BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of: DOCKET NO. UNDOCKETED

2010 HURRICANE SEASON PREPARATION
BRIEFING BY ELECTRIC UTILITIES
AND THE THREE MAJOR INCUMBENT
LOCAL EXCHANGE CARRIERS.
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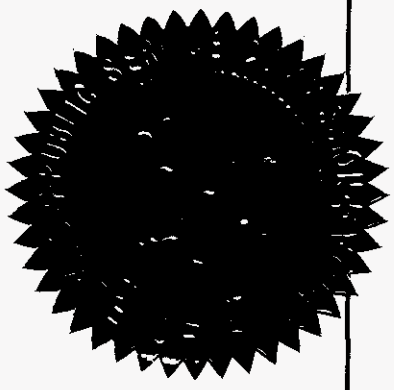

PROCEEDINGS: INFORMATIONAL WORKSHOP

COMMISSIONERS PARTICIPATING: COMMISSIONER LISA POLAK EDGAR
COMMISSIONER NATHAN A. SKOP
COMMISSIONER DAVID E. KLEMENT
COMMISSIONER BEN A. "STEVE" STEVENS III

DATE: Monday, May 17, 2010

TIME: Commenced at 9:30 a.m.
Concluded at 12:25 p.m.

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

REPORTED BY: LINDA BOLES, RPR, CRR
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(850) 413-6734

PRESENTATIONS BY:

RICHARD SHAHEEN, Senior Director, Engineering & Technical Services, Florida Power and Light Company.

JASON CUTLIFFE, Director, Distribution Asset Management, Progress Energy Florida.

T. J. SZELISTOWSKI, Director Energy Delivery, Tampa Electric Company.

ANDY MCQUAGGE, Power Delivery Services Manager, Gulf Power Company.

JORGE PUENTES, Electric Operations Manager, Northeast Division, Florida Public Utilities Company.

BARRY MOLINE, Executive Director, Florida Municipal Electric Association.

BARBARA QUINONES, Director, City of Homestead Energy Services.

DONNY FUGATE, Manager of Operations, Choctawhatchee Electric Cooperative, Inc.

KIRK SMITH, Area Manager for AT&T; JEFF PATTON, Area Manager, Customer Service Centers; and DAVE CUNDIFF, Area Vice President, Mobility C & E, AT&T Florida.

CHRIS CARDENAS, Emergency Operations Manager, Verizon.

ERIC SMITH, Vice President and General Manager, CenturyLink.

IN APPEARANCES (Continued):

FOR THE FPSC:

KEINO YOUNG, ESQUIRE, and LISA BENNETT, ESQUIRE, representing the Commission Staff.

I N D E X

WITNESSES

P R O C E E D I N G S

COMMISSIONER SKOP: Good morning. I'd like to convene the 2010 Hurricane Season Preparation Workshop. And if staff could please read the notice.

MR. YOUNG: Good morning. By notice issued April 13th, 2010, this time and place has been set for a 2010 Hurricane Season Preparation Workshop. The purpose of the workshop is set out in the notice.

COMMISSIONER SKOP: Thank you. And if we could take appearances, please.

MR. BUTLER: Yes. I'll go first. John Butler on behalf of Florida Power & Light Company. With me is Richard Shaheen, who will be making our presentation.

MR. BADDERS: Good morning, Commissioners. Russell Badders on behalf of Gulf Power. With me is Andy McQuagge, who will be doing our presentation.

COMMISSIONER SKOP: Thank you.

MR. BRYAN: Good morning, Commissioners. Howard Bryan (phonetic) with Tampa Electric Company, and T. J. Szelistowski will be making our presentation this morning.

COMMISSIONER SKOP: Thank you.

MR. KEATING: Good morning, Commissioners. Beth Keating, Akerman, Senterfitt, here today on behalf of Florida Public Utilities Company. With me today is

Buddy Shelley and Jorge Puentes, who will be making our presentation.

COMMISSIONER SKOP: Thank you.

MR. HATCH: Good morning, Commissioners. Tracy Hatch on behalf of AT&T Florida. Making our presentation today will be Kirk Smith, Jeff Patton and Dave Cundiff.

COMMISSIONER SKOP: Thank you.

MR. CHRISTIAN: Good morning. This is Dave Christian with Verizon Communications. Chris Cardenas will be making a presentation on behalf of Verizon Florida.

COMMISSIONER SKOP: Thank you.

MR. CUTLIFFE: Good morning, Commissioners. Jason Cutliffe with Progress Energy Florida. I'll be making the presentation this morning.

COMMISSIONER SKOP: Thank you.

MR. MOLINE: Good morning. I'm Barry Moline with the Florida Municipal Electric Association and I'm going to be making a short presentation. And then Barbara Quinones, the Director of the Electric Utility for the City of Homestead, will be making a presentation for the municipal electric utilities.

COMMISSIONER SKOP: Thank you.

MS. HERSHEL: Good morning, Commissioners.

Michelle Hershel. I'm with Florida Electric Cooperatives Association. And Donny Fugate with CHELCO will be making the presentation this morning.

COMMISSIONER SKOP: Thank you. Staff?

MS. KHAZRAEE: I'm sorry.

COMMISSIONER SKOP: Oh, I'm sorry.

MS. KHAZRAEE: I snuck up on the other end. Sorry.

COMMISSIONER SKOP: That's all right.

MS. KHAZRAEE: Sandy Khazraee with CenturyLink. And Eric Miller will be making our presentation this morning. Thank you.

COMMISSIONER SKOP: Thank you.

MR. YOUNG: Keino Young on behalf of staff.

COMMISSIONER SKOP: Thank you. I'm going to read some opening remarks and then look to the bench for additional comments, and then we'll get started.

In 2006, the Florida Public Service Commission adopted a multifaceted approach and response to ensure that all utilities' infrastructures will be better able to withstand the impact of hurricanes and implement lessons learned from the 2004/2005 hurricane seasons. The Commission adopted ten storm hardening initiatives and required investor-owned utilities to file formal storm hardening plans subject to Commission approval.

In our July 2007 report to the Legislature, the Commission cited our most critical recommendation that Florida maintain a high level of storm preparation. The annual Hurricane Season Preparation Workshop provides utilities and local exchange companies a forum to advise the Commission of their individual hurricane season preparation activities. This is the fifth year that the Commission has conducted such workshop.

The hurricane forecasting experts at Colorado State University published their forecast for the 2010 hurricane season last month. Their forecasts indicated that they conclude to foresee above-average activity for the 2010 Atlantic hurricane season. Specifically, they expect 15 named storms in the Atlantic Basin, including the Gulf of Mexico, with eight storms reaching hurricane status and four of the eight growing to Category 3, 4 or 5 in intensity.

To put this forecast into perspective, the projection for the 2009 hurricane season was for, quote, about as much activity as the average season, end quote, with 12 named storms, six reaching hurricane status, and two of the six growing to Category 3, 4 or 5 in hurricane intensity. The actual 2009 storm activity is shown on the slide now being displayed. You will note that there were nine storms, three reaching hurricane

intensity, and two major hurricanes. Florida was fortunate in not having a hurricane make landfall in the state last year, and only one named storm, Claudette, which caused only minimal damage in the Western Panhandle. We should view the hurricane season of 2010 with caution and recognize that preparedness is the key to making storm impacts -- or, excuse me, preparedness is the key to minimizing storm impacts.

We ask that each of our presenters candidly address the status of their company's preparation for the 2010 hurricane season. We'd ask them to please include, one, the status of work achieved to protect facilities to date; two, work in progress; and, three, work to be accomplished in the near future.

Finally, we ask that you specifically and frankly address items of concern or areas of vulnerability within each of your respective service areas. It is understood that while electric utilities own the vast majority of electric transmission and distribution infrastructure in the state, local exchange companies own many of the poles upon which the electric utility infrastructure is placed. The ILECs, therefore, have a vital role in preparation for the hurricane season. We welcome their participation as well. We look forward to hearing everyone's comments.

And with that, I've concluded my comments. Are there any comments from the bench?

Commissioner Edgar.

COMMISSIONER EDGAR: Thank you, Commissioner Skop. Just to say, as many of you know, this is an area of particular interest to me. I know that our companies in this state have done great work in being prepared and embracing the concept of preparedness, and I'm looking forward to the presentations. Thank you.

COMMISSIONER SKOP: Thank you.

Okay. With that, we'll begin with our presentations. And first would be Florida Power & Light, Mr. Richard Shaheen.

MR. BUTLER: Thank you, Commissioner.

MR. SHAHEEN: Good morning, Commissioners and staff. My name is Richard Shaheen. I am FPL's Senior Director of Distribution, Engineering and Technical Services. Included in my responsibilities is being part of the team that oversees FPL's storm restoration and preparedness activities.

Thank you for providing this opportunity to us this morning to review FPL's hurricane preparedness plans for the 2010 storm season. My presentation will address activities and results for our distribution and transmission systems.

Let me start off by saying FPL is well prepared and we are ready to respond should our communities be faced with hurricane activity this year. And even though we've been fortunate in avoiding a major hurricane since 2005, we have maintained our focus and continued our efforts to improve our systems and processes as well as strengthen our infrastructure to be better prepared should a hurricane impact our service territory.

FPL's hurricane preparations are a year-long effort that is concentrated on four key elements. First, we continue to strengthen our distribution transmission infrastructure. This is being accomplished through our hardening plans, our pole inspection programs and our vegetation management programs, all of which have been reviewed and approved by the Commission.

Second, as we do every year, we continue to prepare our storm organization, ensuring we have the right people in the right roles with the necessary training and knowledge so that they can respond quickly and safely.

Third, we continue to improve our already well tested restoration plan by incorporating lessons learned and utilizing technology.

And, finally, we continue to look for ways to

provide more and better information for our customers. Now let me discuss each of these elements in more detail.

Distribution hardening. Hardening is a key component of our plan to strengthen our infrastructure. For our distribution system FPL is using a three-prong approach.

One, we're hardening our critical infrastructure facilities, for instance, hospitals, 911 centers, police and fire stations, to the National Electric Safety Code extreme wind loading criteria, or EWL.

Two, we're incrementally hardening what we refer to as our community projects. These are major thoroughfares where key community needs are located like grocery stores, gas stations and pharmacies.

And, three, we're utilizing our design guidelines to construct all new facilities, major planned work and relocation projects, as well as our daily work activities to the extreme wind loading criteria.

For our critical infrastructures, our CIFs, we initially concentrated on infrastructure serving acute care facilities throughout our system. Since 2007, we've hardened to EWL more than 500 overhead line miles

on 159 feeders serving 266 CIF customers, including all 107 overhead-served acute care facilities within the FPL service territory.

For 2010, an additional 39 of these CIF projects are planned as we focus now on facilities serving 911, fire and police and Emergency Operation Centers throughout our service territory. With this 2010 plan, all 911 facilities will be hardened to the EWL criteria.

We also continue to target what we refer to as critical poles, such as poles where our lines cross major interstate highways or the first feeder poles outside our substations referred to as the 01 switch, which are critical to expediting our restoration efforts. The combination of 36 of these projects are planned for 2010.

And, finally, we additionally plan to complete five incremental hardening projects in 2010, bringing the total community projects to 60 since 2007.

Transmission hardening. Even with FPL's transmission system already constructed to extreme wind loading criteria, we continue to improve the strength and resilience of the transmission system by replacing wood poles and structures with concrete and replacing ceramic post insulators on concrete poles with more

reliable polymer post insulators.

Since 2007, FPL has replaced over 6,600 wood transmission structures. Additionally, we have replaced more than 2,400 ceramic post insulators. In 2010 we're planning to replace approximately 700 additional wood structures, as well as over 200 additional ceramic post insulators on concrete structures.

Distribution pole inspections. FPL began the implementation of its systemwide eight-year distribution pole inspection program in May 2006, ensuring that each pole meets strength and loading requirements. At the end of 2009, FPL had inspected approximately 47 percent of its 1.1 million poles and is on target with its eight-year pole inspection cycle. In 2010 we will again plan to inspect at least one-eighth of our distribution pole population.

Transmission pole inspections. All of our approximately 65,000 wood, concrete and steel transmission structures are on a six-year inspection cycle. FPL is ahead of schedule on its six-year cycle, and in 2010 plans to inspect at least one-sixth of our system. Additionally, to complement our distribution hardening and storm preparation efforts, we plan to complete inspections on all 500 kV lines and transmission facilities serving critical infrastructure

facilities prior to the 2010 storm season. These inspections are currently underway and on schedule to be completed as planned.

Distribution vegetation management. Like hardening, vegetation management is a key component in our plan to strengthen the infrastructure. We continue to maintain our feeders on a three-year average trim cycle and are on schedule toward achieving our approved six-year average trim cycle for laterals by the approved target date of 2013.

Also, consistent with our efforts over the last couple of years, we're on schedule to complete the trimming of all lines serving our top critical infrastructure facilities prior to the height of the 2010 hurricane season.

