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MAIL ROOM



March 23, 1999

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

Dear Ms. Bayo:

RE: Review of Regulated Utilities' Year 2000 Preparations and Readiness
(Electric and Gas)

Enclosed are an original and fifteen copies of Gulf Power Company's response to the questions and topics that were asked, in the Notice dated March 5, 1999, in preparation for the workshop to be held on Monday, March 29, 1999, on Year 2000 Preparations and Readiness.

Sincerely,

ACK _____
AFA _____
APP _____
CAF _____
CMU _____
CTR _____
EAG _____
LEG _____
LIN _____
OPC _____
RCH _____
SEC _____
WAS _____
OTH _____

Susan D. Ritenour

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

lw

J. Ken/Chris
Enclosures

J.C. Keating
cc: Beggs & Lane
Jeffrey A. Stone, Esquire

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Year 2000 Readiness Workshop
Questions for all Electric Utilities and Natural Gas Utilities

March 29, 1999 – 9:30 a.m.
Florida Public Service Commission
Betty Easley Conference Center, Room 171
4075 Esplanade Way
Tallahassee, Florida

1. Has your utility bifurcated its Year 2000 remediation efforts between “mission critical” and “important” systems?
Yes—the mission critical assets were addressed first. We used five categories of rankings, and concentrated on the top three categories (see question # 2).
2. If your utility has bifurcated its remediation efforts, what functions (e.g., safety, generation, customer billing, accounting, payroll) make up the “mission critical” category? What functions make up the “important” category? Please describe how you distinguish between “mission critical” and “important” systems.
 - a. The following business functions contain mission critical applications:
 - ◆ Accounting/Finance/Treasury
 - ◆ Customer Service/Rates/Marketing
 - ◆ Power Delivery (Transmission and Distribution)
 - ◆ Power Generation
 - ◆ Procurement/Materials
 - b. Mission Critical: Failure of less than a day can mean closure of the business or ruinous business loss.
High: Failure means devastating business loss, but business could survive for a few days.
Medium: Failure means high financial loss, but business could survive for a few weeks.
Low: Failure is bothersome, but entails little financial loss.
Not Critical: Failure is of little consequence and only affects a small group.
3. Has your utility prioritized its “mission critical systems? If so, please provide the priority listing.
No—all mission critical systems were given the same priority (see answer 2.b.).
4. What method are you using to test your mainframe computers? Please describe this method.
Southern Company established a separate, isolated mainframe environment for Millennium Project testing. This environment has been used to test applications using date-simulated software. Therefore one method of testing the mainframe is by testing the applications that run on the computer. Southern Company has plans to perform an integrated applications test later this year. A LPAR will be isolated on

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this environment and IPLed to reflect an advanced date.

5. What systems do you have running on mainframe computers?
The majority of our corporate applications (large, complex, multi-company) run on the mainframe. In addition, some departmental/ad-hoc reporting systems run on the mainframe.

6. What "mission critical" systems are not run on mainframe computers?
For the most part, these are small subsystems or report modules that interface with our mainframe applications. Some provide 'front-end' data processing type functions and some interface at the back end (e.g. reports).

7. What systems have you found that contain date-sensitive embedded chips?
We have found embedded chips in many functional areas (e.g. power plants, transmission and distribution, security, facilities, customer service, information resources and procurement and materials).

Samples are:

- Power Plants
 - Turbine controls
 - Combustion controls
 - Fuel handling
 - Water treatment
 - Ash handling
 - Environmental monitoring
 - Electrical control
 - Communications
 - Cooling water
 - Auxiliary
- Transmission and Distribution
 - Energy Management Systems
 - Substation Systems
- Security
 - Alarm Systems
 - Key Entry Systems
- Facilities
 - HVAC Systems
 - Fire Alarm Systems
 - Lighting Systems
- Customer Service
 - Mail Remittance Systems
 - Hand Held Meter Reading Systems
- Information Resources

