

ORIGINAL 050531 - EV**Timolyn Henry**

From: Paul Sexton [psexton@twalaw.com]
Sent: Thursday, August 04, 2005 1:37 PM
To: Filings@psc.state.fl.us
Cc: Wiley, Ken
Subject: E-Filing on Behalf of the Florida Reliability Coordinating Council, Inc.
Attachments: FRCC Petition to Initiate Rulemaking.doc

Attached please find the following document filed on behalf of the Florida Reliability Coordinating Council, Inc. (FRCC):

- Petition of the Florida Reliability Coordinating Council to Initiate Rulemaking to Adopt Rule 25-6.0186, Bulk Power System Reliability Standards.

The attached document is an eight-page word processing document in Microsoft Word format.

The original physically signed document will be retained for the duration of the proceeding and of any subsequent appeal or subsequent proceeding in that cause, and will be produced upon request of the other parties or the Commission

Please advise if additional information is required.

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DOCUMENT NUMBER - DATE

07539 AUG -4 2005

FPSC-COMMISSION CLERK

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of the Florida Reliability)
Coordinating Council, Inc., to Initiate)
Rulemaking to Adopt Rule 25-6.0186,)
Bulk Power System Reliability Standards.)

Docket No. 050531 - EU
Submitted for filing: August 4, 2005

**PETITION OF THE FLORIDA RELIABILITY COORDINATING COUNCIL, INC.,
TO INITIATE RULEMAKING TO ADOPT
RULE 25-6.0186, BULK POWER SYSTEM RELIABILITY STANDARDS**

The Florida Reliability Coordinating Council, Inc. (FRCC), by and through its undersigned counsel and pursuant to Section 120.54(7)(a), Florida Statutes, files its Petition to Initiate Rulemaking to Adopt Rule 25-6.0186, relating to bulk power system reliability standards for electric utilities in Florida. All pleadings, notices and other documents filed or served in this Docket should be provided to the following:

Paul Sexton, Esquire
Williams Wilson & Sexton, P.A.
215 South Monroe Street, Suite 600
Tallahassee, Florida 32301
(850) 224-3999

1. This Petition is filed pursuant to Section 120.54(7)(a), Florida Statutes, which provides that any person regulated by an agency or having substantial interest in an agency rule may petition an agency to adopt, amend, or repeal a rule. This Petition requests that the Commission initiate rulemaking to adopt Rule 25-6.0186, Florida Administrative Code, appended hereto as Exhibit A, governing bulk power system reliability standards for electric utilities in Florida.

2. The FRCC and its members have a substantial interest in the adoption of its proposed rule. The FRCC is a non-profit corporation, formed in 1996, whose members include investor owned utilities, cooperative utilities and municipal utilities, regulated by the Commission

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

pursuant to Chapter 366, Florida Statutes, as well as power marketers, the federal power agency, and independent power producers.¹ FRCC's purpose is to ensure and promote the reliability and adequacy of the bulk power supply in Florida. It is the 10th reliability region of the North American Electric Reliability Council (NERC), and its Region encompasses all of Peninsular Florida.

3. The FRCC's proposed rule encompasses the Reliability Standards developed by NERC and the Reliability Standards developed by the FRCC specific to Peninsular Florida. Commission action to adopt this rule would be in accord with the February 16, 2005, resolution of the National Association of Regulatory Commissioners (NARUC) Board of Directors encouraging the states to consider making NERC standards and RRC (e.g. FRCC) criteria mandatory for jurisdictional utilities.²

4. National Energy Legislation recently approved by Congress provides for adoption and enforcement of bulk power system reliability standards by the Federal Energy Regulatory Commission (FERC) in conjunction with NERC and regional Electric Reliability Organizations, such as FRCC. This legislation, however, includes language expressly limiting FERC jurisdiction over the adequacy or safety of electric facilities or services and preserves to the States their traditional authority to set and enforce compliance with standards for the adequacy and safety of electric facilities and services. The language of the legislation preserves the Commission's authority to require electric reliability within a coordinated grid and to investigate the need for generating plants and transmission facilities to ensure adequate and reliable energy

¹FRCC's members are reflected in Exhibit B and its officers are reflected in Exhibit C.

