

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 150171-EI

PETITION FOR ISSUANCE OF  
NUCLEAR ASSET-RECOVERY  
FINANCING ORDER, BY DUKE  
ENERGY FLORIDA LLC D/B/A DUKE  
ENERGY.  
\_\_\_\_\_ /

PROCEEDINGS: EMERGENCY MEETING

COMMISSIONERS  
PARTICIPATING: CHAIRMAN JULIE I. BROWN  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER ART GRAHAM  
COMMISSIONER RONALD A. BRISÉ  
COMMISSIONER JIMMY PATRONIS

DATE: Thursday, June 16, 2016

PLACE: Brevard County Government Center  
Commission Room, Building C  
1st Floor  
2725 Judge Fran Jamieson Way,  
Melbourne, Florida 32940

TIME: Commenced at 12:33 p.m.  
Concluded at 1:03 p.m.

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

## 1 APPEARANCES:

2 DIANNE M. TRIPLETT, ESQUIRE, and JAVIER  
3 PORTUONDO, 299 First Avenue North, St. Petersburg,  
4 Florida 33701, appearing on behalf of Duke Energy  
5 Florida, Inc.

6 J.R. KELLY, PUBLIC COUNSEL, and CHARLES  
7 REHWINKEL, DEPUTY PUBLIC COUNSEL, Office of Public  
8 Counsel, c/o the Florida Legislature, 111 W. Madison  
9 Street, Room 812, Tallahassee, Florida 32399-1400,  
10 appearing on behalf of the Citizens of the State of  
11 Florida.

12 ROBERT SCHEFFEL WRIGHT, ESQUIRE, Gardner Law  
13 Firm, 1300 Thomaswood Drive, Tallahassee, Florida 32308,  
14 appearing on behalf Florida Retail Federation.

15 SUZANNE BROWNLESS and ROSANNE GERVASI,  
16 ESQUIRES, FPSC General Counsel's Office, and ANDREW  
17 MAUREY, 2540 Shumard Oak Boulevard, Tallahassee, Florida  
18 32399-0850, appearing on behalf of the Florida Public  
19 Service Commission.

20 MARY ANNE HELTON, ESQUIRE, FPSC General  
21 Counsel's Office, 2540 Shumard Oak Boulevard,  
22 Tallahassee, Florida 32399-0850, appearing as advisor to  
23 the Florida Public Service Commission.

1 ALSO APPEARING:

2 JOSEPH FICHERA, SABER PARTNERS

3 DEAN CRIDDLE, ORRICK HERRINGTON

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## P R O C E E D I N G S

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2           **CHAIRMAN BROWN:** Okay. Good morning and thank  
3 you for joining us here today. This meeting is called to  
4 order for the petition for issuance of the nuclear  
5 asset-recovery financing order by Duke Energy. And at  
6 this time I'd like to have staff read the notice.

7           **MS. BROWNLESS:** Thank you. By notice dated  
8 June 14th, 2016, this time and place has been set for an  
9 emergency meeting in Docket No. 150171-EI, petition for  
10 issuance of nuclear asset-recovery financing order by  
11 Duke Energy Florida, LLC.

12           **CHAIRMAN BROWN:** Thank you. And as I stated  
13 just a second ago, there are people on the phone. I will  
14 be taking appearances, so when we go to you, please -- if  
15 you're on the phone, please note that you are appearing.  
16 We'll take appearances starting with Duke Energy. And I  
17 believe the microphone is working right there,  
18 Ms. Triplett.

19           **MS. TRIPLETT:** Thank you. Good morning, Madam  
20 Chairman, Commissioners. Dianne Triplett on behalf of  
21 Duke Energy Florida.

22           **CHAIRMAN BROWN:** Thank you. We'll go with  
23 Office of Public Counsel at this time.

24           **MR. REHWINKEL:** Charles Rehwinkel with the  
25 Office of Public Counsel.

1           **CHAIRMAN BROWN:** Thank you. And you also have  
2 J.R. Kelly here today.

