BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. UNDOCKETED

HURRICANE PREPAREDNESS.
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PROCEEDINGS: WORKSHOP

COMMISSIONERS PARTICIPATING: CHAIRMAN RONALD A. BRISÉ
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER ART GRAHAM
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Wednesday, May 9, 2012

TIME: Commenced at 1:33 p.m.
Concluded at 4:45 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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APPEARANCES:

SAM MOORE, Florida Power & Light

JASON CUTLIFFE, Progress Energy Florida

DAVID SWEAT, Tampa Electric Company

SHARON PINKERTON, Gulf Power Company

BILL GRANT, Florida Public Utilities Company

JODY FINKLEA, Florida Municipal Electric Association

ROB McGARRAH, City of Tallahassee

HERMAN DYAL, Florida Electric Cooperatives Association

GREG FOLLENSBEE, AT&T Florida

SHAUN McLAURY, Verizon Florida, LLC

SANDRA A. KHAZRAEE, CenturyLink

FOR THE FPSC:

MICHAEL LAWSON, ESQUIRE

P R O C E E D I N G S

CHAIRMAN BRISÉ: Good afternoon. We're going to go ahead and convene this workshop, and we're going to ask staff to read the notice.

MR. LAWSON: Pursuant to the notice issued in the FAW and as issued by this Commission, notice is given that this workshop will convene today, May 9th, 2012, 1:30 p.m. 'til 5:00 p.m. at this location. The purpose of this workshop is to provide a forum for Florida electric utilities and the three major incumbent local exchange carriers to brief the Commission on their 2012 hurricane season preparation, and for other matters as properly described in said notice.

CHAIRMAN BRISÉ: Thank you. At this time we will take appearances. Okay.

MR. LAWSON: Michael Lawson on behalf of the General Counsel's Office, Public Service Commission.

CHAIRMAN BRISÉ: That's it? All right.

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

plans subject to our approval.

In our July 2007 report to the Legislature we cited our most critical recommendation that Florida remain -- I'm sorry -- Florida maintain a high level of storm preparation. The annual hurricane season preparation workshop provides utilities and local exchange companies a forum to advise us of their individual hurricane season preparation activities.

This is the seventh year that we've conducted such a workshop. After three years with no hurricanes visiting our shores, fading memories can lead to complacency. We, however, should view the hurricane season of 2012 with caution and recognize that preparedness is key to minimizing storm impacts. The forecasters remind us that only one hurricane making landfall in our area will make it an active season for all of us.

We ask each of our presenters to candidly address the status of their company's preparation for the 2012 hurricane season. Please include the status of the work achieved to protect facilities to date, work in progress, and work to be accomplished in the near future.

Finally, we ask that you specifically address the areas of vulnerability within your service area, and

let us know if there's anything that the Public Service Commission can do to assist you.

It is understood that while the electric utilities own the vast majority of the 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, play a vital role in preparation for the hurricane season as well, and we welcome their participation as well.

We go through this exercise and we've gone through this exercise for several years, and we certainly hope that the most pertinent information is presented today. And if there's information that sort of goes over information that we've covered in past years, that we go through that information rather quickly and get to the information that is most pressing and important for us to look at that is sort of new information for us to, to avail ourselves of.

With that, I'm going to allow, if there are comments from my fellow Commissioners that they would like to make at this time before we get into the order of presentations and all of those things and before I turn it over to staff.

(No response.)

Okay. Seeing no comments from fellow Commissioners, no comments from staff. So the order of presentation will be as such: Florida Power & Light will go first, then Progress Energy Florida, Tampa Electric Company, and then Gulf Power. After that point we anticipate taking a short break.

We ask, for the, for the purposes of keeping it moving at a good pace that -- obviously, Commissioners, you can ask a question whenever you want to ask a question, but for, for the flow I would ask that at the end of the presentation that we enter into the questions at that point rather than entering into a back and forth in terms of questioning with, with each presenter.

So with that, I suppose that we will call Florida Power & Light, and I think it will be Sam Moore.

MR. MOORE: Yes. Good afternoon, Commissioners and staff. My name is Sam Moore. I am the General Manager of Operations for the Miami-Dade region in FPL's service territory. Included in my responsibility is being part of the team that oversees FPL's storm restoration and preparedness activities.

Thank you for providing us this opportunity to review FPL's hurricane preparedness plans for the 2012 storm season. My presentation will address activities

and results of 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 have been fortunate in avoiding a major hurricane since 2005, we have maintained our focus and continued efforts to improve our system and processes, as well as strengthen our infrastructure to be better prepared for this and future storm seasons.

About preparedness -- preparations, I'm sorry, FPL's ongoing and continuous hurricane preparation efforts concentrate on four key elements.

First, we continue to strengthen our distribution and transmission infrastructure. This is being accomplished through our hardening plans, our pole inspection program, 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 that 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 to our customers.

Now let's look at each of these elements in a little bit more detail. Hardening, distribution. Hardening is a key component of our plan to strengthen our infrastructure. For our distribution system, FPL continues to implement its three-prong approach. We're hardening our critical infrastructure facilities or CIFs, these are hospitals, 911 centers, and police and fire stations, hardening those circuits to the National Electric Safety Code extreme wind loading criteria.

We're also incrementally hardening up to and including our extreme wind loading criteria what we refer to as our community projects. These are major thoroughfares with key community needs like grocery stores, gas stations, and pharmacies.

We're utilizing our EWL design guidelines to construct all new overhead facilities, major planned work, and relocation projects, as well as our daily work activities.

For our CIFs we've now hardened all major hospitals and acute care facilities and essentially all 911 and emergency operation centers throughout our

system. Since 2007 we've hardened approximately 1,000 miles and 305 feeders serving 330 CIF customers as well as other community needs.

For 2012 an additional 27 CIF and 14 community projects are planned. Our hardening focus this year includes water sewage treatment plants.

Transmission hardening. While FPL's transmission system is already constructed to extreme wind loading criteria, we continue to improve the strength and resilience of the transmission system by replacing all 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 9,600 wood transmission structures. Additionally, we have replaced ceramic post insulators on more than 3,000 structures. In 2012 we're planning to replace approximately 1,000 additional wood structures, as well as the ceramic post insulators on nearly 300 additional structures.

Pole inspections, distribution. FPL began the implementation of its systemwide eight-year distribution pole inspection program in May of 2006, ensuring that each pole meets strength and loading requirements.

At the end of 2011, FPL had inspected approximately 74% of its 1.1 million poles and is on

target with its eight-year pole inspection cycle. In 2012, we again plan to inspect approximately one-eighth of our distribution poles.

Pole inspections, transmission. All of our approximately 66,000 wood, concrete, steel transmission structures are on a six-year inspection cycle. In 2012, FPL completed its first six-year inspection cycle -- in 2011 we completed the first six-year inspection cycle, and in 2012 plans to begin a new cycle of inspections.

Additionally, to complement our distribution hardening and storm preparation efforts, we plan to complete inspections on all 500kV lines and transmission facilities serving critical infrastructure functions prior to the 2012 storm season. These inspections are underway and on schedule to be completed as planned.

Vegetation management, distribution. Like hardening, vegetation management is a key component of our plan to strengthen the infrastructure and prepare for storms. We continue to maintain our feeders on a three-year average trim cycle and on are schedule toward achieving our approved six-year average trim cycle for laterals by the established target 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 2012 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 "Right Tree - Right Place" programs with our customer 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.

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

Annual preparations. Each year we ensure that all storm roles are identified and staffed with the right personnel. We conduct extensive training, including our annual company-wide hurricane dry run exercise that includes our field as well as support personnel. The exercise tests our systems and processes to ensure they're ready.

This year's exercise is being held this Friday and will be directed from FPL's new Category 5 rated command center in Palm Beach County. This new facility will provide a secure location from which the company will conduct uninterrupted command and control operations from pre-landfall to post-restoration.

As in the past, we invite officials from certain 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 assigned 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 provide valuable lessons for future evaluation and actions.

Our restoration plans. Our restoration plan has one clear objective, to safely restore electric service for our communities' critical infrastructure functions and needs along with the greatest number of customers in the shortest amount of time.

For the 2012 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 our, through our mutual assistance agreements, agreements with contract crews, and increased material and fuel inventories.

Also, in 2012, FPL continues with its implementation of the incident command system, ICS, which correlates with the National Incident Management System. While FPL already adheres to many of the key features of ICS, our goal is to be consistent with as many ICS tenets as possible to further enhance communications with external agencies in standardized key roles.

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 also developed a dedicated government portal website that allows government officials to obtain the latest media releases and information on customer outages, estimated restoration times, FPL crew resources, outage maps, and other information. In addition, our enhanced e-mail distribution process targets key messages to governmental audiences.

Further, FPL continues to actively participate in the National Hurricane Conference, discussing with government and community leaders how best to bring communities back to normal after severe storm events as we continue to participate and support the government's hurricane conference. Additionally, in 2011 FPL's community outreach teams conducted 59 presentations to local community-based organizations, including the topic of storm readiness.

Finally, in response to the most frequent asked, question asked of us, "When will my power be back on?", we continue to enhance our outage communication system to provide even more detailed estimated times of restoration.

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

The first one is that our service territory may be affected by a storm or storms before we're able to complete our hardening efforts.

The second is being affected by multiple storms over a short period of time like we experienced in 2004 and 2005.

The third, being impacted, impacted by catastrophic storms like Hurricane Andrew or Hurricane Katrina, which can destroy everything in her path.

And last, experiencing a shortage of sufficient resources, whether it be material, equipment, and/or personnel.

While some of these are beyond our control and means, we will still do all we can to reasonably mitigate these occurrences.

In summary, FPL is confident that it's well prepared for the 2012 season. Our hardening, vegetation management, and pole inspection initiatives have strengthened and are strengthening our system. Our storm organization is in place, well trained, and ready. We've refined our already well-tested restoration plan. And, lastly, we are in a position to better communicate with our customers.

We, like all of you, are hoping for an inactive hurricane season. However, should hurricanes

affect our communities in 2012, FPL is ready to respond. Thank you.

CHAIRMAN BRISÉ: Thank you, Mr. Moore.

And, Commissioners, are there any questions or comments at this time?

Okay. Commissioner Brown and then Commissioner Edgar.

COMMISSIONER BROWN: Thank you, Mr. Chairman. And thank you for your presentations.

With this year's hurricane drill occurring on Friday, are you incorporating anything different from last year's experiences or lessons learned?

MR. MOORE: The one thing that is really different this year is that we will be in a new facility. And, and with that, we, we also will be employing new modes of communicating with our customers.

The one big thing that we have noticed and a lesson learned from the last dry run was that social media has really, really and will be playing a really big part in all of our efforts in the future, whether it be Facebook, Twitter or any of them. And so we will be establishing blogs and communicating that way to customers on restoration times and so forth.

COMMISSIONER BROWN: That's great. And just another question about your "Right Tree - Right Place"

program.

MR. MOORE: Yes.

COMMISSIONER BROWN: Can you elaborate a little bit more about that?

MR. MOORE: Well, you know, unfortunately -- well, I actually should say fortunately, we all love trees and so do I. But unfortunately a lot of our customers aren't exactly sure where to plant those trees and sometimes those trees are planted right underneath our overhead lines. And so what we do is we communicate with those customers and we try to get them to relocate the trees. But we have a program where we will actually replace the tree for them, relocate it to a better location and replace that tree.

COMMISSIONER BROWN: And what's the cost?

MR. MOORE: Pardon me?

COMMISSIONER BROWN: What's the cost associated with that to relocate it?

MR. MOORE: I'm not -- it depends on the tree. I'm not exactly sure what the cost it.

COMMISSIONER BROWN: It's okay. I was just curious. Thank you.

CHAIRMAN BRISÉ: Commissioner Edgar.

COMMISSIONER EDGAR: Thank you, Mr. Chairman. And thank you for your comments. Early in

your presentation you gave us some numbers on the transmission hardening, and I think something around 9,500 wood structures having been replaced and 3,000 ceramic post insulators. And you said for this year, 2012, probably 1,000 more of the wood structures and 300 of the ceramic to be replaced.

So my question is where are you in the process of completing what had been identified for hardening or replacement in that process?

MR. MOORE: On the transmission side?

COMMISSIONER EDGAR: Yes. Recognizing that this is an ongoing effort that was begun approximately six years ago.

MR. CARTWRIGHT: Yes, ma'am. Hoss Cartwright with Florida Power & Light. I'm in the transmission system.

We have replaced over 9,600 poles. We have about 15,000 more wood poles. Our goal was to replace all the wood in our transmission system over the next 25 to 30 years, and that was presented in 2008. So we've got a little over 15,000 to go. And we roughly do between 900 and 1,000 through our inspection cycle that we find that we replace every year.

COMMISSIONER EDGAR: Thank you. Very roughly, a third of the way?

MR. CARTWRIGHT: Yes, ma'am.

COMMISSIONER EDGAR: And the vegetation management requirements that are on an ongoing cycle, three years for feeders, six years for laterals, are you able to keep up with that, your O&M people and contractors?

MR. MOORE: Yes. Our feeder cycle program, we're on a three-year cycle. Our lateral program, at the end of 2013 we'll be there.

COMMISSIONER EDGAR: And if this is an unfair question, I apologize and you can say so. I know at the time that that requirement was put in place there was discussion as to what would be the right time frame, the right time periods, and also cost-effectiveness from recognizing that we have not had a major hurricane in the past few years. But from your people that are out there, you know, in the field every day, do you have a sense as to whether that now with more experience seems to be a good, cost-effective timeline to keep up with vegetative management in obviously a tropical area?

MR. MOORE: The growth is tremendous. We find that the three-year cycle on the feeders is probably about right. And having not quite reached the six-year cycle on laterals, which we'll do at the end of next year, it appears that that might be the right time also

right now. Based on certain circumstances, we have to get to some a little sooner than others. But right now it looks like that time frame might be appropriate.

COMMISSIONER EDGAR: All right. Thank you.

CHAIRMAN BRISÉ: Commissioner Balbis.

COMMISSIONER BALBIS: Thank you, Mr. Chairman.

I just have two questions for you, and thank you for your presentation. You mentioned that Florida Power & Light has made, I believe it was 59 presentations throughout the service territory on hurricane storm hardening or other efforts.

MR. MOORE: They were, they were last year 59 community outreach presentations, many of them on storm presentations -- on storm preparations, yes.

COMMISSIONER BALBIS: Okay. And did the public that attended those presentations, did they present any additional concerns, or what was really the outcome of those interactions with the public?

MR. MOORE: Usually they're education based, and communities will -- would request someone come out and provide information on a specific topic. The majority of them happen to be in the area of storm preparedness. But I'm not sure if there were any concerns at this time that were communicated back on each of those.

COMMISSIONER BALBIS: Okay. And one final question. I know some municipalities have amnesty programs for vegetation pickup to kind of encourage preparedness for the hurricane season. I know the City of West Palm Beach, for example, that had a limitation on the size of the vegetation debris pile in front of the house, that during the amnesty period they would allow, you know, larger sizes. Does FPL work with municipalities to encourage those types of programs, are they helpful, or are you not aware of that?

MR. MOORE: I'm not, I'm not aware of that.

COMMISSIONER BALBIS: Okay. All right. That's all I had. Thank you.

CHAIRMAN BRISÉ: Thank you. I have two questions for you myself.

You mentioned communications and social media. I think that is fantastic. Have you all considered texting to provide information to consumers?

MR. MOORE: That's part of it also.

CHAIRMAN BRISÉ: Perfect. This may be an unfair question but I'm going to pose it anyway. If the circumstances of the 2005 storm season were to arise again, considering all the changes and, and I guess hardening and all those things that FPL has done, would the things that occurred during that storm season in

terms of length of time that -- because I'm from Miami, so my house was without for about two and a half weeks or three weeks or so. Would the length of time for the restoration of power and all of that, do you think that that would be reduced dramatically with, if, if it's the same type of circumstance based upon the hardening that has occurred?

MR. MOORE: I know what you're asking. Yes. We believe the efforts that we've put in place over the last six years and lessons learned from not just '05 but '04, we believe that the restoration time would be shorter.

CHAIRMAN BRISÉ: Okay. Thank you. And that's one of the things that, you know, concerns me because obviously individuals who live in those areas understand that these are things that need to happen and they support the investment in these programs, but they want to make sure that the investment is, their investment is actually going to generate some benefit. So I'm thankful that you're fairly confident that --

MR. MOORE: Yes, we are.

CHAIRMAN BRISÉ: Thank you very much. I don't know if there were any other questions or comments at this time.

MR. MOORE: Thank you.

CHAIRMAN BRISÉ: Commissioner Edgar.

COMMISSIONER EDGAR: Thank you, Mr. Chairman.

I would just follow up on that while we're waiting for the next speaker. As I am the only Commissioner up here who served on the Commission during a portion of that storm season, I started in January of '05 and then was here, of course, in '06 and '07 and beyond when we were working with all stakeholders and interest groups, the providers, of course, and also community leaders and citizen groups to try to amass information as to what we had learned, what had been done, what worked, and what steps we could take, working all together, of course, with other state initiatives. One of the things that we tried very hard to take into account is a cost benefit analysis. Certainly there can be a long wish list of things that we would always like to do to mitigate and be better prepared, but we wanted to try to the best of our ability to make sure that the ratepayers were getting a good value for the money that would be directed to these efforts.

And, of course, as has been pointed out, we have not thankfully had an individual or series of massive storm events as we did, but I do personally believe it's only a matter of time. And I am certainly hopeful and believe that good, thoughtful, analysis has

gone into trying to give that good value so that we are better prepared.

CHAIRMAN BRISÉ: All right. Thank you very much, Mr. Moore.

MR. MOORE: Thank you.

CHAIRMAN BRISÉ: At this time we're going to move forward with Progress. Mr. Cutliffe.

MR. CUTLIFFE: Good afternoon, Mr. Chairman, Commissioners, and staff. I am Jason Cutliffe. I'm the Director of Distribution Asset Management for Progress Energy. And I thank you for the opportunity to report our status of hurricane preparation for the 2012 season.

I'll review some prepared comments and then be happy to take any questions at the end. What I'm going to share really boils down to the fundamentals. It's about getting our system ready, getting our organization and people ready, and ensuring that we are thoroughly engaged with our communities and community leaders, and I suspect that'll be a theme of what you hear today.

But let me begin by saying our, our T&D delivery infrastructure performed well in 2004 and 2005 and in some more recent severe weather events. We've improved the system each year, taking additional aggressive hardening measures in conjunction with the Public Service Commission's initiatives, including the

ongoing ten-point preparedness plan and the wood pole inspection process.

Our hurricane restoration operational plan which also functioned well in 2004 and 2005 has undergone annual review and continuous improvement. All lessons learned from past major and midlevel storms, our annual drills, and experiences from other utilities across the nation are incorporated into our 2012 written plan and were included in our 2012 storm drill conducted the last week of April.

So in summary, our organization, our T&D delivery infrastructure are prepared for the 2012 hurricane season. And so what I'll do now is discuss in a bit more detail the key elements of our annual hurricane season preparation.

All right. What I'll go through is distribution and then transmission system readiness, then our organizational readiness, and finally our coordination with local government.

On our distribution delivery system our wood pole plant continues on a firm eight-year inspection cycle. We're entering year six out of eight years, and our inspections and maintenance are on this eight-year cycle and complies with the Commission's storm preparedness initiatives. The inspections are targeted

and prioritized based on hurricane risk. And in 2011, we inspected over 99,000 wood distribution poles. And more than 57,000 of those were treated for -- to prevent decay and over 2,800 were replaced.

Other system maintenance activities completed in 2011 include 997 pad mount transformer replacements, over 88,000 circuit feet of hardening rebuild projects, and over 600,000 feet of underground cable replacement.

The distribution system inspection, maintenance, and replacement projects are the cornerstone of our annual work plan and resource planning, and the manpower and material needs are identified in the prior year in order to prioritize, construct efficiently, and complete all this pre-hurricane season work on time.

Progress Energy is on a three-year backbone, five-year lateral vegetation management cycle. In 2010 we completed our first lateral five-year cycle, and in 2011 we wrapped up our second full year, full three-year backbone trimming cycle.

Our 2012 plan is on schedule, and it includes May completion of preseason visual patrols of all 3,600 backbone miles, and June completion of all follow-up pruning and tree removal identified in those preseason patrols. Already in the first quarter of 2012 the VM

operations have removed over 1,100 trees, hot spot trimmed another 9,800, and applied herbicide to more than 600 miles of right-of-way floor.

Also, Progress Energy remains fully committed to the Public Service Commission's ten-point ongoing preparedness plan, including the following. A full inventory of joint use attachments was completed in 2011 and now details each attaching company at every pole on the system. Also in 2011 we completed a rollout of a Logica ARM Suite Work Management System along with a Facilities Management Data System. And these two, two software packages are now fully integrated with an upgraded GIS system that was rolled out in 2008.

Also in 2011 a post-storm forensics process was expanded to include the capability of responding not just to major but to midlevel storms as well. And as mentioned earlier, annual review and update of our written hurricane restoration plan was completed in preparation for the 2012 season.

And finally, as described in our 2010 three-year hardening plan filing, we continue to implement a comprehensive process to identify, prioritize, and assess storm hardening options within our service territory.

Transmission system readiness is built upon

comprehensive structure inspections and system maintenance. In 2011 inspections were completed on 184 transmission circuits and over 11,000 wood structures, and more than 1,500 wood structures were replaced with steel or concrete in accordance with NESC extreme wind design.

Since 2006 when this effort began, we've replaced over 10,000 wood transmission structures with steel or concrete, continuing this systematic hardening via maintenance upgrades, DOT relocations, and other line rebuilds. Aerial patrols of the entire transmission system took place in quarters two and four of 2011 and are underway in 2012. Inspections are also complete inside all 481 substations, as is all identified critical follow-up maintenance.

The transmission vegetation management projects in 2011 cleared over 1,100 miles of right-of-way, and this work included 267 miles of herbicide application, over 61,000 tree removals, and removal of over 2,300 danger trees from outside the right-of-way.

2012 projects are on schedule to clear an additional 274 miles of right-of-way in addition to the tree work that we identified by the aerial patrols and ground inspections.

And, again, the PSC ten-point preparedness plan and storm hardening rule have been implemented, including enhanced GIS capability for transmission facilities, post-storm forensic data collection, structure inspection cycles, and, most notably, hardening by way of wood pole replacement with concrete or steel.

Our organizational readiness can be characterized as tested through our annual drill, again conducted last month. The annual storm plan review and update process is complete for 2012. A recent addition to our plan is proactive communication to critical care customers. What this amounts to is that prior to hurricane landfall customers identified with these critical care needs receive a phone call from Progress Energy, and the agent delivers a preparation message including location of area shelters equipped to provide critical care assistance and a reminder to check in advance the working condition of their own equipment and any backup life support.

As I mentioned earlier, our 2012 hurricane drill was completed in April, and each of our individual storm organizations and leadership teams were tested on their preparation efforts and ability to react to changing storm conditions. This drill and accompanying

tabletop exercises and training efforts clearly demonstrated our readiness for the 2012 season.

And we've also taken steps this year to ensure access to critical material and fuel from multiple sources. Inventory levels of critical material has been increased over normal stocking levels, and our supply chain organization has again assembled 16 storm kits. Each of these kits which are staged throughout our territory contain enough emergency material and supplies to outfit up to 400 linemen for three days. Our transmission organization also has increased its inventory level of poles, insulators, and other basic restoration equipment, and maintains storm kits that will outfit transmission crews for three to five days. And, again, we've negotiated retainer contracts with our fuel vendors to ensure that fuel needs are met. These arrangements also improve our access to fuel when sending Progress Energy repair crews off system in support of our mutual assistance partners in Florida and elsewhere.

So even though we have supplier agreements in place, these additional measures address risks and ensure that restoration can begin as soon as the weather clears and we can safely begin restoration.

And lastly, external line and tree trimming

personnel are vital elements of a successful operation. And we've taken steps to ensure access through arrangements with contractors and relationships with other utilities through regional mutual assistance organizations like the EEI and the Southeastern Electric Exchange.

I'll comment now about our coordination with local government. Our communication and coordination with local leaders has been strengthened in 2012. We've maintained a cross-functional team focused on governmental engagement to ensure two-way communication with local leaders. We include EOC leaders in our drills, as we did this year, and our representatives participate in the EOC-run drills, including their annual prioritization of critical infrastructure.

By placing a Progress representative inside the major county EOCs, we're able to incorporate local governments' priorities in our tactical restoration plan. And Progress Energy is also equipped this year to provide local governments with resource and restoration information before, during, and after storm events to assist them with their own local planning. Our program is now operational year-round, and we're able to provide detailed outage information down to the square mile grid provided on secure files to each of the EOCs. But it's

a format that allows them to incorporate this information into those that have their own emergency management software. Additionally, we're able to provide these maps beginning this year for midlevel storms as well. And this information is supplemented by outage maps with data that's sequenced throughout the day with all of our other messaging on our external website for all customers and stakeholders to see.

And we continue the "Know Where You Grow" program which informs the public and community organizations of the most compatible tree species and where to plant them in the vicinity of power lines.

And, finally, we enthusiastically participate in public education and community leader forums: For example, the recent Tampa Bay forum's Coastal City Summit held just last week.

So in conclusion, even with the best preparation, Mother Nature presents risks and areas of vulnerability, and they fall into two general areas. The first is restoration resource limitation and the second is storms that produce catastrophic damage.

So with regard to the first, with restoration resource limitations, anything that dilutes resources is a risk. Primarily you've heard these items before, multiple storms and/or severe storms that enter the

region. And to mitigate this we maintain robust relationships with both line contractors, tree trimming contractors, as well as the mutual assistance groups mentioned earlier.

The second area of vulnerability are catastrophic weather events, intense hurricanes, Categories 3, 4, and 5 or those with significant storm surge have the potential for unprecedented damage. So one way we mitigate this risk is by maintaining very strong relationships with community, community leaders and county emergency operation centers. And this two-way communication of damage and restoration priorities allows us to align as quickly as possible with the priorities of local community leaders.

So in conclusion, Progress Energy's organization and our T&D delivery system are prepared for the 2012 hurricane season. The system that performed well in previous major weather events has been inspected, maintained, hardened, and improved, and our internal organization has been drilled and relationships strengthened with community and emergency response leaders.

As a seven-time Edison Electric Institute Restoration Award winner, Progress Energy has a track record of high performance in this area. Our most

recent award came in 2009 for off system support to Entergy Texas and CenterPoint Energy following Hurricane Ike. That was the largest off system deployment in our company's history. And these off system efforts along with those of the other utilities that are represented here today strengthen an already strong standing in the mutual assistance community, and that's a standing that will pay dividends not if but when Florida is next impacted and we're calling for support from outside of our state to mitigate our risks here.