²The NARUC Resolution has been endorsed by NERC, the American Public Power Association (APPA), National Rural Electric Cooperative Association (NRECA), the Edison Electric Institute (EEI), the Electric Power Supply Association (EPSA) and the Federal Energy Regulatory Commission (FERC).

grids. Commission adoption of proposed Rule 25-6.0186 would affirm the Commission's assertion of regulatory authority in these areas.

WHEREFORE, Petitioner, Florida Reliability Coordinating Council, Inc., requests that the Commission initiate rulemaking to adopt Rule 25-6.0186, Florida Administrative Code, as set forth in Exhibit A hereof, in accordance with Section 120.54, Florida Statutes.

Dated: August 4, 2005

Respectfully Submitted,

/S Paul Sexton

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Attorneys for:
The Florida Reliability Coordinating
Council, Inc.

EXHIBIT A

RULES OF THE FLORIDA PUBLIC SERVICE COMMISSION

CHAPTER 25-6 ELECTRIC SERVICE BY ELECTRIC PUBLIC UTILITIES

Chapter 25-6 of the Rules of the Florida Public Service Commission is amended to add the following:

25-6.0186 Bulk Power System Reliability Standards

(1) Application and Scope.

(a) In order to assure reliability within a coordinated electric power grid in Peninsular Florida, each Electric utility shall comply with the Reliability Standards in accordance with the provisions of these rules. Electric utilities shall jointly use the Florida Reliability Coordinating Council to comply with the provisions of this rule as provided in this rule.

(b) No Electric utility operating in Peninsular Florida shall allow the control or operation of its Bulk Power System by a non-Electric utility System Operator absent an agreement by the System Operator to comply with the provisions of this rule.

(2) Definitions.

(a) "Bulk Power System". As defined by the Florida Reliability Coordinating Council, the electrical generation resources, transmission lines, interconnections with neighboring systems, and associated equipment, generally operated at voltages of 100kV or higher. Radial transmission facilities serving only load with one transmission source are generally not included in this definition.

(b) "Commission", Unless a different intent clearly appears from the context, the word "Commission" shall be construed to mean the Florida Public Service Commission.

(c) "Electric utility", as used in this rule, shall have the same meaning as set out for "Electric utility" in Section 366.02(2), F.S. Notwithstanding the foregoing, for purposes of this Rule, this definition shall not include Gulf Power Company.

(d) "FRCC" as used in this rule means the Florida Reliability Coordinating Council, Inc.

(e) "Peninsular Florida" as used in this rule means that geographic area of Florida east of the Apalachicola River.

(f) "Reliability Standard" as used in this rule means a standard developed and approved by the North American Electric Reliability Council and adopted by the Florida Reliability Coordinating Council, or a standard developed and approved by the Florida Reliability Coordinating Council, all of which have been adopted by the Florida Public Service Commission by order to assure reliability within a coordinated electric power grid in Peninsular Florida.

(g) "System Operator" as used in this rule means any entity that operates or is responsible for the operation of any part of the Bulk Power System in Peninsular Florida.

(3) Adoption of Reliability Standards.

Electric utilities and other FRCC members operating in Peninsular Florida shall jointly develop and approve reliability standards specific to the Bulk Power System in Peninsular Florida under the auspices and procedures of the FRCC and/or the North American Electric Reliability Council. Such reliability standards which the FRCC determines should be mandatory and enforceable shall be filed with the Commission for adoption for inclusion as Reliability Standards, subject to this Rule. Should the Commission fail to adopt a Reliability Standard submitted by the FRCC, the Commission will remand such Reliability Standard to the FRCC to address the issues as appropriate.

(4) Compliance and Enforcement.

(a) The Commission adopts the FRCC's "Reliability Standards Compliance, Monitoring and Enforcement Program" dated July 26, 2005 to monitor and enforce compliance with the Reliability Standards adopted by the Commission. The FRCC has responsibility for implementation of the program.

