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Timolyn Henry

050060- E1

From: James A. McGee [jmcgee@tampabay.rr.com]
Sent: Tuesday, January 25, 2005 4:52 PM
To: Filings@psc.state.fl.us
Subject: Request to Exclude Outage Event

This electronic filing is made by
James A. McGee
P.O. Box 14042
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Docket No. None (initial pleading)

In re: Request of Progress Energy Florida to exclude an Outage
Event on December 26, 2004 from its Annual Distribution
Service Reliability Report.

On behalf of Progress Energy Florida.

Consisting of 8 pages.

The attached documents for filing are Progress Energy's
Request to Exclude Outage Event,
including a filing letter.

DOCUMENT NUMBER-DATE

00912 JAN 25 05

FPSC-COMMISSION CLERK



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050060

JAMES A. MCGEE
ASSOCIATE GENERAL COUNSEL
PROGRESS ENERGY SERVICE COMPANY, LLC

January 25, 2005

VIA ELECTRONIC FILING

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Request of Progress Energy Florida to exclude an Outage
Event on December 26, 2004 from its Annual Distribution
Service Reliability Report.

Dear Ms. Bayó:

Enclosed for filing on behalf of Progress Energy Florida, Inc., is the subject Request to Exclude Outage Event. Exhibit A to the Request was delayed in transmittal to the undersigned and will be submitted shortly by supplemental filing.

Please acknowledge your receipt of the above filing as provided in the Commission's electronic filing procedures. Thank you for your assistance in this matter.

Very truly yours,

s/ James A. McGee

JAM/scc
Enclosures

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request of Progress Energy
Florida to exclude an Outage Event on
December 26, 2004 from its Annual
Distribution Service Reliability Report.

Docket No. 0500160-

Submitted for filing:
January 25, 2005

REQUEST TO EXCLUDE OUTAGE EVENT

Progress Energy Florida, Inc. (Progress Energy or the Company), pursuant to Rule 25-6.0455(3), F.A.C., hereby requests the Florida Public Service Commission (the Commission) to approve the exclusion of an outage event on December 26, 2004 caused by the severe weather system described herein from the Company's Annual Distribution Service Reliability Report for calendar year 2004. In support of its request, Progress Energy states as follows:

Introduction

1. Progress Energy is a public utility subject to the regulatory jurisdiction of the Commission pursuant to Chapter 366, Florida Statutes. The Company's principal place of business is located at 100 Central Avenue, St. Petersburg, Florida 33701.

2. All notices, pleadings and correspondence required to be served on Progress Energy should be directed to:

James A. McGee, Esquire
Post Office Box 14042 (zip 33733)
100 Central Avenue (zip 33701)
St. Petersburg, Florida
Facsimile: (727) 820-5519

DOCUMENT NUMBER-DATE

00912 JAN 25 05

Discussion

3. Subsection (1) of Commission Rule 25-6.0455 requires utilities to file an Annual Distribution Service Reliability Report for each calendar year by March 1st of the following year. The Report provides extensive distribution outage event data and related calculations of reliability indices, as specified in Commission Forms PSC/ECR 102-1, 102-2 and 102-3. Subsection (2) of the Rule allows a utility to exclude from its Annual Distribution Service Reliability Report outage events caused by certain enumerated events or conditions. Finally, Subsection (3) provides that a utility may also request the exclusion of an outage event not specifically enumerated in Subsection (2) from its Report, and goes on to state: "The Commission will approve the request if the utility is able to demonstrate that the outage was not within the utility's control, and that the utility could not reasonably have prevented the outage." This request by Progress Energy is submitted for Commission approval pursuant to the provisions of Subsection (3).

4. The outage event subject to this request resulted from a severe weather system that formed in the Gulf of Mexico and struck the West-Central Florida coast suddenly and without warning of its intensity at about 3 a.m. the morning of December 26, 2004. The severe weather system was the southern portion of a massive winter storm front known as a Nor'easter that extended along the entire east coast of the country. The Tampa Bay area National Weather Service (NWS) station had issued an advisory several hours earlier on the approaching low pressure system, stating that winds could reach 45 mph. As the storm passed through the Tampa Bay

area, however, winds as high as 71 mph were reported by the NWS. When later contacted by Progress Energy, the NWS meteorologist explained that it was often difficult to provide accurate warnings about storms arriving from the west because of a lack of monitoring stations offshore in the Gulf of Mexico. He stated that the storm was much “deeper” than expected and characterized the event as “like a MCS” (Mesoscale Convective System), but that there was not enough data to confirm that it was, in fact, an MCS event.

