

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: June 17, 2004

TO: Director, Division of the Commission Clerk & Administrative Services (Bayó)

FROM: Division of Economic Regulation (Breman, Lee)
Office of the General Counsel (C. Keating)

RE: Docket No. 040320-EI – Request for exclusion under Rule 25-6.0455(3), F.A.C.,
for an outage event on March 17, 2004, by Gulf Power Company.

AGENDA: 06/29/04 – Regular Agenda – Proposed Agency Action – Interested Persons May
Participate

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\040320.RCM.DOC

Case Background

On April 12, 2004, Gulf Power Company (“Gulf” or “Company”) filed a petition pursuant to Rule 25-6.0455(3), Florida Administrative Code, seeking to exclude from its 2004 Annual Distribution Reliability Report service interruptions that occurred on March 17, 2004 when a marine vessel made contact with Feeder No. 6522, thereby causing the western phase of the feeder circuit crossing Bayou Chico to burn down.

Rule 25-6.0455, Florida Administrative Code, requires each investor-owned electric utility to file an Annual Distribution Service Reliability Report containing data that the Commission uses to assess changes in distribution reliability. Under subsection (2) of the rule, a utility may exclude specified outage events, such as a storm named by the National Hurricane Center, a tornado recorded by the National Weather Service, ice on lines, and an extreme weather event causing activation of the county emergency operation center. In addition, under subsection (3), a utility may petition the Commission to exclude an outage event not specifically enumerated in subsection (2). However, the utility must “demonstrate that the outage was not

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within the utility's control, and that the utility could not reasonably have prevented the outage." Rule 25-6.0455(3), Florida Administrative Code.

The Commission has jurisdiction over this matter pursuant to Chapter 366, Florida Statutes, including Sections 366.04, 366.041, and 366.05, Florida Statutes.

Section 366.05(1), Florida Statutes, gives the Commission the power to prescribe standards of quality and measurements for public utilities. Further, Section 366.041(1), Florida Statutes, provides that the Commission, in setting rates for a public utility, is authorized to consider, among other things, the adequacy of service rendered. Hence, whether an outage event is included or not included in measuring Gulf's electric distribution reliability may have material consequences for the utility and its ratepayers in a future rate proceeding. No specific rate action is currently associated with approval or denial of this petition.

Discussion of Issues

Issue 1: Should the Commission approve Gulf's petition to exclude from its 2004 Annual Distribution Service Reliability Report service interruptions that occurred in Pensacola on March 17, 2004, when a marine vessel contacted feeder wires at Bayou Chico?

Recommendation: Yes. Gulf has demonstrated that the contact to their feeder wires was not within the utility's control and that it took reasonable steps to construct the feeder in a manner to avoid contact with the feeder wires. (BREMAN, LEE)

Staff Analysis: Gulf seeks an exclusion for service interruptions caused by a buoy tender's contact with the aerial feeder crossing at Bayou Chico in Pensacola Florida. On March 17, 2004, a deep-water buoy tender entered the Bayou Chico waterway, passed safely under Feeder No. 6522 and then refueled at a nearby marina. The deep-water buoy tender was equipped with three very tall shafts ("spuds") that are lowered to the sea bottom to stabilize the vessel when it is working on a specific buoy. The spuds were in a raised position when the buoy tender traveled through the navigable waterways of Bayou Chico. After refueling, the buoy tender operator increased the height of the spuds to compensate for a heavier load and to avoid dragging the spuds on the bottom of Bayou Chico. On attempting to again pass under Feeder No. 6522, contact was made causing the western phase of the feeder circuit to burn down. Service restoration to all affected customers was completed in 2 hours and 53 minutes. No customer complaints were made to the Commission. Gulf is seeking approximately \$18,500 in damages from the operator/owner of the buoy tender.

Gulf's petition includes two attachments. Petition Exhibit A includes a one-line diagram of the circuits within the Bayou Chico area and a general road map of the area. Petition Exhibit B contains two pictures of Gulf's feeder wires at the Bayou Chico crossing prior to restoration efforts and shows the dangling western phase wire of the feeder. Gulf asserts that the high tide clearance under Feeder No. 6522 exceeded the U.S. Army Corps of Engineers permitted height by at least 4 feet. Nevertheless, clearance was exceeded when the height of the buoy tender's spuds were increased after refueling.

Gulf's petition explains that, in 1966, the Bayou Chico aerial crossing was initially constructed with a 60-foot clearance adjacent to an existing drawbridge. Immediately upstream of Gulf's feeder crossing was a marina. In 1999, a new bridge was constructed upstream of the marina area with an increased 85-foot clearance and the old drawbridge was demolished. In response to staff data requests, Gulf states that its Planning Department reviewed possible alternatives, such as relocating the feeder to the new bridge or constructing a submarine crossing at the existing location. Due to the expense of these alternatives, Gulf determined that maintaining the aerial feeder crossing at its existing location was the most viable option. Furthermore, the Bayou Chico aerial feeder crossing was accidentally torn down by a Department of Transportation contractor during demolition of the old bridge. Gulf was permitted to reconstruct the aerial feeder crossing in an expedited process using two 125-foot concrete poles at the existing location as long as Gulf achieved an 85-foot clearance requirement of the U.S. Army Corps of Engineers.

Staff's review indicates that the March 17, 2004 event is the first outage caused by a marine vessel at the rebuilt Bayou Chico feeder crossing even though Gulf's feeder is now the only aerial crossing between the refueling marina in Bayou Chico and Pensacola Bay. In response to staff's data requests, Gulf states that the operator of the buoy tender was well aware of clearance issues because vessel personnel monitored clearances during both passages under Feeder No. 6522. However, the vessel personnel apparently misjudged the clearance during the second passage when contact was made with one of the feeder wires. Vessel personnel avoided damage to the remaining feeder wires by lowering the spuds sufficiently to clear the other feeder wires. Thus, Gulf asserts, additional preventive measures such as warning signs or additional aids to navigation would not have avoided the outage event because vessel personnel were aware of the aerial feeder crossing and able to clear the wires when the spuds heights were properly set.

In addition to seeking recovery of damages, Gulf has offered the owner/operators of the buoy tender training on the dangers of unsafe activity around electrical equipment. Staff believes that such efforts may help to avoid similar future events. However, Gulf's aerial feeder crossing remains the only marine vessel height restriction between Pensacola Bay and a refueling marina which means that it is possible, especially during inclement weather, that a marine vessel may cause another outage by contacting Feeder No. 6522.

Conclusion

Gulf has shown that its feeder exceeded applicable clearance code requirements. Gulf increased the aerial clearance from 60 feet to 85 feet in 1999. The buoy tender personnel demonstrated they were able to adjust the spuds heights to clear all feeder wires but failed to do so. Therefore, staff recommends that Gulf's petition for an exclusion due to a marine vessel contact on Feeder No. 6522 on March 17, 2004, be approved.

Staff does note, however, that one of the more expensive feeder circuit routes, such as a submarine crossing or relocation closer to the new bridge, could have avoided the instant outage event, and also the possibility of a similar future event. Repeated outages, increased customer complaints, and/or outages with very long duration at Bayou Chico may require Gulf to reconsider the reasonableness of maintaining the current aerial feeder crossing.

Issue 2: Should this docket be closed?

Recommendation: Yes, this docket should be closed upon issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the proposed agency action. (C. KEATING)

Staff Analysis: If no timely protest to the proposed agency action is filed with 21 days, this docket should be closed upon the issuance of the Consummating Order.