Finally, as we all know, no vegetation management program can be effective without the cooperation of our customers. We continue to proactively promote our, quote, Right Tree - Right Place program with our community leaders to ensure that future planting of trees will avoid conflicts with our lines. Also, we continue seeking their support in trying to remove existing trees that are interfering with our lines.

Transmission vegetation management. The

vegetation management plan for FPL's transmission right-of-way is very straightforward. Twice a year we inspect 100 percent of our transmission right-of-way and perform all necessary trimming to make sure that the required North American Electric Reliability Council's standard clearances are maintained.

Annual preparations. Each year we ensure that all storm roles and key personnel are identified and placed into the right roles. We conduct extensive training, including our annual hurricane dry run exercise. This year's exercise was held on May 7th. This a company-wide exercise that includes our field as well as support personnel. The exercise tests our systems and processes to ensure they're ready. As in the past, we invited several officials from our county Emergency Operation Centers to join us during the dry run to further improve our understanding of one another's storm operations.

Also, FPL's storm organization includes forensic teams that are responsible for observations and the collection of data associated with damaged infrastructure. We've been fortunate to have had few opportunities for data collection over the past few storm seasons, but ultimately this information will allow us to better understand how our infrastructure

performed and of course provide valuable lessons for future evaluation and action.

Restoration plans. Our restoration plan has one clear objective: To safely restore electric service for our community's critical infrastructure functions and needs along with the greatest number of customers in the shortest time possible. For the 2010 storm season, all of our resource plans are in place. For example, we have the necessary arrangements for catering, housing, water, staging sites throughout our system, equipment for these sites, arrangements with foreign utilities through mutual assistance agreements, agreements with contract crews and increased material and fuel inventories.

Also in 2010, FPL will complete the implementation of the Incident Command System, ICS, which relates to the National Incident Management System, further enhancing communications with external agencies.

Communications. Experience during the 2004 and 2005 storm seasons taught us that communicating with our customers and communities can be just as important as our restoration efforts. As a result, we meet annually with county emergency managers to identify critical infrastructure locations within each

jurisdiction. We also make certain that we've assigned representatives to support each of the 27 county and seven satellite Emergency Operation Centers located throughout our service territory. We have developed a dedicated government update website to be utilized for major storm events. This has been customized to provide media alerts and releases, customer outage information and maps specific to municipalities, critical infrastructure facility information, as well as estimated times of restoration information. We have also enhanced our e-mail distribution process that targets key messages to governmental audiences.

Further, FPL has also participated in the National Hurricane Conference discussing with government and community leaders how to bring communities back to normal after severe storm events. And we will participate in the upcoming Governor's Hurricane Conference to continue to get the word out on the importance of hurricane preparedness.

Additionally in 2009, FPL's community outreach teams conducted 168 presentations to local community-based organizations, including the topic of storm readiness. And finally, our outage communication system has been enhanced and now allows us to provide even more detailed estimated times of restoration.

And finally, Commissioners, we again were all asked to address in our presentations any areas of concern or vulnerability. Our four items to note remain the same as past years.

The first one is that our service territory may be affected by a storm or storms before we complete all of our hardening efforts. The second is being affected by multiple storms over a short period like we experienced in 2004 and 2005. Third, catastrophic storms likes Hurricane Andrew or Hurricane Katrina can destroy everything in their path. And last, a shortage of sufficient resources may occur, whether it be materials, equipment and/or personnel. While some of these are beyond our control and means, we still will do what we can to reasonably mitigate these occurrences.

In summary, FPL is confident that it's well prepared for the 2010 season. Our hardening, vegetation management and pole inspection initiatives are strengthening our system, and our storm organization is in place, well trained and ready. We've refined our already well tested restoration plan. And lastly, we're in position to better communicate with our customers.

We, like all of you, are hoping for an inactive hurricane system. However, should hurricanes affect our communities in 2010, FPL is ready to respond.

Thank you.

COMMISSIONER SKOP: Thank you. Questions from the bench?

Commissioner Edgar.

COMMISSIONER EDGAR: Thank you. And thank you for your presentation. Excuse me. Using transmission hardening as one example, the strengthening and updating of our infrastructure is something that I personally believe in very strongly and support and encourage in this instance and in many others.

But as you've mentioned in a later slide, I believe, the data collection in that feedback loop, because we have not had a storm in the past few years, has not been the same as it would be if of course we had had multiple incidences since this hardening effort has been initiated or given a boost anyway.

So with that sort of as backdrop, can you discuss briefly how your company is assessing and determining whether these efforts are indeed a good use of resources and time?

MR. SHAHEEN: Well, as you know, certainly we won't know for sure until the system has been stressed or taxed with a true hurricane strength type of event. However, along the way as we experience smaller events like tornadoes or other storms that are kind of severe

in nature even though localized, we do review how systems have performed. We looked at hardened facilities versus nonhardened facilities and tried to gauge just on that smaller data set whether it is being effective or not.

One experience we had regarding a tornado, we were able to do a good comparison between a hardened and nonhardened facility, and it showed, as we thought, that the hardened facility, given the wind challenge, did hold up better than a nonhardened facility. Beyond that, we would have to wait and see for a real storm to get a truly valid sample.

COMMISSIONER EDGAR: And then, and I would ask this of all presenters or ask them to address it, have you or those that you're working with come across instances or things that this Commission could do that would be more helpful in this effort? Do you think that we could do rules or requirements that get in the way or that are particularly helpful? Anything from the regulatory standpoint?

MR. SHAHEEN: In particular to hardening of the infrastructure is what your reference is?

COMMISSIONER EDGAR: Well, or storm preparedness as a larger concept.

MR. SHAHEEN: Well, I do recognize that we do

have a workshop coming up in a few weeks where we'll be able to round table a lot of discussion around hardening and hardening plans and probably compare with other utilities, as well as discuss with staff and the Commission some of the plans going forward. At this point I wouldn't have anything to offer further than this is what we've been getting.

COMMISSIONER EDGAR: Okay. And when I say preparedness, I actually would add, you know, the response piece of that in that as the greater, greater concept. Thank you.

COMMISSIONER SKOP: Thank you, Commissioner Edgar.

Commissioner Klement.

COMMISSIONER KLEMENT: Thank you, Mr. Shaheen.

Aren't a number of your generating plants located on salt water or tributaries of salt water subject to tidal flow?

MR. SHAHEEN: A number of our generating facilities are coastal in their location, yes.

COMMISSIONER KLEMENT: Right.

MR. SHAHEEN: Both on the Gulf Coast and on the Atlantic Coast.

COMMISSIONER KLEMENT: Right. Have you made any contingency plans for the oil spill being driven

into the areas where you intake water for your cooling?

MR. SHAHEEN: I could not speak specifically to any recent changes in plans, but I can provide that as part of our normal business in our Power Generation Division we have numerous oil response teams that have processes in place and that are trained to respond to any particular oil event that would affect any of our generating facilities. I would imagine those teams and those processes would come into play should anything affect us in regards to the most recent events that occurred.

COMMISSIONER KLEMENT: Do you know how you would deal with oil? I mean, I would imagine it would play havoc with the generating plants, wouldn't it, if it got into the water?

MR. SHAHEEN: I, I really couldn't speak to that. I'm not as familiar with the oil response as our power generation folks might be.

COMMISSIONER KLEMENT: Does climate change and sea level rise play a role in your long range planning for hurricane preparedness?

MR. SHAHEEN: Not to my knowledge.

COMMISSIONER KLEMENT: Are you aware that in the foreseeable future, perhaps your lifetime, that sea level rise -- sea levels are expected to rise as much as

a foot before many of us -- or at least many of you are my age?

MR. SHAHEEN: I've heard of such. But, again, I couldn't speak specifically to the effect it may have on our --

COMMISSIONER KLEMENT: Well, I would just like to suggest there is a study -- are you aware of a study being done -- that has been done on Southwest Florida, the Gulf Coast in the Sarasota and Fort Myers area, by University of Pennsylvania professor Tim Frazier, in which he has modeled sea level rise in conjunction with various categories of hurricanes, 1 through 5. And I've seen those presentations; they're quite shocking. There would be for the Category 4 and 5, for example, in your service area south of Manatee, Sarasota, Fort Myers, Lee County, the sea level -- seas would be -- storm surge would be many miles inland, many, and would -- that would inundate your plants unless you have done some kind of diking or some kind of preparedness. But this is current research that I'm aware of, and I would suggest that the company consider doing something about putting that into a long range plan. Because we know that five -- that many hurricanes are going to be generated as climate change gets worse. That's part of the problem that we're facing is the, the buildup of

hurricanes.

Thank you. That's all I have.

COMMISSIONER SKOP: Thank you, Commissioner Klement. Any additional questions from the bench? Hearing none, thank you, Mr. Shaheen. And the Commission recognizes and appreciates FPL's storm hardening and storm restoration efforts, and keep up the good work.

MR. SHAHEEN: Thank you very much.

COMMISSIONER SKOP: Okay. Next is Progress Energy Florida, and I believe we're going to hear from Jason Cutliffe.

MR. CUTLIFFE: Good morning, Commissioners. I appreciate the opportunity to be with you today and report the status of Progress Energy Florida's 2010 hurricane season preparation.

My name is Jason Cutliffe, and I'm the Director of Distribution Asset Management. My responsibilities include planning for maintenance, reliability, load growth and coordination for major storm restoration.

Our T&D delivery system and infrastructure performed well during the active hurricane seasons of 2004 and 2005, and we've improved the system since. We've taken additional aggressive steps to harden the

system in conjunction with the PSC initiatives such as the wood pole inspection process, ongoing 10-point storm preparedness plan and the storm hardening plan.

Our hurricane restoration operational plan also functioned well in 2004 and 2005, and we continue to review it annually for improvement. Lessons learned from past major and mid-level storms, annual drills and other utility experiences have been incorporated into our written response plan for 2010.

Progress's organization and T&D delivery system are well prepared for the 2010 hurricane season, and I'll now review the four key elements of our storm plan.

Distribution system inspection, maintenance and replacement work is the basis for our overall annual resource plan. Manpower and materials are identified a year in advance to ensure that work is prioritized, constructed efficiently and completed on schedule. As a result, the wood pole plant is on a firm eight-year inspection cycle. Since this time last year, over 95,000 wood poles have been inspected, over 31,000 treated for decay and over 3,000 replaced.

Other system improvements include over 840 pad mount transformer replacements and over 90,000 circuit feet of hardening projects.

Our 2010 vegetation management program is also on schedule. Preseason patrols of all circuit backbones are underway, and by June 30th all priority pruning and tree removal will be complete. In the last 12 months we've removed over 930 trees, pruned in excess of 7,800 trees, and applied herbicide to nearly 500 miles of right-of-way floor.

Other highlights from the PSC's 10-point preparedness plan include completion of structural audits of joint use attachments on over 70,000 poles and a new $12 million work management system that will go in service early in 2011. The work management system follows a 2008 upgrade to our GIS system.

And as described in our three-year storm hardening plan update filed earlier this month, Progress continues to implement a comprehensive process to identify, prioritize and analyze cost-effective storm hardening options in our service territory.

Transmission system readiness begins with structure inspections and system maintenance. In 2009, over 4,500 wood pole structures were inspected and nearly 1,500 replaced with steel or concrete in accordance with NESC extreme wind design. Since 2006, nearly 7,000 wood transmission poles have been replaced with steel or concrete. Aerial patrols of all circuits

were completed in April of this year, and a second pass will be made in October. Inspections have also been completed in all 481 substations, and critical follow-up maintenance identified through those inspections is complete.

Transmission vegetation management projects in 2009 cleared over 559 miles of right-of-way, and this work included 548 miles of herbicide application, pruning over 21,000 trees, and removal of over 4,000 danger trees outside and 19,000 trees inside the right-of-way. The PSC's 10-point plan and storm hardening rule have been implemented, including enhanced GIS capability, post-storm forensic data collection, and, most notably, the continued replacement of wood structures with steel and concrete.

The annual storm plan review and update process is also complete for 2010. Implemented new last year was an enhancement of communication to critical care customers. Prior to hurricane landfall, customers identified in our system with a critical care need receive a phone call from a Progress agent with information about preparation for the storm. This information includes nearby shelters equipped to provide critical care assistance and a reminder to check the working condition of backup life support equipment.

We completed our annual storm drill in the third week of April this year. Individual storm organizations were tested on their preparation and ability to react to changing storm conditions. This year's drill scenario was based on a strong Category 2 hurricane entering from the Atlantic on the East Coast and moving northwest across all four Progress Energy regions.

We've taken steps to ensure that critical restoration material and fuel are also ready and available from multiple sources. Inventory levels of critical materials have been increased over and above normal stock levels in preparation for the upcoming season. Our supply chain organization has assembled 16 storm kits and staged them among our four regions and central warehouse. Each kit contains enough emergency material to supply 400 linemen for up to three days.

