



Control Number: 32182



Item Number: 19

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January 18, 2006

Dear Mr. Almon:

In answer to the questions 5 - 10 in the first set of questions:

5. How might your company's physical infrastructure be modified or replaced to enhance its ability to withstand severe hurricanes?

I believe using different spanning of the poles (closer together) would help improve its ability to withstand severe hurricanes. Also using a heavier class of pole would help. Right-of-way would need to be addressed also.

6. How does the cost of the modifications and replacements identified above compare with that of replacing storm-damaged infrastructure in the past?

I feel that it is better to replace or modify the infrastructure than to wait for it to be storm damaged and then replace. You do not have the loss of revenue and you do not have unhappy customers. The cost is usually cheaper per pole than if you replace it when it is damaged (usually on overtime). The only additional cost is the cost of using more poles when you respan and the higher cost of replacing pole with a heavier class of pole.

7. Has your company modified the planning, engineering and construction practices since Hurricane Rita for deploying facilities in the Texas Gulf coast region, if so how, please provide details.

We really do not have facilities in the actual Gulf coast region, the closest our facilities are is about one hundred and fifty miles from the actual coast. We have not modified the planning, engineering and construction practices because we are currently doing those practices discussed in question number 5.

8. How should the cost identified in the responses to the previous questions be recovered? Should the cost be recovered from the general body of ratepayers, from the ratepayers in the affected areas, or from some other source?

At a cooperative the costs are recovered from the general body of rate payers (a part of doing business). I do not believe it would be fair to just charge the ratepayers in the affected areas because they did not want to be without power and it was due to circumstances beyond their control (weather). The utility should try to recover as much as they can from FEMA or other agencies that may pay for loss of facilities to help buffer the costs.

9. What changes in depreciation practices are appropriate?

Might be nice to be able to depreciate the facilities faster to allow some relief.

10. Should utility standards of construction in coastal area be upgraded? Has your company provided input or planning to participate in activities of standard setting organizations? If so provide details.

The NESC (National Electrical Safety Code) provides for different standards of construction based on loading of the wire. Would just need to use the standards for heavier loading specifications. No, we have not provided input or planning to participate in the activities of standard setting organizations.

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Fayette Electric Cooperative

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