3           **MR. REHWINKEL:** Yes, we do.

4           **CHAIRMAN BROWN:** Got to mention him.

5           (Laughter.)

6           Retail Federation.

7           **MR. WRIGHT:** Schef Wright on behalf of the  
8 Florida Retail Federation. Thank you.

9           **CHAIRMAN BROWN:** Thank you.

10          PSC staff.

11          **MS. GERVASI:** Good morning. This is Rosanne  
12 Gervasi appearing on behalf of Commission staff.

13          **MS. BROWNLESS:** Suzanne Brownless,  
14 Commission --

15          **MS. HELTON:** Mary Anne Helton is also here with  
16 Rosanne Gervasi on behalf of the Commission.

17          **CHAIRMAN BROWN:** Did you -- I didn't understand  
18 that.

19          **COMMISSIONER BRISÉ:** It's Mary Anne.

20          **COMMISSIONER EDGAR:** Mary Anne.

21          **CHAIRMAN BROWN:** Mary Anne. Thank you. And go  
22 ahead.

23          **MS. BROWNLESS:** Suzanne Brownless on behalf of  
24 Commission staff.

25          **CHAIRMAN BROWN:** Thank you.

1 My understanding also is that we have Dean  
2 Criddle on the phone. Is that correct? Dean Criddle,  
3 are you on the phone?

4 (No response.)

5 And Joe Fichera.

6 **MR. FICHERA:** Joseph Fichera from Saber is  
7 here, yes.

8 **CHAIRMAN BROWN:** Okay. Thank you. Is there  
9 anybody else on the phone?

10 **MS. GERVASI:** Madam Chairman, Dean Criddle  
11 should be appearing momentarily. We'll call him and make  
12 sure he'll be calling in.

13 **CHAIRMAN BROWN:** Thank you. We will proceed,  
14 though, to opening statements and Mr. Maurey.

15 **MR. MAUREY:** Madam Chairman, Commissioners,  
16 thank you. Andrew Maurey on behalf of Commission staff.

17 **CHAIRMAN BROWN:** Andrew, could you please push  
18 that closer and make sure it's on?

19 **MR. MAUREY:** How about this?

20 **CHAIRMAN BROWN:** Not that we can't hear you  
21 right here.

22 **SPEAKER:** I have Dean Criddle on the line now.

23 **CHAIRMAN BROWN:** Thank you. Could you guys  
24 please mute it while we hear opening statements by the  
25 parties?

1           You may proceed.

2           **MR. MAUREY:** Thank you. Pursuant to the  
3 financing order issued in this docket, the Commission has  
4 had an opportunity to consider whether the structuring,  
5 marketing, and pricing of the nuclear asset-recovery  
6 bonds would result in statutory cost objectives, the  
7 lowest nuclear asset-recovery charges consistent with  
8 market conditions at the time of pricing, terms and  
9 conditions of the financing order and other applicable  
10 law, and the greatest possible customer protections.

11           If the Commission does not issue a stop order,  
12 the Commission, without the need for further action and  
13 pursuant to the authority under the financing order,  
14 shall have determined that the requirements of Section  
15 366.95, *Florida Statutes*, and the financing order have  
16 been satisfied.

17           This meeting is optional. It will -- the deal  
18 will go forward if we don't do anything, but we wanted  
19 to have this opportunity to explain the work that went  
20 into making this superior result possible. And with --  
21 we have -- are in receipt of the opinion letter from the  
22 financial advisor. I'd like to make a couple of  
23 statements with respect to that.

24           **CHAIRMAN BROWN:** Please go ahead.

25           **MR. MAUREY:** Saber Partners is of the opinion

1 that the proposed structuring, pricing, and financing  
2 cost of the bonds have a significant likelihood of  
3 resulting in lower overall cost or would avoid or  
4 significantly mitigate rate impacts to customers as  
5 compared to the traditional method of financing and  
6 recovering nuclear asset-recovery costs.