So, Commissioners, this concludes my prepared remarks. Thank you for your attention. I'd be happy to take any questions at this time.

CHAIRMAN BRISÉ: Thank you very much.

Commissioners? Commissioner Brown.

COMMISSIONER BROWN: Thank you. Again, thank you for your presentation. And same question I asked Florida Power & Light about anything differently that you incorporated in this past year's hurricane drill that you didn't do or lessons learned from the previous year?

MR. CUTLIFFE: Well, one thing we added to the drill, this is kind of getting into the details, but we have two systems we assess damage on our system by. One is an outage management system that we use just about

every day of the year. We have other tools for major weather events that we have to drill and train on because they're built for a different purpose. So what we did deliberately in our drill this year is produce data that conflicted in those two systems, and we taught our people to fly by instruments and not by sight. And in doing so, we identified a few gaps that we're following up on.

One is when you approve some documentation to our frontline field leaders to give them guidance. Every year turnover is a challenge, new people in roles, often the same people in different roles, and it's basic fundamentals. We've got to continue to train every year, not get complacent there.

Another thing we identified in our drill is the need for a backup system command center. And so we conducted our drill out of a new facility this year, and we learned some lessons about landlines and network capacity that will allow us to use that location in a real event.

COMMISSIONER BROWN: Great. Thank you. And also how would you measure your "Know Where You Grow" program in terms of public awareness and success?

MR. CUTLIFFE: The -- you know, it's a great way to reach out to people through Home Depot and Lowe's

and put literature in their hands. That's an effective message to keep out there. But where it really makes a difference is in working with local communities who are doing streetscapes, and often times work with contractors who are doing their plantings, and we're able to maintain those relationships.

The cheapest tree to deal with is the one that gets planted 20 feet from the line in the first place. And so that's, that's an investment we make every year. And it, it produces benefits because we don't have to come back and deal with a mature tree five, six years later that is now a removal situation.

COMMISSIONER BROWN: Agreed. Thank you very much.

CHAIRMAN BRISÉ: Commissioner Edgar.

COMMISSIONER EDGAR: Thank you. And I also would pose the same two questions I did to Mr. Moore. The first being with the process that you're going through for replacement and/or hardening, particularly of transmission related infrastructure, and recognizing that that's a multiyear process, where are you in the planning process and implementation towards the ultimate goal for that aspect?

MR. CUTLIFFE: As I mentioned, since 2006 we've addressed about 10,000 structures, but a vast

majority of our transmission network is built with wood. So it's a long-term systematic approach. We are in the 20-to-30 year range also. But what we are able to do is take advantage of every opportunity where there is any kind of construction going on, as well as target those replacements that do take place to the most critical circuits in the most hurricane prone areas.

COMMISSIONER EDGAR: And my understanding is that with that replacement schedule that there has been a prioritization that has taken place.

MR. CUTLIFFE: Yes.

COMMISSIONER EDGAR: Thank you.

And then the second question was related to the vegetation management program and the time period as you've cycled through three years and five years, recognizing that for some of your areas are more rural than some of the service areas that FPL or some of the other smaller providers have.

From the operations and being out there on the ground, did the three-year/five-year cycle seem to be both effective and cost-effective? And I ask that question, recognizing that when these initiatives were put in place, we fully expected that we would learn as we go and maybe data would show that adjustments should be made.

MR. CUTLIFFE: I would, I would answer this way. We've, as I mentioned, we've completed a five-year lateral cycle. So we have that, that data in our records. We just last year finished our second three-year backbone cycle. At about the same time we, we invested in some software to model the vegetation conditions on our rights-of-way on our system. We now pre-inspect every span that gets trimmed before our contractors get there. So when we go back to those circuits in later years, we know what type of trimming -- we can forecast costs and resource needs much more effectively, but it also gives us a more accurate profile of the vegetation conditions on our right-of-way.

So in more direct answer to your question, we're at a point where our data is going to allow us to do a much better job of assessing that question, striking a balance, and that area is under active review right now.

COMMISSIONER EDGAR: Great. Thank you.

CHAIRMAN BRISÉ: Any further questions?

Okay. I'll, to be consistent, I'll ask two similar questions to the ones I posed to FPL.

Are you in a better position this year than you were last year? And in a better position for

response than the last time you had to deal with a major storm?

MR. CUTLIFFE: For, for us, 2004 was our major hurricane year, and our system performed very well in 2004, as did our organization. But I can tell you without reservation our performance will be better the next time it happens. You will know sooner when your lights are going to come back on. Your lights will come back on sooner, and we will do a better job of aligning our tactical plan with the needs of local communities.

CHAIRMAN BRISÉ: Thank you. And the second question, I heard throughout your presentation your interaction and plan to communicate with local leaders and government and so forth. What is your plan to communicate with actual consumers?

MR. CUTLIFFE: We, we provide information on our website is the most effective way to reach out. So our direct contact is through, through the external website.

When we work with our emergency operation center contacts, we also ask that they include our messaging in their outreach communities as well because we do clear a lot of our priorities through their operation. And so if there's a, if there are critical lift stations that a neighborhood may have or if there

are care facilities or other locations that the community deems -- schools, for example, could become a high priority -- we work with the EOCs to set those. And so we work through them to get the messaging out to customers as well.

In -- I'll add this, in actual restoration situations we've also added, we've added social media to our, our outage maps on our external website. Twitter is one of the means now. So when my lights go out, I'll ask my teen-ager when they're coming back on again. But we're constantly evaluating those methods and looking for faster ways to reach customers.

CHAIRMAN BRISÉ: All right. Thank you very much. Seeing no other lights, I thank you for your presentation this afternoon.

Tampa Electric Company, Mr. David Sweat. I just wanted to make sure.

MR. SWEAT: Good afternoon, Mr. Chairman and Commissioners. It's my pleasure to be here today. My name is David Sweat, and I am the Director of Energy Deliveries, Energy Engineering and Operation Services team. And it's -- I appreciate this opportunity to share with you what we have in store for our plan for the hurricane season upcoming in 2012.

We broke this up into three different areas:

The system infrastructure, our pre-storm prep and coordination, as well as our areas of concern as well.

Starting with the system infrastructure, you're familiar with our wood pole inspections as well as the ten-point plan initiatives. We'll be looking at the three-year storm hardening plan that we've put forth.

With the wood pole inspections, as with everyone else, we're on a eight-year cycle for this, and at this point we're doing quite well. We have roughly 52,000 poles that we are anticipating getting done this year, as well as last year.

And our distribution poles, just for the record, is Class B, so that's a little bit more than what is the norm and what is required.

The ground line inspection program is the visual inspection that we do, as well as the sound and bore and excavation as needed. We'll also do pole loading analysis and repair and reinforce or replace, if it's required.

The ten-point plan initiatives. We talked about the vegetation management. We're on a three-year trim cycle presently.

The joint use attachers and audit. We've improved our processes for attaching entities to attach

their poles to Tampa Electric poles through the use of (inaudible) and the Engine's Online Program.

Comprehensive loading analysis is performed on these poles as needed, and, if need be, they'll be replaced. In 2012 we'll continue to use the comprehensive loading analysis where it's necessary and evaluate when to initiate the next systemwide pole attachment audit.

Transmission inspections on the one-, six- and eight-year cycles. The ground patrol, aerial infrared patrol, and substation inspections are done annually. Our aboveground inspections are on a six-year cycle and our ground line inspections on an eight-year cycle.

Transmission hardening. We take a systematic approach to replacing our wood transmission structures with non-wood structures. In 2011 we hardened over 900 structures and plan to do the same for 2012.

Our transmission circuits are designed for extreme wind. That's the 69kV and 138kV, and our 230kV is, is strengthened to a stronger wind standard than that, up to 133 miles an hour design.

Our post-storm data collection, we continue our relationship with an outside consultant for forensic analysis to determine any root cause of the storm damage after a major storm. As far as the data collection at

this point, we're very fortunate that we did not have any impacts on hurricanes in 2011, as has been mentioned before. We do know that the measures are in place that will allow for post-storm data collection and any data that is needed should we have a major storm come through.

Our coordination with local governments, I've heard it said -- a lot of people around here have had a lot of examples here and we'll probably be the same. We had a storm workshop with the Hillsborough County storm preparedness exercises with the Hillsborough County Commissioners this year. The EOC, we are very heavily involved in that as well, the City of Tampa as well as Hillsborough County.

We also participated in the search and rescue tabletop exercise with the Hillsborough County Fire Department, and we hosted a fire safety demonstration in September of last year for our emergency responders. That was just to name a few.

Our disaster preparedness and recovery plan, it's reviewed annually and we have, are ready for implementation as the need arises. And once again, all of our people are very much aware of their roles and assignments in this disaster preparedness and they are ready at this point.

For our three-year storm hardening, I mentioned before we're at a Grade B construction for our distribution, so we continue to do that. We build for extreme wind for the transmission for the 69 to 138, and extreme wind plus for the 230 system. We replace all of our transmission with non-wood construction.

And moving into the conversion of the overhead distribution interstate crossings to underground, this was something that had been identified before. I believe you've probably seen that in the past. All 12 crossings that have been identified have been completed, and any further crossings that are found will be converted at that time as they're made known to us.

Testing our network protectors. We pressure tested 18 of our network protectors in ten of our low-lying areas of manholes and vaults. We replaced the gaskets as needed, and any of the other protectors were replaced as was required.

Underground construction of the stainless steel. We have made it -- the stainless steel transformers as our new standard for underground, which aligns very well with our established practice of stainless steel switchgear.

Extreme wind pilot project, St. Joe's Hospital as well as the Port of Tampa. Although Tampa Electric's

standard is to build to the NESC Grade B, as part of the hardening initiative we chose two projects because of their importance to the region as well as Florida as a whole. St. Joe's Hospital is a major trauma center and the Port of Tampa delivers roughly 40% of Florida's petroleum supply. Both of these were built to extreme wind requirements.

For the pre-storm prep and coordination, mock storm exercise -- I've heard a lot of comments on the mock storm. And last year, in 2011, we had our mock storm exercise, and it was a Category 2 hurricane. From that we had anticipated tidal surge of between six to ten feet coming into the Hillsborough County area in the bay. This gave us a lot of opportunities to look at our system and how well we would respond to that. We had numerous action items from that and they've now been addressed. Our second -- for the one for 2012 our mock storm is going to be on the 22nd of this month.

Some of the lessons learned, I know -- I'll probably just jump ahead to some of the questions, if I could. A couple of the things that we've noted. We've done mock storms for, for quite a few years, and we know our system and we're fine-tuning it. I think that's what -- it's a struggle sometime because you want the big ticket items but you don't necessarily get the big

tickets, but you fine-tune your process and that's what we've done. And we've found some things that, at least a couple of things that I think are worth mentioning.

Continuity of work. We streamlined the process between the handoffs between the various crews. Something as small as that, very helpful so that you don't have a delay in restoration for the public. Also, when we're talking about load shedding, there was clarification between and coordination between some of our T&D system as well as our generation, those two, some handoffs there that we found were very beneficial to us as well.

Okay. The incident base review. TECO has worked with our local business owners and officials to verify existing incident bases were still available. The company renewed existing agreements for primary sites and secured backup locations as additional contingencies.

Team member prep. In order to maximize our team members' availability, it was very important that they had an understanding of what their emergency role would be. All have been trained and they're very much aware of what their assignments are.

Personal preparation also is important. They can't help out the company if they have not taken care

of their own personal business, so we also want to make sure that they have prepared for the storm season on their own. And we have some documentations, get ready documents for them as well.

Material inventory review. Prior to the hurricane season, material inventory is reviewed and ensured to provide at least a four-day supply of materials. The procurement contracts are in place to provide additional supplies within four days of landfall. And as has been mentioned before, restoration providers such as the Southeastern Electric Exchange and contractors are very crucial to our restoration efforts.

Local government coordination. We've participated in several Hillsborough County led initiatives focusing on joint efforts to rebuild and revive the area after a storm. We also participated in joint mock exercises with Hillsborough County Emergency Management personnel prior to hurricane season. We've met with various government agencies to enhance our communication and coordination of the emergency management.

And public communication. We provided public service information at the beginning of every storm season through the local news media and anything else that is required in order to effectively communicate

with the public.

And our areas of concern as well. Should we have the multiple storms within one season, how does that impact our resource availability? And a catastrophic storm has been mentioned. All of those would have an impact on us this year if that were to happen. We hope that doesn't occur. But any one of those would limit our ability to restore power. Fortunately for us too, we have such strong bonds with other utilities like the SEE and the contractors would be here to help us out. We faired very well in the 2004 storm and I think that we would do very well in the future going forward.

So in summary, our system, we believe our transmission and distribution systems are stronger than they have been in the past. We've hardened our sources to critical facilities. Our people have been trained and are ready. Our storm plan has been reviewed. Our external relationships and contracts, we've coordinated efforts with all of our external relationships, reviewed and updated our contracts, and are prepared for the 2012 storm season.

Thank you.

CHAIRMAN BRISÉ: Thank you very much.

Commissioners, are there any questions?

Commissioner Brown.

COMMISSIONER BROWN: Thank you. And thank you for your presentation and for coming to Tallahassee.

Have you thought about including Tampa General Hospital in your extreme wind pilot hardening project because of its unique location on Davis Island and the fact that it is a major statewide trauma center?

MR. SWEAT: Yes. That has its own set of issues associated with it because of its proximity to the water. There are some concerns there. But we believe we've worked with the hospital in making sure that they are as hardened a system as they can be.

COMMISSIONER BROWN: It is difficult.

MR. SWEAT: Yes, it is.

COMMISSIONER BROWN: Thank you.

CHAIRMAN BRISÉ: Commissioner Edgar.

COMMISSIONER EDGAR: Thank you. And I'll also follow along with some of the same questions that I asked the previous speakers.

First, I appreciate your comments about, you know, the first few years of taking a more comprehensive look at these type of issues, that some of the, the big ticket items are easier to see. And then from that point on I know you said fine-tune, I think kind of a refinement of, and so I appreciate your comments and

recognize that dynamic.

Recognizing that your service territory is geographically smaller than that of the prior two presenters, where are you in that long-term, multiyear process of hardening and/or replacing primarily transmission related infrastructure?

MR. SWEAT: As has been mentioned by the others, any opportunity we have to change out poles on a go-forward basis, we're doing that and hardening our system with non-wood transmission structures. Presently we're hardening about 900 structures each year, so we're probably at about a 30% at present.

COMMISSIONER EDGAR: Thank you. And I had also asked prior about the vegetation management time schedule. And with, with your area and particularly with some of the concentration that you have with your service territory, from the information that you have now does the time period that is required seem to be effective?

MR. SWEAT: We are presently on a three-year cycle but we have petitioned for a four-year, and we'll be talking about that, I'm sure, at length.

COMMISSIONER EDGAR: Okay. Thank you.

CHAIRMAN BRISÉ: Thank you. You answered one of the questions which I posed to the others. The

other, only other question I would pose for you is your post-storm communication plan to actual consumers.

MR. SWEAT: Right. And at present we also use the local media. We use our -- we have Twitter and I'm sure that our corporate communications folks will be actively using that as, as necessary. Our web-based communication is very critical to us as well. So I think all of those things, along with the media at large, I think will be very helpful for us to disseminate that information.

CHAIRMAN BRISÉ: Thank you very much. If there are no other questions from Commissioners, Mr. Sweat, you --

MR. SWEAT: I did have one other comment.

CHAIRMAN BRISÉ: Sure. Go right ahead.

MR. SWEAT: I failed to mentioned for our mock storm, you might find this helpful, our mock storm is going to be for, during the time of the RNC. So it's going to be a Category 3 storm coming into the bay and how do we handle that with the RNC in town? So that ought to be interesting. Just food for thought.

CHAIRMAN BRISÉ: Well, thank you, Mr. Sweat, and good luck with that.

MR. SWEAT: Thank you.

CHAIRMAN BRISÉ: All right. Moving forward to

Gulf Power. Ms. Pinkerton.

MS. PINKERTON: Thank you. And my name is Sharon Pinkerton. I'm the Project Services Manager at Gulf Power Company, and I'll be presenting our 2012 preparedness briefing today.

The distribution and transmission activities I'm going to cover today are part of our culture of preparedness. It's a year-round process where our storm readiness never stops, and it's refined every time we have an on system event or whether or not we participate in off system events. Our latest experience obviously on system has predominantly been with the 2004/2005 storms of Ivan and Dennis.

Concerning our distribution activities related to vegetation management, each year one-third of our mainlines will be systematically pruned, while the remaining two-thirds will be inspected and trimmed to correct any deficiencies that could possibly pose a hazard over the next 12 months. In addition, our vegetation management looks at any overhang issues, and we still proactively try to remove what we consider hazardous trees which are not within the right-of-way but are off right-of-way on private property, and a lot of that oftentimes involves getting customer permission.

Each year the laterals are evaluated based on

the reliability performance, the date of the last trim, and overall field conditions. But, regardless, they are systematically pruned on a four-year cycle. So this year by June 1st we will trim 240 miles of the mainline. We're going to inspect and trim as needed the other two-thirds, which equates to 477 miles. And our lateral trim will involve 323 miles of the roughly 1,300 miles total. We also have a distribution lockout report which we look at when a breaker operates. We determine the root cause. And at that time if we determine that the root cause was a tree, we will immediately go and correct that situation.

Tree Gulf additionally is an e-mail address internal to Gulf where our employees can e-mail a location that they find on their own. Particularly in the spring this is an active address with a lot of the vines. So that's one of the ways we also use our employees to help us out with any vegetation problems.

Concerning our pole inspections related to our distribution, we've completed in 2011 the fifth year of our eight-year cycle. We've identified a little over 700 poles for replacement. Those will be completed by June 1st of this year. Additionally, late in 2011 we went ahead and did the six-year inspection. An additional 638 poles were identified for replacement

there.

We also look at critical pieces of equipment for hot spots such as connectors, insulators overheating, and lightning arrestors, and these are usually on our reclosers, our regulators, our capacitor banks. And all those inspections were completed on March 15th, and as of today we're 99% through with the corrective measures.

Specifically our storm hardening measures, we just covered vegetation management and the pole inspections. Our extreme wind loading projects are focusing, like others have said, on critical multi-feeder poles and facilities on major thoroughfares. We're trying to beef up what I would call commercial hubs that would be beneficial to have strengthened in the event of a storm for the customers to be able to get groceries, fuel, building supplies.

We continue to use Grade B construction as our normal design whether it's for new installations or maintenance, such as Osmose poles are now replaced to Grade B standard construction standards.

In the event we do have an event on our system, we're prepared to collect forensic data. We've pre-identified the areas throughout our service area that we're going to look at. They're both overhead and

underground areas we'll look at, both coastal and inland. And then we can send that data to KEMA, our consulting group, to analyze it and be prepared to address any concerns. Osmose does do a refresher every year. They come down and make sure the computers are working, the handheld devices they take into the field are working, and our maps are current that we give them.

Like you've already heard today, we have our communications with the local EOCs as well. We will participate in their storm drills pretty much throughout the month of May. A lot of the ones that are to be determined I think coincide with the state drill. Thirteen Gulf Power employees are assigned to the county EOCs, and those personnel have certifications through FEMA's Emergency Management Institute, ICS, and the NIMS certification.

Twice a year we have two sets of meetings in the first quarter and in the third quarter where we meet with our third party attachers. The first one was held February 29th in Panama City and March 2nd in Pensacola where we talk about the operational issues, any kind of notification of what major projects we may have where they may have to set poles or transfer or modify their facilities. So we try to keep that line of communication open, and we do that twice a year. The

next one is scheduled probably for about September.

Our forestry services personnel are in constant communication with members of the communities and government officials concerning where we're going to be trimming, notifying folks that we're going to be in the area. So they play a vital role in, as you've heard, making sure we're keeping our customers informed of where we're going to be trimming.

One other thing concerning the third party attacher, we do have a designated employee assigned in the event of a storm situation that will help with the flow of communication to our third party attachers. They have his direct phone number and can call and see where we are working and where facilities have been restored.

Moving on a little bit to the transmission activities, we too are in compliance with all the NERC standards. By June 1st of this year we will have made any inspections and corrections of the vegetation and hazards associated with our 230kV lines. Additionally, we'll be through with year-end on both the 115kV lines and the 46kV lines, and you can see that those are roughly 1,000 miles with the 115 lines, a little over 100 for the 46kV lines.

We have pole inspection programs for our

transmission poles regardless of whether they're wood, concrete, or metal. There's different inspection programs that run simultaneously such that each pole is visited at least every six years. And we have the groundline programs, comprehensive walking programs, and we also do four aerial patrols, usually one every quarter by a fixed wing aircraft.

Specifically related to our storm hardening measures for transmission, we are installing guys on our H-frame structures. We are in year five of the five-year program. And this year it would be completed when we install 650 guy installations.

Arm replacements, we will replace 200 wood arms with steel arms this year, and we are in year five of a ten-year program on that item.

For both distribution and transmission our post-storm recovery plans are built on lessons learned. Like I said before, whether we're on system or off system, we bring back best practices and incorporate them into our storm procedures. These plans can apply to any natural disaster, whether it's a hurricane or a tornado.

Like others, we rely on the Southeastern Electric Exchange for resources, also our Southern Company affiliates, as well as contractors. And we have

contracts, arrangements in place for logistics, whether it's fuel or food or, or logistics, sleeping arrangements. And we also beef up our inventory levels like everyone else. And then during the six-month hurricane season also fuel is topped out at 75% at all times.

Our annual drill was conducted last Tuesday, and we called it a storm exercise this time rather than a hurricane exercise because we didn't have a hurricane. We had a tornado similar to the one that our sister company, Alabama Power, experienced last April. And what we did is we tested -- let me back up. Hurricanes afford you the opportunity to know that it's coming. A tornado, you might know there's bad weather coming but you don't have the luxury of having three to four days to have all of your conference calls and get everyone prepared. So we took our hurricane plan and applied it to a tornado restoration effort.

We are going to be updating some of our plans and processes. We're training our folks still. One important part of the drill we did this year was to remind our employees that they need to prepare their home and families as well because they are required to report for storm duty. And we stressed that, that they cannot -- it's imperative that they know their family

and their home is safe and secure. We do try to consider the worst-case scenarios, and we thought that would be the example this year by having a tornado instead of a hurricane.

We also have our new employee orientation about once a quarter. Any of our new folks that have come onboard are made aware of their storm expectations, and we still provide any training, whether it's new or ongoing.

Like you've already heard today, we have the same concerns, multiple events not necessarily on our system or not necessarily even within Florida, but whether it's in the Carolinas and then us and then perhaps Texas, stretching the available resources very thin is a concern. And competition for qualified electrical workers is always out there.

Gulf Power though is fully prepared through our T&D storm hardening initiatives, through our communications within the communities, with our government officials, and with our third party attachers, and with our customers, and on our experiences based on system and off system.

That's the end of my prepared comments, and I thank you for the opportunity.

CHAIRMAN BRISÉ: Thank you, Ms. Pinkerton.

Any questions or comments from Commissioners? All right. It seems like you covered all the basis. Thank you very much.

MS. PINKERTON: Thank you.

CHAIRMAN BRISÉ: At this time we're going to take about a ten-minute break, and so that will bring us back at 3:05.

(Recess taken.)

We will reconvene at this time, and we will ask Mr. Bill Grant to come forward from Florida Public Utilities Company.

MR. GRANT: Good afternoon, Commissioners, staff. I really appreciate you giving us the opportunity to present the FPU 2012 hurricane preparedness update. My name is Bill Grant. I'm the Engineering Manager for the Northeast Division of Florida Public Utilities.

Florida Public Utilities Company is a small investor-owned utility with two electric divisions. One division is located in Marianna along the Panhandle. The second is along the Atlantic Coast in Fernandina Beach. The two divisions are roughly 250 miles apart. We distribute electricity in Jackson, Calhoun, and Liberty Counties in the northwest division, and on the Amelia Island portion of Nassau County in the northeast

division. Our customer base is approximately 28,000 retail customers. Presently 100% of the electricity we sell is purchased from Gulf Power Company in the northwest and JEA in the northeast.

The agenda for our presentation today is to give an overview of facility inspections, some of the recent maintenance and reliability projects that were completed or that we have planned; talk about our coordination efforts with other utilities, government agencies, and community groups; and any recent storm hardening measures that we have undertaken. In addition, I will give a brief overview of our storm recovery and forensic data collection plans. Then I will express any concerns that we may have about the upcoming hurricane season. Finally, I will answer or find answers to any questions that you may have.

During 2011 we completed the fourth year of our eight-year wood cycle -- wood pole inspection program. Inspections today account for 51% of approximately 26,000 wooden poles that we have on our system. This indicates that we are on schedule with our inspections. Poles that fail inspections are prioritized for replacement based upon the remaining strength identified by the contractor during the inspection. It simply means that we replace the weakest

poles first in an effort to protect and be safe out there to the public.

In 2011 we replaced 215 poles. So far in 2012 we have replaced 76 poles. New poles are installed in accordance with the recently developed storm hardening requirements and procedures.

To assure public safety and enhanced reliability we perform periodic inspections on various transmission, substation, and distribution equipment. Inspection periods range from weekly to annual depending upon the devices to be inspected. In addition to poles, equipment inspected includes street lights, transformers, relays, breakers, reclosers, voltage regulators, automatic transfer switches, substation batteries, and capacitor banks.

FPU has an ongoing vegetation management program for a three-year trim cycle on our main distribution feeders and a six-year cycle on lateral feeders. In addition to being on a three-year trim cycle, our transmission lines are visually inspected annually for any hot spot trimming that may be needed. In the northeast division we completed the six-year transmission climbing inspection and the replacement of electrical and mechanical relays with microprocessor relays in our substations. And I might mention that all

our transmission poles are located in the northeast division.

Additionally, a distribution feeder coordination study was completed for both divisions by a utility engineering consultant. The results of the coordination study and the climbing inspection results will be used to develop future reliability improvement projects.

Several residential developments in the northeast division have aging direct buried underground cable systems mostly with a Concentric neutral that was exposed and we are now experiencing very unacceptable failure rates. We have identified the remaining locations and stepped up our conduit installation and cable replacement efforts to complete all cable replacement projects by the end of 2013, which means that by the end of 2013 we hope to have all our underground cable with non-Concentric neutral but isolated insulated neutral in conduit.

Finally, due to the coastal corrosion related failures in northeast, we have an extensive effort underway to replace all porcelain insulators and coastal highway insulators by the end of 2012. That project is in process and on track.

We participate in activities coordinated by

the Southeastern Electric Exchange, including mutual assistance. We provided crews to assist with both storm restoration efforts on three occasions during 2011. In addition to membership in SEE, we are also members of the Public Utility Research Center, Southeastern Reliability Corporation, the Florida Reliability Coordinating Council, and the North American Electric Reliability Corporation.