5. The high winds from the December 26th storm produced extensive property damage and flooding during the one- to two-hour period of the storm’s maximum intensity. Progress Energy’s South Coastal region, which includes heavily populated Pinellas and southern Pasco Counties, experienced 514 outages on its distribution system, and 13 significant additional outages caused by a transmission line outage that resulted in the loss of an entire substation and all of its distribution feeders. Altogether, the 527 outages resulted in service interruptions to 60,111 customers. Service was restored to the majority of these customers before 12 Noon on the 26th, with all restoration activities completed by 11 p.m. that night.

6. With respect to the outages subject to this exclusion request, 346 of the distribution outages in the South Coastal region on December 26th were attributable to the specific storm-related cause codes utilized by Staff and approved by the Commission for determining excludable outages in Progress Energy’s last outage exclusion proceeding (Order No. PSC-04-1268-PAA-EI, issued December 22, 2004 in Docket No. 040792-EI). These specific outages resulted in 3,615,176 minutes of

customer interruption (CMI), which when divided by total retail customers, produces a system average interruption duration index (SAIDI) of 2.3 minutes. The following table summarizes the relevant information regarding the December 26th outages. A breakdown of the outages by cause code and device code is shown in the tables attached as Exhibit A. (Note: The exhibit was delayed during transmittal to the undersigned and will be submitted by supplemental filing.)

Outage Data Summary

South Coastal Region

| | December 26, 2004 | | | Dec. Total (% of system) | Dec. Daily Average |
|-----------------------|---------------------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------|
| | Dist. Outages 5 Storm Causes | Dist. Outages All Causes | All Outages Dist. & Trans. | | |
| Customers Served: | 638,170 | 638,170 | 638,170 | 638,170 (41%) | 638,170 |
| Customers Interrupted | 26,161 | 35,180 | 60,111 | 93,067 (51%) | 3,002 |
| Outages | 346 | 514 | 527 | 1,295 | 42 |
| CMI | * 3,615,176 | 3,841,556 | 5,467,765 | 6,597,427(52%) | 212,820 |
| CAIDI: | 138.2 | 109.2 | 91.0 | 70.9 | 70.9 |
| SAIDI: | 5.7 * 2.3 system | 6.0 | 8.6 | 10.3 | 0.3 |

* Requested Exclusion (System SAIDI = CMI ÷ 1,541,402)

Progress Energy System

| | | | | |
|------------------------|-----------|-----------|------------|-----------|
| Customers Served: | 1,541,402 | 1,541,402 | 1,541,402 | 1,541,402 |
| Customers Interrupted: | 48,183 | 74,755 | 184,113 | 5,939 |
| Outages | 689 | 703 | 2,933 | 95 |
| CMI: | 4,469,811 | 6,260,120 | 12,589,358 | 406,108 |
| CAIDI: | 108.6 | 83.7 | 68.4 | 68.4 |
| SAIDI: | 2.9 | 4.1 | 8.2 | 0.3 |

7. The CMI of 3,615,176 and the resulting system SAIDI of 2.3 minutes described above are the storm-related outage effects Progress Energy seeks approval to excluded from its 2004 Distribution Service Reliability Report. Progress Energy will, however, include the storm-related outage distribution data with its Report separately for comparative purposes in such manner as the Commission may direct.

8. Despite the inability to plan restoration activities in advance due to the absence of any warning about the intensity of the storm, Progress Energy was able to quickly restore service to the affected customers. Sixty percent, or over 35,000 of these customers had service restored by 10 a.m., only five hours after the storm had passed through; 75 percent had service restored by 3 p.m.; and service was restored to all remaining customers by 11 p.m. To accomplish this rapid restoration of service, Progress Energy immediately mobilized all available regional crews and three contract crews from tree trimming contractor who were in the area. To supplement local personnel, Progress Energy crews from operating centers in each of the Company's other three regions were called out and responded quickly to aid the restoration effort.

9. As shown by the foregoing, the sudden and severe weather system that caused the outage event on December 26, 2004 was not within Progress Energy's control, nor could it have been reasonably prevented by the Company. All available regional service personnel and local contract workers were immediately mobilized and deployed, service personnel from the Company's other operating regions were called out and quickly responded to supplement restoration activities, and the work

effort proceeded non-stop until all affected customers had their service restored. In short, the restoration of service was managed, worked and completed in an orderly, expeditious manner.

WHEREFORE, Progress Energy respectfully asks that, for the reasons set forth above, the Commission grant this request and approve the exclusion of the outage event on December 26, 2004 and the resulting system SAIDI of 1.67 minutes from the Company's Distribution Service Reliability Report for calendar year 2004.

Respectfully submitted,

s/

James A. McGee
Associate General Counsel
Progress Energy Service Company, LLC
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (727) 820-5184
Facsimile: (727) 820-5519

Attorney for
PROGRESS ENERGY FLORIDA, INC.

ATTACHMENT A

**December 26, 2004 Severe Weather Event
Outage Detail by Cause and Device Code**
[to be provided by supplemental filing]
