

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 ORDER NO. PSC-07-1020-FOF-EI ISSUED: December 28, 2007
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The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman
MATTHEW M. CARTER II
KATRINA J. McMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

APPEARANCES:

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On behalf of Tampa Electric Company (TECO).

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TRACY HATCH, ESQUIRE, 101 North Monroe Street, Suite 700, Tallahassee,
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(AT&T) and TCG South Florida, Inc. (TCG)

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On behalf of Embarq Florida, Inc. (Embarq)

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On behalf of the Florida Public Service Commission (Staff).

FINAL ORDER APPROVING TAMPA ELECTRIC COMPANY'S 2007 STORM
HARDENING PLAN

BY THE COMMISSION:

Background

The hurricanes of 2004 and 2005 that made landfall in Florida resulted in extensive storm restoration costs and long-term electric service interruptions for millions of electric investor-owned utility (IOU) customers. On January 23, 2006, we conducted a workshop to discuss the damage to electric utility facilities resulting from the recent hurricanes and to explore ways of minimizing future storm damages and customer outages. State and local government officials, independent technical experts, and Florida's electric utilities participated in the workshop.

On February 27, 2006, we issued Order No. PSC-06-0144-PAA-EI, requiring the IOUs to begin implementing an eight-year inspection cycle of their respective wooden poles.¹ In that Order, we noted:

The severe hurricane seasons of 2004 and 2005 have underscored the importance of system maintenance activities of Florida's electric IOUs. These efforts to maintain system components can reduce the impact of hurricanes and tropical storms upon utilities' transmission and distribution systems. An obvious key component in electric infrastructure is the transmission and distribution poles. If a pole fails, there is a high chance that the equipment on the pole will be damaged, and failure of one pole often causes other poles to fail. Thus, wooden poles must be maintained or replaced over time because they are prone to deterioration. Deteriorated poles have lost some or most of their original strength and are more prone to fail under certain environmental conditions such as high winds or ice loadings. The only way to know for sure which poles are acceptable, which poles must be treated or braced, and which poles must be replaced is through periodic inspections.

Id. at 2. Also, in a separate order, we required Florida's local exchange telecommunications companies to implement an eight-year inspection cycle of their wooden poles.²

At a February 27, 2006, internal affairs conference, we were briefed on recommended additional actions to address the effects of extreme weather events on electric infrastructure. We also heard comments from interested persons and Florida's electric utilities regarding our staff's recommended actions. Ultimately, we decided the following:

¹ Docket No. 060078-EI, In re: Proposal to require investor-owned electric utilities to implement ten-year wood pole inspection program.

² Order No. PSC-06-0168-PAA-TL, issued March 1, 2006, in Docket No. 060077-TL, In re: Proposal to require local exchange telecommunications companies to implement ten-year wood pole inspection program.

- 1) All Florida electric utilities, including municipal utilities and rural electric cooperative utilities, would provide an annual Hurricane Preparedness Briefing;
- 2) Our staff would file a proposed agency action recommendation for the April 4, 2006, agenda conference requiring each investor-owned electric utility to file plans and estimated implementation costs for ongoing storm preparedness initiatives;
- 3) A docket would be opened to initiate rulemaking to adopt distribution construction standards that are more stringent than the minimum safety requirements of the National Electrical Safety Code (NESC); and
- 4) A docket would be opened to initiate rulemaking to identify areas and circumstances where distribution facilities should be required to be constructed underground.

On April 25, 2006, we issued Order No. PSC-06-0351-PAA-EI, requiring all investor-owned electric utilities to file plans and estimated implementation costs for ten ongoing storm preparedness initiatives (Ten Initiatives) on or before June 1, 2006.³ The Ten Initiatives are:

- 1) A Three-year Vegetation Management Cycle for Distribution Circuits;
- 2) An Audit of Joint-Use Attachment Agreements;
- 3) A Six-year Transmission Structure Inspection Program;
- 4) Hardening of Existing Transmission Structures;
- 5) A Transmission and Distribution Geographic Information System;
- 6) Post-Storm Data Collection and Forensic Analysis;
- 7) Collection of Detailed Outage Data Differentiating Between the Reliability Performance of Overhead and Underground Systems;
- 8) Increased Utility Coordination with Local Governments;
- 9) Collaborative Research on Effects of Hurricane Winds and Storm Surge;
- and
- 10) A Natural Disaster Preparedness and Recovery Program.