Our transmission organization increased its inventory of poles, insulators and other critical hardware to supply contract and company resources for three to five days. And we've negotiated retainer contracts with fuel vendors to ensure our fuel needs are met, arrangements that also improve access to fuel when sending repair crews off-system in support of our mutual assistance partners in Florida and elsewhere. Even

though we have supplier agreements in place, these additional measures ensure that restoration can begin as soon as the weather clears.

External line and tree trimming resources are critical components of a successful restoration effort. We've taken steps to ensure they're ready and available through arrangements with contractors and relationships with other utilities through mutual assistance groups like the Southeastern Electric Exchange and the Edison Electric Institute.

Our communication and coordination with local governments is robust. We've established a cross-functional coordination team to ensure a high level of critical information sharing and engagement in both internal and external storm planning activities. Progress is equipped to provide local government and EOCs with the resource and restoration information before, during and after storm events to assist them with local emergency response. Our program is operational year-round, with more than 70 employees assigned to local governments for emergency planning.

Prior to each storm season, Progress representatives meet with each county EOC to review emergency planning and participate in training and drill activities. We recently introduced electronic maps for

the county EOCs, and we send detailed outage information to each EOC in multiple formats, including data that can be imported into county GIS systems. By placing Progress contacts inside each county EOC and sharing information, we're able to incorporate local government priorities into our overall restoration plan.

And we participate in public education forums in many communities and have continued the "Know Where You Grow" program, which informs the public and community organizations on the most compatible tree species near power lines. We also participate in emergency first responder events designed to increase readiness and public safety.

Regarding areas of concern or vulnerability, they include the following, and these were also cited in prior years, first and foremost is the impact of catastrophic hurricanes or severe storm surge in low-lying areas resulting in mass evacuations and severe resource shortages.

The second concern is multiple storms making landfall in Florida or in the southeast causing dilution of available line workers. This effect is exacerbated by economy-driven workforce declines and is a significant area of concern.

We're addressing these areas with measures

already discussed and by extending our reach nationally to regional mutual assistance groups and contractors. As a seven-time Edison Electric Exchange Emergency Restoration Award recipient, Progress Energy has a track record of high performance in this area.

In summary, our T&D systems have been checked and maintained, the storm response organization is drilled and prepared, and internal and external resources have been secured or committed. Progress's organization and energy delivery system are prepared for the 2010 hurricane season.

This concludes my prepared remarks. Thank you, Commissioners, and I'll be happy to take any questions.

COMMISSIONER SKOP: Thank you.

Questions from the bench? Hearing none, thank you, Mr. Cutliffe. I appreciate Progress's work in storm hardening and storm restoration efforts.

That brings us to our next speaker from Tampa Electric Company, and Mr. Szelistowski. I may not have said that properly, but perhaps --

MR. SZELISTOWSKI: Thank you. T. J. will work fine. I know that's a struggle on the last name.

COMMISSIONER SKOP: Thank you.

MR. SZELISTOWSKI: Good morning. My name is

T. J. Szelistowski. I'm Director of Engineering in the Energy Delivery Department of Tampa Electric Company, and I'm pleased this morning to brief the Commissioners on our hurricane preparation for this season.

Tampa Electric Company approaches hurricane preparation in a number of different ways. I'm going to cover three of those major areas: Specifically system infrastructure and hardening, our pre-storm preparation activities, and our coordination with our key partners as we go through the preparation.

The first thing I'd like to talk about is our system infrastructure, the physical poles and wires, substations, and how we prepare for a storm season with those facilities. I'm going to cover three major areas of our wood pole inspection program, the 10-point initiatives that have been discussed previously, as well as our three-year storm hardening plan.

The first thing I'd like to talk about is the wood pole inspection program. Tampa Electric Company is on an eight-year cycle for both transmission and distribution wood pole inspections. As part of that inspection, we will inspect approximately 42,000 poles each calendar year, again, a minimum of one-eighth of the system. We're on track to do that this year, as well as have completed that in previous years. An

important part of that is also looking at wind loading analysis for any poles that have joint use attachers on there to ensure that we have adequate strength for the poles that, that are shared by joint users. Also as part of that process we do reinforcements and identify poles for repair and replacement.

We currently do reinforcements on about 2 percent of the distribution poles in the system. We do not reinforce our transmission poles. If those don't have adequate strength, we'll go ahead and replace them.

Second, in talking about hurricane preparedness, the 10-point initiatives of the storm preparedness plans, an important part of our preparedness for the year, key to that is our vegetation management program. As I believe you know, Tampa Electric Company is on a three-year vegetation management cycle for both our feeders, the main lines, as well as the neighborhood laterals. We've been transitioning to that three-year plan, and I'm happy to say that we're on track for our progress with that. And we believe this year we will trim approximately one-third of the system both on the feeders and the laterals.

Another major part of the 10-point initiatives or the storm preparedness is our, are our transmission

inspections. Our transmission structures, we have approximately 1,300 miles of transmission line in the Tampa Electric Company service territory. Those inspections are either one-, six- or eight-year cycles depending on the type of inspections. I mentioned the eight-year ground line wood pole inspection. In addition to that, we do several other inspections. We have a six-year comprehensive inspection that's primarily done by helicopter where we do a much more thorough aboveground analysis of the pole looking at insulators, connectors, that type of thing. And, again, that's a six-year cycle.

We have several inspections that are done on a one-year cycle. We have -- we do an infrared inspection again by helicopter once a year on the entire transmission system. An infrared inspection will identify connections or points of connections that may be heating abnormally and may fail prematurely, and so we'll be able to identify those through our infrared inspection. In addition to that, we also do a ground patrol a minimum of once per year on the transmission system with a ground patrolman. In addition to that, we have one other inspection for all of our 230 and 138, we patrol for vegetation management reasons twice a year, but we also will identify any obvious problems on the

transmission system, on the bulk transmission system through that, through that patrol.

In terms of transmission hardening, since the early 1990s Tampa Electric Company has replaced -- has gone to a standard construction for all transmission facilities of non-wood, either concrete or steel structures. We continue to do that for new construction as well as for maintenance.

A number of other points in the 10-point plan initiatives that I'll touch on briefly. Joint use coordination; we continue to do a lot of coordination with our joint users, have good relationships with those folks. We -- one of the things that came up during the 2004/2005 review was overlashing, and I can say that over the past year we've had about over a thousand instances where our joint users have notified us of overlashing, not only the initial attachments, but also overlashing attachments. And that allows us to ensure that those poles maintain the strength that are needed for a storm.

We completed the implementation of our new GIS system. We officially accepted (phonetic) that in September of 2009. Continue to make improvements in that. We have an ongoing committee of users of that, of that system who identify improvements, and we'll

continue to make improvements with that.

The joint research projects with PURC, we have participated actively in that. And forensics, somebody asked about forensics earlier. Forensics, we have a contract with someone who will come, who is poised to come in after a storm, do the analysis of the forensics with the damage to our system.

I'd like to talk a minute about the three-point storm hardening plan -- or three-year storm hardening plan. As you may know, Tampa Electric Company uses National Electrical Safety Code Grade B construction. The requirement for most distribution construction is Grade C, which is a weaker construction standard. Grade B is a stronger construction standard than that. We use that for all of our distribution design.

Our transmission design uses extreme wind for all of that design. In fact, across the Tampa Electric Company service territory, extreme wind is anywhere between 110 and 120 miles an hour depending on where you are in the service territory. We use a 120-mile-an-hour design wind for everything within Tampa Electric on the transmission, with the exception of 230 kV, our highest voltage level. For that we actually go higher. We go to 133 miles per hour for all the design on that.

That's the backbone of Tampa Electric's transmission system.

Another part of our three-year storm hardening plan involved two extreme wind pilot hardening projects, one serving an important hospital in our service territory, and we have completed that. We have a Port of Tampa project that really is a three-stage project. We've completed two of those three -- two of the three projects associated with that. The Port of Tampa brings in approximately 40 percent of the gasoline for the, for Florida, the peninsula of Florida, and so obviously is a very important facility for the state as well as for Tampa Electric.

A number of other things on our three-point plan I'll touch on briefly. We've converted 11 overhead distribution interstate crossings to underground. These are primarily on evacuation routes. We have completed conversion of the last piece of 4,000-volt distribution we have in our system. In the past we have had a mix of 4,000 volt as well as 13,000 volt. What this does from a hardening standpoint is allows us to have a consistent system. So for materials, for backing up those circuits from another direction, both of those provide hardening opportunities for us.

Our downtown underground network, we have done

inspection and testing and repair on that system. And we've gone to a standard of stainless steel for all of our pad mounted transformers and switch gears from an underground construction standpoint.

I'd like to talk for just a minute about our pre-storm preparation and the activities associated with that. As I believe most of the companies do, we have a mock storm or a hurricane preparation mock storm every year. One of the things that we do as a follow-up to our storm every year, as we go through the storm we do lessons learned right after the mock storm. Last year we identified over 100 either key learning opportunities or potential opportunities for improvement to our plan. And so over the course of the next several months we follow up on those and have made a number of changes to our, to our, to our hurricane plan based on that mock storm. So it's not just going through the motions. It's also saying, well, what can we do different?

And the way that works is, is we'll present situations to the folks that are, that will be actively involved with storm restoration and we ask them, well, what would happen if this happened and you parked all your vehicles here? What happens if that flooded? What would you do? And so through that, through that preparation again we have identified improvements and

have followed back through on those.

We have incident, incident bases throughout the system to house either foreign crews or trucks or equipment or material, and every year we look at those to make sure they're still available for us in terms of access. Sometimes those generally are private property and they'll change hands, say a mall. We make sure that we have good relationships with the people who own those and operate those facilities to make sure that we have access every year.

Another major part is our team member preparation, the employees of Tampa Electric Company and TECO Energy. Everybody has a secondary role in their job for storm assignments. We review those every year. In addition, we have a number of things we do for the personal preparation. In addition to, to the actual storm, mock storm, we also provide them information how to get themselves ready. Because probably the most vital time for those employees to our customers is after a storm, and we want to make sure that they've taken care of their home and taken care of their family so that they can be there for our customers.

We increase our inventory for storm season, as do, I believe, the other companies. We have a number of internal mock storm exercises. We do it by a department

level or a section level, as well as a larger overall transmission distribution level. And we're in the process of doing those now, have been for some time.

We also are heavily involved with external preparation activities that I'd like to talk to, talk about in terms of coordination with others. Local governments, really two parts to that for us. We are actively involved with the emergency planners across the Tampa Electric Company service territory, both local municipalities, the EOCs, and work with them to develop -- redevelop, to look at redevelopment, look at different types of scenarios that could happen after storms. We also work with our first responders, fire, police, sheriff's office, to make sure that, two things: One, that they're prepared, that they understand what they're looking at in the field, and also that we work with them in search and rescue teams as well.

One last important partner that we have in the restoration effort is the public. Obviously there are a lot of safety issues and a lot of concerns from folks as we go through a restoration effort. We do a lot of sharing of information this time of year leading up to storm season. We also have predetermined communications so that we can quickly get information out to our customers in terms of restoration efforts and timing of

restoration.

Other key partners in our restoration effort, specifically contractors and other utilities, this is really key. And you had asked for us to comment on what our concerns were and our vulnerabilities, and it really concerns this. Not so much in either of these -- I will tell you that we have wonderful relationships with the other utilities and with our contractors to provide restoration efforts. As I'm sure you know, no utility can staff up for a major hurricane restoration, and because of that we all lean on each other. And we lean on our contractors. We have relationships with the contractors that are on our service -- on our property now, as well as contractors that work in the southeast.

In addition to that, we have a strong Southeastern Electric Exchange, and we help each other after storms. I'm sure probably every utility in this room has, in the last several years has been to help somebody else. We've been very lucky in Florida and haven't had to ask for help recently. But that really is probably, from my, from my stance, what keeps me up at night in terms of hurricane preparation.

In 2004, with the first storm that we encountered, we had a lot of help. The second storm, folks start to get worn out. If you have multiple

storms, even if it's not just in Florida, even if it just affects the southeast, you have the potential to really wear the folks out that are working very long days to restore the power. So that's really the main thing that keeps me up at night is the multiple storms and the fact that we're really taxing the workforce in that case.

In summary, Tampa Electric Company is well prepared for the 2010 storm season. You had asked about the oil, and I would be happy to comment on that real quick. We, we have an oil spill plan that we have drilled in the past. We have booms that can be put out in the intake canals. Generally the intake canals, the water intake is lower, probably 18 or so feet underwater. So a slick on the top is not generally an issue. Where do you have an issue is if you have a large biological kill because of an oil spill, horseshoe crabs, fish, that kind of thing. We do have a rotating screen that will keep debris out of, out of the intake. But, again, I believe all the utilities have spent time talking about that to ensure that they're ready.

And in terms of fuel also, you know, Tampa Electric Company has installed a rail system in the last 12 months as an alternative if there's any issues across the Gulf in terms of delivery of fuel. We don't believe

there will be and we don't believe we'll be affected in Tampa, but we do have plans in case we are.

That really concludes my, my remarks, and I'd be happy to answer any questions.