Both electric divisions actively participate in the emergency operations activities in the counties we serve. During 2011 a new Energy Management Director was hired in Nassau County. We met with him to exchange ideas and to offer our commitment and full support with emergency operations efforts. We also toured the Nassau County Emergency Operations Center. As of yesterday we have been trying to get together and have a meeting to actually go through the, a similar presentation to this within the county with the other agencies that would be involved in a restoration effort, and that meeting is scheduled for the 24th of May.

During 2011 the Northwest Division completed a wood to concrete pole conversion upgrade to the federal prison and a storm hardened pond crossing. Transmission climbing inspection in the Northeast Division identified 31 wooden poles in need of replacement. This represents

almost 20% of the wooden transmission poles remaining in our system. These poles will be replaced with spun concrete poles. We feel like we're ahead of schedule on our, our concrete pole replacement, and this kind of helps speed it up even a little bit more. We were not excited when we found out about this, so we're going to put an extensive effort underway to make sure we get those poles replaced.

New FPU facilities are being designed using recently developed storm hardening standards and procedures.

During storm recovery, safety of our employees, contractors, and the public we serve are always given a high priority, whether performing routine work or post-storm recovery activities. Well in advance of the first storm we update our emergency restoration plan, refresh or train FPU employees on the procedures, and increase our inventory levels. These actions usually take place by the end of May of every year. I think this is pretty consistent with what you've heard from all the other companies as well.

When a storm develops and it appears it may impact our service area, we activate our storm plan, communicate with our employees, provide vital instructions, and initiate our logistics plan.

As soon as practical following a storm, a preliminary assessment is made to determine the extent of the damage and the manpower and material resources that will be needed for the restoration effort. If we determine additional manpower is needed, a request for assistance is made through the Southeastern Electric Exchange and by using our utility contractor alliances. Again, you've heard this before.

The FPU Emergency Response Control Center is activated so all damage reports and restoration activity can be coordinated and dispatched from one location. This minimizes confusion and duplication of effort. Additionally, a member of the FPU storm restoration team is sent to the EOC to make sure our restoration effort is being coordinated with other restoration efforts of the other companies and agencies involved.

FPU employees have specific staffing assignments and will be fully involved with the restoration effort. Therefore, we hire a knowledgeable utility contractor to collect our forensic data. Once a determination is made that a storm will impact FPU's service area, territory, excuse me, as much advance notice as possible is given to internal and external forensic team coordinators. Forensic team members are alerted to the potential impact of the storm and are

provided instructions regarding personnel assignments, mobilization, safety procedures, and forensic data reporting requirements.

After the storm passes and it is determined it is safe to proceed, the forensic teams will be dispatched to collect all necessary data and complete the PURC damage assessment forms.

Our concerns pretty much mirror the concerns that have been expressed by all the other companies. The primary concern being that if a major storm causes significant damage, we're going to have bigger issues. Being a smaller company, our size limits our internal resources and could impact our ability to procure external resources. Should this occur, restoration time may be lengthy and result in an extended outage period before power can be fully restored to all of our customers.

I'd like to thank the Commissioners and staff once again for allowing us to present our 2012 hurricane preparedness update. At this time I will do my best to answer any questions you may have.

CHAIRMAN BRISÉ: Commissioners, any questions at this time?

(No response.)

All right. Seeing none, thank you very much

for your presentation this afternoon.

MR. GRANT: Thank you.

MR. GARL: Mr. Chairman, staff would like to note that the next presenter was scheduled to be Barry Moline from the Florida Municipal Electric Association. He is unable to be with us today. In his place is Mr. Jody Finklea, the Assistant General Counsel and Manager of Legal Affairs for FMEA, who will give Mr. Moline's presentation.

CHAIRMAN BRISÉ: Thank you very much.

Mr. Finklea.

MS. FINKLEA: Finklea. Yes, sir. Good afternoon. I was going to say for those of you who know Barry, obviously I'm not Barry. With Fred Bryant and myself, we are General Regulatory Counsel to FMEA, we call ourselves FMEA spokes models. That's our role.

What I'm going to do today is first give you an overview of Florida's municipal electric utilities, and then I'm going to turn the presentation over to Rob McGarrah, who is the General Manager of the City of Tallahassee Electric Utility, your own utilities.

As you can see, Florida's municipal electric utilities are a significant presence in the electric utility industry in Florida. Combined, our 34 utilities serve more than a million customers, or approximately

14% of the state's population. Our largest utilities are JEA, OUC, and the City of Tallahassee. One of our smallest utilities is the City of Bushnell. Combined, our utilities are the third largest electric utility in the state after FPL and Progress Energy.

Geographically we're very diverse; from the southern most point in Key West, north to Jacksonville and Jacksonville Beach, and west all the way over to Calhoun County in the City of Blountstown, our utilities cover the entire state. Generally speaking, any storm event will affect at least some of our utilities in the peninsular Florida.

Our utilities take storm preparedness very seriously. Looking at this map you may wonder, how do such a bunch of small cities generate power? Well, they don't. Most of our cities purchase their wholesale power needs from other suppliers. In fact, only 12 of our 34 cities own any generation resources at all. Wholesale power suppliers include the Florida Municipal Power Agency who serves all of the needs of 14 of our cities and part of the needs of eight more of our cities. Other suppliers include Progress, TECO, FPL, Gulf Power, and Glades Electric Cooperative for one of our cities.

The geographic diversity of our municipal

utilities around the state actually give them an advantage in mutual aid. They have mutual aid agreements and arrangements among them. A utility in South Florida can rely on a North Florida or a Panhandle city to provide mutual aid and vice versa, and they have mutual aid arrangements with investor-owned utilities and the cooperatives of the state.

Outside of Florida our utilities are also mutual aid participants in the southeastern wide program and the national program through APPA. In fact, for past events mutual aid has come to support our cities from as far away as Maine and Wisconsin, Kansas and Texas, and reciprocally our cities have sent crews outward from Florida to some or most of these same places.

Our cities' mutual aid resources can come from a few towns away or many thousands of miles away, but in all of this, FMEA is a proactive and constant companion to our members, who ordain all of their mutual aid needs to restore service to their customers, always keeping foremost in mind the needs of those customers.

Our cities' mutual aid agreements are memorialized in contracts through FMEA, APPA, and directly between and among our utilities in the state and throughout the southeast. Procedures are in place

to quickly assess and mobilize needed assistance and to place it where it can be the most help. FMEA is a strong and constant partner with our cities in planning and implementing mutual aid procedures. During events FMEA is a constant presence in the state EOC center here in Tallahassee, and we're in constant contact with our cities, our mutual aid providers, and state and local authorities.

In fact, for mutual aid to work best, communication is the key not only with and among utilities, but importantly with state and local authorities. Here especially our municipal utilities excel, being closely linked to their cities, their counties, and the local emergency operation centers.

Individually our cities may look small, and indeed some of them are, but together they form a powerful presence and a potent foe to storms and other events that affect the service we provide to our customers.

Now particularly to address how one of our cities is handling storm readiness and mutual aid, it's my privilege to introduce Rob McGarrah, the General Manager of the City Electric -- City of Tallahassee Electric Utilities, your own utility. Rob?

MR. McGARRAH: Mr. Chairman, Commissioners, I

appreciate the opportunity to be here today and talk about our activities of preparing annually for storm events. What I'd like to do today is tell you a little bit about us and our experience with storms, and then run through what we do to prepare, and how we operate in a storm event, and some of our emergency response features.

Our system is, as Jody said, serves 113,000 customers here in Tallahassee. We include the municipal, the corporate limits of the city, plus part of the county. We have a 221-square mile service territory with 188 miles of transmission at the 115 and 230 level; 2,800 miles of distribution, with 1,700 of that underground. So the majority of our distribution is underground. You'll see in a later slide virtually everything we build today is underground.

We have 24 substations throughout our service territory. And then we are one of the municipals in the state that do generate our own power. We have three power plants that we own and operate: The Purdom plant located in St. Marks, Florida; the Hopkins plant in Leon County, it's in the western part of Leon County; and then we operate the Corn Hydroelectric Facility that is the dam that makes up Lake Talquin. And in addition to making electricity there, we do do some flood control

with that facility.

Our utility has a lot of experience, both direct experience and through mutual aid with storms. We've had nine storms over the last few years that we've dealt with directly, five where we've sent crews to other systems. I won't go through the list here, but these two slides give you a list of those storms. Having both the direct experience and the mutual aid experience is great for our folks in keeping us prepared to deal with storm events.

Our preparation starts with the design and the construction of our system where we're using the National Electric Safety Code and the extreme wind loading standards. Our system is designed where our facilities are on front lot lines, which makes it easier to get to and restore.

As I said earlier, virtually all of our new distribution construction is underground. And then we do have a program on our transmission system; any new transmission facility or scheduled replacements are done with steel or concrete poles.

We have an active vegetation management program on our distribution side of the operation. We trim on an 18-month cycle all of our circuits. We also use a tree growth regulator to retard the regrowth. And

on our transmission system we have a three-year minimum trim cycle, and we have someone mowing the right-of-way and inspecting the right-of-way at least annually.

We inspect our distribution poles on an eight-year cycle. We do a three-year process every eight years to inspect them. Our transmission poles are inspected annually visually, but every five years there's a physical inspection which includes a climbing inspection of the poles.

Biannually we do an infrared inspection and flying inspection of the transmission system. And I'll talk in a minute about our integration, but one of the things about being part of the city is we get to work collaboratively with both the rest of the city and the county. In the case of the flying inspections, we work with the Leon County Sheriff's Department. We funded part of the flare (phonetic) system on their helicopter. In return we get to use it for the flying inspections both on a routine, you know, on a regular preventative basis and when we have problems. And then lastly we do increase our material inventory in the spring so that we have a ready supply of equipment should we get struck with a storm.

As I said, on our emergency operations side of the business, we're fully integrated into the city's

emergency management organization. We -- the city uses the NIMS system and ICS system. The city has an area command center that coordinates all of the city's response to storm events and other emergency events. And in fact, prior to my assuming the role of General Manager last year of the utility, the prior ten years I served as the utility leader at the Area Operations Center for any storm events for the city, coordinating not just electric but all of the city's utilities' response to storm events.

We do coordinate our restoration through the Electric Control Center, but the main communications focus is through our Area Operations Center.

As storms approach -- at the start of the year we do crew assignments, review our plans, and update them. As storms approach, depending on the severity and the location of the storm, we start mobilizing that plan. We've integrated our outage management system in our GIS systems together, and you'll see in a later slide our outage management system is actually displayed at our Area Operation Center where all the cities' operations can see where we're seeing outages. It's also -- a portion of that data, the larger outages is put into a larger GIS system that can be viewed at the county emergency operations system or center. And then

we do have established restoration priorities within our system.

Some of the other emergency response, we work with police, fire, and public works on a pre-staged road clearing task force within the city where we have electric utilities staffed with the task force. There are certain predetermined routes that have been identified to the city to get folks from the interstate into the hospitals and other critical facilities in the city. We put these teams out in the field. After the storm passes their job is to, on their own, clear a path into those critical facilities and they have all the resources to do that.

We have assessment teams within the electric utility that are available to go out and assess the damage. And then there's, as I said, there's continual communications between our Area Operation Center and our Control Center.

As Jody talked about, we have a number of mutual aid agreements through FMEA, the American Public Power Association, and the Florida Electric Coordinating Group that gives us access to resources to help us if there's a storm event that's greater than our staff can handle. And conversely, we're available to support other municipals and other utilities if they have storm

events that are greater than they can handle.

We do have a backup control center and a backup call center location so that if we have damage to the facilities within the city, that they stay operational. As I talked earlier, the sheriff's helicopter is available to us, and our key staff are trained in the ICS 100, 200, 700, and 800 training.

Lastly, on the logistical support, because we're fully integrated into the city's emergency operations program, we have that entire logistical support group to help the electric utility and provide the logistical support we need during a storm. We also have the public information support through the city available where we use, do the standard media releases, we've got the information we put on our web page, we're on Facebook.

But one of the things I didn't put here is we started a program recently where we do instant alert, is we gather the mobile phone and home phone and e-mail information for our customers. We will right now any time we have a circuit level outage of over a couple minute duration, we notify the customer directly that we know that there's an outage at their house, and then we notify them after the outage is restored so that if they're not home, they know they may want to go do

something else. If they're home, they know that we are there, that we are aware of it, and we've got crews coming out. We also work with the local media on both pre-storm public safety messages and during the storm events.

In closing, I think we're prepared. We show a -- we have a good plan and we're ready for the storm event. Obviously we're like every other utility, if we get a major storm event or multiple storm events at one time, our ability and the speed at which we can respond would be impacted. But we have an experienced group of folks and a solid plan for meeting storm events.

CHAIRMAN BRISÉ: Thank you. Commissioner Edgar.

COMMISSIONER EDGAR: Thank you, Mr. Chairman. And thank you, Mr. McGarrah, for coming.

I'm a longtime Tallahassee resident, and for better or for worse, maybe to your pleasure, I don't know, but we have as a regulatory body very little interaction actually with the City of Tallahassee utilities. So thank you for coming and spending your time to share with us some of the things that you do.

You know, I've asked some of the others speakers about their vegetation management program and you touched on that. In your prepared slides it says an

"18-month trim cycle for distribution." I recall a number of years ago there being -- it seemed to be that there were more complaints and concerns raised by residents sometimes about tree trimming. I have, and this is purely anecdotal, but I don't seem to hear or see as many complaints as perhaps there were some years ago.

So could you just speak in a little more detail about some of the efforts for tree trimming and vegetation management that the city has and how you interact with local residents, who, of course, like every other area, we love our trees.

MR. McGARRAH: Yes, ma'am. Our tree trimming program actually was born out of some citizen participation. Back in the late '90s there were a lot of complaints about our tree trimming cycle. We were on a three-year cycle. As a result of that interaction with the citizens, we modified our tree trimming cycle. We don't trim quite as far back as we used to but we're trimming twice as often. It still gives us the clearance, the same clearance you would get in a normal three-year cycle when the trees grow in. So that's one of the things we did is we responded to our customers' feedback on the tree trimming program and developed a program that works operationally for us and is

acceptable for our customers.

The other thing we do is we do a lot of communications with our customers when we're out in areas starting to do tree trimming. We'll post notices. Our forester is out making presentations, meeting with community groups. We've tried to be much more aggressive in our communications and interaction with our customers so that they know what we're doing prior to us doing it.

COMMISSIONER EDGAR: Thank you. And I've given this disclaimer publicly many times, but I will point out that my residence is actually in the county outside the city limits, and we, at my home and for my family, receive service from Talquin. And so that leads me to the more general question, you've talked about coordination with the EOC and with other city services and aspects. How, as a, as a municipal right side by side with a co-op, how is the communication and coordination with that local co-op, which in this instance is Talquin?

MR. McGARRAH: In this type of an event it's done at our control center level. Our control center operators are routinely talking to the Talquin dispatch folks and back and forth. We actually have some city customers on their lines and they have some Talquin

customers on our lines. So we -- there's routine communications both on normal operations and during any storm event between our respective dispatch groups.

COMMISSIONER EDGAR: And you feel like all of that is, goes well?

MR. McGARRAH: That's going well. And there's -- obviously every time we have a storm event we relook at what happened and do a lessons learned and integrate anything we learned from the storm event in to change the process. But that is working well.

COMMISSIONER EDGAR: All right. Thank you. And thank you again for your comments.

CHAIRMAN BRISÉ: Commissioner Balbis.

COMMISSIONER BALBIS: Thank you, Mr. Chairman.

Actually I have a question for the representative of Florida Municipal Electric Association.

MS. FINKLEA: Yes, sir.

COMMISSIONER BALBIS: Thank you for your presentation. And I also want to thank the City of Tallahassee utilities, thank you for your presentation as well.

My question is more general to the municipal utilities that, that you represent. I recall in the 2004/2005 hurricane season that at least some of the

municipal utilities struggled to restore power at least when compared to maybe some of the other larger utilities. The mutual aid agreements and other measures that you listed, do you feel that that will at least help to solve that problem so that they're more in line with, with the other utilities, or is that just really one, one situation that will not occur?

MS. FINKLEA: Well, 2004 and 2005 were exceptionally challenging years. I would say that since then we have strengthened considerably our mutual aid reach. Prior to -- during that time we had not had pre-staged agreements for food and housing and shelter for crews that are working in our cities. We've since remedied that and we now have those agreements available and our cities have taken advantage of them.

I actually think that there were, in that, in that 2004 and 2005 time frame, many instances where our cities were at the same level as surrounding investor-owned utilities or even restored service faster, although there were some outliers in some areas. I think those outliers have been handled and we have better procedures, better coordination, and better resources in place today.

COMMISSIONER BALBIS: Okay. Thank you.

MS. FINKLEA: Uh-huh.

CHAIRMAN BRISÉ: Thank you. If there are no further questions or comments by Commissioners, thank you very much for your presentation this afternoon.

At this time we'll call forward Florida Electric Cooperatives Association, Mr. Dyal with Clay Electric Cooperative.

MR. DYAL: Good afternoon, Chairman and Commission and staff. I appreciate you letting me come and present Clay Electric Cooperative's 2012 hurricane preparedness program.

First I'd like to tell you a little bit about Clay Electric. You may not be familiar with us. We're headquartered in Keystone Heights, Florida. I'm sure you know where that is. But we serve in 14 North Florida counties. We're in north central. We also operate out of six district offices: Gainesville, Keystone Heights, Lake City, Orange Park, Palatka, and Salt Springs.

If you look here at the map, you can see we're kind of in the north central part would be the large green there in the middle. We have over 10,000 miles of overhead distribution line. 2,100 of that is underground. So we do have about 8,000 plus that is overhead. We do operate 213 miles of transmission, 46 substations, and serve 173,000 customers.

First, in our standards of construction, we do go by National Electric Safety Code compliance. We do not use extreme wind loading. Our experience in the 2004 hurricanes, we just didn't feel justified in that. Our damage was such in looking at it, we felt comfortable by staying by the National Electric Safety Code.

Flooding and storm surges for Clay is not a real problem. We are not a coastal -- as you noticed, we're inland both from the east and west coast. Our attachment by others, our agreements, we basically require them to verify their clearance and strengthen. And I apologize for the spelling there, but we do require them by their contracts to sign off by a professional engineer that it meets the strength and clearance requirements.

In our transmission, after 2007, any work we do to rebuild or build, we do go to extreme wind loading. We felt that was a prudent investment. In the new lines we also use concrete poles with polymer insulators.

In the past year, 2011, we did replace five miles of wood pole lines with concrete. We're now sitting, as you can see, about 50/50; we have about 100 miles of concrete and 113 miles of wood, and we will

continue to work through the wood as needed.

Our facility inspections in distribution, this is a core of our maintenance program, has been for years, as any cooperative -- I think if you remember when we did the pole inspection program originally, it was built around RUS, and we were on a ten-year cycle prior to 2007. So we began to mitigate over to an eight-year. We do our inspections by sub and feeder, not just by number of poles. So it takes a mitigation to change our schedule over. But beginning in 2013 we will be completely on an eight-year cycle.

We have approximately 206,000 wood poles. In 2011 we inspected 21,549. Here again that falls out to be a little over 10%. But our program is on schedule; we will be on the eight-year. Some years we're going to be a little low, some years we'll be a little high because of the way we do our cycle.

Facilities inspections in transmission. We have 1,688 wood poles, 908 concrete poles, 14 steel poles. We do a groundline inspection every eight years. Our next inspection, that is scheduled for 2014. During the course of the year we do helicopter inspections three times annually. Typically they'll fall in March before hurricane season, we'll do it during the storm season, and then as a follow-up. So typically three

times a year is on average for us.

Our ground visual patrol we do every two years. Our last was in 2010. We're scheduled to do one this year. Climbing inspection is every four years; the last 2008, and we'll do one in 2012, this year. So when we do a climbing, we kind of roll those two together. And as you can see, they'll hit. But here again, we're on schedule. All things will be inspected. We're very comfortable where we're at in our transmission.

Our vegetation management, both in our transmission and distribution we do feeder cycling. We don't separate main line from laterals. We, here again we tend to work by feeder. So we will classify our foresters, we'll classify them as we go out on a three-, four-, or five-year based on the right-of-way width, whether it's rural, just what the conditions are. We do that on a GIS system. We do have a software system that maintains that. Our foresters will look at it every year, they'll look at it as cut and then make a determination of what that cycle should be next time based on how much they were able to clear and what they feel the growth is.

Right now, as you can see, three years or 25% of our feeders; four years, 40; five years, 35; average about 3.9. And we do include when we do go through a

cycle, there's parts of the feeders we trim, there's parts we mow, and we do do chemical. And that program, I'm happy to say, is on schedule, has been. It's pretty much like the pole treating; we've done it for years. All we see through the years is it tends to creep down. Where we maybe used to have 45% to 50% in five years, we're now down to 35 that tend to, tend to cut the cycle by.

We do do a lot of education. Clay educates their consumers. We have two types of brochures. One is "Keep the Lines Clear," which is basically where we try to educate them into why we clear them, how we clear them, how we're going to cut them, what our cycle is. And then we have one that is "Landscape Planning" where we try to teach them what to plant, what type of species, where to plant, those type things. And we constantly work with our counties and our zonings to try and here again hopefully we'll get these planted in the right place.

Annual activities in storm preparedness. Our emergency plan is reviewed and revised annually. We'll sit down and starting in the February time frame we'll go through, look at our personnel assignments, we'll look at our, all of our internal resources, we'll assign them, we'll identify outside contractors, we'll set up

our agreements, we'll work with statewide Florida Electric Cooperative on our mutual aids, we'll get everything updated and everything so all of our agreements are in place.

Communications has become a huge issue obviously. One of the first things we'll do, every year we establish communications. Like I say, we work in 14 counties, so we're working with 14 different EOCs and we have 14 different working arrangements. Each one is a little different, their needs are different, and we try to match with them. We do not staff each one during hurricanes simply because of the numbers. When you take 14 employees out of your mix, it gets pretty tough. But what we do do is we set up an EOC response team at our office and they have a direct line in. That line doesn't handle anything else but EOC traffic and they solve EOC problems. So it's worked well for us. Obviously there's hiccups, but right now that's what we'll continue to work with.

We establish communication lines for all of our local law enforcement in our control center. That operates a different communication line. But we make sure that we have a place to respond to their needs and they're not waiting in line with some other customer need or EOC need. Obviously we do daily updates on

storm restoration progress in our work areas, not only where we restore them but where we're going to be working. We work with state EOC, local EOC, local media, cooperative websites. We have a web-based graphical outage map. We are working in Facebook and other opportunities to communicate every way we can as to what our restoration progress is and where we're working and what we think restoration times will be to try and give all of our customers as much access as we can.

In summary, our transmission distribution system we think is inspected and maintained according to standards. Our storm plan is reviewed and revised, is current. Our communication plans, probably the most thing, continuously reviewed and revised as we go and opportunities arise.

Areas of vulnerability that y'all have asked us to address on. Obviously for us, due to our size and the area we serve, we serve urban areas, we also serve extremely rural areas. Heavy right-of-way, large amount of distribution in rural wooded areas. We serve Alachua County. They really love their trees and it's a challenge for us working in there. So we always get concerned that you get overwhelmed. So we'll -- we worry about that.

Insufficient outside crews. While it is fortunate that we're in North Central Florida and we don't get the brunt of the others, that also means that we're last in line usually to get crews. So we end up maybe sometimes getting a few days out before we can amass crews. So we're constantly worried. A lot of times, I think as he alluded to earlier, we have to reach outside. We'll get crews from Mexico. In '04 we had crews from Mexico, Minnesota. You have to reach where the crews are to get them in. So that concerns us. And then obviously, like anybody else, multiple storms is tough. That would be a thing to deal with. Any questions?

CHAIRMAN BRISÉ: Thank you very much, Mr. Dyal. Are there any questions from Commissioners?

(No response.)

All right. Seeing none, thank you very much for your presentation.

At this time we're moving to a presentation from AT&T. Mr. Follensbee. Hopefully I'm pronouncing that right.

MR. FOLLENSBEE: You did. Mr. Chairman, Commissioners, AT&T thanks you for the opportunity for us to come here today to talk about how AT&T is prepared for both natural disasters and manmade disasters. In a

nutshell, AT&T is prepared.

Since 1992 we have actually had to deploy our natural disaster recovery teams every year to some site in the United States. So it isn't a case that we're preparing for storms or natural disasters. We're actually involved with them someplace in one of our 50 states. Because of the fact we're offering both wireline and wireless, we're not just in wireline states where we have 22 operations. We actually are in 50 states. Also have it in Puerto Rico, the Virgin Islands, and we also have some natural disaster recovery capabilities in some of our foreign countries as well. So for AT&T it's not just an endeavor, it's actually ingrained as part of our business.

So today what I'm going to talk about is how we are prepared, what we do to try to restore both the wireline and wireless, talk just a little bit about our inventory of generators because power continues to be the long pole in the tent for us to make sure we can restore service, and then a little bit about how we are operating to do this, particularly since some of the Commissioners haven't heard this since this is kind of the -- we've kind of organized this the same way and have been for several years.

All right. Our greatest asset is our people.

And so basically what we will do every year is we prepare and support the employees so they can concentrate on restoring service to our customers. We are constantly holding employee awareness meetings to prepare for them. We take great pride and try to make sure our employees are safe, we try to take great pride in trying to make sure the employees' families are safe. Because if the families are safe, then the employees don't have to worry about that particular event if their families are in an area that's been hit by a disaster. For instance, in a couple of weeks all of the employees will have to call in to report to work to basically say I reported to work today. It's kind of a check that we do of our system so we can check on are the employees actually at work or were they not able to work because they're harmed, hurt, or something that we'll try to take care of them.

We hold annual preparedness meetings annually with each of the business units involved. I mean, that includes the unit I'm involved, which mainly is in public policy. We hold periodic exercises to make sure we're, you know, test for emergency plans, and we participate with state and local authorities as well as other utilities just about everywhere in the nation where one is held.

For instance, since we operate in all 67 counties in Florida, if a county is holding a preparedness initiative, we will participate in that. Part of it may just be because of our wireless facilities. The other part will be because of our wireline and wireless facilities.

One of the things I want to highlight here is that AT&T is proud to announce that we are the first private sector company in the United States to be certified under the Department of Homeland Security's standards for disaster preparedness. This is a program that they actually started after the September 11th, 2001, disaster. They actually put it in place in 2010. You go through a program to be certified under this program. AT&T has spent a lot of effort to become certified, and we are proud to announce we are the first one that the Department of Homeland Security has certified that we are prepared to meet any natural or manmade disaster that may face the United States. The program pretty much is, is oriented just to the United States, including Puerto Rico and the Virgin Islands, but it's something we're quite proud of. We've spent over $600 million on natural disaster recovery programs. Now this does not include the money we spend to harden our plants or get our facilities in place. This is

actually other money we're spending in training people and buying the necessary equipment.