These Ten Initiatives were not intended to encompass all reasonable ongoing storm preparedness activities. Rather, we viewed these initiatives as the starting point of an ongoing process.⁴ By Order Nos. PSC-06-0781-PAA-EI (TECO, Florida Public Utilities Company), PSC-06-0947-PAA-EI (PEF, Gulf), and PSC-07-0468-FOF-EI (FPL), we addressed the adequacy of the IOUs' plans for implementing the Ten Initiatives.

Separate from the Ten Initiatives, we pursued rulemaking to address distribution construction standards that are more stringent than the minimum safety requirements of the NESC and the identification of areas and circumstances where distribution facilities should be

³ Docket No. 060198-EI, In re: Requirement for investor-owned electric utilities to file ongoing storm preparedness plans and implementation cost estimates.

⁴ Order No. PSC-06-0947-PAA-EI, page 2, issued November 13, 2006, in Docket No. 060198-EI, In re: Requirement for investor-owned electric utilities to file ongoing storm preparedness plans and implementation cost estimates.

required to be constructed underground.⁵ Rule 25-6.0342, Florida Administrative Code (F.A.C.), was adopted as a result of these rulemaking efforts.⁶

Rule 25-6.0342, F.A.C., requires each IOU to file an Electric Infrastructure Storm Hardening Plan (Plan) for review and approval by us. The Rule also requires the Plan to contain a description of construction standards, policies, practices, and procedures to enhance the reliability of overhead and underground electrical transmission and distribution facilities. The Rule requires at a minimum, that each IOU's Plan address the following:

- (a) Compliance with the NESC.
- (b) Extreme wind loading (EWL) standards for: (i) new construction, (ii) major planned work, including expansion, rebuild, or relocation of existing facilities, and (iii) critical infrastructure facilities and along major thoroughfares.
- (c) Mitigation of damage due to flooding and storm surges.
- (d) Placement of facilities to facilitate safe and efficient access for installation and maintenance.
- (e) A deployment strategy including: (i) the facilities affected, (ii) technical design specifications, construction standards, and construction methodologies (iii) the communities and areas where the electric infrastructure improvements are to be made, (iv) the impact on joint use facilities on which third-party attachments exist, (v) an estimate of the costs and benefits to the utility of making the electric infrastructure improvements, and (vi) an estimate of the costs and benefits to third-party attachers affected by the electric infrastructure improvements.
- (f) The inclusion of Attachment Standards and Procedures for Third-Party Attachers.

On May 7, 2007, Florida Power & Light Company (FPL), Gulf Power Company (Gulf), Progress Energy Florida, Inc. (PEF), and Tampa Electric Company (TECO) each filed its 2007 Electric Infrastructure Storm Hardening Plan. Docket Nos. 070297-EI (TECO), 070298-EI (Progress), 070299-EI (Gulf), and 070301-EI (FPL) were opened to address each filing. On June 19, 2007, we voted to set the dockets directly for a formal administrative hearing, with the additional mandate for our staff to conduct a series of informal workshops to allow the parties and our staff to identify disputed issues and potential areas for stipulation. By Order No. PSC-07-0573-PCO-EI, issued July 10, 2007, these dockets were consolidated for purposes of the hearing with the understanding that each utility's Plan would be ruled on separately.

Intervention in TECO's docket was granted to BellSouth Telecommunications, Inc., D/B/A AT&T Florida (AT&T),⁷ Embarq Corporation (Embarq),⁸ Florida Cable

⁵ Order No. PSC-06-0556-NOR-EU, issued June 28, 2006, in Docket No. 060172-EU, In re: 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, and Docket No. 060173-EU, In re: Proposed amendments to rules regarding overhead electric facilities to allow more stringent construction standards than required by National Electric Safety Code.

