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KATRINA J. TEW



OFFICE OF THE GENERAL COUNSEL
MICHAEL G. COOKE
GENERAL COUNSEL
(850) 413-6199

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Public Service Commission **COMMISSIONER CLERK**

December 13, 2006

Mr. Scott Boyd, Executive Director
Joint Administrative Procedures
Committee
Room 120 Holland Building
Tallahassee, Florida 32399-1300

Re: Docket No. 060172-EU – Proposed rules governing placement of new electric distribution facilities underground, and conversion of existing overhead distribution facilities to underground facilities, to address effects of extreme weather events.
Docket No. 060173-EU – Proposed amendments to rules regarding overhead electric facilities to allow more stringent construction standards than required by National Electric Safety Code.

Dear Mr. Boyd:

Enclosed is the notice of change, which will be published in the Florida Administrative Weekly on December 22, 2006, and the statement of changes for the proposed Rules 25-6.034, 25-6.0341, 25-6.0342, 25-6.0345, 25-6.064, 25-6.078, and 25-6.115, F.A.C. You will note that the Commission's changes resolve all the concerns previously raised by Mr. Rosner.

Provided that we successfully resolve the pending administrative challenge to the rules at the Department of Administrative Hearings, we plan to file the rules for adoption immediately after receipt of the DOAH final order.

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- SEC 1
- OTH _____

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Enclosure

cc: Division of the Commission Clerk
and Administrative Services

Sincerely,

Larry D. Harris
Associate General Counsel

DOCUMENT NUMBER-DATE
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FPSC-COMMISSION CLERK

STATEMENT OF CHANGES

Rule 25-6.034

As proposed by the Commission on July 7, 2006, Rule 25-6.034 retained the substance of existing subsection (1) of the rule, and deleted existing subsection (2), replacing a requirement to comply with the American National Standards Institute (ANSI) Codes C-12 and 57.13 with a requirement to comply with the applicable edition of the National Electrical Safety Code (NESC). The proposed rule went on to require each utility to establish, within 180 days of the effective date of the rule, construction standards for overhead and underground electrical facilities. With its December 5, 2006, vote to adopt the rule, with changes, the Commission determined that the limited scope of existing Rule 25-6.034 should be maintained, without the inclusion of additional requirements. Additional requirements for electrical facilities are to be addressed in separate rule 25-6.0342.

Existing subsection (2) is stricken in its entirety and replaced with language requiring utilities to, at a minimum, comply with the NESC. Facilities constructed on or after February 1, 2007, must reference the 2007 edition of the NESC, while facilities constructed prior to February 1, 2007, shall be governed by the edition of the NESC specified by subsections 013.B.1, 013.B.2, and 013.B.3 of the 2007 NESC. The remaining amendments to this rule proposed by the Commission on July 7, 2006, are moved to new Rule 25-6.0342, Electrical Infrastructure Storm Hardening.

Rule 25-6.0341

25-6.0341(1): The word “practical” is deleted.

25-6.0341(5): A number of changes are made, including requiring IOUs to seek in good faith input from affected joint users of electrical facilities that become subject to expansion, rebuild or relocation projects, if such projects result in the relocation of the facilities to the front of a customer’s property; notification of the IOUs’ planned relocation projects; and how affected joint user concerns about cost impacts will be addressed. It also provides that construction must be coordinated, where practical.

25-6.0341(6): Language is added to clarify that any dispute related to the location of electrical facilities shall be resolved by the Commission.

Rule 25-6.0342

As proposed on July 7, 2006, Rule 25-6.0342 is titled “Third-Party Attachment Standards and Procedures.” The Commission removed all of the construction standards provisions from Rule 25-6.034 as proposed July 7, 2006 and moved them to this rule, and substantially revised the language.

25-6.0342(1): Subsection (1) is an expanded version of Rule 25-6.034(1) as proposed July 7, 2006. The expansion of the proposed language makes clear that strengthening activities must be cost-effective in order to reduce restoration costs and outage times to end use customers.

25-6.0342(2): Subsection (2), “Storm Hardening Plans,” requires that within 90 days after the effective date of this rule, and at least every three years thereafter, each utility will file for Commission approval a detailed plan for strengthening its system to enhance reliability and reduce restoration costs and outage times. The subsection also makes explicit that such plans

must be prudent, practical, and cost-effective to affected parties. This language replaces the construction standards requirement in Rule 25-6.034, as proposed July 7, 2006.

25-6.0342(3): Subsection (3), "Contents of Plan," is a modified version of Rule 25-6.034(4) and (5) as proposed July 7, 2006. The construction standards required by that rule are now items that each utility must address in its storm hardening plan, which the Commission will review for approval.

25-6.0342(4): Subsection (4), "Deployment Strategy," is a modified version of Rule 25-6.034(6) as proposed July 7, 2006. This subsection requires each utility to provide a detailed description of the systematic approach it will take to enhance reliability and reduce outages and restoration costs. The subsection specifies a number of factors that must be addressed by the utility.

25-6.0342(5): Subsection (5), "Attachments Standards and Procedures," is a modification of Rule 25-6.0342 as originally proposed July 7, 2006. It makes clear the requirement that utilities shall maintain written standards and procedures for attachments to poles.

25-6.0342(6): Subsection (6), "Input from Third Parties," makes clear that each utility must seek in good faith, and evaluate for incorporation in its plan, input, including cost effects, from existing joint-use entities. This subsection is based upon subsection (8) of Rule 25-6.034, as proposed July 7, 2006.

25-6.0342(7): Subsection (7), "Dispute Resolution," adds an explicit requirement that any dispute or challenge to a utility's storm hardening plan shall be resolved by the Commission.

25-6.0342(8): Subsection (8) has been added to make clear that this rule is not intended to conflict, in any way, with federal jurisdiction over third-party access to IOU facilities or the rates, terms, or conditions of pole attachments.

Rule 25-6.0345

25-6.0345(1): The edition of the NESC that is incorporated by reference is changed to the 2007 edition. The 2007 NESC will be the minimum applicable safety standards for electric transmission and electric distribution facilities for all new facilities constructed on or after February 1, 2007. Facilities constructed prior to February 1, 2007, shall be governed by the edition of the NESC specified by subsections 013.B.1, 013.B.2, and 013.B.3 of the 2007 NESC.

Rule 25-6.064

Because storm hardening plans were moved from Rule 25-6.034 to Rule 25-6.0342, one change was made to this rule, as proposed, to reference the correct rule citation. The references in subsection (5) of the proposed rule to Rule 25-6.034 are changed to Rule 25-6.0342.

Rule 25-6.078

Because storm hardening plans were moved from Rule 25-6.034 to Rule 25-6.0342, one change was made to this rule, as proposed, to reference the correct rule citation. The references in subsection (2) of the proposed rule to Rule 25-6.034, are changed to Rule 25-6.0342.

Rule 25-6.115

Because storm hardening plans were moved from Rule 25-6.034 to Rule 25-6.0342, one change needs to be made to this rule, as proposed, to reference the correct rule citation. The references in paragraph 8(a) and subsection (9) of the proposed rule to Rule 25-6.034 are changed to Rule 25-6.0342.