As it shows here, we've got over 320 technology and equipment trailers throughout the nation that are prepared to be deployed anywhere we need to to face the disaster that we're dealing with.

We have five natural disaster recovery warehouses in the United States. Two are in the southeast. One of those is in Florida. So Florida is definitely well positioned to deal with any kind of disaster we'll face this year.

Let me talk about the fact that because in natural disasters you don't know what you're going to be facing, we have deployed new emergency communication vehicles, we've upgraded some of those. For instance, our Cell Tower on Wheels used to be 2G compatible, then 3G compatible. Most of them now these days are 4G compatible. All that means is we're continuing to replace or upgrade those trucks to make sure they have available the latest technology you need for communications.

As part of the program we've also got 12 members that have gone through the hazmat training in the University of North Carolina at Chapel Hill. Again, depending on what kind of disaster you're dealing with,

you may be dealing with a hazardous spill of some nature, you know, God forbid, a manmade disaster. And so these people are equipped to deal with that environment if that's what they need to do to help deal with our plant restoration and protecting it.

We continue to enhance our network redundancy in hurricane prone areas, installing more backup and permanent generators, and I'll get into that a little bit more in a couple of slides up ahead.

Basically we're prepared to mobilize anywhere we need to in the nation, including Florida. We -- our supply management, chain management group has secured and continues to change out as necessary suppliers to ensure supplies and equipment are needed, not just for our plant but we also have suppliers to deal with housing our employees, if needed, or their families in case they're displaced.

We have staging areas that I'll get into in a second for Florida, but we have staging areas across the nation. If we know a storm is coming, we will start to bring more and more supplies closer to where we think the storm is going to hit to make sure we're prepared after it lands so we can quickly get to restoration.

Once the storm hits, we'll have sweep teams that will be dispatched as quickly as we can once we

know it's safe to enter the area to identify what kind of restoration requirements we're going to need. As I've said, we've got businesses that'll help house it. We've also got suppliers for fuel. To the extent that we're relying on generators to supply backup power to our cell towers, our switches, our remote terminals, we want to make sure we've got a ready supply of fuel. In addition, we want to make sure we've got a ready supply of fuel for our trucks that need to be dispatched.

To talk a little bit about it, the way we've got our hierarchy set up is in Florida we've got two local response centers. They are usually the first point of where we go to look for preparing for, for a disaster. We've got one in Miami, one in Jacksonville. The one in Miami pretty much covers from Key West up to the south area I think up to Indian River, and then the one in Jacksonville covers the rest of the state. Those two centers are staffed up, you know, 24 by 7, 365 days a year, to be prepared to start to deploy what we need to depending where the disasters hit. To the extent they need assistance, they will go to Atlanta, which also has a backup center in Birmingham. Again, what you're doing there is if you can't get what you need from the state where we stocked up supplies, we'll go first to Atlanta to the regional center. And then, if

necessary, we'll go to the local network operation center which is actually located in Bedminster, New Jersey. I think I've got a picture of that we'll show in a minute.

What we have in place is several strike teams. We basically have determined that you're going to need specialized strike teams to deal with certain things rather than be generalist in nature. So we basically have a team that deals with tracking storms. We've actually had to augment that tracking to deal a lot more with tornadoes, which is something we didn't use to face as much in the past, but we're now in a pattern of quite deadly tornadoes that are coming particularly in the southeast and the midwest, and we've augmented that team to basically start to do the best they can to track tornadoes. We've also got the, a safety strike team, a generator strike team, cell site, E911, damage prevention strike team. Basically these are specialized teams that deal with just that area. So, for instance, the team dealing with 911, they're going to do everything they've got to do, for instance, to restore piece apps if they're out of services and you can't make 911 calls. So it's a team that's just dedicated to dealing with 911 service is that part of the network.

This is a picture, and it's hard to see, this

is a picture of a world-class state of the art center that we've got in Bedminster that basically tracks our network anywhere in the nation. It also does some tracking of networks globally. So basically they also are a way that if they see something has happened to a major fiber cut or something, they can deploy teams to restore that service as quick as possible.

Okay. I think I've already kind of gone through this, but the one thing I want to mention is this year the national exercise we held was actually in Hallandale Beach, Florida, in March and April. We will rotate that natural -- the team, the exercise we do to some state in the nation. This year we felt it was necessary to do one in Florida. We, we, you know, we hope it doesn't happen, but because we haven't had a major storm hit Florida in the coastal area for many years, we felt we really needed to stress hurricane preparedness this year. In past years we've done blizzards, tornadoes. So it kind of depends what you're dealing with. This year we felt it was necessary to really stress hurricanes, not that we think one's going to hit, but we just thought the odds are starting to get greater that we may see something since we haven't had a major one, I think, since 2005.

Now, interestingly enough, we experienced

hurricanes last year. We actually had to deploy a team to Connecticut. You know, the hurricane that completely skirted the whole east coast didn't -- it ended up going into the New England states. We have operations in Connecticut, and we learned some things there that were different. Because hurricane -- I don't -- Connecticut hadn't experienced a hurricane in I can't remember how many years. So it was very unique to them, but we could draw on our experience in Florida, for instance, to deploy up there to help them out.

Part of our preparedness is what we call Cells on Wheels or Cells on Light Trucks. Most of what we've gone to now are Cells on Wheels. We not only use these for actual disasters, we'll use these for special events. For instance, we've got a set of these that are going to be deployed in August in Tampa for the Republican National Convention. You know, we want to make sure we have the best service we can. But these trucks basically allow us to go in where a cell tower has come down that they can't be repaired, and we instantly are able to put up a cell tower and get service in that area very quickly.

We have 2,500 cell sites in Florida. It's growing every day. 50% of them have permanent generators on-site. What that means is they have

standby power that we can rely on. For those that don't, we will deploy temporary generators. Basically we have 170 portable generators in Lakeland, Florida. We have an additional 300 that are in other states in the southeast. So if we need to deploy a generator to a cell tower, we have the ability to do that very quickly for those that don't have standup backup.

Let me go through the emergency restoration. We've got quite a bit -- we've got a generator pool also in Jacksonville and Hialeah to deal with our wireline. Because we are replacing more and more of our copper with fiberoptics and electronics for IP digital services, we're actually finding we're needing, you know, more reliable service for power there. Therefore, we're seeing that we need more generators deployed to make sure we can power up those systems. Some of them will have standby power, new batteries that we've put in place, some of them will have propane gas or another type of natural gas as a backup. But in a lot of cases our best backup is just to take a truck, a truck of generators and just stick them out in the field and power up the particular remote terminal for a first site.

As you can see, we've got 2,028 of our digital loop carrier sites, which is a site that basically is

needed with our fiberoptics to do the digital service that have permanent generators in the south, of which 1,400 are here. And we've got nationwide 10,000 portable generators. I don't think we're ever going to need to deploy 10,000 generators at one site. Let's, let's hope not. But basically we're well served in Florida in case we need, in case we have a hurricane come up.

As you can see, we have seasonal pools we'll do as well. Like I said, we've got one in Hialeah, we've got one in Margate, one in Jacksonville, and we'll stage more, if necessary. For instance, if we see a storm that's getting ready to hit the Panhandle, we'll stage generators as close as we can to that area to be prepared in case they're needed.

In a nutshell, AT&T is prepared. As I said, we go through a natural disaster someplace in the United States every year, and so for us it's actually implementing what we've learned, not so much preparing for what may be coming. And with that, I conclude.

CHAIRMAN BRISÉ: Thank you very much.

Commissioner Brown.

COMMISSIONER BROWN: Thank you. I'm quite impressed with your presentation and what AT&T is doing with regard to natural disaster preparation. It's very

apparent that your company is very prepared, and I appreciate you coming down and talking with us and relaying what you all are doing. And thank you again.

MR. FOLLENSBEE: You're welcome.

CHAIRMAN BRISÉ: Commissioner Edgar.

COMMISSIONER EDGAR: Thank you.

Very briefly. As I recall, after the storms here in Florida approximately eight years ago, one of the issues had to do with third party attachments, and some -- at the time, maybe this is not the right word, but at the time some confusion in some areas as to ownership and responsibility and overlapping authority and other things. And I know a lot of work has been done on that issue since then, some of our early presenters mentioned. So I was just wondering if you could touch on that. And from your company's perspective, has that, at that time a little bit of confusion, been cleared up sufficiently?

MR. FOLLENSBEE: A couple of points on that. Number one, we have. I mean, we're very clear now who owns the pole, who doesn't own the pole, and what needs to be done with it.

One of the biggest benefits from what the electrics have done also benefits us. We attach on more poles than we own. And to the extent that the electric

industry has done a great job in hardening their facilities, that means our facilities are protected as well. But on the other hand, with our facilities ourselves we have continued our pole inspection program, we haven't discontinued it. We still find it to be beneficial. And so every time we do that we clearly identify who owns the pole in case there's a question of it. But we're attaching to any poles that we don't have ourselves, which includes the co-ops, the municipalities and all that. I haven't heard of any issues we've had in recent years on that. So I think we're in good shape to know that when we need to go in and deal with a pole, you know, what needs to be done. And a lot depends on what's been damaged. I mean, if it's not the electric, it's the lower part of the pole, you know, that's normally us because usually the telephone cable is on the bottom part of the pole and electric is on the top part.

COMMISSIONER EDGAR: Thank you. And just to point out -- and I thank you, and to all of those, as I mentioned, I know a lot of work has gone into that to clear up some of the uncertainties and some of the maybe blurred areas of responsibility and cost allocation, and it's something that we haven't really had come up to my knowledge as an issue here for us, and I think that

attests to, you know, the good work and cooperation that has been done. So thank you.

CHAIRMAN BRISÉ: Thank you. And thank you for your presentation this afternoon.

MR. FOLLENSBEE: Thank you.

CHAIRMAN BRISÉ: At this time we will hear from Verizon Florida, Shaun McLaury. Mr. McLaury.

MR. McLAURY: Commission and staff, thank you very much for inviting Verizon here today to participate in your workshop. We always gain something out of these. It's great to hear what other companies are doing, and sometimes we have those aha moments, you know, and can go back and say that's something we want to also do.

Verizon -- basically we'll cover our Florida overview today, we'll cover our emergency operation structure, and then we'll talk about our 2012 strategy. And a lot of what we're going to focus on today is just simply what's new. We have a lot of things we covered last year, you know, with our generators and things, and we won't go into that detail this year. So it'll only be what's new since last year.

CHAIRMAN BRISÉ: Thank you. We appreciate that.

MR. McLAURY: Basically we have our networks

that provide data, video, and voice service in West Central Florida, so primarily six counties around the Tampa Bay area. We have over 1,700 fleet vehicles. That's not much change since last year. And a presence in over 300 buildings, which is down just a few from what we've had in previous years. Most of what we've taken out of the, the equation now is some administrative buildings, and then a few of our work centers have been consolidated into larger units.

Basically our operation structure, we have a region control center. That's our local folks that handle any emergency. We have a centralized point for information. We coordinate personnel and resources. We develop our service restoration plan there, and then we compile all of our travel reports and volumes. So everything is just funneled through our, our local -- we used to call it emergency operations center, but now we have two or three of those nationally, so it's the region control center now. But they're very dependent upon us to be the first point of contact for Florida and to make sure that we accurately capture and are in charge of any event that's happening.

We have our damage assessment group out there. These are the folks that actually go in and take a look at the damage. They relay the information back to us,

help us prioritize what needs to be done. They usually follow the first responders in. We also have teams of first responders that are primarily line crew type individuals. They actually camp out with the county EOCs during the storm, and then go in with their road clearing crews and with their emergency responders so that we can try to protect our facilities, keep them from being damaged further, maybe lay them on the ground to where you could drive over them, anything that we can do to help facilitate entry into an area but yet keep our facilities intact too. Everyone depends on communication after a storm, so we do all that we can to make sure we protect it.

We have our National Emergency Coordinating Center. Basically that's overall management at a corporate level. We have two different locations, one is in Texas, one is in New Jersey, so we always have a backup. They basically take the information that we provide, report it to our executives, and then also try to deploy any resources that we may need. Since we are a large company, our primary focus on resources is internally from other regions, and they're very quick to offer those resources and to get them in place, as well as we also send our resources to other areas. During last year it was Hurricane Irene that hit in the

northeast and we had to go up there primarily because of flooding that was in the area. We've sent crews to California for wildfires, Texas for ice storms. So we're well versed in those things as well as hurricanes.

Our 2012 strategy storm hardening, we also have continued our pole inspection program. We're really getting toward the tail end of it. When we started our program, we concentrated heavily on our coastal counties, meaning Pinellas, Pasco, Sarasota, and Manatee Counties. Those were wiped out pretty quickly. Then we moved inland. Right now we're probably more than 70% complete in all of our inspections, and right now of the poles that we have inspected, there's only -- there's 1,207 that haven't been replaced yet. All of those are in work order status and are actually in the field being replaced as we speak.

We actually funded our pole replacement program a little bit heavier this year in anticipation of moving into easier work. When we're working with power companies and doing transfers, multiple transfers and things, it kind of slows things down. It's just more complicated. Now as we move into our inland counties where we've got 25 and 30 foot poles, it's primarily we're the only attacher. It moves a lot faster when we find those. So we wanted to make sure

that we were funded to replace those quickly this year. And, in fact, from the time they find the pole, to go through engineering, drafting, and back out to the field is about ten days now on those smaller poles.

We have a decreasing dependency on aerial facilities. All of our FiOS network, probably 98% of it or a little bit higher percentage is all underground, including the service drops as well as the terminals and the mainline cables.

We looked at our copper facilities out there. Everything that we can take down right now we're taking down, number one, to get it out of the way for storms, but also, you know, we have a lot of theft with copper right now, so it's just get it down, get it out of the way.

The real advantage to us when it comes to storm restoral is if you don't have dead cables or dead drops hanging in the area, you don't have to worry about those. You can get on to the customers that really need the service. So it just helps clean things up.

The other thing that we're doing a lot of is removing digital loop carrier units. Back when we had high field counts on cables the digital loop carrier was what we had to use to help augment service for people and as well as to extend the reach of our, our DSL

service. Now then as we've lowered our field counts and our cables and we've moved people over into our fiber we're able to take out a number of those units and we've continued a very aggressive program in removing those units.

The other thing we did for our carrier units at the end of last year that, that have to stay in place is we did a major battery replacement on those. So when you put the new batteries in, it comes with a minimum five-year warranty on those batteries. So normally they last anywhere between seven and ten years before they need extra work. So we feel like that the remaining DLCs are very well prepared now for the storm season as far as batteries.

Material, it's the same as in previous years. We keep a fairly high stockpile locally. We also have all of our other Verizon facilities in other states that can immediately route material to us, if needed. And then as far as poles, we have a contract with our vendor to where when we've got a named storm and we forecast it to hit our area, they immediately stage trucks just out of state to bring into our area. The only reason we don't go ahead and bring them in is we want them delivered right to the site that we need them. So we, we kind of wait until after a storm. Then we bring the

trucks in and we drop them off and we don't have to handle the material twice.

Our all fiber network eliminates many of the storm related issues that we have with our copper. The majority of it, of course, 98% is underground. All of our service drops are buried. And in the past the optical cable is not affected by moisture. That's a big one for us. It's also much, much easier to restore fiber cable if it is damaged versus the large pair count copper cable, especially, you know, we still have a few of our old paper cables. Those can be very time-consuming to restore; whereas, the fiber cable is very, very quick for us, so.

Another strategy for 2012, and this is kind of one of the aha moments, you know, that we took away. When we looked back at 2004, that was the last time that our Tampa Bay area was impacted, and we were impacted by three hurricanes that year. And we took a look at our damage assessment teams and how they relayed information back to our region control center, how that information was entered into the system, how we tracked it to make sure it was dealt with, and then how we completed everything out, and then how we tried to look at it after the storm to see what we did right, what we did wrong. And it was, it was more of a paper process back

then, but we noticed we really hadn't done anything to improve it. So at the end of last year we embarked on a program to really move us into modern day. Part of that, we put all of our technicians in the field on BlackBerries. It's kind of an interim step. Later this year we're going to start moving them onto tablets with the 4G network. This allows them a lot better access to the records, but it also gives us much quicker feedback from them in the field.

They now have a, basically a real short form that they fill out when they go out to do a damage assessment that feeds back into an internal system that's laid over a geographical map. It's also now on a 10K grid, just like the county emergency responders use. That was something that we had neglected to do in years past. So now when we talk to the counties and they tell us that they're in the LL78 grid, we know exactly where they're at and they'll know exactly where we are. So it's a common language for us.

This, this new damage program, really excited about it because it allows realtime tracking for us. The moment that the technician enters the damage report, it pops up on the screen in our region control center. We're able to then go back in, extract reports out to route it to either engineering or route it to our

dispatch for immediate dispatch.

Part of our strategy also is we know that when you have multiple storms hit you can kind of burn your people out, especially that are in your region control centers. So on May 2nd we did an exercise with all of our region control centers around the country, and that whole exercise was focused on backing each other up. In other words, how can you come in and take over for them? And we were recognized, Florida was recognized because of our work and moving onto this platform. I think the rest of the country is going to move onto it very quickly because any other region control center could go in, look at our data, it's already been entered, and they could status any ticket for any customer calling in.

The other thing we did was go onto a common platform for our IPACD. That's an integrated -- internet protocol automatic call distributor system. Because Verizon was put together by a number of companies, we have different systems in different areas. Now we're all on one common platform where calls can be routed very, very easily between different areas and different sites. Also since that works through basically a computer, your call goes through the computer as well as your data connection. We can pick

up our computers if we think an office is in jeopardy and move it to a different location, a person can plug right back in and be up and running.

So it was kind of a really good one for us this year. Hopefully we'll never have to use that, but it's there for us.

We conducted our annual emergency exercise. Like I said, May 2nd was when we did our region -- our national one. We're going to do a local one in late May. It'll be right around Memorial Day. And what we want to do during the Memorial Day exercise, every employee that enters damage assessment will be entering fictitious reports into our system at that time. Basically we're going to try to crash our system. But we want to see how it all works in a, in a non-realtime environment. But just to see how it works, how the tickets are routed, whether somebody off-site in New Jersey or somewhere else can status the ticket for a customer calling in. So we'll really process it all the way through.

We've really rebuilt our partnerships with our county emergency management teams. And, you know, it's -- the longer you go without having a disaster, the easier it is to find something else to do rather than going to those county EOC meetings. So those last

couple of years we've really worked hard on getting our manpower staff back into the EOCs, talking to them about their concerns, and then about our concerns too.

Probably our biggest concern, or one of the things that we learned after the 2004 hurricanes was how severely we were impacted by the damage removal teams. You know, when you've got the debris removal teams going in and picking up everything out there, they tend to bring in heavy equipment and damage whatever we have alongside the road also. So now we've developed plans with all the EOCs in how we can limit that damage and identify our facilities there even if it has debris piled over the top of it.

We also have a MERIT team that's a major emergency response incident team. This basically was a team that was formed in 1993, and we had kind of a nasty, I think it was an asbestos event in one of our offices. And the office went down but it was a hazmat area and we couldn't get back in to work in that office. So a team was formed of folks that were trained in hazmat type entry. It's -- basically it has a number of members on the team from just about every specialty we have, whether it be a cable splicer, a central office tech, building maintenance tech, you name it, there are electricians, power specialists. Anybody that we have,

we have a special person on that team.

So if we go into an area where a hazmat area has been declared, they have the ability to suit up, go in, and take care of our equipment, restore our network, get it back online, or to keep it running during this event.

The one thing we noticed with this hazmat team is local fire responders and hazardous materials teams didn't know the capabilities of this team, they didn't know the training of this team, they didn't know anything about them. And so, of course, they're going to be suspicious if they come to town. You know, do we have to go in and drag this people out or what do we have to do?

So this year we conducted an exercise in Temple Terrace in March and we invited all the different county hazmat teams in to do a co-exercise with them. It was just kind of interesting to see them all climbing over each other's equipment, you know, and looking at the stuff. But we have a very high level of communication now. I think they're very comfortable working together. Part of that was just simply in preparation for the RNC later this year. We've got some things downtown that we want to make sure are well protected.

But also when we ran our hurricane exercise last year, we did a scenario kind of like what someone else described where we had a significant storm surge in Tampa Bay that basically crippled some of our downtown buildings. And part of what we recognized then was we're kind of on the north side of the Port of Tampa and we could have oil or other things that are in the lobbies of our buildings now when we need access. So not only, you know, when this team came to town, we not only did the exercise, we took them downtown, took them through all our buildings, made sure they were well versed in what needed to be worked on there should we need their help.

Just some pictures in the deck of this hazmat team. I always like new stuff that's out there. They're very well prepared, they're very self-contained with all kinds of specialized vehicles, hazmat protective gear. They have all the certifications. All of their equipment can be shipped by air. Their intent is to be anywhere they're needed within 24 hours.

As you can see, they all ran their -- they all use specialized suits. I think those suits are about $1,700 apiece, and they're a single-use suit, and they also have a 12-month expiration date on them. So it's very costly to keep them suited up, but it's definitely

a cost that we bear willingly in order to have them available.

So in summary, we're continuing to invest in our pole replacements. We're nearing the end of our pole replacement program. We're now down to the part of our program where it's mostly our own poles, mostly in rural areas smaller poles. The poles that we are replacing, we don't go anything less than a Class 5 or larger diameter pole. In previous years, you know, before 2006 we had Class 6 and Class 7 poles, so we made a change to the stronger poles.

We're lessening our dependency on aerial facilities. And, in fact, one of our programs this year is to remove over 60,000 attachments off of poles. So that's a combination of being able to remove some of our own poles as well as removing attachments off other poles.

We're lessening our dependency on digital loop carrier. We want to try to get as much of that out of our network as possible so that we don't have to worry about power for those during storms.

We're implementing better damage assessment communication methods. We're very proud of our new system there. Looking forward to seeing how it works. We kept our old system in place just in case we needed a

backup, but we're very, very excited to be going into this system with our new damage assessment.

And we're also practicing quick network restoration and recovery methods. So we've always practiced that. We probably have more emphasis on it now than we've ever had. You just, you can't be slow in keeping communication flowing, especially when others are depending on us.

So that's what I have today. If there's any questions that I can answer for you.

CHAIRMAN BRISÉ: Thank you very much, Mr. McLaury.

Commissioner Brown.

COMMISSIONER BROWN: Thank you for a great presentation. We appreciate it. I lived in the Tampa Bay area in 2004, and I'm going to steal a question from what our Chairman asked some of the utilities earlier. If the, if the 2004 hurricane season occurred today, it sounds as if Verizon is much better off today than it was back in 2004.

MR. McLAURY: Absolutely.

COMMISSIONER BROWN: Okay. Well, we appreciate your presentation. Thank you so much.

MR. McLAURY: Thank you.

CHAIRMAN BRISÉ: Any further questions or

comments.

(No response.)

Thank you very much for your presentation this afternoon.

MR. McLAURY: Thank you.

CHAIRMAN BRISÉ: Okay. At his time we're going to hear from CenturyLink, Sandra Khazraee.

MS. KHAZRAEE: Hey, you did pretty good.

CHAIRMAN BRISÉ: All right. Thank you.

MS. KHAZRAEE: You know, during the break I got excited when I realized that this year I was not going to be standing between a room full of people and lunch. I'm not sure this is any better, but maybe I got excited a little too early.

CHAIRMAN BRISÉ: You're standing between us and the rain, so it's okay.

MS. KHAZRAEE: That's good. It came at a perfect time.

Good afternoon. I am Sandy Khazraee on behalf of CenturyLink. And in previous years my presentation has focused specifically on Florida preparation for hurricane season, so this year I'm not doing that. But at the end if you have any questions of me about what we've done specifically in Florida, please ask.

What I want to show this year is the bigger

picture. I want to kind of take the camera further back and get a picture from 30,000 feet of our crisis management. We've designed our plans -- whoops, I went the wrong way -- we've designed our plans to ensure that we continue providing service to our customers in the event of any significant business disruption.

So, first all, a quick overview of CenturyLink. We are the third largest telecommunications company in the United States, and we provide broadband, voice, wireless, managed services to consumers and businesses. We are actually in 37 states. And because of a recent purchase of Savvis, which is a cloud infrastructure and hosted IT solutions company, we have presence internationally as well.

Why do we plan for disasters? And the answer is because bad things happen and we have to be prepared. In this picture, I think you'll recognize at least two of these. The top left-hand side is, of course, the Super Dome after Katrina, the damage that was done to the roof there. On the right-hand side is the World Trade Center. That picture was taken about three weeks after 9/11, and it is a New York firefighter standing there at the site. The bottom left picture is actually in our service territory in Colorado, and it was a wildfire. That's actually a picture of the air tanker

trying to put that fire out. And we had facilities that were not right there but could have been encroached on by that fire.

We have several plans designed to minimize the opportunity of disruption to CenturyLink services and they address critical internal business functions that, if disrupted, would lead to service outages.

So what makes a successful plan? Well, we look at threat assessment and business impact analysis as we do business continuity planning. So for hurricane preparedness, that means, for instance, we keep up with the forecasts, we watch the weather in realtime. We learn from history. We are vigilant in our design and construction in areas that are prone to damage from hurricanes.

Geographic diversity of recovery resources, that's very important. But not only are we talking about geographic diversity of our actual network facilities, but also of ways to get relief supplies in and multiple facility routes to reroute traffic if one area gets hit.

Number three is multiple business resumption options for each critical function. We actually have a mobile option to get critical circuits back up and working. If we lose a network operations center, we

have other network operations centers that we can transfer control over to to take care of specific areas. If you've got a subdivision that's been hard hit, we can bring in at least a bank of payphones or bring in, you know, some kind of Cells on Wheels in order to give people some immediate service while we're restoring.

And then routine plan reviews, updating, and testing. And we are currently updating our plans that are specific to Florida. We began that about three weeks ago, and at the end of this month we will have the big conference call with all the regions in Florida to go through the preparedness plans and make sure that we are all ready for what may come this season.

Okay. Threat assessment. Understanding the business impact. We need to understand if one particular area gets hit what might occur, what might happen to our customers, what might happen to our facilities. And we have to identify what our customers expect, the service level requirements they have. We have to prioritize critical functions and applications. We may have customers that need their telecommunications facility because they're part of the Department of Homeland Security, they're hospitals, they are the EOCs, any type of group that may need to respond to the, the disaster at hand. And then we focus on the risk and we

mitigate.