7           Saber Partners also is of the opinion that on  
8 a reasonably comparable basis, the actual cost of the  
9 nuclear asset-recovery issuance will result in the  
10 lowest overall costs that were reasonably consistent  
11 with market conditions at the June 15th, 2016, pricing  
12 of the bonds and the terms of the financing order.

13           In addition, Saber Partners is of the opinion  
14 that the transaction has achieved the greatest possible  
15 customer protections reasonably consistent with the  
16 terms of the financing act, the financing order, and  
17 other applicable law.

18           Finally, Saber Partners is not aware of any  
19 action or inaction which Saber Partners believes might  
20 have caused the transaction not to achieve the statutory  
21 cost objectives, the lowest nuclear asset-recovery  
22 charges, and/or the greatest possible customer  
23 protections. In summary, Saber Partners does not  
24 recommend that the Commission issue a stop order.

25           With your indulgence, I would like to go



1 through a few slides that we've distributed prior to the  
2 meeting.

3 **CHAIRMAN BROWN:** Thank you. I think now is the  
4 appropriate time.

5 **MR. MAUREY:** All right. Thank you. Just go  
6 over some of the details of this transaction that  
7 resulted in significant savings to Duke Energy Florida's  
8 customers.

9 On the first slide we talk about the total  
10 financing cost of 2.72 percent. This is the lowest cost  
11 in the history of investor-owned utility rate reduction  
12 bonds. Now these bonds have maturities that went out.  
13 Well, let me give you context. In the settlement that  
14 allowed for the recovery of this regulatory asset, it  
15 was contemplated that these charges would be recovered  
16 over a period of 20 years through base rates. Through  
17 this securitization, we were able to be true to the  
18 20-year recovery period but significantly lowered that  
19 cost to customers.

20 The investors that bought these bonds, they  
21 bought -- did so at interest rates that were in line  
22 with U.S. agency securities such as Tennessee Valley  
23 Authority, Fannie Mae, Federal Home Loan Board, and some  
24 of the largest, highest-rated global corporations such  
25 as Johnson & Johnson and Exxon.

1           The transaction was benefited from an  
2 extensive investor education effort, which included  
3 contact both physically and over the phone with over  
4 110 investors to build demand for this bond. This  
5 effort involved Saber Partners, Commission staff, Duke  
6 Energy Florida, and the underwriters that were brought  
7 in.

8           The next slide shows a graphic presentation of  
9 how this deal compared to other deals in this space. It  
10 looked at all other ratepayer -- rate reduction bonds  
11 that were issued between 2010 and 2015. And you can see  
12 the higher line represents how those priced at the  
13 various maturities relative to government agencies, and  
14 the lower dotted line shows where the DEF bonds priced.  
15 And I want to draw your attention really to the two  
16 squares at the far right. You'll see that there are no  
17 other dots out there for the other deals. That  
18 represents the challenge that we faced in selling bonds  
19 at the 15- and 18-year maturities to be true to the  
20 terms of the settlement but build demand for those bonds  
21 where others have not sold them in the past or at least  
22 in the last five years.

23           The next slide, we wanted to highlight the  
24 18-year maturity specifically because as -- when you  
25 look at this, this is a comparison of how the DEF

1 project finance bonds priced relative to comparable  
2 issues of these other names I mentioned. We priced  
3 right on top of Tennessee Valley Authority. Tennessee  
4 Valley Authority sells billions of debt. They're a  
5 well-known issuer. DEF project finance didn't exist  
6 more than six months ago. So we -- this was almost akin  
7 to an initial public offering. We were able to do so  
8 with the collaborative effort of Duke Energy Florida,  
9 Saber Partners, staff, and the other outside counsels  
10 that came together to make this successful. But this is  
11 a strong signal that those efforts were successful.

