FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF STAFF RULE DEVELOPMENT WORKSHOP

TO

ALL INTERESTED PERSONS

DOCKET NO. 20190131-EU

IN RE: Proposed adoption of Rule 25-6.030, F.A.C., Storm Protection Plan and Rule 25-6.031, F.A.C., Storm Protection Plan Cost Recovery Clause, and proposed amendment or repeal of Rule 25-6.0143, F.A.C., Use of Accumulated Provision Accounts 228.1, 228.2, and 228.4, Rule 25-6.034, F.A.C., Standard of Construction, Rule 25-6.0341, F.A.C., Location of the Utility’s Electric Distribution Facilities, Rule 25-6.0342, F.A.C., Electric Infrastructure Storm Hardening, Rule 25-6.0343, F.A.C., Municipal Electric Utility and Rural Electric Cooperative Reporting Requirements, Rule 25-6.0345, F.A.C., Safety Standards for Construction of New Transmission and Distribution Facilities, Rule 25-6.044, F.A.C., Continuity of Service, Rule 25-6.0455, F.A.C., Annual Distribution Service Reliability Report, Rule 25-6.061, F.A.C., Relocation of Poles, Rule 25-6.064, F.A.C., Contribution-in-Aid-of-Construction for Installation of New or Upgraded Facilities, Rule 25-6.077, F.A.C., Installation of Underground Distribution Systems within New Subdivisions, Rule 25-6.078, F.A.C., Schedule of Charges, Installation of Underground Distribution Systems within New Subdivisions, Rule 25-6.081, F.A.C., Construction Practices, and Rule 25-6.115, F.A.C., Facility Charges for Conversion of Existing Overhead Investor-owned Distribution Facilities.

ISSUED: August 8, 2019

NOTICE is hereby given that a staff rule development workshop will be held at the following time and place:

Tuesday, August 20, 2019, 9:30 a.m.

Room 148, Betty Easley Conference Center

4075 Esplanade Way

Tallahassee, FL 32399-0850

The draft rules and the agenda for the workshop are attached.

 One or more Commissioners may be in attendance and participate in the workshop. The persons to be contacted regarding this rule development are Adria Harper, (850) 413-6082, aharper@psc.state.fl.us or Andrew King, (850) 413-6195, aking@psc.state.fl.us., Office of the General Counsel, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.

 In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this workshop should contact the Office of Commission Clerk no later than five days prior to the workshop at 2540 Shumard Oak Boulevard., Tallahassee, Florida 32399-0850 or 850-413-6770 (Florida Relay Service, 1-800-955-8770 Voice or 1-800-955-8771 TDD). Assisted Listening Devices are available upon request from the Office of Commission Clerk, Gerald L. Gunter Building, Room 152.

If a named storm or other disaster requires cancellation of the proceedings, notice of cancellation will be provided on the Commission’s website (http://www.psc.state.fl.us/) under the Hot Topics link found on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at 850-413-6199.

 By DIRECTION of the Florida Public Service Commission this 8th day of August, 2019.

|  |  |
| --- | --- |
|  | /s/ Adam J. Teitzman |
|  | ADAM J. TEITZMANCommission Clerk |

Florida Public Service Commission

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399

(850) 413-6770

www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

AEH

FLORIDA PUBLIC SERVICE COMMISSION

AGENDA

STAFF RULE DEVELOPMENT WORKSHOP - DOCKET NO. 20190131-EU

In re: Proposed Adoption of Rule 25-6.030, F.A.C., Storm Protection Plan and Rule 25-6.031, F.A.C., Storm Protection Plan Cost Recovery Clause, and proposed amendment or repeal of Rule 25-6.0143, Use of Accumulated Provision Accounts 228.1, 228.2, and 228.4, Rule 25-6.034, Standard of Construction, Rule 25-6.0341, Location of the Utility’s Electric Distribution Facilities, Rule 25-6.0342, Electric Infrastructure Storm Hardening, Rule 25-6.0343, Municipal Electric Utility and Rural Electric Cooperative Reporting Requirements, Rule 25-6.0345, Safety Standards for Construction of New Transmission and Distribution Facilities, Rule 25-6.044 Continuity of Service, Rule 25-6.0455, Annual Distribution Service Reliability Report, Rule 25-6.061, Relocation of Poles, Rule 25-6.064, Contribution-in-Aid-of-Construction for Installation of New or Upgraded Facilities, Rule 25-6.077, Installation of Underground Distribution Systems within New Subdivisions, Rule 25-6.078, Schedule of Charges, Installation of Underground Distribution Systems within New Subdivisions, Rule 25-6.081, Construction Practices, Rule 25-6.115 Facility Charges for Conversion of Existing Overhead Investor-owned Distribution Facilities.