And these pictures at the bottom are just examples of how we focused on a risk and we mitigated. The bottom two on the left were pictures in Colorado Springs. There was a Cottonwood Creek where severe erosion was occurring, and on the left top of the picture you can see a building there and that was actually our central office building. And if erosion had continued to occur, it would have put our central office building in danger. So we installed some portable sump pumps, we put some barriers around the central office, we added some additional fuel tanks, we diversified our fiber runs out of that building.

Another example is on the right, and that was an area where there was a dam that might possibly -- well, it had a leak. And so because of that the water level was not allowed to be as high behind the dam as it had been previously, which meant flooding could occur downstream. We were downstream. That was our office. And that's, you can't tell it, but that black thing in front is a six-foot barrier wall that we had to install.

An example in Florida where we've done that is in, for instance, in Shell Point. After the '05, '04/'05 hurricanes we installed a digital loop carrier on a platform 20 feet up because we learned the hard way

that storm surge would take out the equipment that we had that was closer to ground level. We also knew that when you put something 20 feet up and you've got a hurricane coming in, you have the possibility of wind damage. So we had to find a low profile cabinet to keep it as short as we could while having it 20 feet up in the ground [sic]. And that's the type of thing that we do as we assess and then mitigate.

Geographic diversity. This slide just shows you some of the main routes that we have for carrying calls, data through our network. That even includes Europe and Asia Pacific. But one point I want to make on this slide is that it's not just geographic diversity. There are other types of diversity, and those include having mutual support agreements with other companies, having remote work arrangements, having third party agreements with other companies to help us carry traffic or to provide people or equipment to us in time of need.

Business resumption. Just briefly, these two pictures, the one on the top right is our Savvis center in Tokyo, Japan, just shortly after the earthquake and tsunami last year. And because we didn't sustain anything but minor damage, we were able to be up and online fairly quickly after that event and continue to

handle traffic internationally.

The lower left is a building in Des Moines, Iowa. And on Saturday, January 22nd, of last year there was a fire on the 4th floor of that building at 3:22 in the morning. Because it was a Saturday, early morning, there were only eight people in the building. They got out with no, no damage, no injury. They were evacuated safely. But the third and fourth floors were left uninhabitable. We had 260 employees on those two floors who handled critical circuits for our critical circuit orders for our customers. By Monday morning at 9:00 we had those 260 employees in a building a couple of blocks away set up and taking orders from customers.

Other resources. We have a lot of resources full-time in the company. We also have part-time resources. And then we get resources from all sorts of outside agencies. You can see a lot of them on this slide. I'm not going to cover all of that. But just to tell you we have mutual aid agreements with two major telecom carriers to provide mutual support in the event of a disaster. We have both provided and received support as a result.

We have disaster recovery trailers that I mentioned, and that's a picture of one in the upper right-hand corner. We own several -- seven mobile

switching trailers that can be rapidly deployed. We have both commercial power and onboard general -- diesel generator on that.

Plan reviews, updating, and testing. And what I want to say on here, on this slide is that we've got a disaster preparedness staff that is full-time. They oversee and they support all elements of our corporate program of disaster preparedness. That staff holds certifications, graduate degrees, they have experience in telecom operations and IT operations, so they're highly qualified.

Under them we have six regional teams. They're led by a regional director. They have representation from all of our critical business and support units at the local level. Those teams are activated whenever there's an event that has the potential to affect one or more business units. Under that we have crisis management teams and our, all of our business units are represented on those teams. And those are the teams that would send out the damage assessment and rapid response teams at the end of a hurricane in Florida.

We have command centers that operate 24 hours a day, seven days a week, 365 days a year. This is a picture of one that we have in the central part of the

country.

We have a number of them. And as I mentioned earlier, if one is unable to control, we can transfer control to another one.

Service restoration priorities. I alluded to this earlier that we have critical customers who need their service restored first following a disaster. We also participate in the national communications system of the federal government, which has actually priority levels for restoration. And customers who need it can sign up for that service and then they are given the priorities you see on this chart to be restored in that order.

That is my planned presentation. And if you have any questions, I'd be happy to address them.

CHAIRMAN BRISÉ: Commissioners, any further questions?

(No response.)

Thank you very much for your presentation this afternoon.

I don't know if Commissioners have any comments they would like to make before we close this afternoon.

(No response.)

Well, I want to thank all of the presenters

this afternoon. I think that this workshop has been quite helpful and informational. I feel fairly confident that every Floridian, regardless of where you live in the state, that we are better prepared this year than we were last year, and much better prepared than the last named storm that we had in the state, both from the electric sector and the telecommunications sector. And I trust that if we all work together, that if, God forbid, that we do have a storm this year, that we will fare better this year than we have fared in the past.

Staff, is there anything else that we need to handle at this time?

(No response.)

Seeing that that is the case, if there's nothing else, with that we adjourn. Thank you very much for your participation this afternoon.

(Proceeding adjourned at 4:45 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 16th day of May, 2012.

Linda Boles

LINDA BOLES, RPR, CRR
FPSC Official Commission Reporter
(850) 413-6734

2012 Hurricane Preparedness

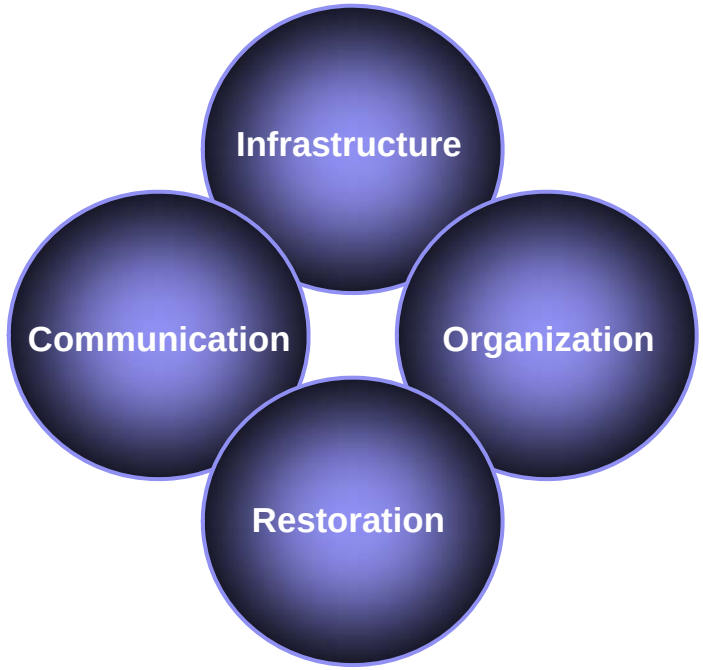
May 9, 2012

Parties/Staff Handout
event date 5/9/12
Docket No. 120000-OT

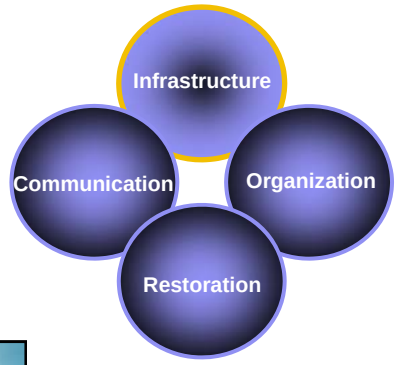
2012 Preparations

FPL's Hurricane Preparedness Plan

- **Continue to strengthen the infrastructure**
- **Prepare the storm organization**
- **Refine the restoration plan**
- **Increased communications**

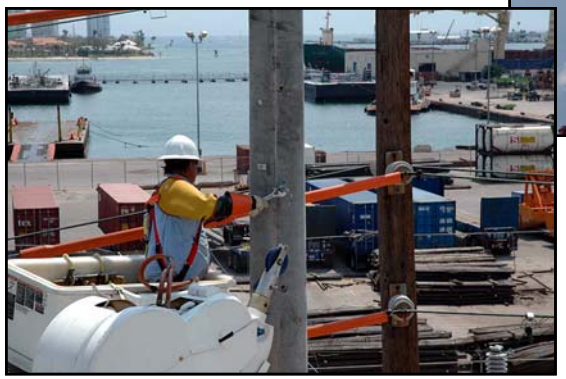


Continue to Strengthen the Infrastructure

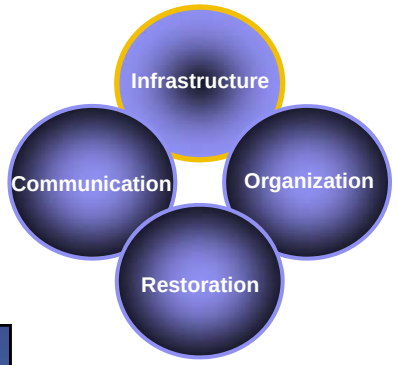


Distribution Hardening

- **Continue three-prong approach**
  - EWL projects
  - Community projects
  - EWL design guidelines



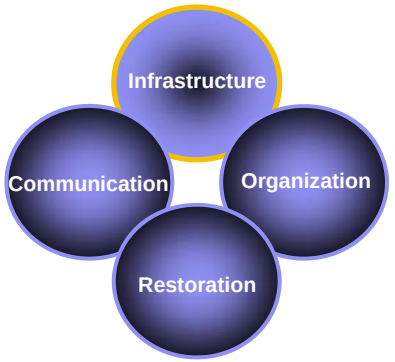
Continue to Strengthen the Infrastructure



Transmission Hardening

- Replace all wood structures
- Replace ceramic post insulators on concrete structures

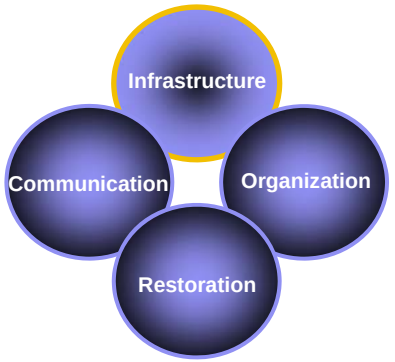
Continue to Strengthen the Infrastructure



Distribution Pole Inspections

- FPL owns over 1.1 million poles
- Inspect at least one-eighth of its distribution poles
- On-schedule

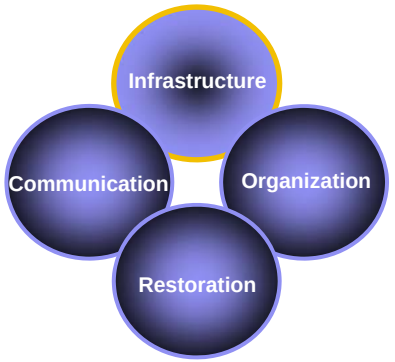
Continue to Strengthen the Infrastructure



Transmission Pole Inspections

- 66,000 structures system-wide
- On-going six-year cycle
- Beginning new 6-year cycle
- Inspect all critical 500kV lines and facilities serving CIF

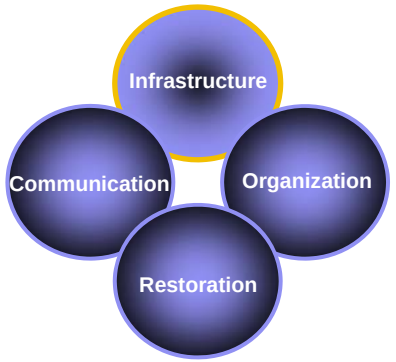
Continue to Strengthen the Infrastructure



Distribution Vegetation Management

- Feeders - three-year average trim cycle
- Laterals - six-year average trim cycle
- Clear vegetation on all feeders serving critical infrastructure facilities
- Encourage “Right Tree - Right Place”

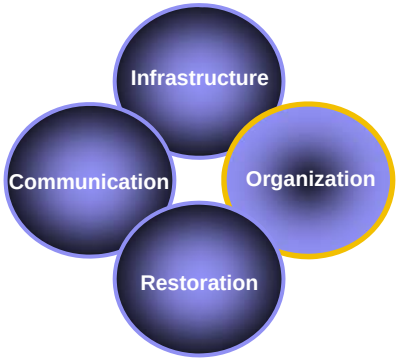
Continue to Strengthen the Infrastructure



Transmission Vegetation Management

- **Clear 100 percent of transmission right-of-way each year**

Prepare the Storm Organization



Annual Preparations

- Roles identified and staffed
- Training updated
- Training conducted
- Forensic teams ready

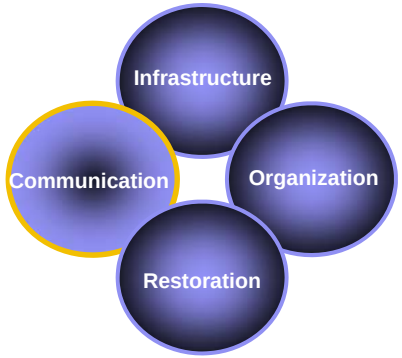
Refine the Restoration Plan

- **Safely restore in shortest time**

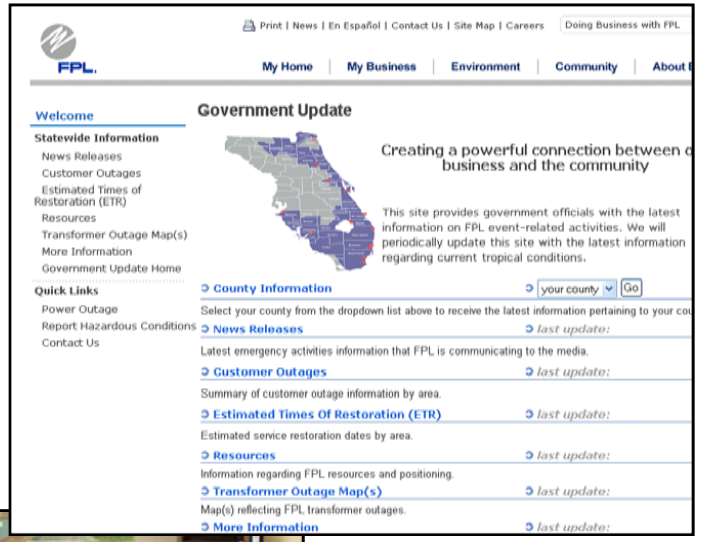
- **Resource plans in place**
  - Logistics
  - Foreign utilities & contract crews
  - Inventories

- **Continue ICS integration**

Enhance Communications

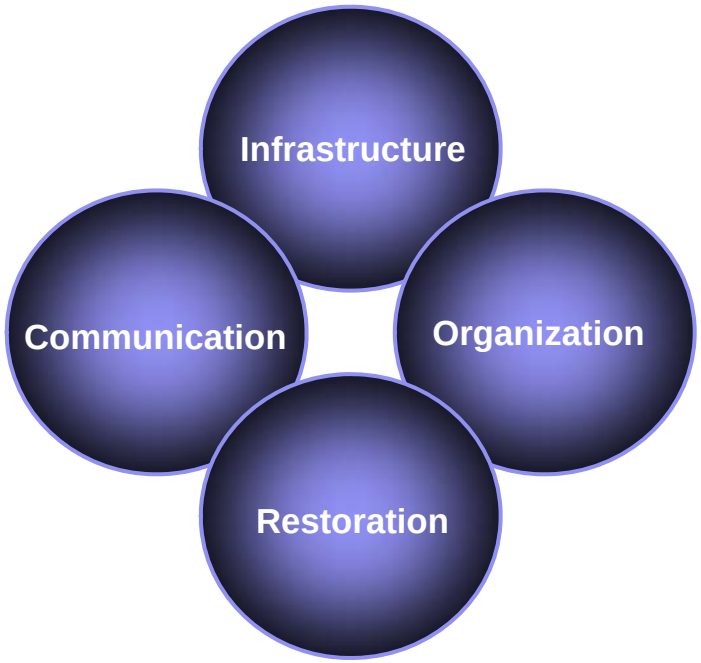


- **FPL / County EOC meetings**
- **Governmental & community communications**



Areas of Concern or Vulnerability

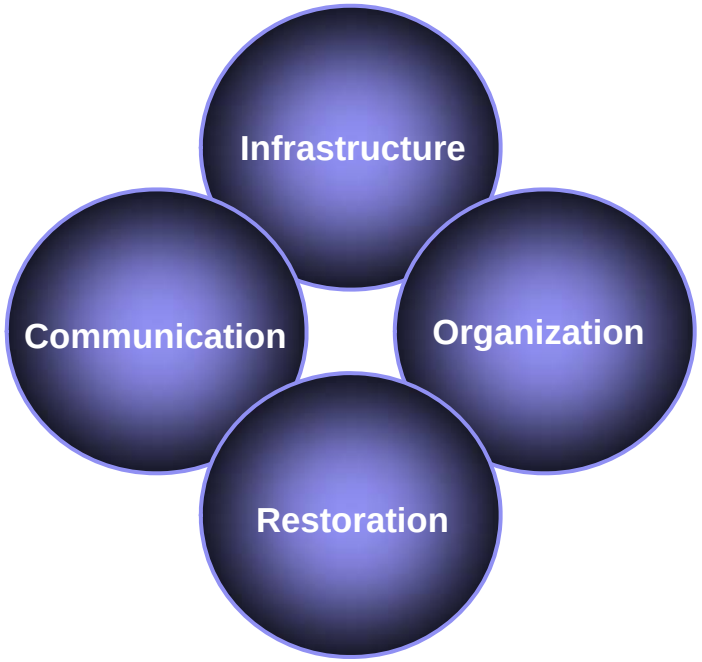
- Hardening - multi-year effort
- Multiple storms
- Catastrophic storms
- Resource availability



Hurricane Preparedness Plan 2012

Summary

- **Infrastructure strengthened**
  - Hardening; Pole inspections; Vegetation
- **Organization prepared**
  - Trained and ready
- **Restoration plan tested & refined**
  - Lessons learned; Technology; Forensics
- **Increased communications**



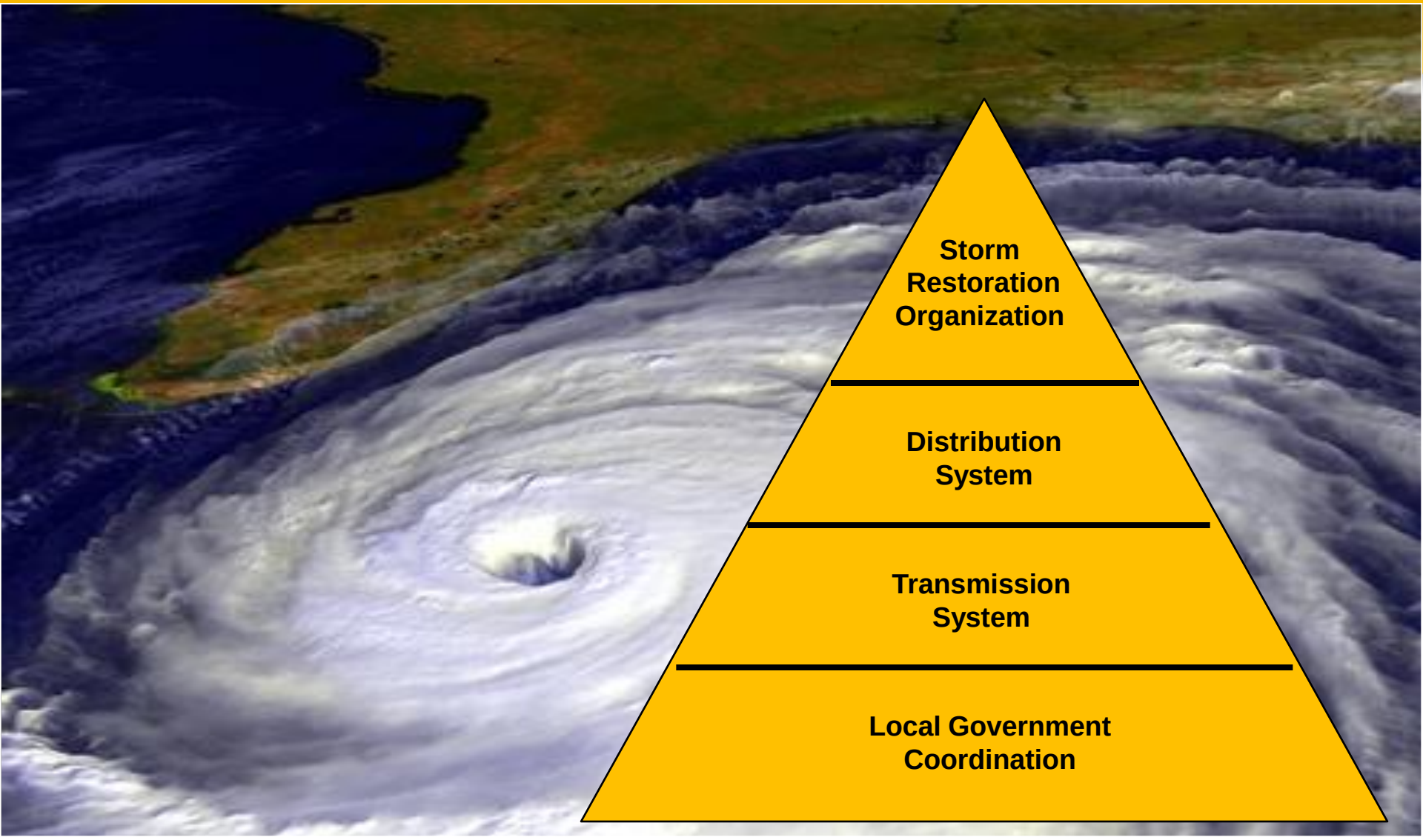
Progress Energy Florida
2012 Hurricane Preparedness

Florida PSC Hurricane Preparedness Meeting

May 9, 2012

Parties/Staff ___ Handout
event date 5/9/12
Docket No. 120000-OT

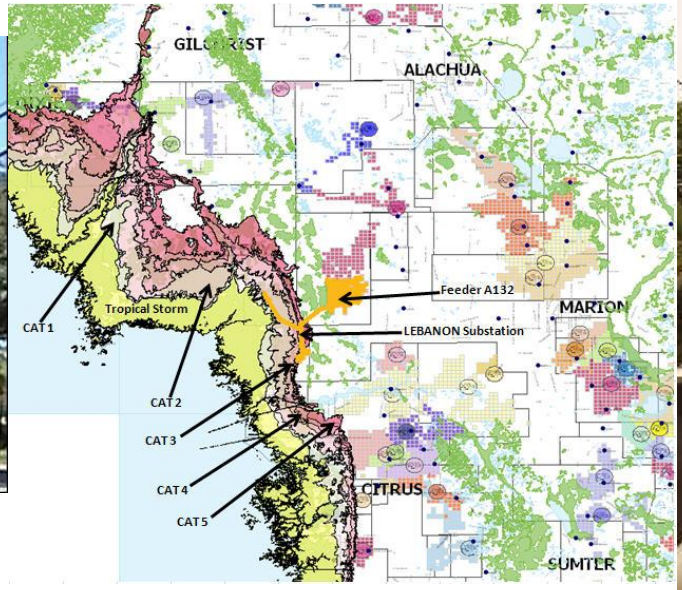
Hurricane Preparedness



Progress Energy

Distribution System Readiness

- Pole Inspections
- System Maintenance
- Vegetation Management
- 10-Point Ongoing Storm Preparedness Plan
- Storm Hardening Rule



Progress Energy

Transmission System Readiness

- Pole Inspections
- System Maintenance
- Vegetation Management
- 10-Point Ongoing Storm Preparedness Plan

Progress Energy

Storm Restoration Organization Readiness

- Storm Plan Continuous Improvement
- Annual Pre-Season Storm Drill
- Internal Resources Secured
- External Resources Committed

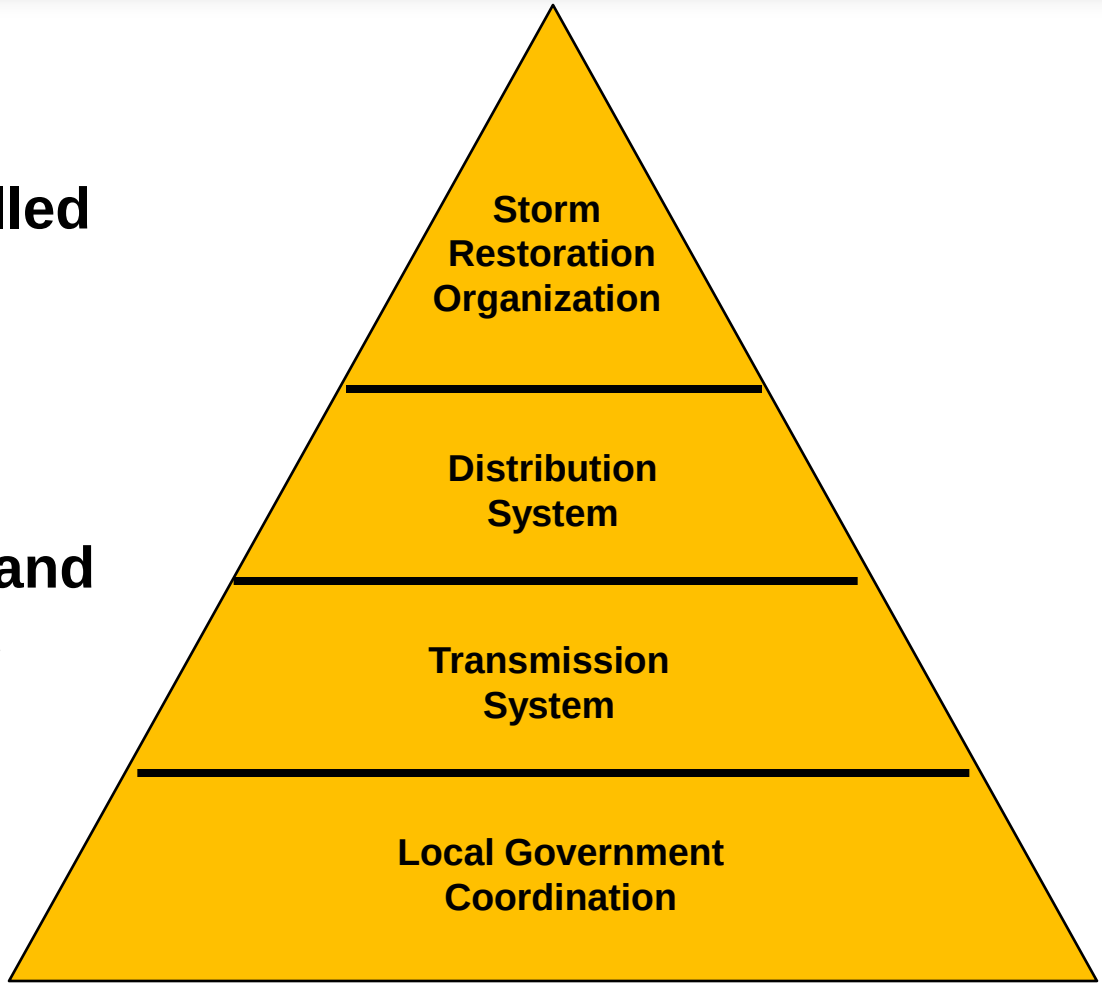
Progress Energy

Local Government Coordination

- Cross-Functional Coordination Team
- Structured Information Sharing Before, During, and After Hurricane
- Electronic Outage Data to County EOC's
- "Know Where You Grow" Tree Program
- Public Expos