12           And then finally I have two final pages. This  
13 transaction was made possible due to a special  
14 legislation that was enacted in 2015. When that  
15 legislative process was ongoing, an illustrative example  
16 was presented. And this page, page 4, is that example  
17 where it was estimated that at that time the charge  
18 would have been, through base rates, approximately  
19 \$5.33 per thousand kWh. And if we did enter  
20 securitization, we would have had a charge of  
21 approximately \$2.91, resulting in nominal savings of a  
22 little over 800 million and net present value savings of  
23 a little over 600 million. Those were the expectations.

24           But on the last slide, when we got into the  
25 issuance, we were able to motivate the underwriters to

1 challenge those spreads, to tighten the interest rates,  
2 and we ended up resulting in a charge of \$2.84 per  
3 thousand kWh, which resulted in comparable nominal  
4 savings but higher net present value savings, net  
5 present value savings of 684 million directly to the  
6 benefit of customers.

7 So this was a, as I say, a very successful  
8 effort. A lot of people were involved. And it -- we  
9 would have not had this result, though, without the  
10 tireless efforts of our financial consultants, Saber  
11 Partners and Joe Fichera in particular, and our outside  
12 counsel, Dean Criddle of Orrick Herrington. And I want  
13 to thank them for their involvement on behalf of this  
14 transaction. I'm available for any questions.

15 **CHAIRMAN BROWN:** Thank you, Mr. Maurey. And  
16 just to close up your summary, your recommendation would  
17 be --

18 **MR. MAUREY:** Oh, my recommendation is that you  
19 do not issue a stop order. Thank you.

20 **CHAIRMAN BROWN:** Thank you. That was just for  
21 the record.

22 And before we get to the parties to give them  
23 an opportunity to speak, I do want to -- I mean, it goes  
24 without saying -- to thank staff, the entire Bond Team,  
25 Duke Energy, Saber Partners. Commissioner Graham has

1 been involved in this too on behalf of the Commission.  
2 And I will tell you, you guys have just worked so  
3 diligently, especially the fact that we had this  
4 emergency meeting, which we really -- it was not  
5 necessary to do, and we appreciate you bringing it forth  
6 for our consideration. I think, even with a bad stock  
7 market this past week, your fine marketing efforts have  
8 really produced just an incredible result.

9 So with that, I'd like to kick this off and  
10 give Duke an opportunity to make some statements.

11 **MR. MAUREY:** Thank you.

12 **CHAIRMAN BROWN:** Thank you, Mr. Maurey.

13 **MS. TRIPLETT:** It's so weird to be standing.  
14 Thank you again. I'll be very brief. As you heard, this  
15 transaction is great. It will save our customers  
16 significant money. And before I start, let me say my  
17 recommendation too is that you not issue a stop order  
18 today.

19 This fantastic outcome is no accident. As you  
20 pointed out, it is the culmination of months of hard  
21 work. And I actually went and looked at my calendar,  
22 and the first bond meeting was at the end of October,  
23 and I don't even think the financing order had been  
24 issued. So everyone hit the ground running. There were  
25 several weeks where we had multiple meetings, lots of

1 emails, lots of review of documents, and I just wanted  
2 to highlight just a few of the things. We included this  
3 in our issuance advice letter that was filed today and  
4 circulated to the parties yesterday, but I think it's  
5 important to note some of the good work that was done.

6 We ensured that the registration statement  
7 contained proper disclosures to communicate the really  
8 superior credit features of these bonds. We hired a  
9 diverse group of underwriters, including underwriters  
10 with international and mid-tier expertise and those with  
11 diverse ownership in order to attract a wide variety of  
12 investors, and also potentially investors that may not  
13 have bought these bonds or these types of bonds before.

