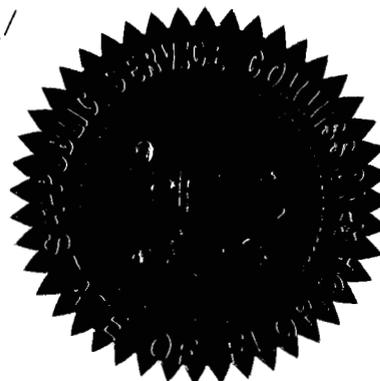


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 060198-EI

In the Matter of:

REQUIREMENT FOR INVESTOR-OWNED ELECTRIC
UTILITIES TO FILE ONGOING STORM
PREPAREDNESS PLANS AND IMPLEMENTATION
COST ESTIMATES.



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PROCEEDINGS: AGENDA CONFERENCE
 ITEM NO. 6

BEFORE: CHAIRMAN LISA POLAK EDGAR
 COMMISSIONER MATTHEW M. CARTER, II
 COMMISSIONER KATRINA J. MCMURRIAN
 COMMISSIONER NANCY ARGENZIANO
 COMMISSIONER NATHAN A. SKOP

DATE: Tuesday, May 8, 2007

PLACE: Betty Easley Conference Center
 Room 148
 4075 Esplanade Way
 Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
 Official Commission Reporter
 (850)413-6732

DOCUMENT NUMBER-DATE

FLORIDA PUBLIC SERVICE COMMISSION 04004 MAY 15 5

FPSC-COMMISSION CLERK

1 APPEARANCES:

2 V. LYNN WHITFIELD, ESQUIRE, appearing on behalf
3 of the City of North Miami.

4 BILL WALKER, appearing on behalf of Florida Power &
5 Light Company.

6 JOHN T. ENGLISH, appearing on behalf of Florida
7 Public Utilities Company.

8 SUSAN D. RITENOUR, appearing on behalf of Gulf
9 Power Company.

10 BRIAN P. ARMSTRONG, ESQUIRE and KYLE L. KEMPER,
11 ESQUIRE, appearing on behalf of the City of North Miami.

12 PAUL LEWIS, JR., appearing on behalf of Progress
13 Energy Florida, Inc.

14 PAULA K. BROWN, appearing on behalf of Tampa
15 Electric Company.

16 ROSANNE GERVASI, ESQUIRE and MARY ANNE HELTON,
17 ESQUIRE, appearing on behalf of the Commission Staff.

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P R O C E E D I N G S

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2 CHAIRMAN EDGAR: Commissioners, we will be on Item 6.
3 And I will note that Item 6 is a post-hearing decision,
4 participation limited to Commissioners and staff. And
5 Commissioners Argenziano and Skop, since you were not here for
6 the hearing, you will not be able to participate in the vote on
7 this item, but we are glad to have you with us. And so when
8 our staff gets settled, we will look to them to present the
9 item.

10 MR. McNULTY: Commissioners, Item Number 6 is staff's
11 post-hearing recommendation to determine whether FPL should be
12 required to establish a three-year cycle for its vegetation
13 management program in the City of North Miami.

14 The City of North Miami protested the portion of
15 Commission Order Number PSC-06-781 pertaining to FPL's proposed
16 vegetation management program. The City requested a mandatory
17 order requiring three-year trim cycles for Florida Power and
18 Light within the City of North Miami.

19 Staff recommends that the Commission not establish a
20 three-year cycle for FPL's vegetation management program within
21 the City of North Miami. Instead, staff recommends that FPL
22 implement the utility's proposed system-wide vegetation
23 management program consisting of average trim cycles of three
24 years for distribution feeder circuits and six years for
25 distribution lateral circuits.

1 Staff also recommends that FPL be required to file a
2 report with the Commission and the City of North Miami
3 containing three parts. One, an information package containing
4 historical and projected vegetation management activity and
5 related reliability performance both for the City and
6 system-wide. Two, an explanation of how FPL's proposed changes
7 to its vegetation management program will impact the city and
8 the storm resilience of the electric system serving the city.
9 And, three, documentation summarizing FPL's actions to improve
10 communications with the city.

11 This report should be filed 30 days after the
12 Commission's order on this item, and by March 1st of the years
13 2008, 2009, and 2010. And staff is prepared to answer any
14 questions you may have at this time.

15 CHAIRMAN EDGAR: Thank you, Mr. McNulty.

16 Commissioners. Commissioner Carter.

17 COMMISSIONER CARTER: Thank you, Madam Chairman.

18 Staff, if I read this correctly, this is an initial
19 program, is it not?

20 MR. McNULTY: It's an initial program in the sense
21 that they would be modifying their existing vegetation
22 management program to go from a program that does not specify a
23 specific trim cycle for laterals to now specifying a six-year
24 trim cycle. In that sense it is new. The company's history,
25 as it is recorded in this case, was that there was not a

1 specified trim cycle period for laterals.

2 COMMISSIONER CARTER: And if I may be permitted,
3 Madam Chairman.

4 CHAIRMAN EDGAR: Commissioner Carter.

5 COMMISSIONER CARTER: And then as I read the report,
6 what you found here is in the -- in the petition is that the
7 burden of proof would have been on the City to show that there
8 would be a problem with reliability, problems with cost/benefit
9 analysis, and from your estimation there was no evidence to
10 support that, is that correct? Did I read that correctly?

