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May 12, 2006

Ms. Blanca S. Bayo, Director
Division of Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RECEIVED - FPSC
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COMMISSION
CLERK

Re: Comments on Dockets 060172-EU and 060173-EU

Dear Ms. Bayo:

I have been asked by the entities representing the wood pole industry to send you their comments on the above referenced dockets. These comments are enclosed.

The industry respectfully requests that you give these comments due consideration in your development of alternative regulatory language.

If you have any questions, please give me a call. Thank you for your time and consideration.

Sincerely,

H. M. Rollins, P.E.

Enclosure

cc: Mr. Bob Trapp, Florida Public Service Commission (w/encl.)
Mr. Dennis Hayward, North American Wood Pole Council
Mr. Carl Johnson, Southern Pressure Treaters Association
Mr. Todd Brown, Western Wood Preservers Institute
Mr. Jeff Miller, Treated Wood Council

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North American Wood Pole Council

Comments to Florida Public Service Commission on dockets 060172-EU and 060173-EU

The organizations representing the treated-wood utility pole industry would like to provide comments on the proposed regulatory language contained in dockets 060172-EU and 060173-EU presently being considered by the staff of the Florida Public Service Commission (PSC). These comments were prepared by Martin Rollins, P.E., with H. M. Rollins Company, Inc., on behalf of the North American Wood Pole Council, the Southern Pressure Treaters Association, the Western Wood Preservers Institute, and the Treated Wood Council. These organizations serve more than 300 separate entities associated with the production of treated wood, including over 98% of the utility poles treated in the U.S. Mr. Rollins attended the April 17, 2006, PSC workshop in Tallahassee concerning these two dockets.

The PSC staff requested that written comments be submitted so that they could be considered in formulating revised proposals that are to be discussed at another working meeting scheduled for May 19, 2006. These comments are submitted in accordance with the PSC staff request.

The stated objective of the proposed regulatory changes is to improve the performance of the overhead power distribution system in severe weather events, such as hurricanes. The intended goal is to reduce the number of power outages, reduce the cost of restoring power, and reduce the duration of power outages associated with these weather events. The treated-wood utility pole industry is supportive of these goals and objectives but is concerned that the proposed changes in minimum design requirements will greatly increase total system costs and yet not accomplish the stated goals and objectives. The industry believes there are more effective methods to improve storm performance at a much lower cost.

The method proposed by the PSC staff to accomplish the stated goals and objectives is to "harden" the system by requiring all electric power distribution facilities to be designed to meet the extreme wind criteria found in the 2002 National Electrical Safety Code (NESC). This would require designing to at least 120 mph winds at all coastal locations in Florida, and for 150 mph winds in many coastal locations.

Some may question why the treated-wood utility pole industry is interested in the outcome of these design deliberations. In fact, the requirement to design all distribution lines to extreme wind criteria could be a boon to the industry, in that in some locations it could take as many as three times the present number of wood poles to meet the extreme wind criteria. However, the wood pole industry is concerned that increasing the total distribution system cost by a factor of 2 to 4 may not result in a substantial improvement in system performance in extreme weather events. Overhead distribution systems are the most cost-effective, easy to install, easy to maintain, easy to inspect, easy to troubleshoot, easy to repair, easy to modify, and easy to upgrade power distribution method. No one believes that a power distribution system can be made at any cost that is totally immune to outages in extreme weather events. The public today understands and expects that some outages will occur, and they are willing to experience some level of inconvenience in exchange for reasonable power bills. The concern of the providers of wood poles and other components of the overhead distribution system is that 3, 5, or 10 years from now, consumers could be paying what they no longer consider to be a reasonable power bill, predicated upon an assurance of much improved storm performance that does not prove to be accurate. At that point, the money will have already been spent and the future of overhead distribution becomes uncertain.

