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Sent: Friday, September 14, 2007 4:13 PM
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Subject: Electronic Filing - Docket 070299-EI
Attachments: PCB.PrehearingStatement.9-14-07.doc

a. Person responsible for this electronic filing:

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b. Docket No. 070299-EI

In Re: Petition for Approval of Gulf Power Company's Storm Hardening Plan Pursuant to Rule 25-6.0342, F.A.C.

c. Document being filed on behalf of the City of Panama City Beach, Florida and the Panama City Beach Community Redevelopment Agency.

d. There are a total of 9 pages.

e. The document attached for electronic filing the Prehearing Statement of the City of Panama City Beach, Florida, and the Panama City Beach Community Redevelopment Agency.

(see attached file: PCB.PrehearingStatement.9-14-07.doc)

Thank you for your attention and assistance in this matter.

Rhonda Dulgar
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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Tampa Electric Company.	DOCKET NO. 070297-EI
In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Progress Energy Florida, Inc.	DOCKET NO. 070298-EI
In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Gulf Power Company.	DOCKET NO. 070299-EI
In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Power & Light Company.	DOCKET NO. 070301-EI FILED: SEPTEMBER 14, 2007

PREHEARING STATEMENT OF THE CITY OF PANAMA CITY BEACH, FLORIDA,
AND THE PANAMA CITY BEACH COMMUNITY REDEVELOPMENT AGENCY

Pursuant to Commission Order No. PSC-07-0573-PCO-EI, issued July 10, 2007, the City of Panama City Beach, Florida, and the Panama City Beach Community Redevelopment Agency (collectively referred to herein as "Panama City Beach," "PCB," or the "City") hereby file their Prehearing Statement.

a. All Known Witnesses

Peter J. Rant, P.E. Mr. Rant addresses several aspects of Gulf's Storm Hardening Plan, particularly the Plan's deficient analysis of the benefits and costs of undergrounding as a means of protecting against storm damage. Among other things, Mr. Rant's testimony shows that data already available to Gulf strongly indicate that undergrounding provides significant reliability and storm restoration benefits.

R.L. Willoughby Mr. Willoughby, a former municipal electric utility director and city manager, addresses the reliability and storm restoration benefits of undergrounding as a storm hardening measure. Mr. Willoughby's testimony also addresses Gulf's assertions that it

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lacks data to evaluate the benefits and costs of undergrounding and the inadequacy of Gulf's plans to wait until it has further data, after future storms impact Gulf's customers, before evaluating undergrounding further.

b. All Known Exhibits

- PJR-1 Resumé of Peter J. Rant, P.E.
- PJR-2 Tropical Cyclone Report, Hurricane Dennis. Author Jack Beven, published by the National Hurricane Center, November 22, 2005
- PJR-3 Comparative Customer Outage Information, Panama City Beach and Pensacola, Hurricane Dennis (2005); table plus Gulf Power Company Interrogatory Responses with source data

- RLW-1 Resumé of R.L. Willoughby

c. Statement of Basic Position

The Commission should not approve Gulf's Storm Hardening Plan because Gulf's Plan is deficient and based on inadequate analysis of the benefits and costs of storm hardening measures, particularly undergrounding as a hardening measure. Gulf's failure to collect and analyze data, and in particular Gulf's failure to analyze data already available to Gulf, make its Storm Hardening Plan inadequate. Data furnished by Gulf in discovery show that Panama City Beach and Pensacola were impacted by similar wind and storm surge conditions in Hurricane Dennis, but that reliability and restoration times in Panama City Beach, which has approximately double the penetration of underground distribution facilities as compared to Pensacola, were far better than in Pensacola.

On the plus side, Gulf's design specifications for underground facilities and Gulf's strong, system-wide preference for front-lot placement of facilities are sound practices and should promote reliability in major storms and under more normal, day-to-day conditions. However, Gulf did not follow through with these principles in designing its Plan because it effectively ignored the benefits available from undergrounding.

The Commission should find Gulf's Plan inadequate and should require Gulf to immediately begin an in-depth analysis of available data relating to the reliability, costs, and benefits of undergrounding using data available for its own system and analogous, comparable data for other utilities, and to return to the Commission within the next 6 to 9 months with better analysis and a better Storm Hardening Plan for the Commission's consideration.

d. Positions on Specific Issues

Docket No. 070297-EI – Tampa Electric Company (TECO)

Panama City Beach is not an intervenor in this docket, which addresses Tampa Electric Company's Storm Hardening Plan. Accordingly, Panama City Beach takes no position with respect to Issues 1-13.

Docket No. 070298-EI – Progress Energy Florida, Inc.