Hurricane Season Preparedness Conclusion

- T&D Systems Checked, Maintained
- Storm Organization Drilled and Prepared
- Internal and External Resources Secured or Committed
- Response Plan Tested and Continuously Improved



Progress Energy

Tampa Electric Company 2012 Hurricane Season Preparation

David Sweat
Director, Energy Delivery
May 9, 2012

Hurricane Preparedness Briefing

- **System Infrastructure**
- Pre-Storm Preparation & Coordination
- Areas of Concern

System Infrastructure

- Wood Pole Inspections
- Ten Point Plan Initiatives
- Three Year Storm Hardening Plan

System Infrastructure

- Wood Pole Inspections
  - Annually Inspect One-Eighth of the System
  - Pole Loading Analysis
  - Repair, Reinforce or Replace

System Infrastructure

- Ten Point Plan Initiatives
  - Vegetation Management
    - Three Year Trimming of Feeder and Laterals
  - Joint Use Attachers / Audit
  - Transmission Inspections
    - One, Six and Eight Year Cycles

System Infrastructure

- Ten Point Plan Initiatives (cont'd)
  - Transmission Hardening
    - New Construction and Maintenance
  - Post-Storm Data Collection
  - UG and OH Performance Data Collection

System Infrastructure

- Ten Point Plan Initiatives (cont'd)
  - Coordination with Local Governments
  - Disaster Preparedness and Recovery Plan

System Infrastructure

- Three Year Storm Hardening
  - Grade B Construction for Distribution
  - Extreme Wind for Transmission
  - Non-wood Construction for Transmission
  - Extreme Wind + for 230 kV Transmission
  - Conversion of Overhead Distribution Interstate Crossings to Underground
  - Underground Construction – Stainless Steel
  - Network Protectors Inspected, Tested and Repaired

System Infrastructure

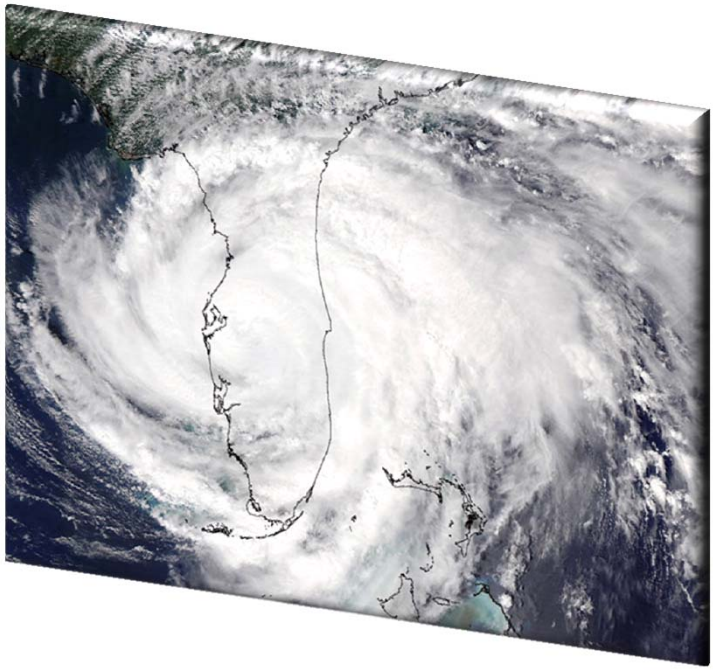
- Three Year Storm Hardening (cont'd)
  - Extreme Wind Pilot Hardening Projects
    - St. Joseph's Hospital
    - Port of Tampa

Hurricane Preparedness Briefing

- System Infrastructure
- **Pre-Storm Preparation & Coordination**
- Areas of Concern

Pre-Storm Preparation & Coordination

- Mock Storm Exercise
- Incident Base Review
- Team Member Preparation
  - Emergency Role Assignment
  - Personal Preparation



Pre-Storm Preparation & Coordination

- Material Inventory Review
- Restoration Providers
  - Southeastern Electric Exchange (SEE)
  - Contractors
- Local Government Coordination
- Public Communication

Hurricane Preparedness Briefing

- System Infrastructure
- Pre-Storm Preparation & Coordination
- **Areas of Concern**

Areas of Concern

- Multiple Storms Within a Season
- Resource Availability
- Catastrophic Storm

Summary

- Storm Ready
  - System
  - People
  - External Relationships and Contracts

POWER DELIVERY

Gulf Power Company
2012 Storm Preparedness

Sharon Pinkerton

Project Services Manager

The Journey Never Ends
ZERO UNSAFE ACTS ZERO

Parties/Staff Handout
event date 5/9/12
Docket No. 120000-OT

GULF POWER
A SOUTHERN COMPANY

2012 Preparedness Activities

PRIDE IN THE SYSTEM

- **Distribution and Transmission Assets**
  - **Facility Inspections**
  - **Maintenance and Repairs**
  - **Coordination Efforts**
  - **Storm Hardening Measures**
  - **Post Storm Recovery Plans**
  - **Forensic Data Collection Plans**
  - **Drills, Exercises, and Training**
  - **Areas of Concern**

The Journey Never Ends
ZERO UNSAFE ACTS ZERO

GULF POWER
A SOUTHERN COMPANY

Distribution Activities

PRIDE IN THE SYSTEM

- **Facility Inspections and Corresponding Maintenance and Repairs**
  - Vegetation Management
    - Mainline Annual Trim Schedule (MATS)
      - Feeder maintenance – on 1/3 of the mainlines (3 year cycle)
      - On schedule to complete all 240 miles by June 1st
    - Mainline Inspection and Correction Schedule (MICS)
      - Inspect and correct vegetation hazards on the other 2/3 of the mainlines annually
      - On schedule to complete all 477 miles by June 1st
    - Scheduled Annual Lateral Trimming (SALT)
      - Lateral maintenance of ¼ of the lateral miles (4 year cycle)
      - 323 miles of the 1294 miles will be completed by year end
    - Distribution Lock-Out Report (DLOR)
    - Tree Gulf

The Journey Never Ends
ZERO UNSAFE ACTS ZERO

GULF POWER
A SOUTHERN COMPANY

Distribution Activities

PRIDE IN THE SYSTEM

- **Facility Inspections and Corresponding Maintenance and Repairs**
  - Pole Inspections
    - Completed 5th year of the 8 year inspection cycle in 2011
      - 726 poles identified for replacement will be completed by June 1st
    - Completed the 6th year of the 8 year inspections cycle in late 2011
      - 638 poles indentified for replacement
  - Infrared Inspections
    - Critical pieces of equipment such as reclosers, regulators, capacitors, and riser installations are evaluated
    - Inspections were completed on March 15th
    - Items were identified and prioritized for repair
      - 100% projected to be complete by June 1st

The Journey Never Ends
ZERO UNSAFE ACTS ZERO

GULF POWER
A SOUTHERN COMPANY

Distribution Activities

PRIDE IN THE SYSTEM

- **Storm Hardening Measures**
  - Vegetation Management
  - Pole Inspections
  - Extreme Wind Loading Projects
    - Focus continues on critical multi-feeder poles and facilities on major thoroughfares using Grade B construction standards with concrete poles
  - Grade B Construction
    - Normal construction design for both new installations and all upgrades and maintenance initiatives

Distribution Activities

PRIDE IN THE SYSTEM

- **Forensic Data Collection**
  - Contracted data collection to OSMOSE
    - Data collected in predetermined areas
    - Uses hand held computers loaded with Gulf's infrastructure data base to collect data only on damaged facilities
    - Will not slow down restoration efforts
  - Data will be supplied to KEMA to perform the analysis
  - On going refresher training

Distribution Activities

PRIDE IN THE SYSTEM

- **Coordination Efforts**
  - Communications with local EOCs
    - 13 Gulf Power employees are assigned to EOCs throughout Northwest Florida during a storm event
    - Company news releases delivered to the EOCs at least twice daily during a storm event
    - Escambia County storm drill TBD
    - Santa Rosa County drill scheduled for May 23rd
    - Okaloosa County drill TBD
    - Walton County drill TBD
    - Bay County drill scheduled for May 21st

Distribution Activities

PRIDE IN THE SYSTEM

- **Coordination Efforts**
  - Third Party Attacher Meetings
    - Conducted February 29th in Panama City and March 2nd in Pensacola
      - Operational issues
      - Notification of work
      - Maintenance programs
      - Update contact information and work areas
  - Forestry Services
    - Communications with members of the community and government officials concerning vegetation management projects, right-of-way maintenance, new construction projects, and company construction projects

The Journey Never Ends
ZERO UNSAFE ACTS ZERO

GULF POWER
A SOUTHERN COMPANY

Transmission Activities

PRIDE IN THE SYSTEM

- **Facility Inspections and Corresponding Maintenance and Repairs**
  - Vegetation Management
    - 230kV R/W Vegetation Inspection and Correction
      - Ground inspection patrols and correction of any vegetation hazards identified will be completed by June 1st (444 miles)
    - 115kV R/W Vegetation Inspection and Correction
      - Ground inspection patrols in progress (1033 miles)
      - Vegetation hazards indentified will be corrected by year end
    - 46kV R/W Vegetation Inspection and Correction
      - Ground inspection patrols in progress (113 miles)
      - Vegetation hazards indentified will be corrected by year end

Transmission Activities

PRIDE IN THE SYSTEM

- **Pole Inspections and Corresponding Maintenance and Repairs**
  - Wood and Concrete Poles/Structures
    - Ground line – 12 year cycle
    - Comprehensive walking climbing – 12 year cycle
      - Pole/Structure is visited every 6 years as programs run simultaneously
  - Metal Structures
    - Ground line – 18 year cycle
    - Ground line inspection – 18 year cycle
    - Comprehensive walking/climbing or helicopter – 18 year cycle
      - Pole is visited every 6 years as programs run simultaneously
  - Aerial Patrols
    - Four patrols conducted annually

Transmission Activities

PRIDE IN THE SYSTEM

- **Storm Hardening Measures**
  - Installation of guys on H-frame structures
    - Guy installations are on scheduled to be completed by year end
    - Year 5 of a 5 year program
  - Replacement of wooden cross arms with steel cross arms
    - Cross arm replacements are on schedule to be completed by year end
    - Year 5 of the 10 year program

Distribution and Transmission

PRIDE IN THE SYSTEM

- **Post Storm Recovery Plans**
  - 2012 Storm Procedures have been updated
  - Apply to any natural disaster
  - Mutual Assistance
    - Southeastern Electric Exchange (Logistics subcommittee)
    - Southern Company affiliate
    - Contractors
  - Contracts and arrangements are in place for food, accommodations, staging sites, and transportation needs
  - Material inventory levels are increased during storm season

Distribution and Transmission

PRIDE IN THE SYSTEM

- **Drills and Training**
  - Annual storm drill held on May 1, 2012
  - Refresher training ongoing
    - HAZWOPER
    - Substation Team Leader responsibilities
    - Evaluator I and II
    - Driver
    - Accountant
    - Logistics
  - Every employee has been notified of his/her storm assignment
  - Employee awareness
    - New employee orientation

Distribution and Transmission

PRIDE IN THE SYSTEM

- **Areas of Concern**
  - Multiple events
    - People
    - Materials
  - Decline in available resources

Summary

PRIDE IN THE SYSTEM

- **Gulf Power is fully prepared**
  - Distribution and Transmission storm hardening initiatives
  - Communications within the communities we serve with government officials, third party attachers, and our customers
  - Build on past experience both on system and off system

QUESTIONS?

ELECTRIC: *energy for life*

2012 Hurricane Preparedness

May 9, 2012

Parties/Staff Handout
event date 5/09/12
Docket No. 120000-OT

FLORIDA PUBLIC UTILITIES
energy for life

Florida Public Utilities Co. Info.

- Small IOU
- Small Service Territory
  - Northeast FL – Amelia Island
  - Northwest FL – Includes Part of Jackson, Calhoun and Liberty Counties
- Small Customer Base
  - Northeast FL – Approx. 15,000 Customers
  - Northwest FL – Approx. 13,000 Customers

FLORIDA PUBLIC UTILITIES
energy for life

Preparedness Agenda

- Facility Inspections
- Maintenance and Reliability
- Coordination With Other Utilities, Government and Community Groups
- Storm Hardening Measures
- Storm Recovery Plans
- Forensic Data Collection Plans
- Concerns
- Questions

FLORIDA PUBLIC UTILITIES
energy for life

Facility Inspections

- Wood Pole Inspections
  - Fourth Year of an Eight Year Cycle
  - 51% of All Poles Have Been Inspected
  - Priority of Replacing “Worst Poles First”
    - Replaced 215 Poles in 2011
    - Replaced 76 Poles so far in 2012
- Equipment Inspection
  - Assure Public Safety, Enhance Reliability
  - Transmission, Substation, Distribution
  - Inspection Cycles Vary by Equipment Type

FLORIDA PUBLIC UTILITIES
energy for life

Maintenance and Reliability

- Vegetation Management
  - Ongoing Three Year Cycle on Main Feeder Circuits
  - Ongoing Six Year Cycle on Lateral Circuits
  - Annual Transmission Line Inspection for Hot Spots
- Additional Projects
  - Completed Six Year Transmission Climbing Inspection
  - Completed Replacement of EM Relays with Microprocessor
  - Completed Feeder Coordination Study
  - Continue UG Cable Replacement
  - Re-insulate Along Coastal Roadway (2011 & 2012)
  - Replace Porcelain Terminators (2011 & 2012)

FLORIDA PUBLIC UTILITIES
energy for life

Coordination with Other Utilities, Government and Community Groups

- Southeastern Electric Exchange (SEE)
  - Participate in Mutual Assistance Activities
  - FPU Crews Participated in Restoration Efforts in 2011
- Public Utility Research Center (PURC)
- Southeastern Reliability Corp. (SERC)
- Florida Reliability Coordinating Council(FRCC)
- North American Electric Reliability Corp. (NERC)
- Calhoun, Jackson, Liberty, Nassau County EOC

FLORIDA PUBLIC UTILITIES
energy for life

Storm Hardening Measures

- Storm Hardening Projects*

  ✓ Completed Wood to Concrete Pole Replacement on Prison Feeder.

  ✓ Completed Merritt's Mill Pond Crossing on Indian Springs Feeder.

  ✓ Began planning for replacement of 30 wood transmission poles.

* All projects designed in accord with storm hardening criteria.

FLORIDA PUBLIC UTILITIES
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Storm Recovery Plans

- Safety Emphasized As First Priority
- Update Emergency Procedures and Refresh Staff Prior to Storm Season
- Increased Storm Season Inventory
- Proactively Communicate With Staff Prior to Direct Impacting Storm
- Initiate Logistics Plan
  - Meals
  - Lodging
  - Fuel

FLORIDA PUBLIC UTILITIES
energy for life

Storm Recovery Plans

- Request Restoration Assistance Through SEE Affiliations and Contractor Alliances
- Activate Emergency Response Control Room
- Company Personnel Assigned to the Local EOC
- Direct Communication With Local Government Agencies

FLORIDA PUBLIC UTILITIES
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Forensic Data Collection Plans

- Contractor Collects Forensic Data
- Advance Notice of Storm
  - Alert FPU Forensic Data Collection Team Members
  - Inform Team Of Personnel, Mobilization, Safety Procedures & Reporting Requirements
- After Storm Passes
  - Collect Forensic Data
  - Complete PURC Forms

Concerns

- Small Company With Limited Resources
  - Manpower
  - Inventory
  - Logistics
  - Forensic Contractor
- Direct Impact of Category 4 or 5 Storm
- Several Storms During a Season
- Single Storm Impacting Multiple Companies

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Questions ?

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Public Power in Florida

Mutual Aid and Storm Readiness

Barry Moline
Executive Director
Florida Municipal Electric Association
bmoline@publicpower.com 850-224-3314, ext. 1

May 2012

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FLORIDA MUNICIPAL ELECTRIC ASSOCIATION

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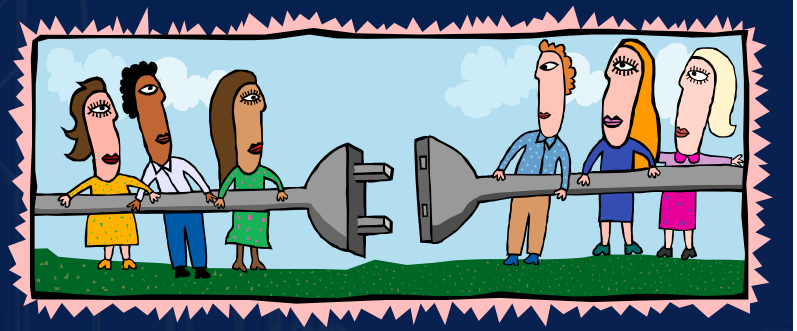
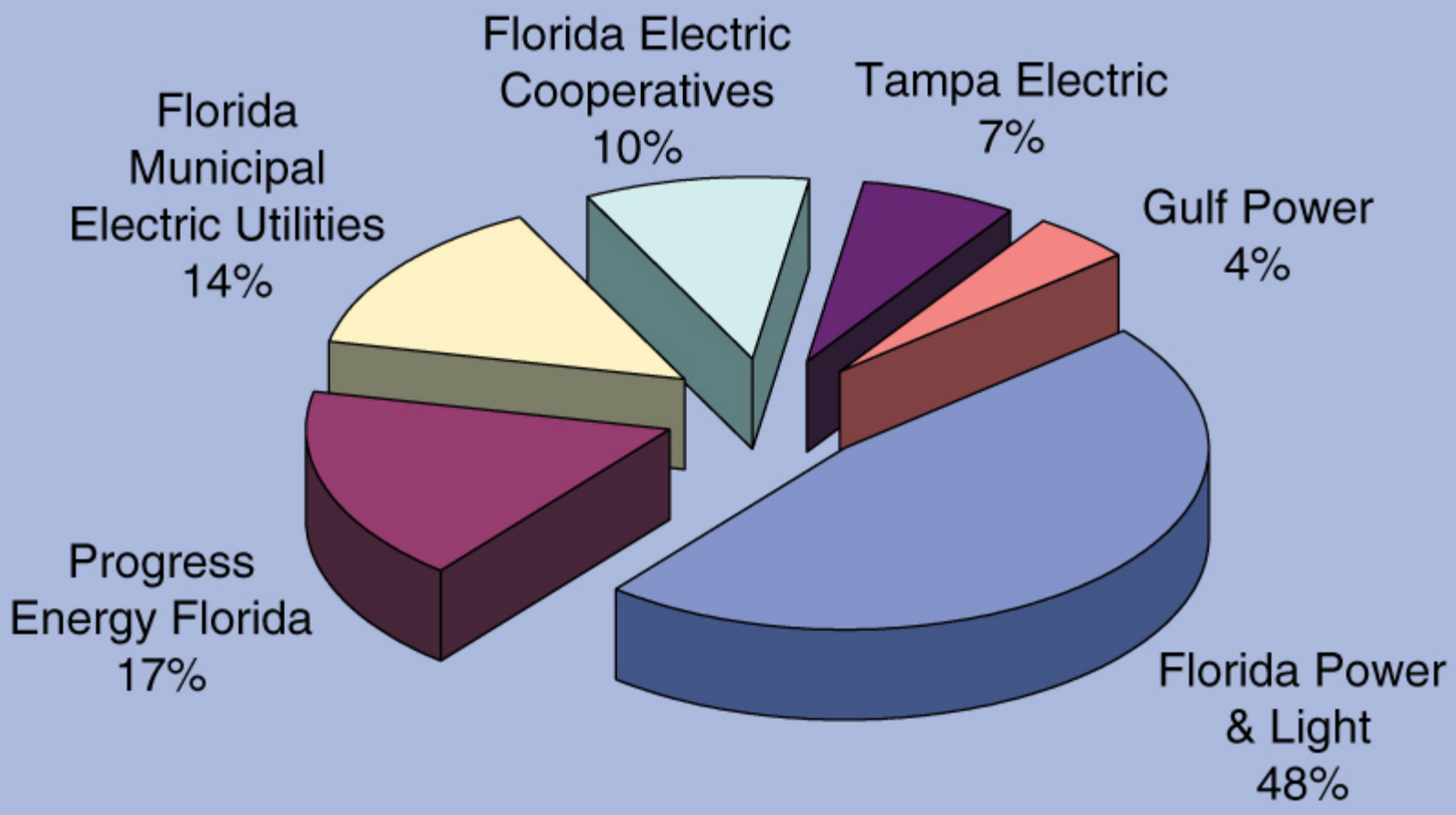
Profile

- 34 municipal electric utilities
- 1.3 million customer meters
- 14% of Florida's population
- Large Utilities
  - JEA (Jacksonville): 404,000 customers
  - OUC (Orlando): 198,000 customers
  - Tallahassee: 113,000 customers
- Small Utilities
  - Bushnell: 1,147 customers
- Combined, 3rd largest utility behind FPL and Progress Energy



Florida Utilities' Market Share



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Florida's Public Power Utilities

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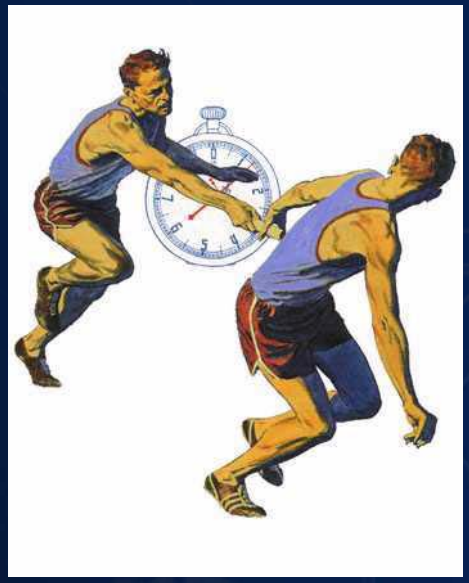
Power Supply

- How do the small utilities generate power?
  - They don't…
- Only 12 of 34 generate electricity
- Others purchase power from:
  - Florida Municipal Power Agency
    - 14 purchase all, 8 purchase some
  - Progress Energy
  - TECO Energy
  - Florida Power & Light
  - Gulf Power
  - Glades Co-op

Mutual Aid – Many Options

- Florida mutual aid
- Southeastern mutual aid
- National mutual aid



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Mutual Aid Agreements and Procedures

MUTUAL AID AGREEMENT

In consideration of the mutual commitments given herein, each of the Signatories to this Mutual Aid Agreement agrees to render aid to any of the other Signatories as follows:

1.) Request for aid. The Requesting Signatory agrees to make its request in writing to the Aiding Signatory within a reasonable time after aid is needed and with reasonable specificity. The Requesting Signatory agrees to compensate the Aiding Signatory as specified in this Agreement and in other agreements that may be in effect between the Requesting and Aiding Signatories.

2.) Discretionary rendering of aid. Rendering of aid is entirely at the discretion of the Aiding Signatory. The agreement to render aid is expressly not contingent upon a declaration of a major disaster or emergency by the federal government or upon receiving federal funds.

3.) Invoice to the Requesting Signatory. Within 90 days of the return to the home work station of all labor and equipment of the Aiding Signatory, the Aiding Signatory shall submit to the Requesting Signatory an invoice of all charges related to the aid provided pursuant to this Agreement. The invoice shall contain only charges related to the aid provided pursuant to this Agreement.

4.) Charges to the Requesting Signatory. Charges to the Requesting Signatory from the Aiding Signatory shall be as follows:

a.) Labor force. Charges for labor force shall be in accordance with the Aiding Signatory's standard practices.

b.) Equipment. Charges for equipment, such as bucket trucks, digger derricks, and other special equipment used by the Aiding Signatory, shall be at the reasonable and customary rates for such equipment in the Aiding Signatory's location.

c.) Transportation. The Aiding Signatory shall transport needed personnel and equipment by reasonable and customary means and shall charge reasonable and customary rates for such transportation.

d.) Meals, lodging and other related expenses. Charges for meals, lodging and other expenses related to the provision of aid pursuant to this Agreement shall be the reasonable and actual costs incurred by the Aiding Signatory.

5.) Counterparts. The Signatories may execute this Mutual Aid Agreement in one or more counterparts, with each counterpart being deemed an original Agreement, but with all counterparts being considered one Agreement.

6.) Execution. Each party hereto has read, agreed to and executed this Mutual Aid Agreement on the date indicated.

Date _____ Entity _____

By _____

Title _____

FMEA Mutual Aid Procedures

Mutual Aid Coordinators
Anytime prior to, during, or after a major storm/hurricane, contact one of the following mutual aid coordinators who will make arrangements for emergency assistance. Staff will work with you to either help you find crews or help you provide assistance to others. The telephone numbers below are cell phones, and are kept ON at all times before, during, and after storms.

Barry Moline	*(850) 251-5060*
Cheryl Anderson	*(850) 251-5465*
Backup: Gene Way	*(407) 947-0984*
Joe McKinney	*(407) 947-5038*

Before the Storm
1. **Check contact information.**
   Make certain all your utility contact information is correct on the FMEA Mutual Aid Directory.
2. **Identify available crews.**
   If the storm is NOT predicted to hit your area, tell the Storm Coordinator how many crews you have available for assistance to others.

After the Storm
1. **Call a coordinator after the storm for two reasons.**
   One is to request assistance and, two, to report on your outage status.
2. **Identify the types of work crews you may need.**
   These include specialists in overhead, underground or transmission.
3. **Identify the types of materials you may need.**
   For example, types of wire, connectors, cut outs and fuses.
4. **Identify the types of equipment you may need.**
   This includes bucket trucks, digger derricks, and chain saws.

Mutual aid coordinators will compile a list of needs for your community, then will work with you to contact other electric utilities.

Out-of-State Emergency Assistance
If you are requesting any assistance from an out-of-state utility or contractor, the State Department of Transportation requires that you call ESF-12 (Emergency Operations Center) at (850) 921-0167 with the following information:
- **Name of company traveling into Florida;**
- **Number of vehicles;**
- **Destination in Florida;**
- **Your contact information.**

If you fail to supply this information, the trucks may be stopped at the border.

Providing Crews to Fellow Utilities
If after a storm, you have crews available to assist others, call a mutual aid coordinator to offer your availability. Please identify your crews' capabilities: e.g., overhead, underground, transmission. In addition, identify the type of equipment/trucks they can bring.