COMMISSIONER SKOP: Questions from the bench?

COMMISSIONER KLEMENT: Yes.

COMMISSIONER SKOP: Commissioner Klement.

COMMISSIONER KLEMENT: Have you, as I asked FPL, have you calculated sea level rise into your long range plans to harden your, your generating plants?

MR. SZELISTOWSKI: Yeah. I meant to, I meant to comment on that as well. We have storm doors at our plants that will account for a storm surge that they can actually put the doors up for flooding. A one- to two- -- we plan for worst case in a lot of situations. Generally our facilities themselves are overhead, and so a one- to two-foot difference in storm surge -- again, we plan for a much heavier storm surge -- generally would not give us a lot of issues. You know, a one- to two-foot difference, the variation between storms could easily be that much.

COMMISSIONER KLEMENT: Right.

MR. SZELISTOWSKI: It is something to think about. But, again, again, where do you have some issues with that is if you have a lot of underground facilities

that are close. And as you point out, Florida is pretty flat, so a foot rise isn't a foot in. It's quite a bit more. And so underground facilities would be the most prone to issues in that particular case. About half of our facilities are overhead on distribution and are far enough inland that a one-foot rise we don't believe would be a major issue for us. In terms of plants, again, we do have storm doors that can be put up.

COMMISSIONER KLEMENT: Okay. Thank you.

COMMISSIONER SKOP: Any additional questions? Hearing none, thank you, Mr. Szelistowski. And I appreciate Tampa Electric's storm hardening efforts.

Next on the -- our next presenter will be Gulf Power Company, and the Commission will hear from Andy McQuagge.

MR. McQUAGGE: Good morning. My name is Andy McQuagge. I'm the Power Delivery Services Manager for Gulf Power Company, and I'll be presenting our storm preparedness briefing this morning.

Gulf Power's storm preparedness activities basically fall into two main categories: Storm hardening projects and initiatives and storm restoration recovery plans.

Our storm hardening projects and initiatives include our vegetation management program, our

inspections and maintenance programs, our extreme wind loading projects, our Grade B construction, our coordination with third party attachers and local government. Our storm restoration recovery plans include our storm recovery plan; our annual storm drill, which we will hold on May 27th; our Southern Company affiliate and mutual assistance support; and our employee awareness.

In the area of vegetation management on the transmission side of the business, on our 444 miles of 230 kV right-of-way we have completed our ground inspections, and all vegetation hazards that were identified have been corrected.

On our 115 kV system, which is 1,037 miles, our ground inspections are about 50 percent complete. The vegetation hazards are being addressed as, as we go, and we're on schedule to be completed by the end of June 2010.

On our 46 kV right-of-way, of which we have 113 miles, our ground inspections began in May, and we're on schedule to complete those by August of this year.

In the distribution side of the business, each year one-third of our mainline feeders are systematically pruned, while the remaining two-thirds

are inspected and trimmed to correct any deficiencies that could pose a problem to us over the next 12 months. In addition, Gulf's vegetation management program addresses removal of hazard trees outside of the right-of-way.

As an update, our mainline annual trim schedule, we have completed the 281 miles. We've completed the 563 miles of inspection and correction on our other two-thirds of our mainline feeders. On our six-year cycle on our lateral trim we have completed 565 miles of the 1,261 that we have scheduled for this year, and our removal program will begin in the third quarter of this year.

In our inspections and maintenance on our transmission system, our transmission system has been flown aerially once this year. We do that quarterly. Our comprehensive walking and climbing inspection on our metal structures began in February and is scheduled to be completed in December. On our wood structures, those inspections began in May, and they'll also be completed by December.

In addition, year to date 2010 we have storm hardened 39 structures by installing additional storm guys. We actually did 338 of those structures in 2009. We've replaced 59 wood crossarms to date this year. We

did 215 last year. And our steel groundline inspections will begin in June of 2010, and our wood groundline inspection will begin in September of 2010.

On our distribution pole inspections, we completed the third year of our eight-year inspection cycle in 2009. We contracted those inspections to OSMOSE, and we met our target of inspecting one-eighth of the wood poles on our distribution system, which for Gulf is about 33,000 poles a year.

In addition, in our joint use audit pole strength assessments where we pulled a sample of 500 poles which are 20 years or older and have three or more attachers, we met that goal. And none of the poles that we ran strength analysis on failed. So we did meet that goal.

We also continue with our semiannual meeting with our third party attachers. Our first set of meetings this year was held on February 19th and February 25th. And at those meetings we discuss where our construction projects will be, where our OSMOSE inspections will be, any pole installation issues or any operational issues. And our next meetings with our third party attachers are scheduled for August 26th and the 27th of this year.

In addition, in the event of a major event,

Gulf and AT&T have an agreement in which we will have a person manning their storm center, and in return they will have someone in our storm center.

In the area of infrared inspections on our distribution system, we're 100 complete -- 100 percent complete with those inspections, and all issues found will be corrected by June 1st. In addition to our infrared inspections, we also do a field inspection with our engineering and construction personnel. Those inspections are also 100 percent complete, and those repairs will be completed by the end of June.

Gulf Power continues its transition to Grade B construction, which we instituted in January of 2008. We have completed training for all our field personnel, and we continue to use Grade B construction for all new construction or maintenance projects.

In addition, our extreme wind loading projects are complete as filed in our storm hardening plan. As the others have mentioned, the emphasis of those projects has been on critical infrastructure and interstate crossings.

In addition to that, Gulf Power has installed 17 wind monitoring stations in proximity to our extreme wind loading projects in order to give us wind data in the event that we do have a storm. We are planning to

install two more additional monitoring stations this year.

In the area of local government coordination, our district and local managers interact with our city and county personnel on a weekly, if not daily, basis on a variety of issues, including emergency preparedness as needed. We staff our EOCs any time they are activated 24 hours a day, seven days a week, and that does -- that's not just during hurricanes. That's for any event in which our EOC is opened. We furnish outage information to them at the same time that we provide information to the state EOC in the event of a major disaster, and we also present information to them any time they have a specific request as far as an outage.

You can see a list of the drills that we have participated in or will participate in. There has been one change since I put this slide together. The Escambia County drill is going to be rescheduled. And we don't have a final date on that, but we will participate when that is rescheduled.

As far as our storm recovery plan, our 2010 storm procedures have been updated and are complete. Our employees were mailed their employee storm assignments on May 1st of this year, and we're currently holding our storm training and refresher courses with an

emphasis on field evaluation.

Additionally, our storm contracts with our vendors are in place. We have began a ramp up of material for our storm stock and fuel. All staging sites that we have have been verified that we still have access and all have been mapped so we know exactly how those staging sites will be set up. And our forensic data process, even though we've not used it, is in place and we have tested it over the last two years. We actually did mobilize it in Claudette, but we didn't, didn't have a need to use it. In addition, all of our EOC representatives and our company emergency management center staff are NIM (phonetic) certified.

In summary, Gulf is fully prepared for the upcoming 2010 storm season. We're on target with our transmission and distribution storm hardening initiatives. We continue with our ongoing coordination with government, community groups, third party attachers and other utilities. We have a storm recovery plan that is proven and battle tested, as evidenced by our response in 2004 and 2005 in Hurricanes Ivan and Dennis. Our training and refresher courses are ongoing and we have experienced teams ready, if needed.

Consistent with the other utilities, I think our major areas of concern and vulnerability are a major

storm impacting multiple utilities within the state or multiple storms simultaneously or within a short time. The fact is with the economy slowdown, many utilities have laid off a lot of their contractors, and in return contractors have laid off their resources. So there are just not as many resources available. We continue to work with our contractors and other utilities through our mutual assistance process and through our affiliates with our Southern Company brothers and sisters.

So with that, I'll take any questions.

COMMISSIONER SKOP: Questions from the bench?

Commissioner Stevens, you're recognized.

COMMISSIONER STEVENS: No questions. Unfortunately, living in Pensacola, you get a lot of experience with hurricanes. So I just wanted to say I appreciate what Gulf Power does in their response and their efforts, and they do set the example for that response. So thank you.

COMMISSIONER SKOP: Thank you. Other questions from the bench?

Thank you, Mr. McQuagge, and appreciate all of Gulf Power's efforts. I know that Gulf Power's service area has experienced a majority of the close calls in past years. Hopefully that won't occur. But I appreciate all your response and preparation efforts.

Thank you.

The next presenter will be Florida Public Utilities Company, and the Commission will hear from Mr. Puentes.

MR. PUENTES: Good morning, Commissioners, and good morning, staff. My name is Jorge Puentes. I am the Electric Operations Manager for the Northeast Division. I am in charge of all operations in that division.

Florida Public Utilities is a small electric-owned utility. As of October of 2009, now we're a wholly-owned subsidiary of Chesapeake based -- Chesapeake Utilities. They're based out of Dover, Delaware.

Our electric customer base is relatively small. We only have 28,000 customers. About 15,000 of them are in our Northeast Division. They, they are in Amelia Island and Fernandina Beach. About 13,000 of them are in our Northwest Division, which encompasses parts of Jackson, Calhoun and Liberty Counties.

While both divisions are a little bit different and operate in different environments, one being an island, so it has the coastal impact, the other one being rural, we both use an enhanced set of procedures that allow us to prepare us for the hurricane

preparation season.

In the vegetation management, for example, we focus on the main feeders in areas of reliability. We do this by patrolling our lines before the hurricane season and try to take care of any issues that we may see where reliability has been a problem. We also focus our efforts in replacing any of the decayed poles that we have found in our previous inspections, and we try to replace, of course, the ones that have been noted as more dangerous in terms of falling or being decayed.

Given that one of our divisions is in the coastal area, we do a visual beach inspection and replace any hardware that is damaged due to corrosion or any other factors. We also like to visit our substations and inspect them before on a constant basis. And before the hurricane season we try to remove any trees or danger items that are close to them. We visually go and inspect our line reclosers, capacitors, our voltage regulators throughout our system.

We continue this process by also evaluating our inventory to ensure that we have adequate supplies. We base this on previous experience or hurricanes for the storms that we have experienced. We ensure that we have enough poles, conductors and connectors that will be needed to address any storm that has hit our

territory.

We continue to be involved with mutual assistance groups. We're part of the Southeastern Exchange, and we participate in their monthly conference calls or whenever hurricanes occur. And we also like to deal with our contractors constantly and verify that they would have resources available for us in case we are in need.

Before June 1st we always review and revise our emergency procedures. This involves looking at all the things that each division would have to do, getting all the personnel together, proactively communicating with the employees, all of these procedures, and ensuring that radios, any of the supplies needed are always available.

Both of our divisions now have a GIS system, an outage management system. The northwest side has SCADA capabilities, and the northeast is planning to use this in the future, apply, apply it in the future. But right now our GIS system has been in place for the past couple of years and for us is a very useful tool because it predicts some of the outages without having to go out and take a look at what's happening in the field. It's a very useful system for both of our divisions.

In terms of the storm hardening initiatives,

we continue to implement these initiatives. For example, we have implemented our extreme wind loading for new construction, 130-mile-per-hour winds for the Northwest Division -- I mean, Northeast Division, and 120 miles for the Northwest. We focus on trying to address any danger trees that are in the area. For example, in 2009 we complete, we removed 139 of those trees, and in total since 2008 we have removed approximately 530.

We use OSMOSE as a contractor to inspect our pole plant. We do this by inspecting about one-eighth of those every year since 2008. We have about 26,000 of these poles. About 5,000 are in the Northeast Division and 21,000 in the Northwest.

Last year, in 2009, we completed about 3,924 inspections, and in total since 2008 we have inspected about 5,815 of those.

In terms of our transmission inspections, the only division that has transmission is the Northeast Division. The Northwest only operates at a distribution level. We operate at a 138 kV down to the 69 kV and down to a 12 kV section. We right now are doing visual inspections, we have done that for 2008 and 2009, but we plan to do a climbing inspection of all of these facilities in 2010. We plan to use a contractor to do

that in this year.

Continuing with our storm hardening initiatives, our vegetation management program has been designed to do a three-year cycle for feeders and a six-year cycle for our laterals. In 2009, we trimmed about 50 miles of feeders and about 109 miles of laterals. In total since 2008 we have trimmed 119 miles of feeders and 197 approximately miles of laterals.

In terms of our joint use audits, we began that also in 2008 and continued in 2009. And we, wherever we have inspected and identified any issues with, with loading of, where joint use facilities are also on our poles, we have done a loading analysis and we have moved those to comply with the new loading criteria that we have.

We constantly also work with our current EOCs, and we plan to, during the storm plan to provide personnel at those locations so that they're able to be more familiar with what's going on with our operations during the hurricanes.

In terms of the forensics data collection, we have participated with the PURC, that's the Public Utility Research Center, and we have established the procedures. And this year what we plan to do is to use a contractor to help us with that initiative.

In terms of storm hardening projects, during 2009 we, we had one project that was completed with extreme wind loading standards. This was adding -- replacing 14 69 kV poles with spun concrete poles along the beach, and this was on the Northeast Division. In the Marianna Northwest Divisions we continued to follow with the overhead to underground conversion near Chipola College.