August 20, 2019

9:30 a.m.

Betty Easley Conference Center, Room 148

4075 Esplanade Way

Tallahassee, Florida 32399-0850

1. Welcome – Staff.
2. Staff overview and stakeholder comments on draft Rule 25-6.030, Storm Protection Plan.
3. Staff overview and stakeholder comments on draft Rule 25-6.031, Storm Protection Plan Cost Recovery Clause.
4. Discussion on whether existing PSC rules should be amended or repealed.
5. Discussion of next steps.
6. Adjourn.

 **25-6.030 Storm Protection Plan.**

 (1) Application and Scope. Each investor-owned electric utility (utility) must file a petition with the Commission for the approval of a Transmission and Distribution Storm Protection Plan (Storm Protection Plan) that covers the utility’s immediate 10-year planning period. Each utility must file, for Commission approval, an updated Storm Protection Plan at least every 3 years.

 (2) For the purpose of this rule, the following definitions apply:

 (a) “Storm protection program” – a category or type of activity that is undertaken to enhance the utility’s existing infrastructure for the purpose of reducing restoration costs, reducing outage times, and improving overall service reliability.

 (b) “Storm protection project” – a specific activity within a storm protection program designed for the enhancement of a specified portion of existing electric transmission or distribution facilities for the purpose of reducing restoration costs, reducing outage times, and improving overall service reliability.

 (c) “Transmission and distribution facilities” – all utility owned poles and fixtures, towers and fixtures, overhead conductors and devices, substations and related facilities, land and land rights, roads and trails, underground conduits, and underground conductors.

 (3) Contents of the Storm Protection Plan. For each Storm Protection Plan, the following information must be provided:

 (a) A description of how implementation of the proposed Storm Protection Plan will strengthen electric utility infrastructure to withstand extreme weather conditions by promoting the overhead hardening of electrical transmission and distribution facilities, the undergrounding of certain electrical distribution lines, and vegetation management.

 (b) A description of how implementation of the proposed Storm Protection Plan will reduce restoration costs and outage times associated with extreme weather events and improve overall service reliability.

 (c) A description of the utility’s service area, including areas prioritized for enhancement and any areas where the utility has determined that enhancement of the utility’s existing transmission and distribution facilities would not be feasible, reasonable, or practical. Such description must include a general map, number of customers served within each area, and the utility’s reasoning for prioritizing certain areas for enhanced performance and for designating other areas of the system as not feasible, reasonable, or practical.

 (d) A description of each proposed storm protection program that includes:

 1. A description of how each proposed storm protection program is designed to enhance the utility’s existing transmission and distribution facilities including an estimate of the resulting reduction in outage times and restoration costs due to extreme weather events;

 2. If applicable, the actual or estimated start and completion dates of the program;

 3. A description of any storm protection programs that were considered but not included in the Storm Protection Plan, and an explanation for why the program was not included;

 4. A cost estimate including capital and operating expenses, both fixed and variable;

 5. A comparison of the costs identified in subparagraph (3)(d)4. and the benefits identified in subparagraph (3)(d)1.; and

 6. A description of the criteria used to select and prioritize proposed storm protection programs.

 (d) For each of the first three years in a utility’s Storm Protection Plan, the utility must provide a description of each proposed storm protection project that includes:

 1. The actual or estimated construction start and completion dates;

 2. A description of the affected existing facilities, including number and type(s) of customers served, historic service reliability performance during extreme weather events, and how this data was used to prioritize the proposed storm protection project; and

 3. A cost estimate including capital and operating expenses, both fixed and variable; and

 4. A description of the criteria used to select and prioritize proposed storm protection projects.

 (e) For each of the first three years in a utility’s Storm Protection Plan, the utility must provide a description of its proposed vegetation management activities including:

 1. The projected locations and frequency;

 2. The projected miles of affected transmission and distribution overhead facilities;

 3. The estimated annual labor and equipment costs for both utility and contractor personnel; and

 4. An description of how the vegetation management activity will reduce outage times and restoration costs due to extreme weather events.

 (f) An estimate of the annual jurisdictional revenue requirements for each year of the Storm Protection Plan.