(b) Non-compliance with a Reliability Standard shall be dealt with in accordance with the FRCC's "Reliability Standards Compliance, Monitoring and Enforcement Program". The FRCC shall submit to the Commission for Commission action any non-compliance matter of an Electric utility which the FRCC has been unable to resolve voluntarily through the FRCC's "Reliability Standards Compliance, Monitoring and Enforcement Program".

(c) The Commission, upon notification by the FRCC and after notice and an opportunity for a hearing by the Commission, may order compliance with a Reliability Standard and may impose a penalty, limitation of activities, functions, or operations or other disciplinary action that it finds appropriate against an Electric utility to address violations of a Commission adopted Reliability Standard.

(d) The FRCC shall have standing as a party to any proceeding to seek Commission enforcement of a Reliability Standard.

(5) Reliability Reports.

Electric utilities and other FRCC members operating in Peninsular Florida, acting jointly through the FRCC, shall conduct periodic assessments of the reliability of the interconnected Bulk Power System in Peninsular Florida through the FRCC. The FRCC shall report annually to the Commission its findings and recommendations for system reliability.

EXHIBIT B
FRCC MEMBERS - 2005

CALPINE CORPORATION
2701 North Rocky Point Drive, Suite 1200
Tampa FL 33607

CITY OF LAKE WORTH UTILITIES
1900 2nd Avenue North
Lake Worth FL 33461-4298

CITY OF TALLAHASSEE
300 South Adams Street
Tallahassee FL 32301-1731

CITY OF VERO BEACH
P O Box 1389
Vero Beach FL 32961-1389

CLAY ELECTRIC COOPERATIVE
P O Box 308
Keystone Heights FL 32656-0308

CONSTELLATION ENERGY COMM. GROUP
111 Market Place, Suite 500
Baltimore MD 21202

FLORIDA MUNICIPAL POWER AGENCY
8553 Commodity Circle
Orlando FL 32819-9002

FLORIDA POWER & LIGHT COMPANY
P O Box 14000
Juno Beach FL 33408-0420

FT. PIERCE UTILITIES AUTHORITY
P O Box 3191
Fort Pierce FL 34948

GAINESVILLE REGIONAL UTILITIES
P O Box 147117
Gainesville FL 32614-7117

GULF POWER COMPANY
P O Box 1151
Pensacola FL 32520-0100

HOMESTEAD ENERGY SERVICES
675 North Flagler Avenue
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INDIANTOWN COGENERATION, L.P.
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Indiantown FL 34956

JACKSONVILLE ELECTRIC AUTHORITY
21 W. Church Street
Jacksonville FL 32202-3105

KEYS ENERGY SERVICES
P O Drawer 6100
Key West FL 33041-6100

KISSIMMEE UTILITY AUTHORITY
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Kissimmee FL 34742-3219

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501 E. Lemon Street
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MORGAN STANLEY CAPITAL GROUP
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OCALA ELECTRIC UTILITY
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ORLANDO UTILITIES COMMISSION
P O Box 3193
Orlando FL 32802-3193

PROGRESS ENERGY-FLORIDA
P O Box 14042
St. Petersburg FL 33733-4042

REEDY CREEK IMPROVEMENT DISTRICT
P O Box 10000
Lake Buena Vista FL 32830-0000

RELIANT ENERGY SERVICES
1000 Main, Room 11-678
Houston TX 77002

SEMINOLE ELECTRIC COOPERATIVE, INC.
P O Box 272000
Tampa FL 33688-2000

SOUTHEASTERN POWER ADMINISTRATION
1166 Athens Tech Road
Elberton GA 30635-4578

TAMPA ELECTRIC COMPANY
P O Box 111
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THE ENERGY AUTHORITY
P O Box 1599
Jacksonville FL 32201-1599

UTILITIES COMM. OF NEW SMYRNA BEACH
P O Box 100
New Smyrna Beach FL 32170

**EXHIBIT C
FLORIDA RELIABILITY COORDINATING COUNCIL**

OFFICERS

Armando Olivera, Chair
President
Florida Power & Light

Kevin Waites, Vice-Chair
General Manager, Electric Utility
City of Tallahassee

John L. Giddens, S/T
Technical Director
Reedy Creek Improvement Dist