⁶ Order Nos. PSC-07-0043-FOF-EU and PSC-07-0043A-FOF-EU.

⁷ Order No. PSC-07-0611-PCO-EI, issued July 30, 2007.

⁸ Order No. PSC-07-0637, issued August 6, 2007.

Telecommunication Association, Inc. (FCTA),⁹ TCG South Florida, Inc. (TCG),¹⁰ and Verizon Florida, LLC (Verizon).¹¹ AT&T, Embarq, FCTA, TCG, and Verizon are collectively referred to as the Attachers.

A formal administrative hearing was held October 3-4, 2007. During the course of the hearing, the parties reached agreement on a number of issues in this docket, resulting in the docket being stipulated. We were also presented with a stipulated agreement called a "Process to Engage Third-Party Attachers." This process is designed to allow for the exchange of information between the parties. Per the stipulation, information will be shared among the parties and annual status reports will be filed with us. Disputes or challenges to issues related to a utility's Plan shall be resolved by us in accordance with Rule 25-6.0342(7), F.A.C. A request for dispute resolution can be filed at any time by a customer, applicant for service, or attaching entity.

This Order addresses TECO's Plan. We have jurisdiction to address this matter pursuant to Sections 366.04 and 366.05, Florida Statutes.

Summary of the Plan

During the hearing, the parties stipulated to all issues for TECO's Plan. TECO's Plan contains the previously approved Ten Initiatives and pole inspection requirements and also included all previously approved Commission storm hardening activities.

In addition, TECO's Plan continues the company's practice of building to the NESC Grade B construction for all new major planned expansions, rebuild or relocation of distribution facilities. With respect to transmission, all new transmission structures are constructed using the NESC EWL criteria, as well as rebuilds, and relocations of existing facilities. TECO's Plan also includes: (1) two targeted pilot projects to upgrade its Grade B construction to extreme wind on the circuits serving critical facilities in the city of Tampa; (2) one project to upgrade the transmission circuit feeding Tampa International Airport to current extreme wind standards; and (3) upgrades to specific targeted areas in its service area.

Another significant stipulation in TECO's plan, as well as the other three dockets, resolved an important provision in Rule 25-6.0342, F.A.C., requiring each utility to have Attachment Standards and Procedures that meet or exceed the NESC standards as part of their storm hardening Plans. We recognize that electric utilities must work in concert with the Attachers when proceeding with any system expansion or storm hardening project. Since storm hardening is a step beyond the business as usual approach, we have required the electric utilities to seek input from third-party attachers prior to submitting their Plans. At the hearing, we were presented with an agreement between the electric utilities and attachers called a "Process to Engage Third-Party Attachers." This process is designed to allow for the exchange of information between the parties. Per the stipulation, each IOU will share information with the

⁹ Order No. PSC-07-0612-PCO-EI, issued July 30, 2007.

¹⁰ Order No. PSC-07-0623-PCO-EI, issued July 31, 2007.

¹¹ Order No. PSC-070622-PCO-EI, issued July 31, 2007.

parties and file an annual status report with us. Disputes or challenges to issues related to a utility's Plan shall be resolved by us in accordance with Rule 25-6.0342(7), F.A.C. A request for dispute resolution can be filed at any time by a customer, applicant for service, or attaching entity.

TECO's Storm Hardening Plan

National Electric Safety Code Compliance

The parties stipulated that TECO's Plan addresses the extent to which, at a minimum, the Plan complies with the NESC (ANSI C-2) and that the Plan complies at a minimum with NESC. AT&T and TCG did not affirmatively stipulate this issue but took no position. TECO has historically designed its distribution facilities based on Grade B construction and its plan indicates that it will continue its Grade B construction design. Since Grade B construction is stronger than the NESC Grade C construction for TECO service area, we find that TECO's Plan meets the requirements of Rule 25-6.0342(3)(a), F.A.C.

