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COMMISSION
CLERK

May 24, 2006

Blanca S. Bayo, Director
Division of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Dear Ms. Bayo:

SUBJECT: Post-Workshop Comments in Docket Nos. 060173-EU & 060172-EU

Please find attached for filing the Post-Workshop Comments of Lee County Electric Cooperative, Inc., in the above-referenced dockets. Please call me if you have any questions.

Thank you for your assistance in this matter.

Sincerely,

Donald E. Schleicher
Director, Finance/Accounting & CFO

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DOCUMENT NUMBER-DATE

04554 MAY 25 06

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed rules governing placement)
of new electric distribution facilities underground,)
and conversion of overhead distribution facilities to) Docket No. 060172-EU
underground facilities, to address effects of extreme)
weather events.)

In re: Proposed amendments to rules regarding overhead)
electric facilities to allow more stringent construction) Docket No. 0060173-EU
standards than required by National Electric Safety Code.)

POST-STAFF RULE DEVELOPMENT WORKSHOP COMMENTS
OF LEE COUNTY ELECTRIC COOPERATIVE, INC.

On May 19, 2006, representatives of Lee County Electric Cooperative, Inc. (LCEC) attended a staff rule development workshop in the above-referenced dockets. In accordance with the request of Florida Public Service Commission (Commission) Staff, LCEC respectfully submits the following comments.

GENERAL COMMENTS ON PROPOSED RULE 25-6.034,
STANDARD OF CONSTRUCTION

LCEC understands and shares the Commission's desire for safe, adequate and reliable electric service. It is not clear, however, that the Commission has jurisdiction to impose upon LCEC the rule being proposed (Memorandum dated May 15, 2006 from Larry D. Harris to Division of the Commission Clerk and Administrative Services, including attached proposed amendment to Rule 25-6.034 of the Florida Administrative Code). Florida Statutes do not grant the Commission authority to adopt construction standards for electric cooperatives.

Section 366.04(2)(c), Florida Statutes (2005) gives the Commission jurisdiction to require reliability "within a coordinated grid" and Section 366.04(5), Florida Statutes (2005) expressly awards to the Commission jurisdiction for various activities associated with "a coordinated electric power grid". It is not made express in the Statutes, however, that distribution systems such as LCEC's are included in a coordinated grid. The LCEC electric distribution system does not function in an intermediary capacity for the delivery of electricity to any entities except LCEC members. This system is, therefore, viewed more appropriately as a termination point off of or an appendage to a coordinated grid, one that operates in relative isolation rather than as an integrated component of a coordinated grid.

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04554 MAY 25 06

FPSC-COMMISSION CLERK

Section 366.04(6), Florida Statutes (2005) clearly grants the Commission jurisdiction to prescribe and enforce safety standards for electric cooperatives and to adopt the National Electric Safety Code.

Jurisdiction over electric cooperative construction standards is not, as noted above, granted to the Commission.

Notwithstanding the jurisdictional issue raised by these comments, LCEC takes seriously its responsibility to provide reliable electric service at a cost that is acceptable to its member-elected Board of Trustees. This responsibility is reflected in the effort put forth by LCEC to prepare for severe weather events and to work to quickly restore service following such events. LCEC will continue to incorporate lessons-learned into operational practices and emergency restoration plans. The Commission does not need to nor should it attempt to establish rules beyond its jurisdictional boundaries in this regard.

SPECIFIC COMMENTS ON PROPOSED RULE 25-6.034, STANDARD OF CONSTRUCTION

LCEC recommends that electric cooperatives be excluded from Rule 25-6.034 by deleting from proposed section 25-6.034(1) the sentence: "This rule applies to all electric utilities, including municipal electric utilities and rural electric cooperative utilities, unless otherwise specified.", replacing it with the sentence: "This rule applies to all investor-owned utilities."

If electric cooperatives are not excluded by replacing the sentence in 25-6.034(1) as recommended above, LCEC recommends that changes be made to proposed rule sections 25-6.034(2), 25-6.034(3), 25-6.034(5), 25-6.034(6), 25-6.034(7) and 25-6.034(8) as follows:

Section 25-6.034(2)

This section deals with construction standards. In line with general comments above, LCEC recommends that the beginning phrase of this section be revised to read "(2) Each investor-owned utility shall establish and maintain construction standards...".

Section 25-6.034(3)

This section deals with construction standards. In line with general comments above, LCEC recommends that the beginning phrase be revised to read "(3) The facilities of each investor-owned utility shall be constructed...".

Section 25-6.034(5)

This section deals with construction standards. In line with general comments above, LCEC recommends that in each of the first two sentences the term "each utility" be replaced with "each investor-owned utility".

Section 25-6.034(6)

This section deals with construction standards. In line with general comments above, LCEC recommends that the term “each utility” be replaced with “each investor-owned utility”.

Section 25-6.034(7)

This section involves construction practices that are unrelated to electrical safety. In line with general comments above, LCEC recommends that this section be re-titled “(7) Location of the investor-owned utility’s electric facilities.”

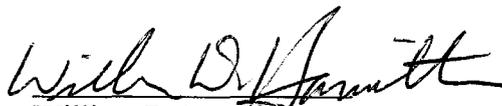
Section 25-6.034(8)

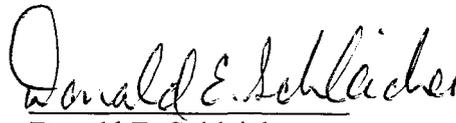
This section deals with construction standards. In line with general comments above, LCEC recommends that in the initial sentence of this section the term “each utility” be replaced with “each investor-owned utility”.

CONCLUSION

LCEC appreciates the opportunity extended by Staff to comment on proposed rules. It is apparent from the dialogue at the rule development workshops and the docketed filings that LCEC shares an interest consistent with others in cost effectively protecting members (owners and customers) from the impacts of extreme weather events. We will continue to make considered improvements in this area and encourage the Commission to remain within jurisdictional boundaries in promoting this interest.

Respectfully submitted,


William D. Hamilton


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