- Telecommunication Systems (PBXs, Routers, etc.)
 - Procurement and Materials
 - Hand Held Inventory devices
8. Are embedded chips being tested both as a stand-alone device and as part of an integrated system? If not, why?
Three levels of testing are performed. The device is tested in a stand-alone environment and as part of an integrated system if it interfaces with another piece of equipment. A third level of testing is being performed at a representative sample of our generating facilities – on-line testing.
9. Are all “mission critical” related mainframe computers, PC computers, and embedded chips being tested notwithstanding any vendor’s or manufacturer’s claim that the device is Year 2000 compliant? If not, why?
If possible, mission critical assets are tested. There are some devices where the date/time/clock function cannot be altered – even though it contains an embedded chip.
10. Are you conducting sampling tests instead of testing all of your systems? If you are conducting sampling tests, please describe the methodology you are using and explain how and why you selected this methodology.
Sampling tests are being conducted due to the volume and expense of testing each individual component. The inventory was collected and compared across our many facilities. Where an asset was found in multiple locations, a business expert was selected to assess the vendor statement, develop a test procedure and test the device. The test results were posted to an internal web site, where other locations could assess the test results for their location. It is the responsibility of each location to approve each component based on vendor assessment, self testing or another location’s test result.
11. What precautions are you taking to ensure that “mission critical” communications links are not interrupted? Will these precautions be detailed in your contingency plan?
Southern Company and Gulf Power lease some of our communications facilities from the major telecommunication carriers and we own some of our telecommunication facilities. Southern Company’s Millennium Project contracted with Bellcore to provide a risk assessment and strategic plan for our telecommunication assets. Where feasible, the devices are tested. Where not feasible, assessments from the vendor are obtained. Contingency plans are being developed for our telecommunications facilities to provide three levels of contingency. Southern LINC is a subsidiary of Southern Company that provides digital wireless telecommunications services. Gulf Power will use LINC as our telecommunications alternative.
12. What dates, in addition to the millennium rollover, are being tested? Why?
The test plans for corporate applications include turn-of-century, leap year and +28

year test. Additional tests are conducted based on the application functionality.

13. Has your utility conducted or scheduled any contingency drills? If so, please indicate the purpose of each drill.

We will participate in the NERC drills scheduled for April 9, 1999 and September 8 and 9, 1999. The April drill will focus primarily on personnel and communications. The September drill will be a 'dress rehearsal' for the century rollover.

14. What "mission critical" systems and locations will be manned during the millennium rollover? Will these assignments be detailed in your contingency plan?

The existing Power Control and Storm Centers will be staffed in a manner similar to that used during a storm. Operating personnel will be stationed across Gulf's transmission and distribution system to oversee mission critical functions and implement contingency plans as needed. Southern Company and Gulf's generating plants will also be fully staffed. In addition, there will be centers established for Information Resources and Millennium Project. The operational details are currently being developed.

15. What is your company's internal deadline for testing and remediating the following:

- (1) mainframe computers? June 1, 1999
- (2) PC computers? June 1, 1999
- (3) embedded chips on a system integration basis? June 1, 1999

16. What tests are you conducting to ensure that "non-mission critical" operations, which may not be Year 2000 compliant, will not inadvertently affect "mission critical" operations?

Southern Company and Gulf Power are testing "mission critical", "high" and "medium" (as defined above) assets. "Low" and "Not Critical" should not inadvertently impact "mission critical" operations.

17. For Florida Power & Light and Florida Power Corporation:

Please describe the Nuclear Regulatory Commission's requirements to ensure nuclear power plants are Year 2000 compliant. What steps is your company taking to ensure its nuclear power plants will be Year 2000 compliant?

N/A

18. For natural gas distribution utilities:

Is your natural gas distribution system SCADA-controlled? If so, can any embedded chip not Year 2000 compliant send an erroneous signal that can lead to an interruption in natural gas delivery?

N/A