  
18 ~~from TAG, may request that the Governor of the State of~~  
19 ~~Florida declare a Fuel Supply Emergency in Florida~~  
20 ~~pursuant to §377.703, F.S. or other appropriate statutory~~  
21 ~~authority.~~

22 ~~B. RESPONSIBILITY~~

23 ~~Upon the declaration of a Fuel Supply Emergency by~~  
24 ~~the Governor, the Technical Advisory Group will assume~~  
25 ~~emergency responsibility for coordinating the initiation~~

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1  
2           ~~utilities. The form and content of the notification~~  
3           ~~shall be approved, prior to issuance, by the Technical~~  
4           ~~Advisory Group.~~

5           ~~(h) On page 19, the following paragraph is substituted for~~  
6           ~~paragraph (a) under the heading "2. Fuel Supply Emergency~~  
7           ~~Actions":~~

8           ~~(a) PIC shall transmit the previously approved~~  
9           ~~notification, as expeditiously as possible, to the~~  
10           ~~chief operating officer, energy emergency executive~~  
11           ~~or the appropriate designee of each participating~~  
12           ~~utility.~~

13           ~~(i) On page 20, the following paragraphs (c) and (e) are~~  
14           ~~substituted for paragraphs (c) and (e) in the plan:~~

15           ~~(c) PIC will notify the Florida wire services as soon~~  
16           ~~as possible after initiation of the emergency and~~  
17           ~~shall prepare the appropriate press releases and~~  
18           ~~status reports on the Florida situation throughout~~  
19           ~~the duration of the emergency. PIC shall~~  
20           ~~coordinate all appeals for reduction of consumption~~  
21           ~~and conservation coinciding with the Fuel Supply~~  
22           ~~Emergency actions contained in Section VI of this~~  
23           ~~plan. Issuance of any information by PIC shall be~~  
24           ~~at the direction of TAG and uniformly administered~~  
25           ~~throughout Florida by the individual participants.~~

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1  
2 ~~(c) TAG will establish a liaison with the appropriate~~  
3 ~~emergency organization of other generating~~  
4 ~~utilities contiguous to Florida.~~

5 ~~(j) On page 21, the following paragraph (c) is substituted~~  
6 ~~for paragraph (c) in the plan:~~

7 ~~(c) The FCG staff will calculate the remaining days of~~  
8 ~~fuel supply, expressed in terms of Days Burn, for~~  
9 ~~Florida. The Days Burn for Florida shall be the~~  
10 ~~weighted average, based on energy source~~  
11 ~~requirement, of the individual participants' Days~~  
12 ~~Burn.~~

13 ~~(k) On page 22, the following sentence is substituted for the~~  
14 ~~first sentence under the heading "2. Fuel Supply Emergency Action"~~  
15 ~~in the Plan.~~

16  
17 ~~Upon the initiation of a Fuel Supply Emergency, the~~  
18 ~~following actions shall be taken, at the direction of~~  
19 ~~TAG.~~

20 ~~(l) On page 22, the following paragraph (d) is substituted~~  
21 ~~for paragraph (d) in the Plan.~~

22 ~~(d) The FCG Staff, or in their absence the Energy~~  
23 ~~Emergency Operation Task Force, will continue to~~  
24 ~~calculate the Days Burn for Florida in the manner~~  
25

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1  
2 ~~previously described. This information will be~~  
3 ~~provided to TAG.~~

4 ~~(m) On page 26, the following paragraphs (d) and (e) are~~  
5 ~~substituted for paragraphs (d) and (e) in the Plan:~~

6 ~~(d) Begin review of the daily reports to establish a~~  
7 ~~trend of fuel usage to serve the Florida load.~~

8 ~~(e) Recommended changes in generation and interchange~~  
9 ~~as necessary to optimize fuel use with due~~  
10 ~~consideration for the economical operation of~~  
11 ~~Florida's generation resources.~~

12 ~~(n) On page 27, the following paragraph (5) is substituted~~  
13 ~~for paragraph (5) of the Plan:~~

14 ~~(5) Utilize generation sources to minimize use of fuel~~  
15 ~~in short supply with due consideration for the~~  
16 ~~economic operation of Florida's generation~~  
17 ~~resources.~~

18 Specific Authority: 350.127(2), 366.05(1), F.S.

19 Law Implemented: 366.04(5 ~~3~~), 366.05(7) ~~377.703~~, F.S.

20 History: New 6/28/82, formerly 25-6.185, Amended \_\_\_\_\_.

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