Before I provide my concluding remarks and summary, I'd like to address some areas, a few areas of concerns of vulnerability. As discussed in previous presentations, we would be concerned about severe or catastrophic hurricanes and multiple impacts. However, we continue to mitigate these by continuing to apply this enhanced hurricane preparation process. We do this by continuing to inspect, maintain and repair our T&D assets, by continuing to coordinate with our EOC and other utilities and resources, and we continue doing this by implementing these storm hardening initiatives and projects. And based on, on this and using our resources to focus on this enhanced process, we believe that Florida Public Utilities is adequately prepared for the 2010 hurricane season. With that, I'd like to see if you guys have any questions.

COMMISSIONER SKOP: Thank you. Questions from

the bench? Hearing none, thank you, Mr. Puentes.

MR. PUENTES: Thank you.

COMMISSIONER SKOP: Okay. The next presenter will be Florida Municipal Electric Association, Mr. Barry Moline.

MR. MOLINE: Good morning, Mr. Chairman and Commissioners. I'm Barry Moline with the Florida Municipal Electric Association. Let's do the other one first. That'll be the second one. Great. Thank you.

What I'd like to do first is give you a profile of who the municipal utilities are, and there's 34 municipal electric utilities across Florida. We have 1.3 million customer meters, 14 percent of Florida's population, and we're characterized, interestingly, by some very large utilities, JEA, which is around the size of Gulf Power, Orlando, Tallahassee, and some very small utilities, Bushnell, Chattahoochee in the Panhandle, but combined we're the third, we have, we serve the third largest number of customers behind FPL and Progress Energy. And this is where we're located, in Blountstown in the Panhandle all the way down to Key West.

A question about power supply and where municipal utilities get their power, and it varies with, with each community. And 12 of the 34 actually generate electricity. You'll hear from Barbara Quinones from the

City of Homestead, they do generate some of their electricity, but a lot of them purchase power through a joint power agency, the Florida Municipal Power Agency. Fourteen of those utilities purchase all their electricity through them. And others purchase from the investor-owned utilities throughout the state, and one actually purchases from Glades Electric Cooperative.

This is the, the breakout of the number of customers served by, by all utilities in Florida. So you can see that FPL has almost half of the state, followed by Progress Energy, and the municipals, co-ops, Tampa and Gulf Power.

For mutual aid, we rely on mutual aid to coordinate our, our efforts when a storm hits. And what we try to do for small efforts, or let's say a tornado hits a community and they need some additional assistance, we'll handle that from other communities inside Florida. Or if a hurricane hits in South Florida, we'll generally try to moves crews from North Florida down to South Florida. If it's overwhelming, if, if a hurricane has hit a large area or if we have several hurricanes in a row, we'll get crews from the southeast. And we have coordinators throughout the southeast that I usually stay in touch with or always stay in touch with.

And, of course, that goes in both directions. We'll go north, if necessary. And then we rely on our national trade association, the American Public Power Association, to coordinate our national mutual aid. We all signed a mutual aid agreement, and many of the utilities in this room have mutual aid agreements to supply crews to each other in times of need.

During the '04 and '05 seasons we did get support from all these states that you see there in blue. So the mutual aid comes from a wide variety of geography.

And I'm going to turn it over to Barbara Quinones, the Director of the Electric Utility in Homestead in just a minute. But, Commissioner Skop, you asked a question at the beginning about what kind of support you would -- that the PSC might be able to offer. And while I actually don't have a recommendation for you, but I do want to say that the staff who works in emergency operations and directed by Ed Mills does an outstanding job of coordinating with utilities, not just during hurricane season, but all season, all year long. Even when, when -- you probably all see the e-mails as well during the year, when a bad storm is coming through some part of the state that might require some, some assistance or, you know, some major activity, you know,

some tornado activity, for example, we -- they activate and we get information from, from Ed. And, of course, there's other kinds of emergency assistance that go on and we're in the loop on all those. And I feel like we have an outstanding emergency response that's directed by the Public Service Commission. So the information that you all provide is excellent and we appreciate that.

COMMISSIONER SKOP: Thank you, Mr. Moline.

Commissioner Edgar, did Mr. Moline's comments address your previous concern?

MR. MOLINE: Oh.

COMMISSIONER SKOP: Great. Great.

Any other, any other additional questions from the bench? Commissioner Edgar.

COMMISSIONER EDGAR: People do it all the time.

COMMISSIONER SKOP: Okay. All right. Thank you, Mr. Moline.

MR. MOLINE: Thank you.

COMMISSIONER SKOP: The next presenter will be the City of Homestead Energy Services, and Ms. Quinones -- excuse me, Quinones. Sorry.

MS. QUINONES: I'm bringing the mike down. You can hear me all right? Okay.

Good morning, Commissioners. It's a pleasure to be here today. I'm Barbara Quinones, Director for the Electric Utility in the City of Homestead. And I want to thank you for the opportunity to present our preparations for hurricanes and other emergencies.

In today's presentation I'll do a brief overview of our system and talk to you a little bit about our hurricane experience and the procedures and processes that we've put in place to be prepared for future hurricanes. With 2010 sounding like it's going to be another busy hurricane year, we, we have been preparing and feel that we're up for the challenge.

As Barry Moline mentioned, there are over 30 municipal utilities in the State of Florida. And you see us in Homestead down there in the lower part of Dade -- of Miami-Dade County. And as some of the last usable land in Miami-Dade County, the City of Homestead's population has more than doubled in the last ten years, which, as you can imagine, has been a challenge for the electric utility to keep up with that growth. And we are anticipating additional growth once the economy picks up a little bit.

Our system is very compact. We're only about 14.5 square miles, but we are complete in that we have a generation plant. We also have transmission,

substations and a distribution system, and we go down to the meters. So we go from the generation plant down to the meters. We also purchase power from, from, through long-term contracts with other utilities, and we have part ownership in some offsite plants as well. Our power plant only covers about 10 percent of the need for generation. So the remainder of the power is, is purchased.

And, Commissioner Klement, you had asked about coastal generation. We're about 12 miles, our power plant is about 12 miles inland and it is built up. It could withstand a surge of probably three to four feet, but that's about all we could withstand at this point. So it's a, it's a good, a good point to keep in mind as we're looking at our power plant and plans for the future.

And we serve about 21 -- 21,500 customers. We also have round-the-clock dispatch, and approximately 34 percent of our system is underground.

For those of us who were in Florida in 1992, and I was here in 1992, we remember Hurricane Andrew, "The Big One" as we like to call it in Homestead. And I did work the 1992 hurricane, not, not with this utility but with another one. I was in Dade County, and -- although I wasn't really old enough to work it at the

time.

It was a very traumatic experience for those of us that lived in Miami-Dade County at the time. And Homestead was the hardest hit city in the county and the state. As a result of that, a lot of the facilities in Homestead are 20 years old or less because the facilities were basically rebuilt after Hurricane Andrew.

Since Hurricane Andrew, we've had a pretty long history of working hurricanes unfortunately at home, as well as providing support to other municipals throughout the state, and you see the list here.

In terms of storm preparation, again, our distribution system for the most part is relatively young and we don't have a tremendous amount of problems with it. A lot of our, our feeder circuit problems stem from the substations. Our substation facilities were not as hard hit by Hurricane Andrew, and some of the components in the substations have been aging. We have a plan in place where we have begun to replace some of that aging equipment, and in the last year we replaced 20 percent of our feeder breakers and we had 50 percent that were new since 2006. So at this point in time 70 percent of our feeder breakers are brand new since 2006. The remaining 30 percent we will address over the

next two years.

We also look at the outage drivers for main circuit outages and we address those as they occur. We do some forensics at the time. We're fortunate that we have a small system. And when we do have outages, we're able to just bore right in and, and correct any problems that we find at the time.

We are also involved in the pole inspection program on the eight-year cycle, as many of the other utilities are, and we're two years into that and are on schedule with all our inspections and on the follow-up on the priority deteriorated poles. We also are working with AT&T to transfer facilities on the poles that they've identified as needing to be replaced due to deterioration.

We are hardening all new facilities and all replacement facilities, and we have designs underway right now for undergrounding a couple of our main arterial facilities, some of our main roads. The overhead facilities are along some beautified routes with a lot of trees, and we want those to go underground.

We're also undergrounding all of the first runs of our main feeders out of the substations. A couple of our substations are very, very old, and the

first runs out of them are, are overhead. And these are some reliability concerns because it's very congested there and some of the circuits even cross over each other. So when one circuit comes down, it knocks out one or two others. And we have the engineering completed to underground these runs, and now we are looking to do the construction in this fiscal year.

For vegetation management, our distribution feeder circuits are on a two-year cycle and our transmission circuits are on a three-year cycle. We also do thermovision looking for hot spots on our transmission, substation and distribution facilities, and we address all hot spots that are identified each year.

In 2009, we formalized our hurricane list for materials working with our procurement department, and we now have all of our hurricane materials identified and the stock levels associated with each of those so that we're prepared in the event of a, of a hurricane.

Our construction standards are to the 150-mile-per-hour wind contours. Because of the location where we are in the state, we also utilize extreme wind loading, front lot line construction, and the majority of the new facilities are placed underground.

All new transmission poles or scheduled replacements are concrete, and we also do look at the wind loading needed for foreign utility attachments. We work closely with our, our cable and telephone providers.

We also use the Incident Command System. And we have a new gentleman in place now who is heading up our, our Incident Command Center for the emergency operations. The electrical utility provides one or two liaisons over to the emergency ops center during the, during any event, and then we manage the restoration of the electrical facilities through our control center in the electric utility. But we continuously provide updates to the EOC, which is basically going to be across the street. So it's very close-by.

We do a yearly review, as the other utilities have mentioned, both the city and the electric utility, hurricane and emergency response procedures and processes. We review the storm assignments. In my group we do provide a yearly training for the employees. We cover processes, we cover any revisions, we talk to them about their assignments, and also everyone is assigned a number of main circuits or feeders, and they go out and they patrol those and look for any problems ahead of time that we can address prior to a storm.

During emergency response there's a phone number for employees to call in and advise us of any problems that they may have or to tell us that they are available to come to work. We have a tremendous focus on safety. We perform tale (phonetic) boards with both our crews and other visiting crews to talk about hazards and to talk about safety procedures and ensure that there, there are no stones left unturned in the, in the safety arena.

We put our plans in motion when we're responding. And depending on -- every, every storm has its own characteristics, its own personality. So depending on the characteristics of the storm, we put the assignments in place and dedicate our engineering support, our assessment teams, the crew resources, the liaisons with the city, we identify those immediately after we see what we have.

And some of the lessons learned from other hurricanes are that you've really got to do a solid assessment upfront and understand what you're dealing with so that you get the proper support and so that you communicate effectively with your customers and let them know the expected time frame that it's going to take you to restore power.

Our restoration priorities are, of course,

hazardous situations first, followed by critical customers, hospitals, police and fire, the 911, the telephone communications. And then the circuits with the most customers served, and also those circuits that you can get up quickly because they have less damage than others, and there are always directives from the EOC as well to take into consideration.

We work hand in hand with the customer service team for emergency response and ensure that they know as much as we do. And we also utilize, as Barry mentioned, mutual aid from the other utilities throughout the state, the municipals and the co-ops as well, and also utilities from other states through the American Public Power Association.

We track our storm restoration in our control center. We do have GIS information. And, again, we, we communicate regularly with our EOC, with customer service and with our customers via all the news medias, radio, print, newspaper, television, and just being out there onsite with the customers and talking to them. A lot of them also just walk in. We're a pretty tightknit community, and they will walk into the customer service building and ask questions or they'll go over to City Hall. And we keep all of these entities well-informed of where we are with restoration and what our

projections are at that point in time.

And even though I'm the Director of the utility, something a little bit different for me is I deal frequently with customer issues. And a customer will go to customer service and they don't get satisfaction, and so they'll, they'll escalate it and they'll give me a call or send me an e-mail. And I take a lot of pride in handling our customers' concerns. My team takes a lot of pride in handling our customers' concerns as well. We're part of that community and they look to us to resolve their electrical issues. And so we're very motivated when there's a hurricane or even just a bad storm to get out into the community and get that power restored. And it's very rewarding work and it's all about, it's all about the customers.

We coordinate very well with the other departments in the city. It's very nice to have your police and fire as part of your overall emergency plan, and it's good to have the elected officials on board. We're working jointly. These are people we have wonderful relationships with, and it just expedites the process for all of us.

A lot of our plans are similar to what you've seen with the other utilities and our challenges are similar. Where do we get the resources if Florida is

hit multiple times like in '04 and '05? How do you divvy things up? Similar challenges.

But I do want to thank the PSC Commissioners for your leadership following the '04 and '05 hurricane season and getting everybody on the same page, so to speak, and helping us to, to formalize some of the processes that were in place in different utilities throughout the state, but making it something that, that everyone is involved in. So I appreciate your leadership with that. And that concludes my presentation.