 (g) An estimate of rate impacts for each of the first three years of the Storm Protection Plan for residential, commercial, and industrial customers.

 (h) A description of any implementation alternatives that could mitigate the resulting rate impact for each of the first three years of the proposed Storm Protection Plan.

 (i) Any other factors the utility requests the Commission to consider.

 (4) By June 1, each utility must submit to the Commission Clerk an annual status report on the utility’s Storm Protection Plan programs and projects. The annual status report shall include:

 (a) Identification of all Storm Protection Plan programs and projects completed or planned for completion;

 (b) Actual costs and rate impacts associated with completed programs and projects as compared to the estimated costs and rate impacts for those programs and projects; and

 (c) Estimated costs and rate impacts associated with programs and projects planned for completion during the next year of the Storm Protection Plan.

*Rulemaking Authority 366.96, FS. Law Implemented 366.96, FS. History–New \_\_\_\_\_.*

 **25-6.031 Storm Protection Plan Cost Recovery Clause.**

 (1) Application and Scope. This rule applies to each investor-owned electric utility (utility).

 (2) After the Commission has issued a final order approving a utility’s Transmission and Distribution Storm Protection Plan (Storm Protection Plan), a utility may file a petition for recovery of associated costs through the Storm Protection Plan cost recovery clause. The utility’s petition shall be supported by testimony that provides details on the annual Storm Protection Plan implementation activities and associated costs, and how those activities and costs are consistent with its approved Storm Protection Plan.

 (3) An annual hearing to address petitions for recovery of Storm Protection Plan costs will be limited to determining the reasonableness of projected Storm Protection Plan costs, the prudence of actual Storm Protection Plan costs incurred by the utility, and to establish Storm Protection Plan cost recovery factors consistent with the requirements of this rule.

 (4) Deferred accounting treatment. Storm Protection Plan cost recovery clause true-up amounts shall be afforded deferred accounting treatment at the 30-day commercial paper rate.

 (5) Subaccounts. To ensure separation of costs subject to recovery through the clause, the utility filing for cost recovery shall maintain subaccounts for all items consistent with the Uniform System of Accounts prescribed by this Commission, pursuant to Rule 25-6.014, F.A.C.

 (6) Recoverable costs.

 (a) The utility’s petition for recovery of costs associated with its Storm Protection Plan may include costs incurred after the filing of the utility’s Storm Protection Plan.

 (b) Storm Protection Plan costs recoverable through the clause shall not include costs recovered through the utility’s base rates or any other cost recovery mechanism.

 (c) The utility may recover the annual depreciation expense on capitalized Storm Protection Plan expenditures using the utility’s most recent Commission-approved depreciation rates. The utility may recover a return on the undepreciated balance of the costs calculated at the utility’s weighted average cost of capital using the return on equity most recently approved by the Commission.

 (7) Pursuant to the order establishing procedure in the annual cost recovery proceeding, a utility shall submit the following for Commission review and approval as part of its cost recovery filings:

 (a) Final True-Up for Previous Year. The utility shall submit its final true-up of Storm Protection Plan revenue requirements based on actual costs for the prior year and previously filed costs and revenue requirements for such prior year and a description of the work actually performed during such year.

 (b) Estimated True-Up for Current Year. The utility shall submit its actual/estimated true-up of Storm Protection Plan revenue requirements based on a comparison of current year actual/estimated costs and the previously-filed projected costs and revenue requirements for such current year and a description of the work projected to be performed during such year.

 (c) Projected Costs for Subsequent Year. The utility shall submit its projected Storm Protection Plan costs and revenue requirements for the subsequent year and a description of the work projected to be performed during such year.

 (d) True-Up of Variances. The utility shall report observed true-up variances including sales forecasting variances, changes in the utility’s prices of services and/or equipment, and changes in the scope of work relative to the estimates provided pursuant to subparagraphs (7)(b) and (7)(c). The utility shall also provide explanations for variances regarding the implementation of the approved Storm Protection Plan.

 (e) Proposed Storm Protection Plan Cost Recovery Factors. The utility shall provide the calculations of its proposed factors and effective 12-month billing period

 (8) Recovery of costs under this rule does not preclude a utility from proposing inclusion of future Storm Protection Plan costs in base rates in a subsequent rate proceeding.

*Rulemaking Authority 366.96, FS. Law Implemented 366.96, FS. History–New \_\_\_\_\_*.