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September 20, 2002

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, Florida 32399-0850

VIA HAND DELIVERY

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COMMISSION
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Re: Docket No. 011351-EI

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket on behalf of Florida Power & Light Company, Florida Power Corporation, Florida Public Utilities Company, Gulf Power Company and Tampa Electric Company (the "IOUs") are an original and fifteen copies of this letter reflecting the IOUs comments regarding the proposed amendments to Rules 25-6.044 and 25-6.0455, Florida Administrative Code, incorporated in the Notice of Proposed Rulemaking attached to Order No. PSC-02-1149-NOR-EI issued August 22, 2002 in the above-referenced docket. Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the copy to me.

The IOUs can accept and support the proposed rule changes for purposes of reporting. However, we believe it is important that the Commission be advised of certain issues in the event this reporting information is to be utilized for something beyond its currently intended use. As we have stated before, the IOUs can comply with the proposed reporting requirements with minimal incremental costs. Additionally, we noted that the level of accuracy for each utility could differ, however, the reported results will not be materially affected. While we believe the current level of accuracy satisfies the proposed reporting requirements, as well as our own current operational and management needs, significant modifications and upgrades to our systems and processes would likely be required if the Commission decided to utilize these same reporting requirements in order to establish standards and associated rewards/penalties. These modifications and upgrades would be necessary to provide a greater level of accuracy than can be currently obtained from our current systems and processes. Examples of some of the changes likely to be required would include system changes to track outage information at a customer or premise level instead of at a device level (e.g.,

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Page 2
September 20, 2002

transformer), more accurately tracking "part on" customers returned to service as a result of switching or throw-over devices, interfaces with other systems, increased manpower to monitor, review, and analyze this additional level of detail, etc. While detailed cost estimates associated with these type of modifications have not been prepared, "ball park" estimates of modification costs associated with standards and penalty provisions contained in an earlier version of the proposed rule were developed by the IOUs. As a group, the IOUs estimated it would cost over \$75 million to complete the modifications necessary to provide the accuracy required by those standards and penalty provisions drafted (and subsequently removed) by Staff for discussion purposes during the rulemaking process. These extra costs, which would be incurred only to improve the accuracy of the data, would provide no improvements in reliability for our customers.

Also, if the Commission were to utilize these same reporting requirements to establish standards and associated rewards/penalties, the IOUs would want to revisit the exclusions currently provided in Rule 25-6.0455. We believe that additional exclusions would be necessary to account for all causes of outages that are beyond a utility's control.

Sincerely,



Kenneth A. Hoffman

KAH/rl

cc: Mary Ann Helton, Esq.
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Mr. Bill McNulty
Mr. Bill Feaster
Mr. Dave Bromley
Mr. Bob Valdez
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