Directory Corrections and Changes
The FMEA Mutual Aid Directory is updated throughout the year and e-mailed to mutual aid coordinators and FMEA members throughout the hurricane season. Send directory updates to: Brenda Thompson, Office Manager, E-mail: bthompson@publicpower.com, phone: (850) 224-3314, ext. 3; or fax changes to (850) 224-2831.

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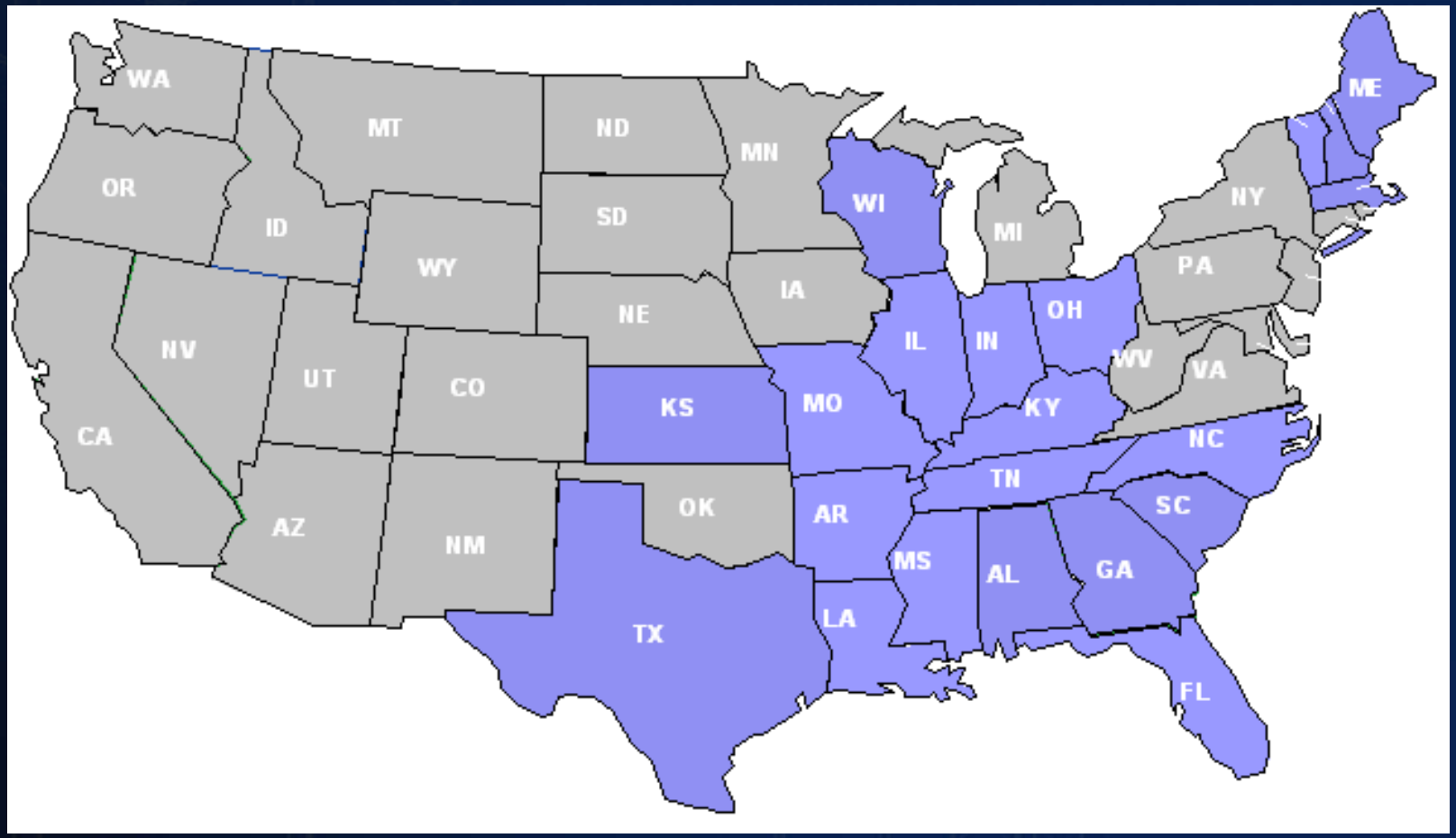
Mutual Aid Has Come from Near & Far…



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Today

- **Rob McGarrah, General Manager, City of Tallahassee Electric Utility**
- **Some public power utilities may appear small, but together we have a strong state and national network**

2012 Hurricane Season Preparation Briefing

Florida Public Service Commission

May 9, 2012

Rob McGarrah

General Manager – Electric Utility

Today's Presentation

- System Overview
- Experience
- Preparation
- Emergency Operations
- Emergency Response
- Other Features

System Overview

- Customers: 113,000
- Service Area: 221 sq. mi.
- Transmission & Distribution Resources
  - Transmission (115/230 kv): 188 miles
  - Distribution: 2,800 miles (1,700 U/G)
  - 24 substations (12/115/230 kv)

System Overview (Continued)

- 3 Power Plants in 2 Counties
  - Purdom – 290 MW
    - St. Marks Florida (5.5 miles from coast)
    - Black Start Capable
  - Hopkins Plant – 503 MW
    - Black Start Capable
  - Corn Hydroelectric – 11 MW
    - Flood Control on Ochlockonee River

Storm Experience

Direct and Mutual Aid (MA)

- Experienced Workforce
  - 9 Direct
  - 5 Mutual Aid (MA), assisting others
- Storms
  - Kate – 1985 (Direct with > 300 MA Support)
  - Andrew – 1992 (MA > 2 months to Homestead)
  - Opal – 1995 (Direct)
  - Winter Storm – 2000 (MA to GPC)

Storm Experience (Continued)

- Helene – 2000 (Direct)
- Allison – 2001 (Direct)
- Winter Storm – 2003 (Direct)
- Jeanne – 2004 (Direct and MA to Lakeland, GRU, OUC)
- Frances – 2004 (Direct)
- Ivan – 2004 (Direct)
- Dennis – 2005 (Direct)
- Rita – 2005 (MA to Lafayette and SLEMCO)
- Wilma – 2005 (MA to Homestead & FPL)

Preparation

- Construction Standards
  - NESC
  - Extreme Wind Loading Standards
  - Front lot line
  - 95% of new distribution construction underground
  - All new transmission poles, or scheduled replacements, are steel or concrete

Preparation (Continued)

- Vegetation Management Program
  - – Distribution –
    - 18 month trim cycle
    - Tree Growth Regulator
  - – Transmission –
    - 3 year minimum trim cycle
    - Right of Way mowed at least annually

Preparation (Continued)

- Pole Inspection Program
  - 3 year process conducted every 8 years
- Transmission Inspection Program
  - Physical climbing inspection at least every 5 years
- Transmission Infrared/Flying Inspections
  - Biannually or as required
- Increased Material Inventory

Emergency Operations

- Integration into City of Tallahassee Incident Management Plan
  - National Incident Management System (NIMS)
  - Incident Command System (ICS)
  - Utilize Area Command Concept for Operations
  - Electric Utility liaisons at City Area Operations Center (AOC)
  - Restoration managed through Electric Utility Control Center

Emergency Operations (Continued)

- Equipment and crew preparation ongoing as storm approaches
- Storm assignments and location depend on anticipated severity
- Integration of Outage Management System (OMS) and GIS
- Established restoration priorities

Emergency Response

- Pre-staged road clearing task forces
  - Police, Fire, Electric and Public Works
- Assessment Teams
  - Engineering staff and support
- Continual communication between City Area Operations Center and Electric Utility Control Center

Emergency Response (Continued)

- Mutual Aid Agreements
  - Florida Municipal Electric Association
    - Florida Municipal Utilities
  - American Public Power Association
    - National Municipal Utilities
  - Florida Electric Coordinating Group
    - Florida Municipal, IOU and Cooperative Utilities

Clay Electric Cooperative,Inc

2012 Hurricane Preparedness

Florida PSC Hurricane Season Preparedness Workshop

May 9, 2012

Other Features

- Logistics support through City Area Operations Center
- Public Information – Standard media, Internet, University Paging and City TV
- Radio communications capability with Public Safety
- Continuity of Operation Plan

Clay Electric Cooperative,Inc

2012 Hurricane Preparedness

Florida PSC Hurricane Season Preparedness Workshop

May 9, 2012

Clay Electric Cooperative,Inc.

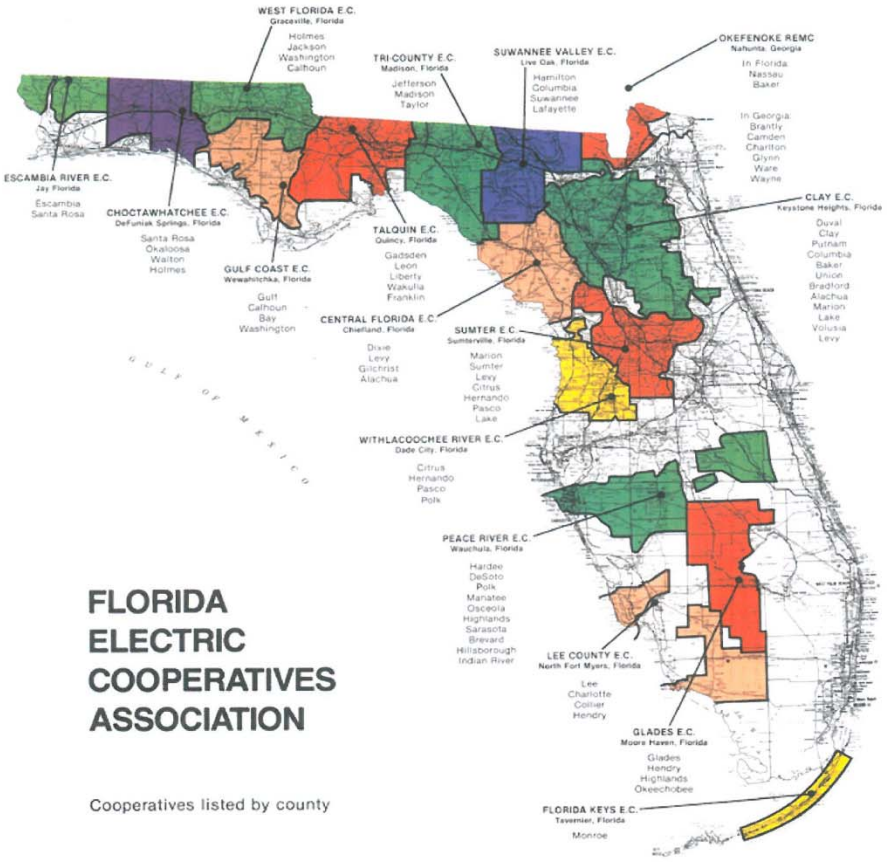
- Headquarters in Keystone Heights
- Serving into 14 North Florida Counties

Alachua	Columbia	Levy	Union
Baker	Flagler	Marion	Volusia
Bradford	Gilchrist	Putnam	
Clay	Lake	Suwannee	

- Operates from 6 District Offices

Gainesville	Orange Park
Keystone Heights	Palatka
Lake City	Salt Springs

Florida Electric Cooperatives, Inc.



Clay Electric Cooperative,Inc.

System Statistics

- Miles of Overhead Distribution Line……10,698
- Miles of Underground Distribution Line…… 2,129
- Miles of Transmission Line…….. 213
- Number of Substations…….. 46
- Number of Services Connected……173,579

Standards of Construction Distribution

- National Electric Safety Code Compliance
- Extreme Wind Loading Not Utilized
- Flooding and Storm Surges – Clay is a non-coastal utility
- Attachments by Others – agreements require attaching party to verify clearances and strength designed by Profession Engineers.

Standards of Construction Transmission

- Extreme wind loading used on all lines built or rebuilt after 2007.
- New lines built using concrete poles with polymer insulators.
- 5 miles wood pole lines replaced with concrete.
- Clay now has 100 miles of concrete poles versus 113 miles of wood poles.

Facility Inspections Distribution

- Performed ground line inspection on 10 year cycle per RUS guidelines prior to 2007.
- Beginning 2008 Clay began migration to 8 year cycle. Beginning 2013 Clay will be completely on 8 year cycle.
- Clay has approximately 206,000 wood distribution poles.
- 2011 Clay inspected 21,549 poles (10.46%)
- PROGRAM IS ON SCHEDULE!

Facility Inspections Transmission

- 1,688 wood poles, 908 concrete poles, 14 steel poles.
- Groundline inspection every 8 years, next inspection 2014.
- Helicopter inspection 3 times annually completed March, July, November 2011.
- Ground Visual patrol every 2 years. Last 2010, Next 2012.
- Climbing inspection every 4 years. Last 2008, Next 2012.
- PROGRAM IS ON SCHEDULE!

Vegetation Management Distribution/Transmission

- Feeder recut cycles 3,4,5 years based on right-of-way width and growth.

- 3 year – 25%
  4 year – 40%
  5 year – 35%
  System Average 3.9 years

- Program includes trimming, mowing, and chemical spraying

- PROGRAM IS ON SCHEDULE!

- Clay educates customers with “Keep the Lines Clear” and “Landscape Planning” brochures.

STORM PREPAREDNESS

Annual Activities:

- Emergency Plan Reviewed & Revised
- Internal Resources Assigned
- Outside Contractors Identified
- FECA Mutual Aid Agreements Updated

COMMUNICATIONS

- Establish Communication Lines for County EOC's with CEC Member Relations
- Establish Communication Lines for Local Law Enforcement with CEC Control Center.
- Daily updates on storm restoration progress and work areas.

  State EOC

  Local EOC

  Local Media

  Cooperative Web Site
- Web Based Graphical Outage Map

SUMMARY

- Transmission/Distribution System Inspected and Maintained.
- Storm Plan Reviewed & Revised
- Communication Plans continuously Reviewed and Revised.

Clay Electric Cooperative,Inc

Areas of Vulnerability

- Heavy Right-of-Way – Large amount of Distribution in rural wooded areas.
- Insufficient Outside Crews
- Multiple Storms

Rethink Possible

Florida Public Service Commission's 2012Storm Preparedness Workshop

May 9, 2012

Parties/Staff Handout
event date 5/9/12
Docket No. 120000-OT

Summary

- AT&T understands the great importance of emergency preparedness.
- Emergency preparedness is not a last minute endeavor; it is part of our business.
- AT&T's long-standing dedication to comprehensive storm preparation and prompt restoration, coupled with its national pool of resources, places AT&T in a good position to protect its network from storm damage, repair facilities and restore service efficiently following severe weather events.

Order of Presentation

In today's presentation, AT&T will discuss:

- An overview of AT&T's preparation and restoration processes for both wireline and wireless facilities, and;
- Its increased generator inventory;
- The hierarchy of support within the AT&T, from the local level to the AT&T's Global Network Operations Center (GNOC).

Human Resources

- Our greatest asset is our people.
- AT&T prepares and supports its employees so that they can concentrate on restoring service to our customers.
- Employee awareness meetings are held to prepare employees for emergencies.
- Initiatives are in place addressing the security and safety of employees prior, during, and after emergency conditions:
  - Toll free numbers established to provide information to employees, and so that employees can report their well-being to the Company
  - Localized employee care in impacted geographic location

Preparedness

- Annual preparedness meetings are conducted by each business unit.
- Periodic exercises are conducted to test emergency plans.
- AT&T participates with State and local authorities, as well as with other utilities, in emergency preparedness initiatives.

Preparedness

- AT&T is committed to providing reliable communications before, during and after a storm. We have one of the industry's largest and most advanced disaster response programs to help ensure the flow of both wireless and wireline communications during times of natural or man-made disasters.
- AT&T is proud to be the first private sector company in the United States to be certified under the Department of Homeland Security standards for disaster preparedness. The certification, under the DHS Voluntary Private Sector Preparedness Program (PS-Prep), reflects AT&T's commitment to keeping our networks up and running in the face of a disaster so consumers, businesses and emergency responders can communicate during and after these events.
- For AT&T, it's all about providing a reliable, advanced network with fast disaster recovery so we can help people by providing vital communications connections even during the worst times.
- We have invested more than $600 million in our Network Disaster Recovery program since it was launched. AT&T's NDR function includes more than 320 technology and equipment trailers that can be quickly deployed to respond to disaster situations such as severe hurricanes.
- AT&T has five Network Disaster Recovery warehouses in the U.S., two of which are located in the Southeast region.

Preparedness

- From 2009 to today, AT&T has continued to demonstrate its core belief in business continuity and disaster recovery through continued capital investments to upgrade crucial capabilities, including:
- The addition of new equipment to the NDR fleet in the US and most of the world, including new technology recovery trailers, a van-based NDR command center, power distribution trailers, and administrative trailers.
- The evolution of AT&T's NDR recovery engineering application, which improves the NDR team's ability to restore the services of AT&T network offices that have been damaged by a man-made or natural disaster.
- New Emergency Communications Vehicles (ECVs), upgrades to existing ECVs, and the addition of several portable emergency communications satellite units.
- Developing an industry-first certification program for telecom hazardous materials specialists, in conjunction with the North Carolina Occupational Safety and Health Education and Research Center at UNC Chapel Hill. Twelve members of AT&T's hazmat team have earned this certification.
- AT&T has continued to enhance network redundancy in hurricane-prone areas by installing more back-up and permanent generators at critical cell sites and switching facilities; locating critical equipment in less vulnerable areas; upgrading electronics critical to network operations above expected flood levels; and protecting physical facilities against flooding.

Restoration

- AT&T is prepared to mobilize restoration teams within hours of any emergency.
- AT&T's Supply Chain Management has partnered with suppliers to ensure adequate supplies and equipment are available for restoration activities.
- Staging areas are readied with supplies and equipment as a storm's landfall is identified.
- Sweep Teams are dispatched shortly after emergencies to identify restoration requirements.
- AT&T has partnered with local businesses to house and feed out-of-town restoration crews.
- Retainer contracts with suppliers are in place to provide fuel for our fleet with tanker truck deliveries directly to our field work centers, and advance bulk fuel purchases are also made.

AT&T Disaster Response Process

- AT&T is prepared to address emergency operations prompted by both severe weather conditions and Homeland Security events.
- Hierarchy of Support for Emergency Operations:
  - Local Response Centers (LRC) in Miami and Jacksonville
  - Regional Emergency Operations Center (EOC) in Atlanta with a back-up center in Birmingham
  - Global Network Operations Center (GNOC)

AT&T Local Emergency Operations

- AT&T has 2 LRCs representing the 2 Network Districts in the State: South Florida and North Florida.
- If an individual LRC needs support during an emergency, it engages the EOC, located in Atlanta.
- The LRCs are interdepartmental management organizations representing each business unit within the corporation.

LRC Support

- Geographic Information Systems Mapping
  - HURRTRAK/RM PRO Storm Tracking Maps
  - HURRTRAK PRO Slosh Maps for Central Office Impact Forecasting
  - HURRTRAK PRO Slosh Maps for Remote Terminal (RT) Impact Forecasting
- Network Reliability Centers – Charlotte & Nashville
  - Storm Reporting Analysis
- Safety Strike Team
- Generator Strike Team
- Cell Site Strike Team
- E911 Strike Team
- Damage Prevention Strike Team
- If a LRC needs additional resources from outside of Florida, it engages the Southeast EOC and the Global Network Operations Center (GNOC).

AT&T'S Global Network Operations Center (GNOC)

The condition of AT&T's global network is continually monitored in our GNOC. When an anomaly occurs that threatens or actually impacts the performance of our network, the GNOC coordinates the network incident response across AT&T organizations, assessing the impact of the event in near-real time and prioritizing the restoration efforts.

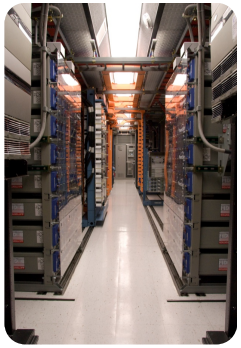
In response to a catastrophic event, the GNOC would activate AT&T's Network Disaster Recovery Team and would monitor its response.

AT&T Network Disaster Recovery Team (NDR Team)

AT&T developed its Network Disaster Recovery (NDR) capability specifically for rapid service recovery during a wide range of disaster scenarios. Network Disaster Recovery provides business continuity and recovery capabilities for the AT&T Global Network including its networks and external clients. AT&T has invested more than $600 Million dollars in more than 320 trailers and support vehicles supporting its NDR program, since the program's inception.

The primary role of the AT&T NDR organization is to recover the services of an AT&T network office that has been completely destroyed or compromised by a natural or man-made disaster. This type of restoration would exceed the normal capabilities of AT&T's network operations maintenance processes and would require long-term deployment of specialized equipment and resources.

The team has conducted three of four field exercises since 1992; it's last exercise was held in Hallandale Beach, FL in March/April 2012.



AT&T NDR — Emergency Communications

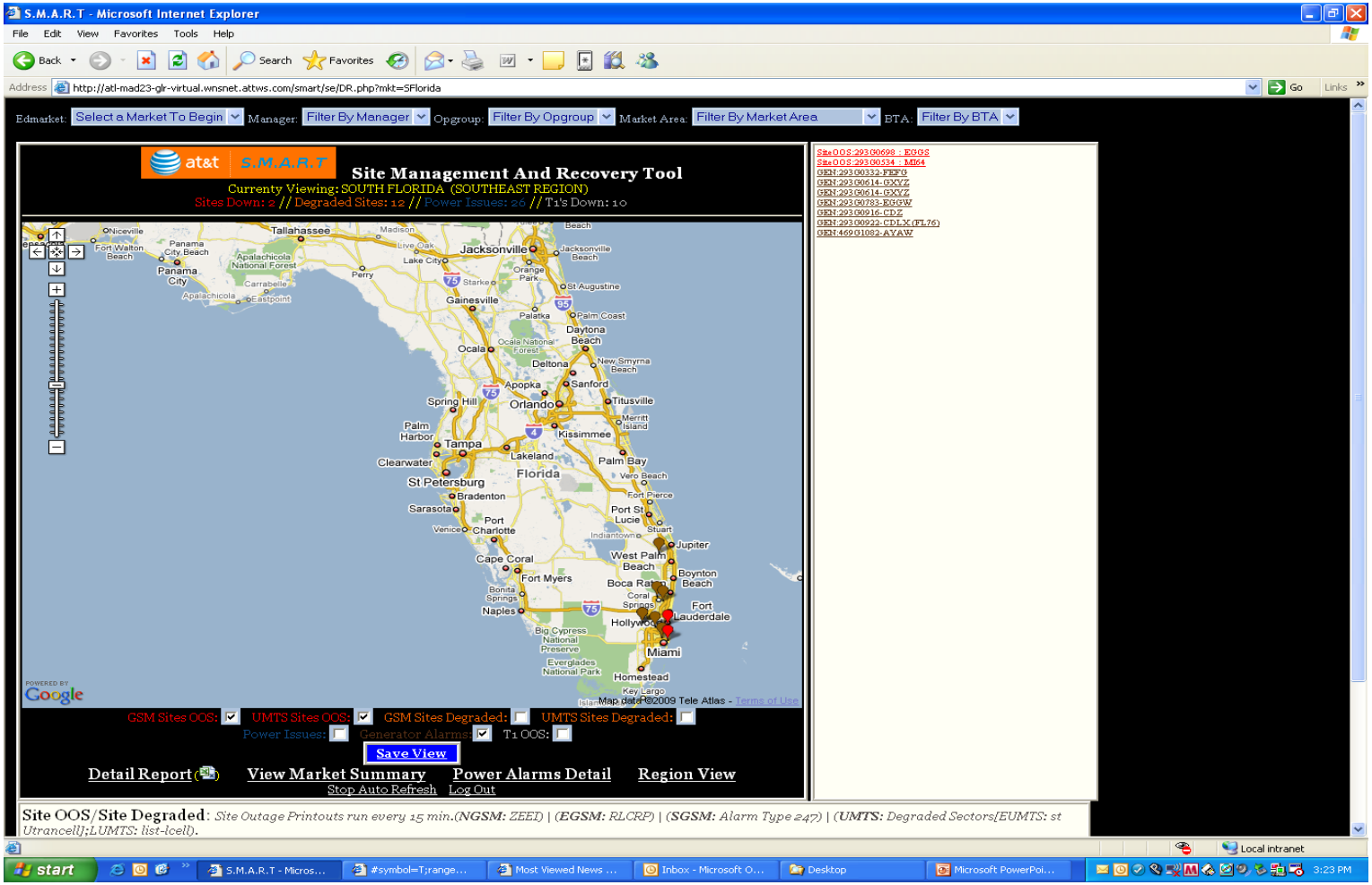
NDR establishes broadband and wireless voice and data connectivity from disaster sites using one or more Emergency Communications Vehicles (ECV). An ECV uses a satellite link to provide NDR with command communications during the initial phase of a recovery effort. The ECV's have also been used to provide command and humanitarian relief communications capability to other responders at the request of the federal government.

AT&T uses Cells on Wheels (COWs) and Cells on Light Trucks (COLTs), self-contained mobile cell sites, to provide extra cellular capacity to restore communications after a disaster. The mobile sites can be used to replace the service of a failed permanent cell site and they can be used to supplement the cellular capacity of an area that has increased demand. The NDR team uses Satellite COLTs to establish first-in communications when terrestrial connections to the AT&T Network are not immediately available.

AT&T Mobility Disaster Response Process

- AT&T Mobility has more than 2,500 cell sites in Florida.
- 50% of the Florida cell sites have permanent generators.
- AT&T Mobility and Wireline emergency recovery operations are collectively managed out of the LRCs in North and South Florida, as well as the EOC in Atlanta and the GNOC if assistance is needed outside of Florida.
- The Mobility Network Operations Center (MNOC) in Atlanta supports the emergency operation centers by providing 7x24x365 remote restoral and surveillance of all Mobility network elements.