Extreme Wind Loading Standards – New Construction

The parties stipulated that TECO's Plan addresses the extent to which the extreme wind loading standards are adopted for new distribution facility construction. TECO plans to build all new distribution facilities to Grade B construction. The maximum sustained wind experienced over the last 150 years in TECO's service area is 115 mph. Grade B construction is designed to effectively withstand 116 mph winds. AT&T, Embarq, TCG and Verizon did not affirmatively stipulate this issue but took no position. Based on the stipulation of the parties and the evidence in the record, we find that TECO's plan reasonably addresses the extent to which the extreme wind loading standards are adopted for new distribution facility construction, thus, TECO's plan meets the requirements of Rule 25-6.0342(3)(b)1, F.A.C.

Extreme Wind Loading Standards – Major Planned Work

The parties stipulated that TECO's Plan reasonably addresses the extent to which the extreme wind loading standards are adopted for major planned work on the distribution system. TECO plans to continue building to construction Grade B for all major planned expansion rebuild or relocation of distribution facilities. AT&T, Embarq, TCG, and Verizon did not affirmatively stipulate this issue but took no position. Based on the evidence in the record and the stipulation of the parties, we find that TECO's Plan meets the requirements of Rule 25-6.0342(3)(b)2, F.A.C.

Extreme Wind Loading Standards – Critical Infrastructure and Major Thoroughfares

The parties stipulated that TECO's Plan reasonably adopts extreme wind load (EWL) only for limited critical infrastructure pilot projects identified in its Plan. As stated, TECO plans to continue to build to Grade B construction. TECO has indicated through its Plan that building to Grade B construction includes critical infrastructure and major thoroughfares. TECO plans to

undertake specific pilot projects built to extreme wind as identified in its Plan. The pilot projects will be monitored and analyzed to determine cost-effectiveness prior to consideration of wide spread application. AT&T, Embarq, TCG, and Verizon did not affirmatively stipulate this issue but took no position. Based on the evidence in the record and the stipulation of the parties, we find that TECO's Plan meets the requirements of Rule 25-6.0342(3)(b)3, F.A.C.

Mitigation of Flooding and Storm Surge Damage

The parties stipulated that TECO reasonably addresses 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. TECO's standard for all new and maintenance replacement of underground distribution facilities (padmounted transformers, switchgear, load break cabinets and padmounted capacitors) located in its Flood Zone 1 designated area is to be built using stainless steel or aluminum construction with submersible connectors and bolted to the concrete pad. AT&T, Embarq, TCG, and Verizon did not affirmatively stipulate this issue but took no position. Based on the evidence in the record and the stipulation of the parties, we find that TECO meets the requirements of Rule 25-6.0342(3)(c), F.A.C.

Placement of New and Replacement Distribution Facilities

The parties stipulated that TECO's Plan reasonably addresses the extent to which the placement of new and replacement distribution facilities facilitate safe and efficient access for installation and maintenance. TECO's policy is to place all new distribution facilities in the public right-of-way (ROW). Also, TECO plans to continue to evaluate community or customer requests to relocate overhead facilities from rear lot locations to the front of customer's properties on a case-by-case basis for feasibility, practicality, and cost-effectiveness. AT&T, Embarq, TCG, and Verizon did not affirmatively stipulate this issue but took no position. Based on the evidence in the record and the stipulation of the parties, we find that TECO's Plan meets the requirements of Rule 25-6.0342(3)(d), F.A.C.

Deployment Strategies – Facilities Affected, Including Specifications and Standards

The parties stipulated that TECO's Plan contains a detailed three-year deployment strategy which includes a description of the facilities affected, technical design specifications, construction standards and methodologies. AT&T, FCTA, TCG, and Verizon did not affirmatively stipulate this issue but took no position. Based on the evidence in the record and the stipulation of the parties, we find that TECO's Plan meets the requirements of Rule 25-6.0342(4)(a), F.A.C.