COMMISSIONER SKOP: Thank you. Questions from the bench?

COMMISSIONER KLEMENT: Yes.

COMMISSIONER SKOP: Commissioner Klement.

COMMISSIONER KLEMENT: Thank you, Ms. Quinones. I didn't -- I just want to clarify, I wasn't concerned about a one- or two-foot surge. I was concerned about a one- or two-foot rise in the sea level and then a surge that would be much, much more than that. But thank you. That's a good presentation.

COMMISSIONER SKOP: Thank you.

Commissioner Edgar.

COMMISSIONER EDGAR: I just want to say that was very informative, and thank you for coming up here

to spend some of your time with us today.

COMMISSIONER SKOP: Any additional questions?

Thank you, Ms. Quinones. And I appreciate your time and efforts that you put forth into making the presentation before the Commission this morning. Thank you.

MS. QUINONES: Thank you.

COMMISSIONER SKOP: Commissioners, this seems like a good breaking point to stretch our legs and give the court reporter a brief break. So we'll reconvene and stand at recess until 25 after the hour.

(Recess taken.)

Okay. We're going to go back on the record. And our next presenter will be the Choctawhatchee Electric Cooperative, and Mr. Fugate.

MR. FUGATE: Good morning, Commissioners and staff. Thank you for allowing me to be here. My name is Donny Fugate, Vice President of Operations for Choctawhatchee Electric Cooperative.

We are -- primarily serve Walton, Okaloosa, all of Walton County, North Okaloosa County, and extend over into Santa Rosa and Holmes to give you a little fact of where we are out in the Panhandle. Our service area is about 60 miles east and west, and we're about 52 miles north and south. We serve from the Gulf of

Mexico all the way up to the Alabama/Florida line. We have about 46,000 members and currently we have 143 employees.

I'm going to take a little different approach than some of the other presenters today. And we, as, as many of them, we have our system hardening approach, we look at identifying X number of poles per year that we change out, upgrade to extreme wind loading. Most of those are concrete poles that we're changing wood structures out to concrete. We have an eight-year inspection program, just like many of them, on our pole inspections. And we currently run about 1 percent reject rate on, on our inspection.

We have a five-year cutting cycle on our maintenance and vegetation program. And being more rural in area, we do a ground-to-sky type application in areas where we have the ability to do that. Of course in some of the more urban areas we can't do that, but we still try to take that approach.

So the -- looking at the hurricanes that have impacted CHELCO over the years, and I know we were kind of looking at the 2004/2005 season, but I put Opal in here. And the reason I did is that from Opal to Ivan we made significant changes in our planning, and I kind of wanted to touch on the planning today more than, than

what, you know, we, as the other utilities that have spoken before me, we certainly do the system hardening aspects. And I think y'all heard quite a bit about that, so I won't touch on those today. But I wanted to touch more on the plan, on our restoration plan.

Opal hit in '95 and it was a ten-day event -- or 11-day event. Excuse me. Then we had Ivan in 2004, and we had made significant changes in our plan based on what we learned from Opal in '95 until Ivan hit in '04. Ivan was an eight-day event for us. It's what we call a Level 2. And of course we had Dennis in '05 and Katrina. Katrina didn't really impact CHELCO and so -- but we learned from Katrina because we spent 45 days, had crews over in Alabama, Mississippi, and wound up in Louisiana. So we, we took that process and what we learned from that, what we observed that worked and didn't work and made some changes to our plan and also added one more level to our plan.

We made -- as I stated, we made some significant changes. We created a command and control, and all information flows in and out of that command and control. All major decisions are made there. We -- being a cooperative, we, we can make adjustments pretty quick out of the command and control, and the overall restoration effort is controlled out of that point.

We decentralized our restoration responsibilities. In the Opal time frame, we had a handful of people that were trying to run everything, and so we decentralized that and made those adjustments. We empowered our employees to make decisions in the field, and improved our crew dispersement. Advanced agreements also, as with the other utilities, we have advanced agreements, mutual aid and contractual agreements that we have preplanned and predesignated.

We tried to enlarge those in our contractual agreements. We went out into the, not only the southeastern region, but we advanced and went further out into the Oklahoma, Arkansas area and have contacts and contractual obligations or agreements with people that far away because we were also concerned about multiple events in the State of Florida that would zap the resources that, you know, we would be able to pull from.

This is a picture to, to give you an indication of what we had in Ivan, and I wanted to just give you a visual of Ivan and how it impacted our service area. All that you see in red is, is out and what is in blue is energized. And as you can see, there was very little energized after Ivan hit. This was the morning after it hit.

And I'll just step you through our restoration process based on our plan. Day 1, Day 2, Day 3, Day 4, Day 5, Day 6, Day 7, and Day 8. So as I said, it took us eight days to restore our system based on our Level II analysis of that situation.

I want to talk a little bit about the levels. We created these, as I say, after Opal and before Ivan. The Level I is a minimal response by our system. That's an internal response handled by our crews and some, some, maybe some mutual aid of local other utilities that would come and assist us if we needed it, if it was a, kind of a high Level I.

A Level II is substantial response required, and I'll get into a little more detail in these as I move forward in some slides. But this was an Ivan response.

And a Level III is -- we added after the Katrina event and our participation in that restoration effort over in, in Alabama, Louisiana and Mississippi. We, we did not have anything, and I don't think anyone had anything that was prepared for a Katrina. Nobody was, had any idea of that type of devastation.

A Level I response is minimal system damage anticipated, widespread outage conditions, estimated 24- to 36-hour restoration. CHELCO crews and some possible

internal assistance only, and rotation of crews for around-the-clock restoration.

We have, currently we have a CIS system, we have an outage management system, and we're currently in the process of installing SCADA at our cooperative. Once -- when we have SCADA up and running, it will give us a tremendous amount of control and information that we can obtain through all these systems working hand in hand. But this, this would be an internal type of restoration.

A Level II, as I said, was an Ivan type to relate to so you make a reference to these points. Substantial damage and outage conditions, widespread anticipated, including some transmission and substation facilities. Now CHELCO has an all requirements contract with Power South, so we do not own the substations. We own the load side of the substations and that's where we take over. So but we're still, our members are affected if that transmission or substation is out. So it's a concern of ours, and we work very closely with Power South. Our estimated time of restoration is five to ten days. At that point, our command and control takes over and we take it away from our energy control system because there would be so much of the system out that it would be difficult for them to handle.

The Level II continued. We would have anywhere from 200 to 250 outside personnel assisting, which would require coordination for food and lodging of about 125 to 130 rooms.

A Level III, and as I stated a few minutes earlier, that this was a level that we added after the Katrina incident. Extensive widespread systemwide destruction anticipated. Estimated time of restoration would be unknown. CHELCO and all assigned internal crews assisting. Large numbers of outside assistance, anywhere from 375 to 475 or up depending on it. We have predetermined staging areas, and there's three sites that we've identified, public sites that we can use and made arrangements to have those sites that we would actually have staging areas and we would put food, lodging and showers, laundry, the whole, the whole gamut there, because in this situation you have no, no local facilities to work with because everything is out of power. All materials would be delivered directly to those predetermined sites, and we would work 16-hour days.

I want to talk for just a few minutes, if I can, about some of the key coordinators in our plan to give you an idea of how it's put together and who's responsible for what. Our CEC, the Emergency

Coordinator, is the primary leader. That person makes all the primary determinations and makes sure all the coordination is in place. A lot of times -- in our case, the Workforce Assignment Coordinator normally is -- an individual does those two roles. Operations Liaison is in the command center, and they coordinate the information to flow between the co-op and the Power South EOCs, and just a number of information, statewide, et cetera.

Our GIS Manager is responsible for the relay -- relaying the restoration progress by the outage management program. And those -- the maps that I shared with you just a few minutes ago is part of that responsibility, and we feel like that it's good that our restoration crews when they come in, they can see this, that we've got constant information flowing back and forth for them to see how the restoration process is going.

Of course, we have Food and Lodging Coordinators that are responsible for coordinating all the food and the lodging that's required for the restoration effort.

Director of Communications certainly speaks for itself. It's the individual responsible for making all the communications with media.

Our Call Center Coordinator is a very important aspect of it because that is the individual that will make sure that the call center is manned 24 hours a day during a restoration process and answering the calls of the general public and our members.

Area Supervisors again is an important position in our plan in that the Area Supervisors are assigned by substation and they are given the responsibility and authority to govern any action or restoration that goes on out of that substation. So they have total control.

Our Energy Control Center is where all of our SCADA equipment will be housed that we're currently putting into place. It's where all of our outage management coordination would take place. And of course our loss control and safety, safety is a very important aspect of this. We have -- this individual is tasked with meeting all incoming crews and personnel and discussing and briefing them on the safety aspects. We give them information on the local hospitals and where they can be reached and all the other emergency contact information.

We, as all the other utilities that have spoken here today, we plan and review and update our plan yearly. We look at what, what has changed and make

those updates. We just completed our annual employee training this, this past week where we review each employee's assigned task and responsibility. We talk about the plan and go over that with them so that everybody is aware. And then they're encouraged, if they have -- we have a question and answer period there. But then if they have other questions, they can deal, speak directly with their supervisors.

And of course we do contract and -- contact and contract updates each year to have the most up-to-date information on rates and equipment and that sort of thing for -- in case we need to call on these contractors. We also contact all of our mutual aid agreement people through the statewide, and so we know we have those agreements in place.

"Plans are nothing; planning is everything," by Dwight D. Eisenhower. A plan by itself is no good, but planning is everything to be prepared, and we think that at CHELCO we are prepared and ready. Any questions?

COMMISSIONER SKOP: Questions from the bench?

Commissioner Edgar.

COMMISSIONER EDGAR: Thank you. And I'm a big believer in planning. I have a question for you, if you would hold on for a moment. Thank you.

The slides that you had that showed the outages, the graphics on those slides that showed the outages during Ivan, very, very illustrative, really interesting slides. Thank you.

But the one, the first one that shows that almost your entire service area was out from Ivan in the immediate time frame with just a very few patches that continued to receive service, I guess from the post-analysis, those areas that did not experience an outage from that storm, was there anything consistent as to why they did not? I mean, were they underground, were they hardened, were they just lucky to not be hit by the stronger winds?

MR. FUGATE: It was, it was actually amazing. And the -- there was one area kind of to the south along the bay or just north of the bay that would be our, what we call the Blue Water Development. That's primarily underground. We do have overhead circuits feeding out of there a short distance, and then it goes, goes all to underground. That area did not sustain any, any outage.

The area to the north up around DeFuniak Springs was all overhead. It was just a unique situation. So certainly the area down around Blue Water would be prone to storm surge more than, than up north. But we, we looked at that and tried to see, okay, you

know, certainly the underground, I think, would speak for itself, that being primarily underground there was less effect from the winds except on the overhead circuits that did feed it, even though we didn't lose all of those. We lost a couple. But on the north, north it was, it sustained the same wind that everything else did overhead-wise and it stayed on.

COMMISSIONER EDGAR: Thank you.

COMMISSIONER SKOP: Any additional questions? Hearing none, thank you, Mr. Fugate. Appreciate your presentation and the actions that, and preparations your electric cooperative has taken.

Okay. The next presenter will be AT&T Florida, and the Commissioners will hear from Messers Smith, Patton and Cundiff.

MR. SMITH: Thank you and good morning. On behalf of the team from AT&T, we appreciate the time we have today to update you on the activities we have toward our storm preparation for both the wireline and wireless parts of our business.

Today we'll discuss several points: Our pole inspection program, our increased generator inventory, an overview of AT&T's preparation, restoration processes in both wire and wireless facilities, and a look at the hierarchy of support we have within AT&T from the local

level to the Global Network Operations Center.

AT&T has 461,173 poles in Florida, and we are inspecting these on an eight-year cycle. For joint use poles, AT&T has prioritized our efforts to work jointly with our power company partners to realize the most beneficial result of the pole inspection program.

Through year-end 2009 AT&T has inspected 218,499 poles. More than 20,000 have been inspected this year, and we anticipate inspecting approximately 40,000 through the end of the year. And through the course of the program, since 2006, AT&T has replaced 5,287 poles.

We have added a significant number of portable generators to support our digital loop carrier sites. We have a regional generator pool that is maintained in the Jacksonville, Florida, area; a seasonal generator pool that is stationed in Hialeah, Florida; and a third generator pool that is currently under construction in Margate.

Through the nine southeast states, AT&T -- you got it?

(Technical difficulties with PowerPoint presentation.)

Thank you. Through our nine southeastern states, AT&T has 2,028 digital loop carrier sites with

permanent generators to support these sites in the event of a commercial power outage. 1,441 of these sites are in Florida.

Post-merger, AT&T adopted the southeast region model for generator deployment in the case of emergency commercial power outage and has since built generator sites outside the nine southeast states. So we now have at our disposal over 10,000 portable generators in the event of a significant impact.