11 MS. GERVASI: Yes, sir, that is correct. That is
12 what our recommendation is. The issue of who bore the ultimate
13 burden of proof in the case didn't come up during the course of
14 the litigation. So we went with the assumption that under the
15 general rule in Florida is that the party who files a petition
16 or a protest to the proposed action and requests a hearing
17 bears the ultimate burden of proof. However, we recognized,
18 also, that that burden at some point along the way shifted to
19 FPL to prove that their six-year plan was, indeed, the
20 appropriate plan, at least for the purposes of initial
21 implementation.

22 COMMISSIONER CARTER: One final, Madam Chairman.

23 CHAIRMAN EDGAR: Yes, sir.

24 COMMISSIONER CARTER: And in your recommendation it
25 is requiring FPL to -- I think one of the findings here was

1 there was a lack of communication, but certainly within your
2 recommendation would be a requirement that within the next
3 30 days that they would engage the City of Miami intensively in
4 intensive communication, is that correct?

5 MS. GERVASI: Yes, sir, that's correct.

6 COMMISSIONER CARTER: Thank you, Madam Chair.

7 CHAIRMAN EDGAR: Commissioner Argenziano, did you
8 have a question?

9 COMMISSIONER ARGENZIANO: Commissioner Carter asked
10 my question.

11 CHAIRMAN EDGAR: Okay. Commissioner McMurrin.

12 COMMISSIONER McMURRIAN: Yes. In the recommendation
13 paragraph there is a discussion about how FPL should be
14 required to address rapid tree growth within the City using
15 mid-cycle trimming, hot-spot trimming, and the Right Tree/Right
16 Place program. Do I understand correctly they are already
17 implementing that program throughout their service territory,
18 or is that something we are having them add to what they are
19 doing?

20 MR. McNULTY: Commissioner, they already practice
21 these three programs, and we are just emphasizing here that
22 those are particularly important to continue to do in the city,
23 because they address some of the concerns that were raised in
24 this case related to rapid tree growth. And rapid tree growth
25 can be effectively dealt with using these programs. And we

1 just are emphasizing the fact that we think that those programs
2 in addition to just the simple three-year feeder and six-year
3 lateral trim cycles is essential to continue in order to be
4 able to maintain the reliability from a vegetation management
5 standpoint.

6 COMMISSIONER McMURRIAN: A question on a different
7 wavelength. One of the things that struck me during the
8 hearing was the city's testimony about if you wait too long to
9 trim trees, have too long of a cycle that there may be some
10 sort of tendency to overtrim and that that may damage the
11 structure of the tree. Isn't it correct that if you move to
12 the six-year average cycle you will be trimming more
13 frequently, so the likelihood of that happening will decrease?

14 MR. McNULTY: Yes. The City is currently on a cycle
15 that is 7.6 years, and they are moving down by 2009 to
16 6.3 years on a target of six years by the year 2013. And so
17 there is a more rapid pace of vegetation management that will
18 be taking place during that time period. And as far as the
19 rapid tree growth is concerned and the method for dealing with
20 that, mid-cycle trimming is one of the programs that you
21 mentioned earlier that is within our recommendation to
22 continue, and that also addresses rapid tree growth, as well.
23 That if you have six years of growth or longer for a particular
24 lateral, the company has indicated in the record basically that
25 they go and they do a mid-cycle trimming, which is to identify

1 specific rapid growth species of trees for purposes of trimming
2 on a more frequent basis, and to do so particularly around
3 areas of critical infrastructure.

4 COMMISSIONER McMURRIAN: And may I make one comment?

5 CHAIRMAN EDGAR: Commissioner McMurrin.

6 COMMISSIONER McMURRIAN: The other thing that struck
7 me in reviewing this recommendation, it was a recollection, of
8 course, of what we heard during the hearing about the
9 coordination with local governments. And I think Commissioner
10 Carter touched on that, as well. And I realize that FPL and
11 the other utilities are all addressing that in their ten point
12 initiatives, and I hope that we won't see some of the
13 confusion, I think, that we have seen in this case. I hope
14 that there is going to be more concerted efforts, and I think
15 that that is correct, according to what they filed, to work
16 with those governments to avoid the confusion that seems to
17 have existed in this case.

18 CHAIRMAN EDGAR: Thank you.

19 To reiterate the statement that is included in the
20 recommendation, which is this failure to communicate is
21 especially confounding, and I could not agree more.

22 Commissioners, further questions or discussion on
23 this item? Seeing none, is there a motion?

24 COMMISSIONER CARTER: Move staff.

25 COMMISSIONER McMURRIAN: Second.

1 CHAIRMAN EDGAR: Further discussion? Okay. All in
2 favor of the motion say aye.

3 (Unanimous affirmative vote.)

4 CHAIRMAN EDGAR: Opposed? Show it adopted.

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1 STATE OF FLORIDA)

2 : CERTIFICATE OF REPORTER

3 COUNTY OF LEON)

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5 I, JANE FAUROT, RPR, Chief, Hearing Reporter Services
6 Section, FPSC Division of Commission Clerk, do hereby certify
7 that the foregoing proceeding was heard at the time and place
8 herein stated.

9

10 IT IS FURTHER CERTIFIED that I stenographically
11 reported the said proceedings; that the same has been
12 transcribed under my direct supervision; and that this
13 transcript constitutes a true transcription of my notes of said
14 proceedings.

15

16 I FURTHER CERTIFY that I am not a relative, employee,
17 attorney or counsel of any of the parties, nor am I a relative
18 or employee of any of the parties' attorney or counsel
19 connected with the action, nor am I financially interested in
20 the action.

21

22 DATED THIS 15th day of May, 2007:

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25 JANE FAUROT, RPR
Official FPSC Hearings Reporter
Office of Commission Clerk
(850) 413-6732

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