Panama City Beach is not an intervenor in this docket, which addresses Progress Energy Florida's Storm Hardening Plan. Accordingly, Panama City Beach takes no position with respect to Issues 14-26.

Docket NO. 070299-EI – Gulf Power Company (Gulf)

ISSUE 27: Does the Company's Plan address the extent to which, at a minimum, the Plan complies with the National Electric Safety Code (ANSI C-2) [NESC] that is applicable pursuant to subsection 25-6.0345(2), F.A.C.? [Rule 25-6.0342(3)(a)]

PCB POSITION: Yes.

ISSUE 28: Does the Company's Plan address the extent to which the extreme wind loading standards specified by Figure 250-2(d) of the 2007 edition of the NESC are adopted for new distribution facility construction? [Rule 25-6.0342(3)(b)1]

PCB POSITION: Technically, Gulf's Plan "addresses" the extent to which it adopts the NESC extreme wind loading ("EWL") criteria, but PCB believes that Gulf's consideration and very limited adoption of the EWL criteria are inadequate.

ISSUE 29: Does the Company's Plan address the extent to which the extreme wind loading standards specified by Figure 250-2(d) of the 2007 edition of the NESC are adopted for major planned work on the distribution system, including expansion, rebuild, or relocation of existing facilities, assigned on or after the effective date of this rule distribution facility construction? [Rule 25-6.0342(3)(b)2]

PCB POSITION: Technically, Gulf's Plan addresses this issue, but PCB believes that Gulf's consideration was and is inadequate.

ISSUE 30: Does the Company's Plan address the extent to which the extreme wind loading standards specified by Figure 250-2(d) of the 2007 edition of the NESC are adopted for distribution facilities serving critical infrastructure facilities and along major thoroughfares taking into account political and geographical boundaries and other applicable operational considerations? [Rule 256.0342(3)(b)3]

PCB POSITION: Technically, Gulf's Plan addresses this subject. However, Gulf's Plan lists the projects in a table and includes a one-page map of Gulf's entire service area. The Plan does not include any discussion of political and geographic boundaries nor of operational considerations. Moreover, as noted below, Gulf's Plan includes no description of the communities or the areas served by the facilities to be upgraded, nor of the facilities themselves. The limited information provided is inadequate for local government officials to understand the areas affected and the circuits involved, and Gulf's Plan should be expanded to include the detailed information required by the Rule; this information is also required for local government officials to understand what work is actually contemplated and to make meaningful decisions (e.g., relative to undergrounding or other planning decisions) relative to the work.

ISSUE 31: Does the Company's Plan address the extent to which its distribution facilities are designed to mitigate damage to underground and supporting overhead transmission and distribution facilities due to flooding and storm surges? [Rule 25-6.0342(3)(c)]

PCB POSITION: Yes, to a significant degree. In particular, Appendix 6 of Gulf's Plan addresses design and facility placement issues for underground facilities. However, Gulf's Plan does not adequately address the benefits and costs of undergrounding as a storm hardening technique.

ISSUE 32: Does the Company's Plan address the extent to which the placement of new and replacement distribution facilities facilitate safe and efficient access for installation and maintenance pursuant to Rule 25- 6.0341, F.A.C? [Rule 25-6.0342(3)(d)]

PCB POSITION: Yes. In particular, Gulf's Plan supports the use of road rights-of-way ("ROWs") for the placement of facilities and also addresses the design and placement of overhead and underground facilities (where UG facilities are to be installed) for areas where storm conditions are likely to be severe.

ISSUE 33: Does the Company's Plan provide a detailed description of its deployment strategy including a description of the facilities affected; including technical design specifications, construction standards, and construction methodologies employed? [Rule 25-6.0342(4)(a)]

PCB POSITION: While Gulf's descriptions of its deployment strategy probably fall short of being "detailed," PCB believes that they are adequate for purposes of Gulf's Storm Hardening Plan. Additional information regarding pole class selection would be helpful.

ISSUE 34: Does the Company's Plan provide a detailed description of the communities and areas within the utility's service area where the electric infrastructure improvements, including facilities identified by the utility as critical infrastructure and along major thoroughfares pursuant to subparagraph (3)(b)3. are to be made? [Rule 25-6.0342(4)(b)]

PCB POSITION: No. Gulf's Plan identifies the 11 EWL distribution projects that it has planned for 2007-2009 in a table and contains a one-page map of its service area. Gulf's Plan includes no description of the communities or the areas served by the facilities to be upgraded, nor of the facilities themselves. The limited information provided is inadequate for local government officials to understand the areas affected and the circuits involved, and Gulf's Plan should be expanded to include the detailed information required by the Rule; this information is also required for local government officials to understand what work is actually contemplated and to make meaningful decisions (e.g., relative to undergrounding or other planning decisions) relative to the work.