Here you see a couple of visuals of permanent generator sites and some of the wraps that we've put around some of our critical equipment to prevent against sand and water intrusion. But none of these plants work without our greatest asset, which is our people. And at this point we'll turn it over to Mr. Jeff Patton to walk you through some of our, our personnel resource.

MR. PATTON: Good morning. My name is Jeff Patton. My responsibilities at AT&T include managing emergency operations for the southeast region.

What I'm going to talk about just a little bit right now is our manpower in the past was BellSouth. Of course you knew we had about 65,000 people. Now with being part of AT&T, we have had our enhanced (phonetic) assets in excess of 275,000 employees that we can call on if we have a disaster that affects us in a way that,

something along the lines of Andrew or Katrina did.

We have programs in place with our employees. We cover them in advance of an event. We have processes in 72 hours, 36 hours, 48 hours and 24 hours before, prior to landfall where we allow employees to leave work to take care of personal issues, evacuate their families, secure their personal belongings according to government, local and state government orders of mandatory or voluntary evacuation. And we have employees ready to come in and replace those employees when they do evacuate.

We stage our folks out of harm's way to make quick re-entry into the area when needed after an event. Once an event takes place, we have a system set in place where our employees are asked to contact the company at one of two different numbers. One number is to let us know that they are okay or let us know that they need assistance. The other number they call and we provide information to the employees as to the effect of the event on our company, expectations of them to report to work, locations where we might report, ask them to report to work, or locations where we have aid set up to provide services like we did with 2004 where we built tent cities for our employees and their families to live until they could find another location to make home and

we provide services to them. Let me see if I can make this thing work. There you go.

Okay. We hold annual preparedness meetings throughout the corporation. All business units are included. We just completed a training process where my partner and I traveled around the nine southeastern states and Puerto Rico and, excuse me, covered a training process for emergency operations, the new enhanced processes that we placed, put in place rather within the last year, and at that meeting we also ran a tabletop mock disaster exercise, like I said, just within the last two months. And we periodically do that throughout the year.

As you know, we have to stay prepared for more than just hurricanes. We have large tornadoes, ice storms, floods and wildfires that we have to prepare for and make sure our folks are ready to handle any situation in a disaster.

Let me make sure I'm on the right slide here. Okay. Again, we have readiness teams mobilized, ready to enter into an area that's been affected. We stage them in a safe location. We have already worked with our procurement organization and identified materials and assets that we might need this year during hurricane season, and we have overstocked our warehouses so that

we can bring those materials into any area within the southeast that is affected by a natural event.

We have a corporate real estate organization that has contracted with property owners to identify and secure staging areas large enough to handle the wireless and wireline organizations now that we have merged that into one AT&T. If we have to move into an area, mobilize a tremendous amount of assets, again, we've identified locations where we can put all of those assets and the support that our employees would need to recover our customer services.

We have sweep teams that we've created that we would move into an area and identify the company assets affected by the storm and a database that we've recently created and enhanced that we would enter that information into, and that system will identify the organization responsible for rebuilding and replacing the assets that were affected by the storm.

And we have written contracts with the vendors that we've used over the years to provide us with materials needed for replacing and repairing assets that are damaged, as well as the tools that we would need. If we bring large amounts of employees into an area to work a recovery, we might need tools delivered where those employees might not be able to bring their test

sets and tools with them for travel restrictions. So we have contracts in place with those vendors as well.

The way we set up emergency operations in the State of Florida is aligned with our districts that we have. We have one north district, which is headquartered in Jacksonville, and our south district, which is headquartered in Miami. The district level manager is the lead for that center. The term we use in AT&T is Local Response Center. We call them LRCs. That's our Emergency Operation Center specific to the district. In the nine states in the southeast and Puerto Rico we have 12 LRCs.

The center that I manage is the Emergency Operations Center, which is located in Atlanta, and my backup center is in Birmingham. And then we have our Global Network Operations Center, which is located in Bedminster, New Jersey. The folks up there are the organization that monitor worldwide operations of AT&T, and they can see the effects that a storm in Florida has on our network in comparison to what's going on around the world, and they help us to manage the assets of the company to handle all type of events in Florida as well as around the world.

Our LRC support organization is, like many of the speakers I've heard earlier talk about their GIS

systems, we also have GIS mapping. And what we use those for is we take the projections from the National Hurricane Center and HURRTRAK and impact weather companies that we contract with and we input that data into the GIS tracking, mapping system and do a layout on top of what we know as our assets, company buildings. And we also look at where we have employees, their homes, and we look at the areas that are projected to be affected by the hurricane so we can start moving people as well as assets in advance of the event making landfall.

We have two network reliability centers, one located in Charlotte, one located in Nashville, and they monitor the network and the traffic across our network on a daily basis, but, of course, more intently during an event to help us make sure that we're looking at the places we need to work, aim our recovery effort, to make sure we go to the places we need to go. Because when you're out in the field, it's easy to see what's on the ground, but you don't really see what is all affected by an event.

We created strike teams when we were BellSouth, and AT&T recognized these as the best processes in place, so we've spread those across the 22 states of AT&T -- I'm sorry, I was corrected the other

day -- the 50 states of AT&T now that we're wireless and wireline. We have a safety strike team where we bring in trained, qualified safety managers to ensure that our employees and their families are taken care of and not put in harm's way during an event and during the recovery of an event.

We have the generator strike team that deploys and maintains and manages the generators that Kirk spoke about a moment ago. Excuse me. We have cell site and 911 strike teams. These folks are specific skill set, capable employees, management and nonmanagement employees of the company, that I preposition them in a safe zone when the event makes landfall. And then we circle back around and come in behind the storm right at landfall and attack the cell sites and the 911 systems that are affected by that event to try to restore the service as quickly as possible.

We have a damage prevention strike team, which is a little unique. When I've made this presentation before, I have a lot of questions as to why we have damage prevention during a hurricane. But damage prevention is in the recovery of a hurricane because we have a lot of folks out there trying to clean up the mess and they cut down our cables and they rip them out of the ground when they're using front-end loaders and

trimming trees and cutting trees. So we bring in a team of specially trained employees to work with the contractors, local government and other utilities in hopes that we don't have any further damage that we didn't incur during -- that it did not incur during the event during our recovery.

And the way -- we spoke a moment ago about the LRC setup with the EOC and the GNOC. If the event is large enough where the LRC doesn't have the assets toward the recovery here in the State of Florida, they would call me, I would look across the nine-state region and talk to our management team and bring in the assets needed to assist the local folks in Florida. If I can't obtain what they need within the nine-state region, then I would call the GNOC, which is located, as I said earlier, in Bedminster, New Jersey. The GNOC would go across the corporation and get whatever assets, manpower, resources are needed to come in and work a recovery effort.

And this is just a picture of the command center, the GNOC. It's a phenomenal place down there. It kind of resembles what I saw on Apollo 13 as what NASA might look like.

We also have an asset unique to AT&T, it's our Network Disaster Recovery Team. These are specially

skilled, trained employees, management and nonmanagement, 35 full-time, well over 150 part-time. The 150 part-time meaning they have full-time jobs somewhere else in the company. If we have an event, they are called, they have bags packed in the trunks of their cars, and their families understand that they're going to leave at a minute's notice. And these folks will come in and move a tremendous amount of assets we have in warehouses at undisclosed locations around the country. Because we do have central offices on wheels, we have 3500 kV generators, we have heating and cooling towers on semi trucks. These are self -- a fully maintained organization of people that would move into an area to rebuild whatever is needed.

We have capability of deploying them outside the continental United States. They did deploy to Chile in reaction to the earthquake, and just went home yesterday after a deployment to Nashville where they helped us bring one of our central offices back online. The Bellevue central office had about 28 inches of water in it with the floods in Nashville a couple of weeks ago. And, as you can imagine, it pretty much destroyed all of our electronics.

Part of the NDR team is communications capability. They have satellite vehicles that can set

up quick satellite communications, radio vehicles that can set up radio shots, and, of course, cellular capability with COLTs and COWs, the cell towers on light trucks and the cell towers on trailers that we can bring into an area that we can a get T1 into and try to restore cell service in a, you know, in a quick time frame.

And I think that's me, isn't it? Yeah. I'm sorry.

COMMISSIONER EDGAR: Commissioner?

MR. PATTON: Sometimes I get to talking about it and I talk a little too fast.

COMMISSIONER SKOP: Commissioner Edgar.

COMMISSIONER EDGAR: Thank you. I'd like -- before you switch, I'd like to go ahead and ask a quick question, if I may.

MR. PATTON: Yes, ma'am.

COMMISSIONER EDGAR: One of the issues that we heard about when we were doing our review work back in 2005 and a little more in 2006 was a question or a problem with access sometimes after a storm event, that safety first, of course, and emergency personnel would need to go in first. But then -- and I think that one of the issues was primarily with the possibility of downed live electric wires, that for repair and response

personnel from both the cell phone standpoint and a landline standpoint sometimes had difficulty getting into the areas because of some of those requirements for more immediate responders. Is that an issue that remains or has that primarily been worked out?

MR. PATTON: Well, first with your comment about downed power lines, it's well understood throughout our corporation that our folks don't go into an area if there's downed power or if they see a power company vehicle because that means the power company is in there and we're not going to put our folks in harm's way. Our access issues have been either a local government or law enforcement agency that's set up a road block to a restricted area.

Usually if we're driving a company identified vehicle, if we're uniformed and we have our ID badges, we don't have those kind of access issues. A lot of times our issues with access is when we send our contractors into those areas to replace the downed poles or assist us in placing cables on poles or pulling our cables up that have been torn down. So, yes, ma'am, it's a continuing issue gaining access after an event.

COMMISSIONER EDGAR: Thank you.

MR. PATTON: Yes, ma'am.

COMMISSIONER SKOP: Thank you. Any additional

questions from the bench for Mr. Patton? Hearing none, Mr. Cundiff.

MR. CUNDIFF: Good afternoon. My name is Dave Cundiff. I've got overall responsibility for the Mobility network for AT&T for the southeast United States. AT&T Mobility operates over 2,500 cell sites in Florida that cover upwards to 99 percent of the State of Florida population. Of those, of those cell sites, 50 percent of them have permanent generators stationed at them. These 50 percent cover our, what we call our Priority 1 cell sites, which gives obviously evacuation zones, hospitals, EOCs the coverage that it needs post, post, post disasters.

AT&T Mobility together with wireline, as Jeff indicated, locally manages all emergency recovery via two geographically separate LRCs that Jeff went through. And, again, depending on the severity of it, we will, we will bring in our Emergency Operation Center in Atlanta and our GNOC facility in New Jersey, similar to how Jeff, Jeff indicated.

Within Mobility we do have a Mobility Network Operations Center. That is our 24 by 7, 365 day center stationed in Atlanta, with fallback capabilities to our center in Seattle just in case it is a very large disaster, that will manage and operate our network from

a remote perspective during the restoration.

After a storm, we employ critical tools and databases to help track the operational status of our cell sites. The daily statuses that we put out go to, go to the FCC amongst other, other federal departments. Attached on the screen is a quick snapshot of what we call our AWATS (phonetic) Disaster Recovery System. This gives us a realtime view of our network and allows us to quickly and efficiently understand what the situation is and how we're going to respond to it, whether it's a power issue, whether it's a transport issue or whether it's more of a physical situation.

In addition to our, to our own employees, AT&T Mobility has local contractors throughout the State of Florida on retainer to assist with post storm damage analysis, restoration, generator deployment, refueling and debris clearing. We find that during these disasters that's quite extensive, and we also bring in crews from throughout the southeast United States when we do not have the local folks to support those.

AT&T Mobility has approximately 104, 170 portable generators staged in Lakeland year-round, and we have more than 300 throughout the southeast, of which 80 are stored in Tallahassee actually during, during hurricane seascn.

We also employ an inventory of over 330 what we call COWs, cell sites on wheels, that are available for use across AT&T, including satellite COLTs that can provide instant coverage during disaster recovery in remote areas. Approximately 15 of these are permanently stored in Florida. These assets are regularly deployed via direction from the state and federal agencies for quick restoration or to add coverage needed by first responders and/or long-term needed restoration locations similar to a National, National Guard type deployment.

Once an event occurs, given the wireless communications and the mission critical aspect of it, we utilize key tracking systems and processes to ensure that all sites are inspected and brought to 100 percent service levels as efficiently and as effectively as possible. This includes repairs for power and refueling operations, as well as any type of debris clearing. Again, this is a simple snapshot of how we identify very quickly, and we keep, we keep it in the main focus until everything is 100 percent green from our network perspective. That does conclude our AT&T presentation. We'll be glad to answer any questions.

COMMISSIONER SKOP: Thank you. Questions from the bench?

Commissioner Edgar.

COMMISSIONER EDGAR: Thank you. I had a question probably for Mr. Smith.

On one of your, I think it was actually Slide 4, it talks about joint use poles and the joint inspections, and that is another issue that I recall there being some discussion about a few years ago and how to, you know, best divvy up the responsibility and the resources and the cost, and so I'm just wondering if you can elaborate on how that is working now that we're here a few years later.