Deployment Strategies – Areas of Infrastructure Improvements

The parties stipulated that TECO's Plan, with the adoption and approval of the "Process to Engage Third Party Attachers," provides 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. AT&T and TCG did not affirmatively stipulate this issue but took no position. Based on the evidence in the record and the stipulation of the parties, we find that TECO's Plan meets the requirements of Rule 25-6.0342(4)(b), F.A.C.

Deployment Strategy – Joint Use Facilities

The parties stipulated that TECO's Plan, with the adoption and approval of the "Process to Engage Third Party Attachers," provides a detailed description of the extent to which the electric infrastructure improvements involve joint use facilities on which third-party attachments exist. AT&T and TCG did not affirmatively stipulate this issue but took no position. TECO has also met with Third Party Attachers and provided details of the proposed pilot projects. TECO provided the Third Party Attachers with routes, the number of poles affected, and TECO's projected cost for all of the projects in TECO's Storm Hardening Plan. Based on the evidence in the record and the stipulation of the parties, we find that TECO's Plan meets the requirements of Rule 25-6.0342(4)(c), F.A.C.

Deployment Strategy – Utility Costs/Benefits Estimates

The parties stipulated that TECO's Plan, with the adoption and approval of the "Process to Engage Third Party Attachers," provides a reasonable 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. AT&T, Embarq, TCG, and Verizon did not affirmatively stipulate this issue but took no position. Based on the evidence in the record and the stipulation of the parties, we find that TECO's Plan meets the requirements of Rule 25-6.0342(4)(d), F.A.C.

Deployment Strategy – Attachers Costs/Benefits Estimates

The parties stipulated that TECO's Plan, with the adoption and approval of the "Process to Engage Third Party Attachers," provides 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. AT&T and TCG did not affirmatively stipulate this issue but took no position. Based on the evidence in the record and the stipulation of the parties, we find that TECO's Plan meets the requirements of Rule 25-6.0342(4)(e), F.A.C.

Attachment Standards and Procedures

The parties stipulated that TECO's Plan includes 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., with the understanding that Tampa Electric is not seeking our approval of its attachment standards and procedures for third-party attachers beyond a finding that Tampa Electric has attachment standards and procedures for third-party attachers

that meet or exceed the NESC. AT&T, FCTA, TCG, and Verizon did not affirmatively stipulate this issue but took no position. Based on the evidence in the record and the stipulation of the parties, we find that TECO's Plan meets the requirements of Rule 25-6.0342(5), F.A.C.

Plan Approval

The parties stipulated that TECO'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. AT&T, FCTA, TCG, Embarq, and Verizon did not affirmatively stipulate this issue but took no position. Based on the resolution of the issues, the evidence in the record and the stipulation of the parties, we find that TECO'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. We note that the cost/benefit estimates provided in TECO's Storm Hardening Plans are non-binding and subject to change. In keeping with past practices, we expect TECO to prudently manage their resources and assets for the benefit of the general body of ratepayers. The actual expenditures resulting from TECO's Storm Hardening Plan will be reviewed when cost recovery is requested. Therefore, we approve TECO's Plan.

Storm Hardening Plan Filing Date

Rule 25-6.0342, F.A.C. requires each investor owned utility to file its updated Storm Hardening Plan every three years. Pursuant to this rule, TECO shall file an updated Storm Hardening Plan by May 1, 2010.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Tampa Electric Company's 2007 Electric Infrastructure Storm Hardening Plan is consistent with Rule 25-06.0342, Florida Administrative Code, and is therefore approved. It is further

ORDERED that in accordance with Rule 25-6.0342, F.A.C., Tampa Electric Company's updated storm hardening plan shall be filed by May 1, 2010. It is further

ORDERED that upon expiration of the period for appeal, Docket No. 070297-EI shall be closed.

By ORDER of the Florida Public Service Commission this 28th day of December, 2007.



ANN COLE
Commission Clerk

(S E A L)

KY, LCB, KEF

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.