CHELCO

Owned By Those We Serve

February 7, 2013

Mr. Tom Ballinger
Florida Public Service Commission
2540 Shumard Oaks Blvd.
Tallahassee, FL 32399-0850

Re: Report for Rule 25-6.0343, F.A.C.

Attached is Choctawhatchee Electric Cooperative, Inc's (CHELCO) report for Rule 25-6.0343, F.A.C. due March 1, 2013. If you have any questions regarding the information provided in this report, please contact me at (850) 892-5069 Ext. 312.

Regards,

J. Matthew Avery, P.E.
Vice President of Engineering

Cc; Steve Rhodes, Chief Executive Officer, CHELCO
Cc; Donny Fugate, Vice President of Operations, CHELCO
Cc; Michelle Hershel, FECA

Choctawhatchee Electric Cooperative, Inc. (CHELCO)
Report to Florida PSC
Pursuant to Rule 25-6.0343, F.A.C.
Calendar Year 2012
Submitted February 7, 2013

1. Introduction
   - CHELCO – Choctawhatchee Electric Cooperative, Inc.
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     DeFuniak Springs, FL 32435
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     Vice President of Engineering
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2. Number of Meters Served in 2012: 47,683

3. Standards of Construction
   a) **National Electrical Safety Code Compliance -** Construction standards, policies, guidelines, practices, and procedures at CHELCO comply with the National Electrical Safety Code (ANSI C-2) [NESC]. For electrical facilities constructed on or after February 1, 2007, the 2007 NESC applies. Electrical facilities constructed prior to February 1, 2007, are governed by the edition of the NESC in effect at the time of the facility's initial construction.
   b) **Extreme Wind Loading Standards -** Construction standards, policies, guidelines, practices, and procedures at CHELCO are guided by the extreme wind loading standards specified by Figure 250-2(d) of the 2002 edition of the NESC. This statement applies to new construction, major planned work, targeted critical infrastructure facilities, major thoroughfares and maintenance work orders.
   c) Electrical construction standards, policies, guidelines, practices, and procedures at CHELCO address the effects of **flooding and storm surges** on underground distribution facilities and supporting overhead facilities. CHELCO reviews each project on a case by case basis to determine the effects of flooding and storm surge. We

make recommendations to the counties that ultimately approve the developments.

d) Electrical construction standards, policies, guidelines, practices, and procedures at CHELCO provide for placement of new and replacement distribution facilities to facilitate **safe and efficient access** for installation and maintenance. New facilities are placed in front or side of the property and all facilities are installed to allow access by CHELCO crews and vehicles to ensure proper maintenance/repair is performed as expeditiously and safely as possible. CHELCO decides on a case-by-case basis whether existing facilities need to be relocated. In 2012, to further harden our system CHELCO replaced 3 critical wood pole structures with concrete poles and set an additional 23 concrete poles as part of the ongoing distribution system upgrades or improvements.

e) The **pole attachment agreements** between CHELCO and third-party attachers include language which specifies that the attacher, not the cooperative, has the burden of assessing pole strength and safety before they attach to the pole. However, before approving any attachment, CHELCO reviews each proposed attachment to insure each attachment will meet the National Electric Safety Code and CHELCO standards. CHELCO performs follow-up audits to ensure the attachment is properly installed and maintained. We also inspect and physically count every attachment on a 3-year cycle.

4. Facility Inspections

a) We inspect new construction of power lines on a monthly basis. Each month work orders are closed and routed to the inspector. Work orders are selected at random and represent all types of construction and an accounting of the total dollars spent. We inspect poles, conductor, equipment, and any attachments made on the poles for NESC requirements and specifications.

   CHELCO also uses an outside contractor for pole inspections. We are on an eight-year cycle to cover all the poles on our system, and have been conducting pole inspections since the 1960's. Currently, our contractor inspects between 5000 and 7500 poles per year.

b) During 2012, CHELCO selected for inspection 302 different work orders. This inspection ranged from one span single phase primary lines to complex three phase lines. In

addition to these planned inspections, our pole inspection contractor inspected 7,571 poles or 12.62% out of a system total pole count of 59,624.

c) During 2012, of the 7,571 poles that were inspected, there were 261 poles or 3.4% of the poles that failed inspection for various reasons ranging from split top to wood rot.

d) During 2012, 256 of the 261 poles that failed inspection were replaced.

5. Vegetation Management

a) CHELCO has no Board policy that directly relates to the Right of Way Program. See below for an overview of CHELCO's current program and practices.

b) CHELCO's current right of way program is designed to cut, mow, or otherwise manage one fifth of its right of way on an annual basis. Our standard of cutting is ten feet on either side of the primary line from ground to sky. In 2012, we performed 535 miles of maintenance cutting on primary line. We work to remove any existing problem trees under the primary line(s); this helps to reduce hot-spotting requirements between cycles. We do not require cutting around service conductors, but only the removal of limbs that are directly touching that may cause a problem before the next cutting cycle. We have an established herbicidal spraying program. All right of way floors are sprayed with a stump treat formula to prevent unwanted re-growth following the maintenance cutting program. We patrol all non-scheduled areas continually for danger trees that could affect a primary line through our service department, construction crews, right of way contractors, O & M Contract Administrator and calls from consumers.