ISSUE 35: Does the Company's Plan provide a detailed description of the extent to which the electric infrastructure improvements involve joint use facilities on which third-party attachments exist? [Rule 25-6.0342(4)(c)]

PCB POSITION: No.

ISSUE 36: Does the Company's Plan provide an estimate of the costs and benefits to the utility of making the electric infrastructure improvements, including the effect on reducing storm restoration costs and customer outages? [Rule 25-6.0342(4)(d)]

PCB POSITION: Appendix 7 to Gulf's Amended Storm Hardening Plan includes estimates of the costs and benefits of incremental hardening to Grade B construction and of Gulf's limited proposal to use Extreme Wind Loading standards in a limited number of instances. However, Gulf's Plan is inadequate because Gulf has performed effectively no evaluation or analysis of the costs and benefits of undergrounding as a storm hardening measure, or of the relative benefits and costs of undergrounding as compared to Grade C, Grade B, or EWL criteria, even though data already available from Gulf indicate that the reliability and restoration benefits of undergrounding may be significant.

ISSUE 37: Does the Company's Plan provide an estimate of the costs and benefits, obtained pursuant to subsection (6) below, to third-party attachers affected by the electric infrastructure improvements, including the effect on reducing storm restoration costs and customer outages realized by the third-party attachers? [Rule 25-6.0342(4)(e)]

PCB POSITION: No. Gulf's Plan reports cost information furnished by ATT, FCTA, and Embarq, and reports that ATT, FCTA, and Embarq have each identified potential generic benefits from implementation of Gulf's Plan: reduced commercial power outages (ATT), enhanced pole reliability (FCTA), and reduced customer outages and restoration costs (Embarq). In fairness to Gulf, it is probably not Gulf's job to estimate the benefits to third-party attachers, but its Plan cannot be said to provide estimates of the benefits to attachers deriving and accruing from its limited storm hardening efforts.

ISSUE 38: Does the Company's Plan include written Attachment Standards and Procedures addressing safety, reliability, pole loading capacity, and engineering standards and procedures for attachments by others to the utility's electric transmission and distribution poles that meet or exceed the edition of the National Electrical Safety Code (ANSI C-2) that is applicable pursuant to Rule 25-6.034, F.A.C.? [Rule 25-6.0342(5)]

PCB POSITION: Yes. Gulf's Plan contains an outline of attachment standards and procedures and a statement of Gulf's overloading policy.

ISSUE 39: Based on the resolution of the preceding issues, should the Commission find that the Company's Plan meets the desired objectives of enhancing reliability and reducing restoration costs and outage times in a prudent, practical, and cost-effective manner to the affected parties? [Rule 25-6.0342(1) and (2)]

PCB POSITION: No. The Commission should find that Gulf's Plan is inadequate in that it does not adequately consider available data and does not adequately consider the benefits and costs of undergrounding as a storm hardening measure. For these reasons, Gulf's Plan cannot be considered prudent, practical, or cost-effective. The Commission should require Gulf to immediately begin an in-depth analysis of available data relating to the reliability, costs, and benefits of undergrounding using data available for its own system and analogous, comparable data for other utilities, and to return to the Commission within the next 6 to 9 months with better analysis and a better Storm Hardening Plan for the Commission's consideration.

Docket No. 070301-EI – Florida Power & Light Company (FPL)

Panama City Beach is not an intervenor in this docket, which addresses Florida Power & Light Company's Storm Hardening Plan. Accordingly, Panama City Beach takes no position with respect to Issues 40-52.

e. Stipulated Issues

The City is not aware of any stipulated issues at this time.

f. Pending Motions

The City has no pending motions at this time.

g. Pending Confidentiality Claims or Requests

The City has no pending confidentiality claims or requests at this time.

h. Objections to Witness Qualifications as an Expert

The City has no objections to any witness' qualifications as an expert in this proceeding.

i. Compliance with Order No. PSC-07-0573-PCO-EI

The City has complied with, and expects to be able to comply with, all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 14th day of September, 2007.

S/Robert Scheffel Wright

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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FILED: SEPTEMBER 14, 2007

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the PREHEARING STATEMENT OF THE CITY OF PANAMA CITY BEACH, FLORIDA, AND THE PANAMA CITY BEACH COMMUNITY REDEVELOPMENT AGENCY was furnished to the following, by electronic and U.S. Mail, on this 14th day of September, 2007.

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