14 We attended in-person and telephonic  
15 premarketing investor meetings throughout 2016, in  
16 addition to four road show cities and multiple other  
17 meetings that happened after the marketing, you know,  
18 went live, so to speak. We developed and implemented a  
19 marketing plan designed to encourage each of the  
20 underwriters to aggressively market the bonds to a broad  
21 base of prospective investors, and we also adapted the  
22 bond offering to market conditions and investor demand  
23 at the time of pricing. It was -- it's been an exciting  
24 last few weeks. I've certainly learned a lot. But it  
25 was a great iterative process and, again, it resulted in

1 this great transaction and this great result. And,  
2 accordingly, the company also certifies that the  
3 statutory cost objectives set forth in the financing  
4 order have been satisfied, and that also was included in  
5 the issuance advice letter that was filed today.

6 And as Mr. Maurey noted, we reviewed the  
7 opinion letter from Saber Partners, and it does not  
8 contain any qualifications with respect to the opinions  
9 that he was giving and compliance with the financing  
10 order. So, again, all signs point to no stop order.

11 And I would be remiss if I did not thank your  
12 staff, particularly Mr. Maurey, Mark Cicchetti, and  
13 Rosanne Gervasi. They were in the trenches with us --  
14 lots of late night phone calls, late emails -- really to  
15 get a fantastic result. And also the signatories to our  
16 settlement agreement: Mr. Rehwinkel, Mr. Wright, who  
17 are both here today; Mr. Brew and Mr. Moyle, who could  
18 not be here. But we ran into some things and it really  
19 took -- they stepped up very quickly to address them and  
20 really maintained the good value of the settlement.

21 So I'm available to answer any questions, and  
22 I have Mr. Portuondo in case you want to ask about  
23 numbers. And thank you very much.

24 **CHAIRMAN BROWN:** Thank you, Ms. Triplett. And  
25 we'll go for Mr. Rehwinkel at this time.

1           **MR. REHWINKEL:** Thank you, Commissioners.

2 Charles Rehwinkel, Deputy Public Counsel. And on behalf  
3 of J. R. Kelly, the Public Counsel, who is here at his  
4 second meeting today, I would like to thank you for the  
5 opportunity to address you on this matter on behalf of  
6 all of Duke's customers.

7           My remarks today are premised on the notion  
8 that the reasons for the retirement of the CR3 plant  
9 were put to rest in 2013 when the Commission approved  
10 the global settlement that resulted in over \$2 billion  
11 of benefits to the ratepayers. Today we are here  
12 instead to consider the net present value of  
13 \$684 million in additional benefits that result from the  
14 financing of the remaining cost of the retired nuclear  
15 plant with the nuclear asset-recovery bonds.

16           The Public Counsel supports the proposal  
17 contained in the issuance advice letter filed by Duke  
18 and in the opinion letter filed by your advisor, Saber  
19 Partners. No action is needed. We -- Mr. Kelly,  
20 myself -- have been observers at almost all of the Bond  
21 Team meetings and were allowed unparalleled visibility  
22 into the pricing of the bonds as an observer on the  
23 crucial calls in the last two weeks of this transaction,  
24 all the way up to yesterday at 2:00 p.m. when the bonds  
25 were finally priced. We have also reviewed thousands of



1 pages of material prepared in support of the transaction  
2 for the Securities and Exchange Commission and European  
3 regulators.

4 For all of these reasons, we can say to you  
5 today that we agree that the transaction appears to have  
6 met the statutory standards of achieving the lowest  
7 overall costs that were reasonably consistent with  
8 market conditions at the time of pricing, are consistent  
9 with the applicable terms of the Revised and Restated  
10 Settlement and Stipulation Agreement, or RRSSA, and will  
11 result in substantially lower costs. As you've heard,  
12 an additional 684 million less cost to the customers as  
13 compared to the traditional method allowed by the RRSSA,  
14 which notably had already a greatly reduced 30 percent  
15 reduction in allowed shareholder profits. So what  
16 you're approving today is a reduction even off of that.  
17 The pricing proposal also results in the greatest  
18 possible customer protections as required by the statute  
19 and your order.

20 For these reasons, the Public Counsel urges  
21 you to either affirmatively approve the pricing, which  
22 you really don't need to do, or to take no action and  
23 refrain from issuing a stop order.