6. Storm Hardening Research

a) CHELCO continues to harden our distribution system as mentioned above. We also continue to participate in and monitor the findings of the "Report on Collaborative Research for Hurricane Hardening" (included at the end of this report) provided by The Public Utility Research Center and the University of Florida.

Report on Collaborative Research for Hurricane Hardening

Provided by

The Public Utility Research Center
University of Florida

To the

Utility Sponsor Steering Committee

February 2013

I. Introduction

The Florida Public Service Commission (FPSC) issued Order No. PSC-06-00351-PAA-EI on April 25, 2006 (Order 06-0351) directing each investor-owned electric utility (IOU) to establish a plan that increases collaborative research to further the development of storm resilient electric utility infrastructure and technologies that reduce storm restoration costs and outages to customers. This order directed IOUs to solicit participation from municipal electric utilities and rural electric cooperatives in addition to available educational and research organizations. As a means of accomplishing this task, the IOUs joined with the municipal electric utilities and rural electric cooperatives in the state (collectively referred to as the Project Sponsors) to form a Steering Committee of representatives from each utility and entered into a Memorandum of Understanding (MOU) with the University of Florida's Public Utility Research Center (PURC).

PURC manages the work flow and communications, develops work plans, serves as a subject matter expert, conducts research, facilitates the hiring of experts, coordinates with research vendors, advises the Project Sponsors, and provides reports for Project activities. The collaborative research has focused on undergrounding, vegetation management, hurricane-wind speeds at granular levels, and improved materials for distribution facilities.

This report provides an update on the activities of the Steering Committee since the previous report dated February 2012.

II. Undergrounding

The collaborative research on undergrounding has been focused on understanding the existing research on the economics and effects of hardening strategies, including undergrounding, so that

informed decisions can be made about undergrounding policies and specific undergrounding projects.

The collaborative has refined the computer model developed by Quanta Technologies and there has been a collective effort to learn more about the function and functionality of the computer code. PURC and the Project Sponsors have worked to fill information gaps for model inputs and significant efforts have been invested in the area of forensics data collection. Since the state has not been affected by any hurricanes since the database software was completed, there is currently no data. Therefore, future efforts to refine the undergrounding model will occur when such data becomes available.

In addition, PURC has worked with doctoral and master's candidates in the University of Florida Department of Civil and Coastal Engineering to assess some of the inter-relationships between wind speed and other environmental factors on utility equipment damage. PURC has also been contacted by engineering researchers at other universities with an interest in the model, though no additional relationships have been established. The researchers that contact PURC all cite the model as the only non-proprietary model of its kind.

The research discussed in last year's report on the relationship between wind speed and rainfall is still under review by the engineering press. Further results of this and related research can likely be used to further refine the model.

III. Wind Data Collection

The Project Sponsors entered into a wind monitoring agreement with WeatherFlow, Inc. Currently, WeatherFlow's Florida wind monitoring network includes 50 permanent wind monitoring stations around the coast of Florida. The wind, temperature, and barometric pressure data being collected at these stations has been made available to the Project Sponsors.

There have been no major impacts from hurricanes since the wind monitoring network was established. Once such an event does occur and wind data is captured, it is expected that forensic investigations of utilities' infrastructure failure will be conducted and overlaid with wind observations to correlate failure modes to wind speed and turbulence characteristics. Project Sponsors and PURC will analyze such data at that time.

IV. Public Outreach

In last year's report we discussed the impact of Hurricane Irene on greater interest in storm preparedness. PURC researchers discussed the collaborative effort in Florida with the engineering departments of the state regulators in Pennsylvania and Maryland. In addition, PURC researchers testified on the collaborative effort in a special session before the office of the Governor of Connecticut. While all of the regulators and policymakers showed great interest in the genesis of the collaborative effort, and the results of that effort, they have not, at this point, shown further interest in participating in the research effort. However, the impact of Hurricane Sandy has sparked interest in the research in the states of New York and New Jersey, and

representatives of regulatory and consumer organizations in both states have contacted PURC regarding the research and Florida's collaborative effort.

In August, PURC Director of Energy Studies Ted Kury participated in a teleseminar for state utility regulators sponsored by the National Regulatory Research Institute. During the seminar, he joined other participants in discussing the costs and benefits of relocating power lines underground. He also discussed the state's response to the 2004-05 hurricane seasons and shared lessons from the collaborative experience. In March of 2013, the *Wall Street Journal* will be publishing a special section on pressing energy issues where Kury will be contributing an essay on the costs and benefits of undergrounding.

V. Conclusion

In response to the FPSC's Order 06-0351, IOUs, municipal electric utilities, and rural electric cooperatives joined together and retained PURC to coordinate research on electric infrastructure hardening. The steering committee has taken steps to extend the research collaboration MOU so that the industry will be in a position to focus its research efforts on undergrounding research, granular wind research and vegetation management when significant storm activity affects the state.