The issue of the performance of power distribution systems in extreme weather events is not unique to Florida. All of the gulf coastal areas and the east coast are subject to hurricanes. All of the country, particularly the midwest, is subject to tornadic activity and the occurrence of micro-bursts. The NESC, the body responsible for writing the rules for the safety of power distribution systems, has debated the issue of extreme wind for decades. Extreme wind criteria were added to the NESC in the 1970's, as a result of some transmission line failures in a non-coastal area of the country due to wind alone. Prior to that time, the safety criteria were based only on a combination of ice and concurrent wind. At larger conductor sizes, it was found that extreme wind could become the controlling factor. The NESC excluded structures 60 feet in height and shorter from the extreme wind criteria for several reasons. The primary reason was that experience had shown that under extreme wind conditions most damage to shorter structures was caused by secondary effects such as wind-blown debris and fallen trees, and the belief was that the system would have failed even if it had been designed to meet the extreme wind load criteria.

During the past two NESC revision cycles, there has been substantial debate concerning the removal of the 60-foot exemption. Several proposed changes to apply extreme wind criteria to all structures were included in the draft of the 2007 NESC. These proposals generated almost 200 comments from interested parties. Overwhelmingly, the comments supported retaining the 60-foot exemption and these comments were supported by field reports which continued to show that most damage to distribution-sized structures is not caused by wind alone and that having stronger poles would not have changed the

outcome. After a full and complete evaluation of this issue, the NESC subcommittee voted in September of 2005 to retain the 60-foot exemption. Therefore, should the Florida PSC decide to require the consideration of the NESC extreme wind criteria for distribution systems, it will be in opposition to the actions of the NESC, which is composed of a large cross section of the most experienced and knowledgeable utility line design professionals in the country.

The reported experience of the Florida electric utility industry appears to be in agreement with the comments provided to the NESC. A number of utilities have made presentations to the PSC indicating that on the order of approximately 1% of all poles that saw at least hurricane force winds failed in the recent hurricanes. Of those that failed, it has been stated that almost all failures were associated with wind-blown debris or falling trees.

Power distribution system components, including poles, cross arms, conductors, insulators, guys, transformers, and foundations cannot be designed to withstand an unquantifiable catastrophic load. Therefore, it is likely that most of the system component failures would have occurred even if the system was designed to meet the NESC extreme wind criteria.

It is our understanding that the PSC is going to require utilities to do a forensic analysis of failures in future storms. This analysis could provide a basis for quantifying the potential benefit associated with a selected potential increase in component design strength. This would appear to be a rational approach that would ensure that any mandatory changes to design criteria would result in quantifiable improvement in performance that can be balanced against quantifiable increases in cost. The treated-wood pole industry supports this approach.

Proceeding with the present plan to require application of NESC extreme wind criteria to the entire distribution system could potentially have unexpected results. Consider, as an example, the case where a utility has to install three times as many poles per mile in order to meet the NESC extreme wind criteria. If, as has been reported, most pole failures occur as a result of some collateral damage, then there may actually be more pole failures, not fewer in a future severe storm. This would increase, rather than decrease, the time and cost to make repairs and restore power.

In summary, the treated-wood utility pole industry supports the PSC efforts to improve the performance of the electrical distribution system in extreme weather events. However, the industry does not believe that simply requiring all systems be designed to the NESC extreme wind criteria is the course to follow at this time. Utilities should be allowed to target critical lines and system components for strengthening, and in some cases, this may be to designs exceeding the NESC extreme wind criteria. Any future system-wide strengthening should be based on a rational analysis of actual failure modes

and causation. Action should be taken to minimize the sources of secondary damage to the system. In particular, vegetation management in the vicinity of overhead lines might provide the most cost-effective improvement in system performance in extreme weather events.

Natural disasters have the ability to damage or destroy a variety of critical infrastructure systems, including the electrical power distribution network. While it may take months, or even years, to repair bridges and highways destroyed in hurricanes, the public expects water, sewer, communication, and power to be restored quickly. The treated-wood pole industry has a unique capability to respond in times of natural disaster to aid utilities in restoring power to the public. This past fall, over 100,000 poles were supplied in response to hurricanes in a period of only four weeks.

The treated-wood pole industry is very proud of the role that it plays in providing the U.S. with the most cost-effective, reliable, and universally available electrical power system in the world. The industry is supportive of efforts to improve system reliability in extreme weather events and appreciates the opportunity to provide input into this important process.

Sincerely,

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