MR. SMITH: Sure. I think whatever problems we may have had early on were really just problems of establishing what the process was going to be. I put it in the very, very good category. Annually what we receive from each one of our powers on the power -- our partners on the power side of the house, basically a game plan, okay, of what they're going to do in terms of the critical infrastructure, some of the things you heard the Florida Power & Light folks talk about. We get an opportunity to take that ahead of time and assess that and try to fold that into our plans. There are workshops that are held that we, that we attend in-person with the power company. So, you know, just from, just a plain business logistic standpoint, it's working very well.

COMMISSIONER EDGAR: Good. All right. Thank you.

MR. SMITH: Thank you.

COMMISSIONER SKOP: Thank you. Any additional questions? I just want to thank AT&T and its presenters for their presentation this morning and all their efforts on storm hardening.

And, Commissioners, at this point, we're next scheduled to hear from Verizon. But, again, as the lunch hour moves toward us, and I promised my colleagues that I would recognize lunch. I'll look to the bench to see what the pleasure is. My thought, my thoughts would be to go to 12:30, then break for lunch, but perhaps we can cover both of the remaining presentations by then.

(Inaudible. Microphone off.)

COMMISSIONER SKOP: Okay. Thank you. All right. Our next presenter is Verizon, and the Commission will hear from Mr. Cardenas.

MR. CARDENAS: Good afternoon, everybody. My name is Chris Cardenas. I'm the Emergency Operations Center Manager for the State of Florida. I appreciate the opportunity to talk with you this morning on Verizon Telecom's emergency plans for 2010.

From an overview perspective, I'll be presenting on four major subjects today. I'll paint a

high level overview of our telecom presence in Florida. I'll then outline our emergency operations organizational structure for managing events. Next I'll break down key functionalities for our Emergency Operations Center, then I'll move into what we're doing within Verizon Telecom to prepare ourselves for 2010.

I think it's important to paint a high level picture of what Verizon Telecom has in Florida and visualize why it's critical to proactively manage and maintain our emergency plans. We provide voice, data and video in the Central Florida area which covers approximately 5,000 square miles and about 1.2 million access lines. We employ over 3,900 employees, maintain over 1,600 telecom fleet vehicles, and maintain a presence in 300 buildings across the Central Florida area. With this investment in the Florida communities, we want to ensure we maintain the network when a crisis hits.

The EOC structure is based on a centralized point of contact to maximize the consistency and productivity of the teams involved. It also creates an environment to leverage perspectives from a preparation perspective and a recovery perspective. The National Emergency Control Center is the national liaison that manages events that cross multiple regions within our

footprint. They also provide additional support in bringing in tools and resources needed and our communications team for company leaders. They provide weather monitoring, reporting to assist us in tracking the event. And what we have pictured there on the right is the network or the National Emergency Control Center. During an event it's open 24 by 7 and it provides us continual feedback to help us manage through the crisis.

Our RCC, our Regional Control Center, consists of our region's executive team and members from key business units. The team works as the policy group to maintain consistency in planning and communications, along with maximizing the productivity by keeping everybody on the same page. The Region Control Center interfaces with the National Emergency Control Center and is the hub for communication both internally and externally.

The Division Control Center includes our dispatch leaders along with other key business unit managers who work with the field on plant protection and damage assessment. They provide checks and balances for all the teams in the field like construction, the field technicians, central office, engineering groups, et cetera. They compile the data received from the field and create a service restoration plan. They also track

trouble volume and funnel all that data up through the Region Control Center.

The Damage Assessment Group, the DAG, is on the bottom of that organizational structure, and they're the folks in the frontline. They are a combination of working team leads from multiple business groups working together to protect the outside plant facilities and provide a status on the damages. They also assist the Division Control Center in creating those emergency restoration plans, and they are also linked into the Region Control Center.

Here on Slide 7 is a visual picture of what we have in a typical Region Control Center conference call. It's made up of key members of each business unit within our organization, key members including folks like our regulatory group, field operations, real estate, security, human resources and so on.

On this slide I now want to talk through some of the important items we manage in the Region Control Center prior to, during and after a hurricane. We are continually updating our emergency plans based on changes in the organization, changes in resources and equipment, and lessons learned from previous exercises and events. The flow chart there on the right depicts the emergency plan which is sparked by an event or

exercise. We respond and begin the recovery process for our organization and resume business. From there we move on to restoring the facilities and returning to normal. The information we learn from this we review and update our plans with, and we're prepared to circle all around again.

For roles and responsibilities, the Region Control Center manages multiple plans to be prepared for different events. The Area Preparedness Plan supports multiple scenarios, primarily hurricanes. The Mission Critical Plans are specific for our call centers and our region centers. So if we have a situation where we have to evacuate, then we can move those calls out to other areas. And we also have locations where we can put our staff, if needed.

The Work Stoppage Plan is primarily driven around labor and contractual challenges that may occur, and then the Pandemic Plan for any pandemic activities that we may experience.

We will be linked with the county EOCs. We provide dedicated contacts to work in their EOCs when applicable. With our regulatory team and the RCC, we'll provide updates to the Commission on the impact to us and the progress that we're making in restoration and provide communications to DMS telecommunications and the

wireless providers.

On Slide 10, we continue to facilitate the event out of our Emergency Operations Center which is located in Temple Terrace, Florida. This location has a full generator backup and is away from the evacuation zones. Our dispatch team who facilitates the DCC, as we mentioned earlier, and the network team also manage operations out of the same building. We have food, bedding and stored food -- and -- we have food and bedding stored for short-term lodging.

We've also scheduled a hurricane exercise for June the 8th specific for Florida, and we'll be participating in a national event facilitated by the NECC on June 21st. Updates to both these exercises will be made to our plans based on the lessons learned from the events.

Here on Slide 11 we talk a little bit about pole hardening. This is our fourth year on the pole hardening initiative program. To date we've inspected half of the pole inventory through the rigorous inspection process. Poles that fail are replaced. We don't do the repairs. We go ahead and replace the poles that fail the inspection. And we work very closely with the other utilities when our facilities are impacted.

Each hurricane season we increase our

materials on hand by 10 percent. We also secure backup tools. For example, we secured an additional 850-kilowatt generator and have accommodation trailers like you see there below and comfort trailers available to us. We also proactively conduct routines on our network. We do annual testing and monthly generator testing. We also prepare for an event and go through our checklist of items and run additional routines at those times.

We do more than just plan for hurricanes. We had an exercise conducted nationally in the Washington, D.C., area. Verizon conducted a national disaster recovery exercise to show how critical communication infrastructure can be restored following a catastrophic event. In this scenario we had a commercial airliner and a private airliner collide in mid-air over the Northern Virginia area. Some of that debris landed on Verizon facilities. And this gave us an opportunity to utilize some of the tools we had in place and also to ensure that our plans have the components to address unique scenarios that come up versus the ones that are always visible and not on the forefront.

Before I go into questions, you know, one of the questions that was brought up was, you know, what keeps us nervous or what keeps us up late at night? And

I think probably, as mentioned earlier by several other folks, is Verizon has presence in a lot of the coastline up through, from Florida up through New York and New Jersey and along in the Gulf Coast, including primarily Texas. So the one thing that always has me worried is an event that crosses multiple areas, and then the resources and tools available to manage through it. We've experienced it before and we've successfully gone through it. One of the most recent ones I recall was Hurricane Ike which came up through Texas, but what a lot of people didn't realize is that it caused a lot of damage up in the midwest areas because that event was so large. And so we managed through both events simultaneously very well.

But with that said, I'll open it up to any questions you may have for me today.

COMMISSIONER SKOP: Questions from the bench? Hearing none, thank you, Mr. Cardenas. Appreciate all your efforts and that of Verizon.

MR. CARDENAS: Thank you very much.

COMMISSIONER SKOP: Okay. Commissioners, our last scheduled presenter is CenturyLink, and it looks like Mr. Miller and Ms. Khazraee will be presenting.

MR. MILLER: Thank you, Mr. Chairman and Commissioners. Hopefully I can get us out of here at

12:30.

All right. My name is Eric Miller. I'm Vice President for CenturyLink. For those of you who may not be familiar, CenturyLink is actually a result of the acquisition of CenturyTel of Embarq in the middle of last year. We have approximately 1.4 million access lines in the State of Florida and employ about 3,800 employees in the state.

I'm not getting it to go forward here.

(Technical difficulties with PowerPoint presentation.)

All right. Well, I'm going to go ahead and start talking. Hopefully you have the presentation in front of you. Our, our approach is one of an ongoing preventative approach as much as possible, that's both through design and communication that's out there. We put storm hardening requirements in all of our engineering as we add to our plant in the state. Or when we have a situation where a storm has come through and we have to re-engineer an area, we obviously re-engineer with the idea that a storm could come back through at any point in time.

Additionally, as some of my peers have referenced, we conduct ongoing maintenance with our generators. We have fixed generators that serve the

digital line devices out in the field and then have a fleet of portable generators that are stored throughout the State of Florida.

In preparation for hurricane season, we go out and maintenance all those generators, the portable generators that are out there, and then ensure that we have adequate fuel onsite to handle any situation that may arise.

Additionally, we have an ongoing maintenance project throughout the year doing battery replacement throughout the facility so that -- both through the backup power as well as battery power we have the ability to ensure service in the case of an outage.

Similar to my peers, we have an ongoing process of pole inspections and go throughout determining whether those are hardened. If they're not, we go through and replace them if we have any issues.

As the storm approaches, we take an approach that emphasizes communication. We have local resources in place throughout the State of Florida that before any storm should occur, they've established a relationship with the local Emergency Operation Centers so that they can go through and be called at the point that a hurricane may be coming through or any other weather event. Again, those are located locally and participate

from a local standpoint.

We also have Emergency Operation Centers within our organization located in North Florida, South Florida and Central Florida that are put on notice any time a storm is identified that could be approaching the state. We receive daily updates from our National Operation Center during hurricane season, and then calls are initiated if there's any risk that's identified.

We communicate regularly and frequently both internally and externally to make sure all the resources are in place. Our network operation centers, as you may have heard reference before, we have a network operation center focused on the State of Florida that is located here in Tallahassee. Nationally we have network operation centers located in Monroe, Louisiana, Gardner, Florida, I mean -- Gardner, Florida -- Gardner, Kansas, and La Crosse, Wisconsin.

After the storm, we activate our rapid response teams. We have supplies placed along with tools and materials throughout the State of Florida and in adjoining states that can be used in the event of a weather event. We activate a rapid response team, which are employees that have been identified to move throughout the state and go in after we've identified that an area is safe to enter.

We mobilize area survey teams to canvass the area, prioritize the work that's involved, so focusing on those facilities that are needed for any type of recovery first, and then migrating into residential service at that point in time. We begin restoration immediately and then focus on the priorities that I just identified. And then finally we collect any forensic data to identify anything that we may want to improve in the future; changes to the plant, changes to facilities to keep any type of outage from occurring in the future. So I wrapped that up relatively quickly, and I would open it up to questions at this point in time.

COMMISSIONER SKOP: Thank you. Questions from the bench?

Commissioner Edgar.

COMMISSIONER EDGAR: Any issues in particular? I mean, very good overview and thank you. Any issues in particular that would be helpful to bring to our attention?

MR. MILLER: No. I'll just reference what some of my peers did as far as, you know, getting into areas where emergency personnel have cordoned that off. You know, if we have folks -- we try and use folks in company vehicles, but obviously if we're trying to get people in there, whether it's contractors or even our

employees in their personal vehicles, we have run into issues in the past. We've taken the step of identifying for our rapid response teams, you know, identification, both badges and then also documentation that they're part of a rapid response team so that hopefully when they get into the area, but that would be the main thing that I would bring up.

COMMISSIONER EDGAR: Thank you.

MR. MILLER: No problem.

COMMISSIONER SKOP: Thank you. Any additional questions? All right. Thank you, Mr. Miller. Appreciate it.

MR. MILLER: Thank you.

COMMISSIONER SKOP: Commissioners, at this point, barring any other presenters, which I don't see any, I just wanted to look to the bench for concluding comments or questions. Hearing none, I just wanted to make one concluding comment. I just wanted to thank all of today's presenters or participants for their informative presentations and commend the respective companies for their ongoing infrastructure hardening and storm preparation efforts that their teams have been undertaking on behalf of the customers. So with that, staff, are there any other additional matters that we need to address before we adjourn?

MS. BENNETT: I'm hearing a sidebar here. Let me check with staff and make sure that they don't have any additional questions.

COMMISSIONER SKOP: All right. Thank you.

(Pause.)

MS. BENNETT: We don't have any additional questions or procedural matters.

COMMISSIONER SKOP: All right. Thank you. With that, Commissioners, we stand adjourned. Thank you.

(Workshop concluded at 12:25 p.m.)

STATE OF FLORIDA)
: CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, LINDA BOLES, RPR, CRR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

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

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

DATED THIS 28th day of May, 2010.

Linda Boles

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