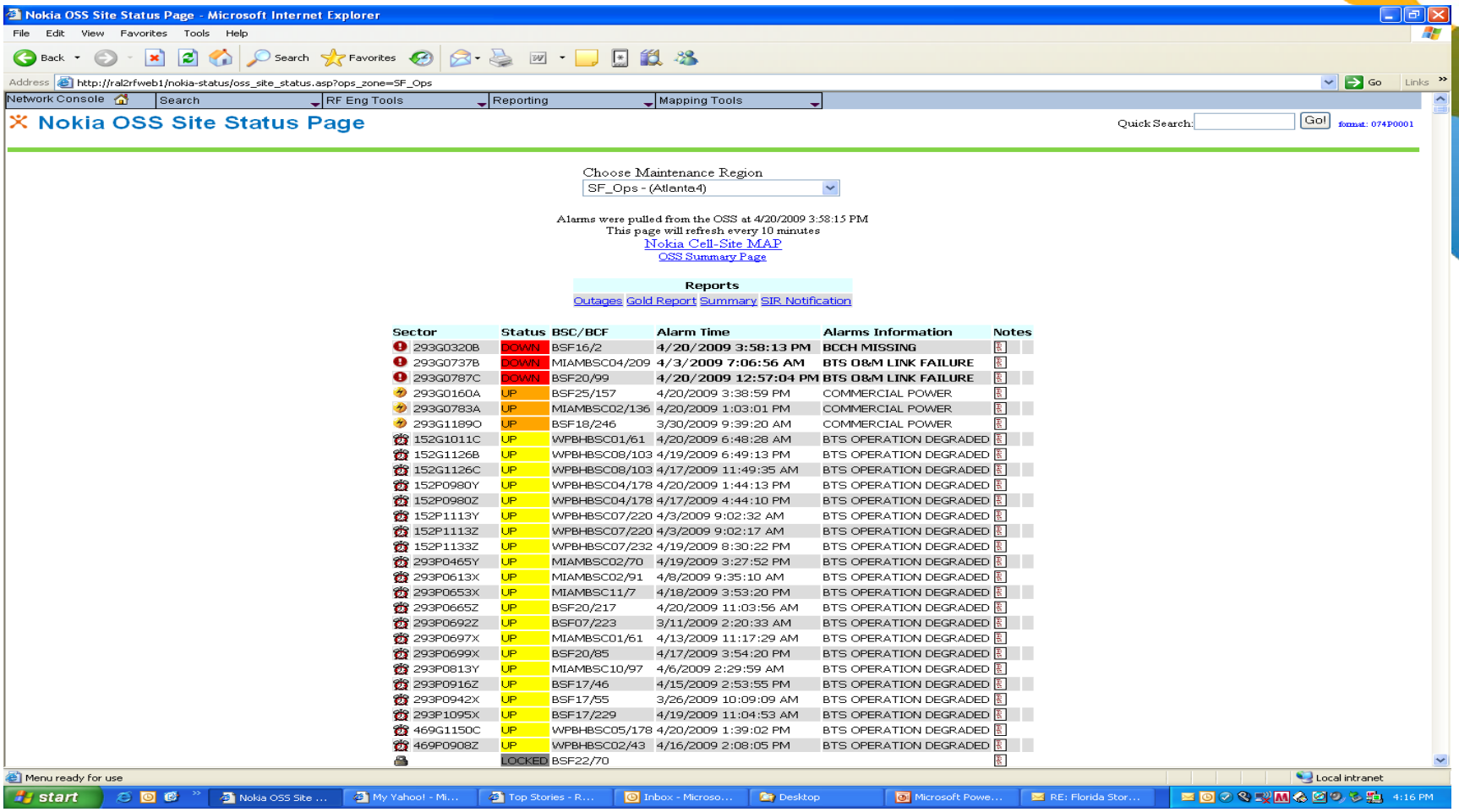
After a storm, databases such as S.M.A.R.T. (Site Management and Recovery Tool) and CTS (Centralized Ticketing System) help track the operational status of the cell sites. Daily status reports are provided to the FCC.



AT&T Mobility Emergency Restoration

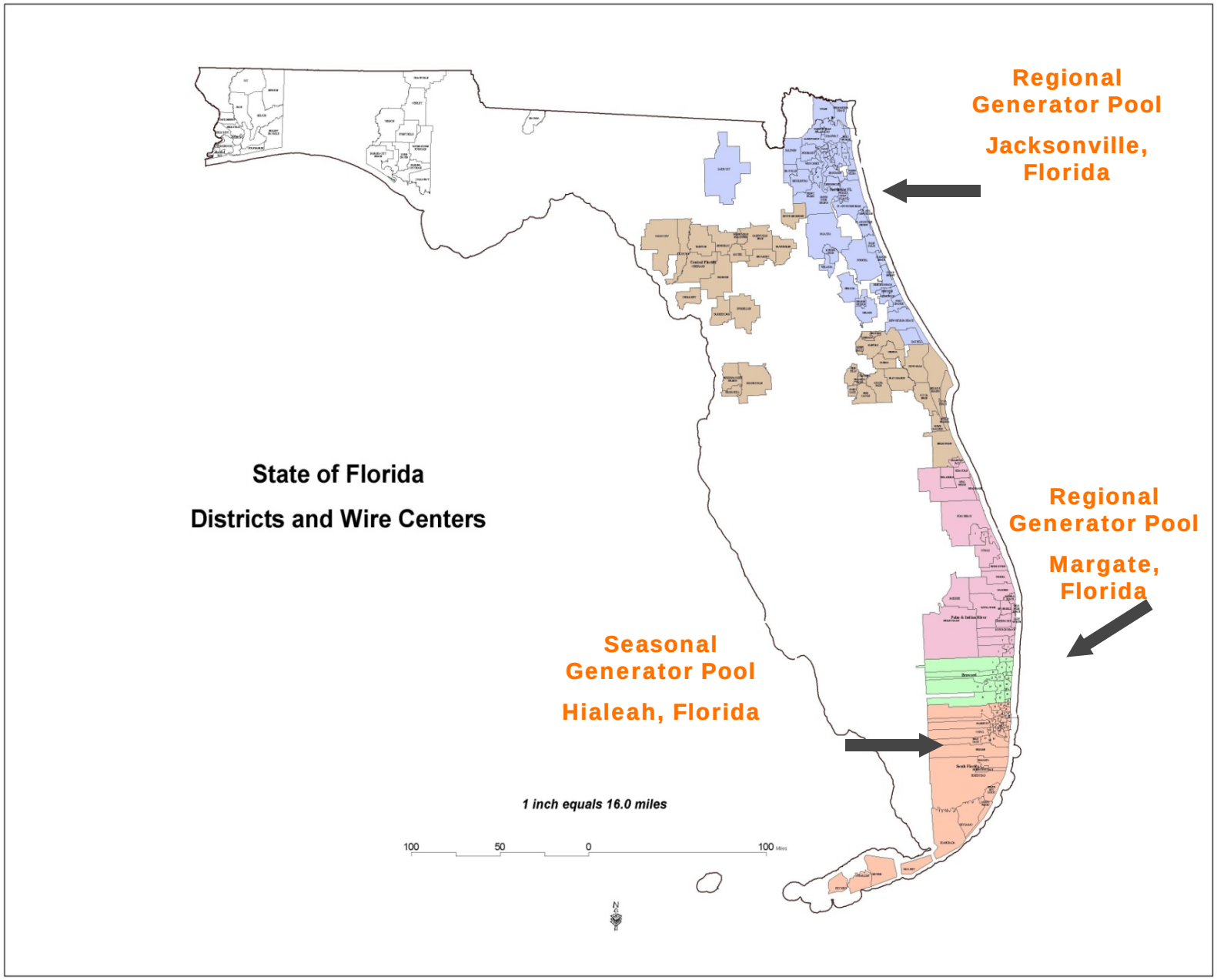
- In addition to its own employees, AT&T Mobility has contractors on retainer to assist with post-storm damage analysis, restoration work, generator deployment, refueling and debris clearing.
- AT&T Mobility has approximately 170 portable generators staged in Lakeland, Florida, and more than 300 portable generators staged through the Southeast.
- An inventory of 330 Cells on Wheels (COW) and Cells on Light Trucks (COLT) are available for use across AT&T Mobility's 28 markets, including satellite COLTs that can provide coverage during disaster recovery in remote areas. Approximately 15 of these mobile towers are permanently staged in Florida.

Our Operating Support System tools assist us in tracking the status of each cell site until restoration is completed, including status of repairs and fueling history.



Emergency Restoration

- AT&T has added a significant number of portable generators to support Digital Loop Carrier sites.
- A ‘regional’ generator pool is maintained in Jacksonville and a ‘seasonal’ generator pool is stationed in Hialeah.
- A third ‘regional’ generator pool has been established in Margate, Florida.
- AT&T has adopted a change in type of battery used in Digital Loop Carrier sites. Nickel cadmium batteries are being deployed to increase the reliability of back-up power.
- AT&T has 2,028 Digital Loop Carrier sites with permanent generators. 1,441 of these are in Florida.
- Nationally, AT&T has approximately 10,000 portable generators available for storm recovery efforts.



Permanent Generators for Digital Loop Carrier Sites

Protective Wraps for Digital Loop Carrier Sites

AT&T is prepared.

Verizon Florida LLC
2012 Hurricane Season Preparedness
Workshop – May 9, 2012

Shaun McLaury

Emergency Operations Support Manager

Overview

Verizon Florida overview

Emergency Operation Organizational structure

2012 Strategy

Summary

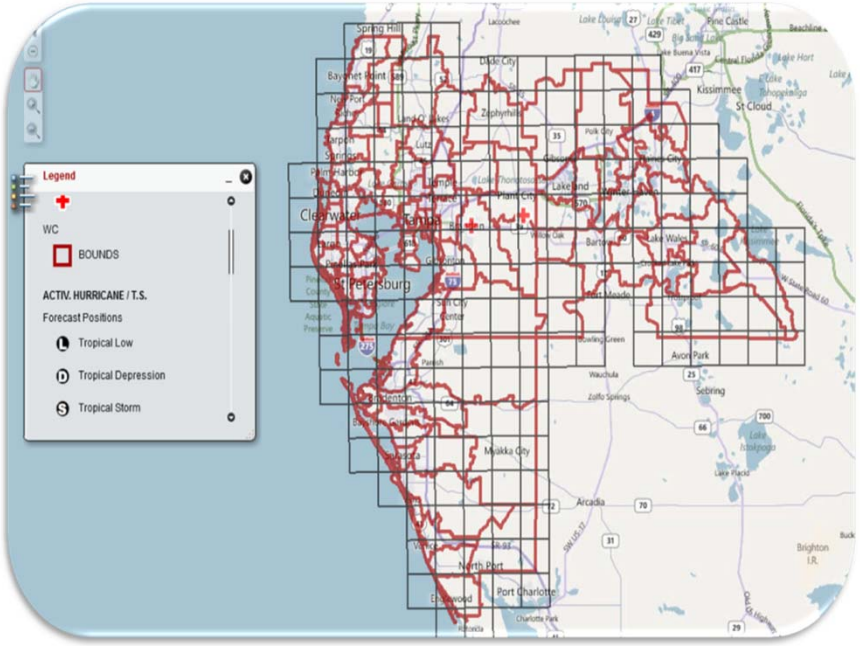
Verizon Florida Overview

Verizon networks provide data, video, and voice services in West Central Florida

Verizon has coverage in 6 counties

Over 1700 Verizon Florida fleet vehicles

Presence in over 300 buildings



Verizon Emergency Operation Structure

Florida Region Control Center (RCC)

Centralized point for information
Coordinates personnel and resources
Develops service restoration plan
Compiles and reports trouble volumes/damage assessments

Damage Assessment Group (DAG)

Protects outside plant facilities
Provides damage assessment
Assists in developing restoral plan

National Emergency Coordinating Center (NECC)

National Incident Management and Coordination
Executive Level Incident Reporting
Disaster Recovery Resource Deployment

2012 Strategy

Storm Hardening

Verizon continues its pole replacement program in 2012

3,000+ poles funded for replacement

Decreasing dependency on aerial facilities

Removal of Digital Loop Carrier units

Material

Reviewed material used in past storms to establish potential need
Secured minimum 60-day supply of items identified as critical

Developed plans with suppliers to strategically locate additional shipments in the event of a storm

2012 Strategy

Verizon's all fiber FiOS network eliminates many storm related issues

- Majority of Florida FiOS network underground
- Majority of Florida FiOS service drops buried
- Passive optical cable not affected by moisture
- Fiber cables easier to restore than large pair count copper

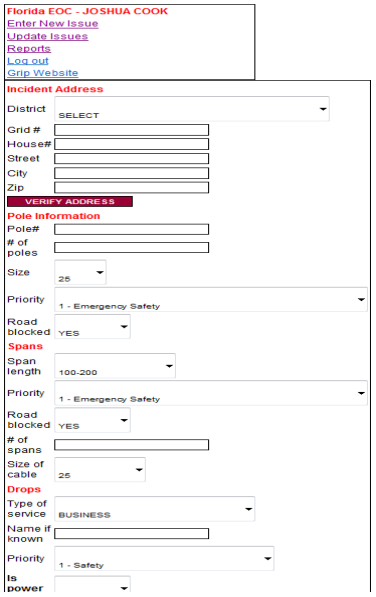
2012 Strategy

Site Emergency Action plans in place for each Verizon building/work center

All Installation and Repair Employees put on SmartPhones

Enhanced flexibility to quickly allocate resources
Quicker feed of information from field to RCC
New damage reporting site for real time information

IPACD improvements allow Dispatch Centers to be set up anywhere with Broadband connectivity



2012 Strategy

Annual Emergency Exercises

Participated in Verizon national emergency event exercise early in May
Region RCC team local hurricane exercise scheduled for late May

Partnership with County Emergency Management Teams

Work closely with County EOC planning and working teams
Provide manpower to staff County EOCs when activated
Participate in County Hurricane exercises in May and June

MERIT Team Exercise

Major Emergency Response Incident Team
Exercise and re-certification held in Temple Terrace in March
Invited Hillsborough County Hazmat and others to observe

2012 Strategy

MERIT Team

Specialized Vehicles

Hazmat Protective gear

Extensive training and certification

All equipment can be shipped commercial air

Rapid Deployment

2012 Strategy

MERIT Team in Action

Building entry and investigations

Florida sites familiarity

Introduced team to local emergency responders

Exchanged ideas on potential responses required after a major hurricane or other event

Summary

Continuing to invest in pole replacements

Lessening dependency on aerial facilities

Lessening dependency on digital loop carrier

Implementing better damage assessment and communication methods

Practicing quick network restoration and recovery

May, 2012

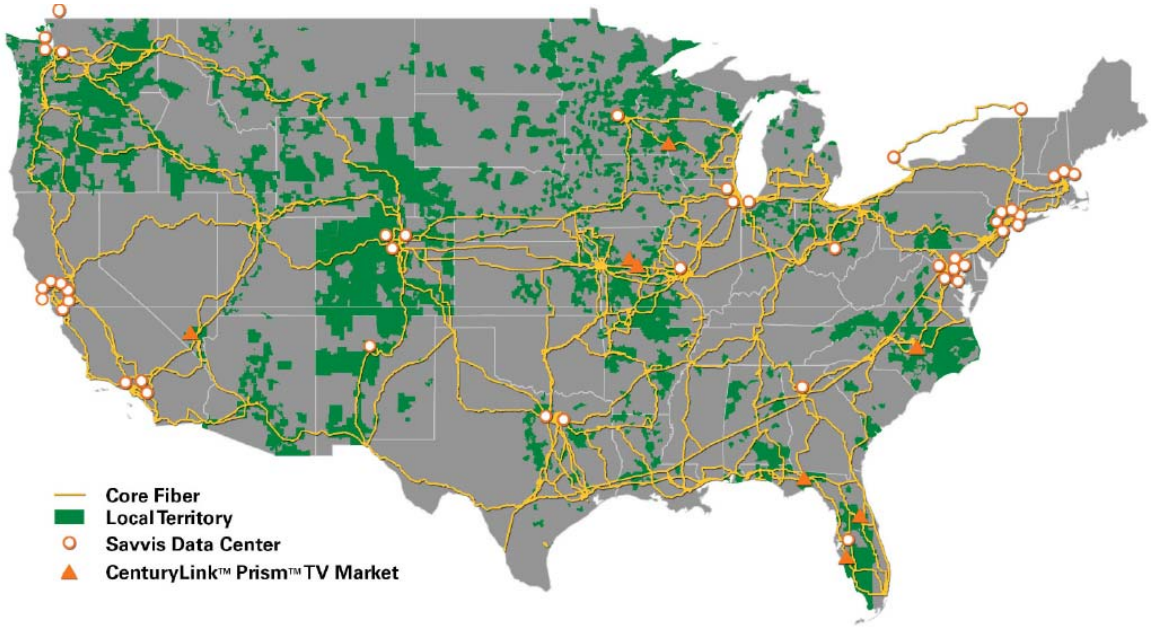
CenturyLink - Disaster Preparedness Best Practices

"Assure the continuation of CenturyLink's mission critical business operations and services with the goal to minimize financial impacts and damage to the CenturyLink brand, its employees and customers following significant business disruptions." – Mission Statement

CenturyLink™

CenturyLink Overview

CenturyLink is the third largest telecommunications company in the United States. The company provides broadband, voice, wireless and managed services to consumers and businesses across the country.



Key Statistics as of December 31, 2011:

- 14.6 million access lines
- 5.55 million broadband
- 1.8 million video
- 210,000 route mile national fiber network

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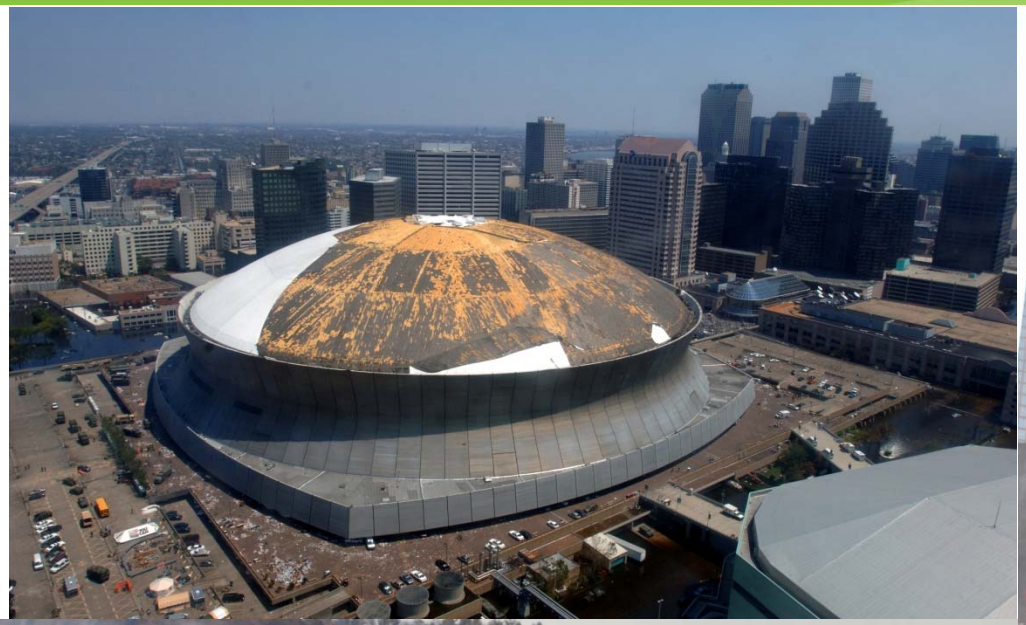
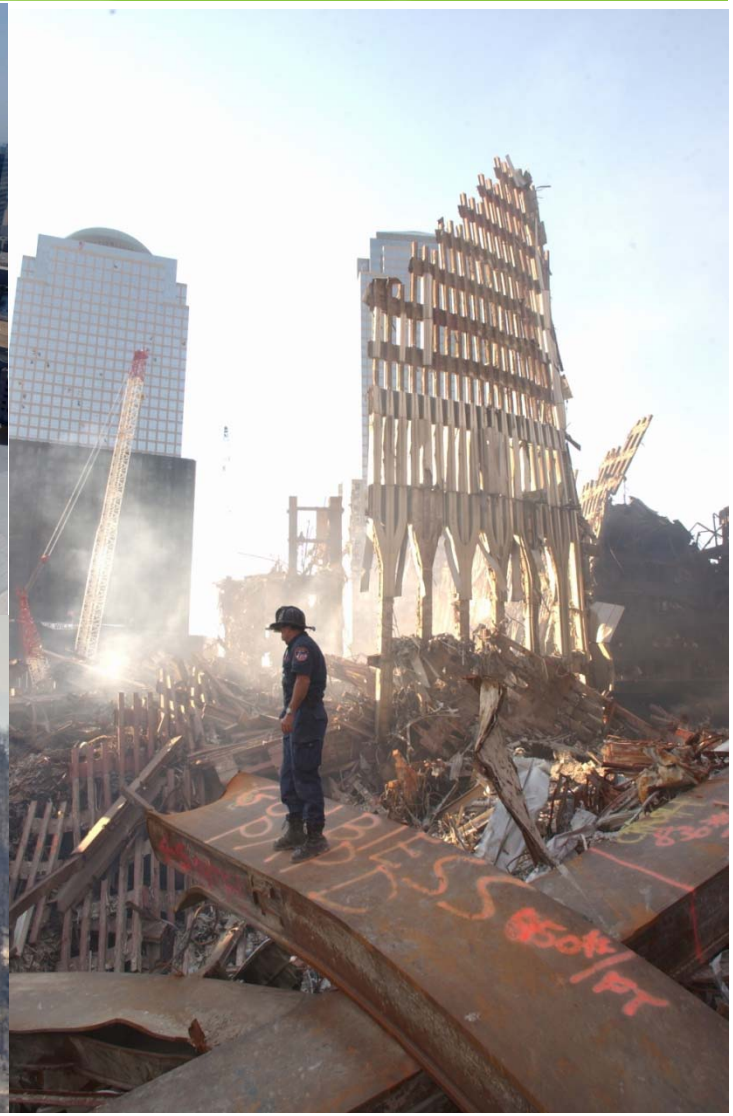
Why Plan?





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What Makes a Successful Plan?

1. Using Threat Assessment & Business Impact Analysis results as a basis for BC planning
2. Geographic diversity of recovery resources
3. Multiple business resumption options for each critical function
4. Consideration of 3rd party resources
5. Routine plan reviews, updating and testing

BSI

DRI International

bci

PS-Prep™

TL9000 The Telecom Quality Management System

NFPA National Fire Protection Association
The authority on fire, electrical, and building safety

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1. Threat Assessment & Business Impact Analysis

1. Understanding the business impact
2. Identifying CenturyLink's customer expectations and service level requirements
3. Prioritize critical functions and applications
4. Focus on the risk
5. Mitigate

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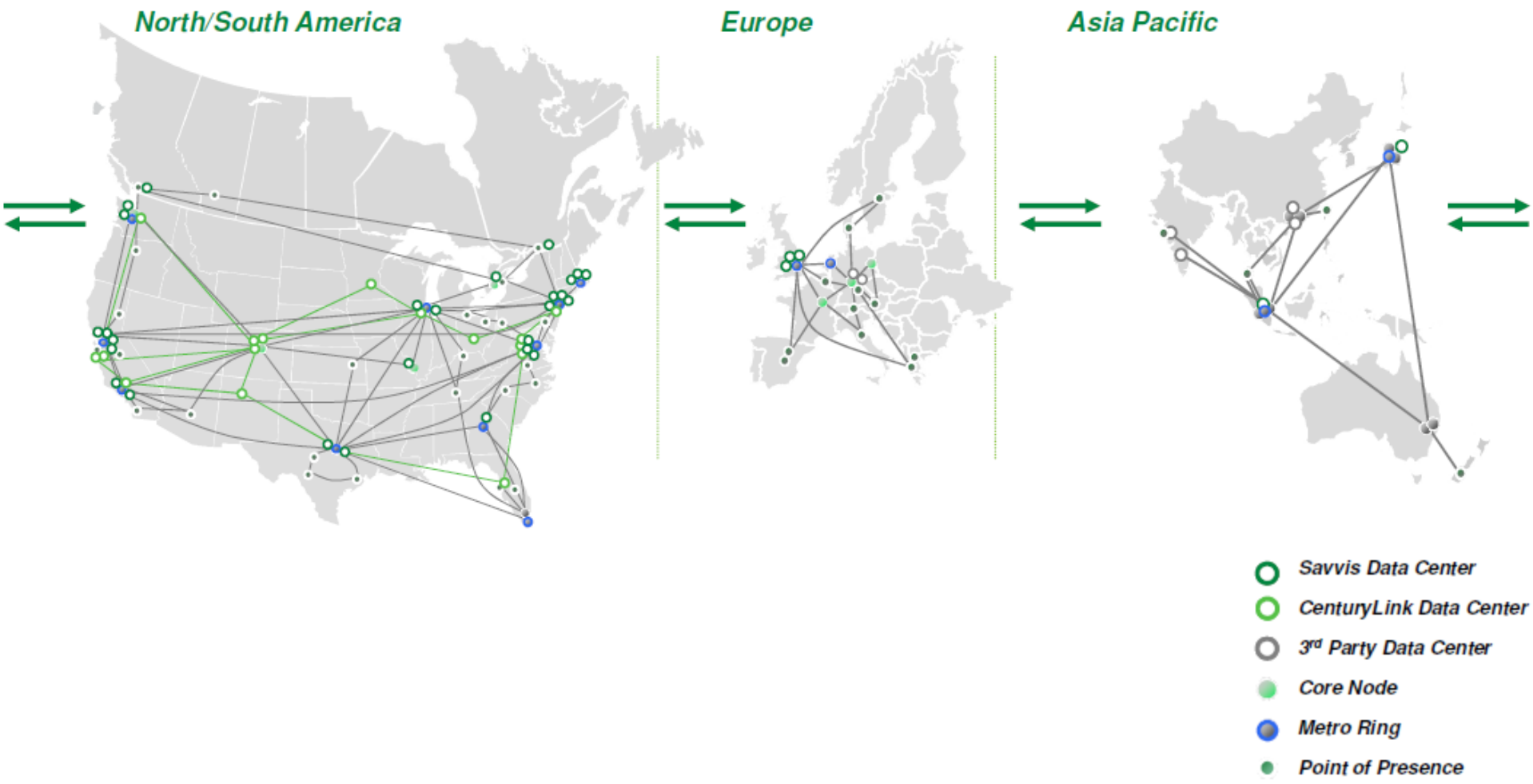
2. Geographic Diversity



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3. Business Resumption

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4. Other Resources

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5. Plan Reviews, Updating and Testing

- **Executive Team**
- **Disaster Preparedness Staff**
- **Regional Teams**
- **Crisis Management Teams**
- **Departmental Business Continuity Leaders & Planners**
- **IT Disaster Recovery Services**
- **Damage Assessment & Rapid Response Teams**
- **Network Operations Center**
- **Environmental Health & Safety Teams**

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Command Centers 24x7x365

CenturyLink maintains a number of Command Centers to support incident management activities.

- Multiple media sources
- Telecommunications diversity
- Satellite phones
- HF radio
- Emergency power
- Robust computer support
- Emergency supplies

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Service Restoration Priorities

- Critical Network Components required to facilitate restoration
- Telecommunications Service Priorities (TSP):
    1. TSP Restoration Priority 1
    2. TSP Provisioning Priority E
    3. TSP Restoration Priority 2-5
    4. TSP Provisioning Priority 1-5
- Emergency Services
- Business Customers with Restoral Contracts
- Business/Residential – Community at large

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Questions?

CenturyLink - Disaster Preparedness Best Practices
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