24 Having said that, it's important for us to  
25 thank Duke Florida President Alex Glenn for his

1 leadership in approaching the legislature with the  
2 securitization proposal in the first place. Without him  
3 taking this leadership, we would not be here talking  
4 about saving nearly another \$700 million.

5 We also want to thank Senator Jack Latvala for  
6 championing the effort in the legislature to save these  
7 \$700 million for the customers and for the inclusion of  
8 the provisions that allowed for the Commission to hire  
9 experts in bond finance and bond finance law to advocate  
10 for customers alongside with your staff, your expert  
11 staff, and we also want to thank the legislature and the  
12 Governor for the law.

13 We owe a special thanks to your staff on the  
14 Bond Team led by Andrew Maurey and including Mark  
15 Cicchetti and Rosanne Gervasi. They were vigorous and  
16 very knowledgeable advocates for the customers'  
17 interests and obviously had the full support of the  
18 Executive Director and the General Counsel in their  
19 advocacy, and we deeply appreciate it.

20 But the OPC saved its best thanks for the  
21 Commission's advisor, Saber Partners and especially Joe  
22 Fichera, and the Commission's bond counsel, Dean  
23 Criddle, who brought impressive expertise, experience,  
24 and discipline to the transaction and, without question,  
25 were instrumental in saving many millions of dollars for

1 the customers in current and future costs through their  
2 dogged and expert advocacy to achieve the optimum lowest  
3 cost for customers at the outset. At the outset we  
4 reviewed -- we viewed their deep involvement to be  
5 vital, and having observed firsthand their guidance in  
6 the transaction, we are firmly convinced that they  
7 brought tremendous value to the customers.

8 And I want to thank Duke and the team they put  
9 together, Dianne Triplett, Javier Portuondo, Steve --  
10 Bryan Buckles (sic) -- I think I said that right.

11 **MS. TRIPLETT:** Buckler.

12 **MR. REHWINKEL:** Buckler. I am so sorry. Bryan  
13 Buckler, Tom Heath, Jack Sullivan, and Steve De May to  
14 structure and price and issue these bonds. Their sincere  
15 expert and cooperative efforts greatly facilitated this  
16 transaction, not only the final process, but in the  
17 Commission's proceeding leading up to the financing order  
18 and the amendments to the RRSSA.

19 And finally, we want to thank you, the  
20 Commissioners, for your support for this and your  
21 approval of the pricing today.

22 I would like to also say that I am authorized  
23 by Jay Brew, who represents PCS Phosphate, to state that  
24 he concurs in these remarks. So thank you for your  
25 indulgence.

1           **CHAIRMAN BROWN:** Mr. Rehwinkel, thank you.  
2 Those were great remarks, and we appreciate hearing -- I  
3 appreciate hearing all of those. Thank you.

4           **MR. REHWINKEL:** Thank you.

5           **CHAIRMAN BROWN:** Mr. Wright.

6           **MR. WRIGHT:** Thank you, Madam Chair and  
7 Commissioners. I'll be as brief as I can. The real  
8 thing here is that there's so many people to thank, it's  
9 going to take me a bit. I think less than two minutes,  
10 but here we go.

11           **CHAIRMAN BROWN:** The Academy Awards here.

12           **MR. WRIGHT:** Pardon?

13           **CHAIRMAN BROWN:** I'm just saying it's like the  
14 Academy Awards here. Go ahead.

15           (Laughter.)

16           **MR. WRIGHT:** Rather, rather, and appropriately  
17 so, because everybody involved in this process deserves  
18 really, really, really big awards and really big thanks.

19           I'll start by saying that the Florida Retail  
20 Federation strongly supports the staff's recommendation  
21 that you not issue a stop order. Whether you  
22 affirmatively vote to affirm the pricing or just not  
23 issue a stop order is fine. It gets to the same exact  
24 result.

25           We support Duke's issue in its advice letter.

1 We support Saber's opinion letter. We are profoundly  
2 grateful for the \$684 million of additional savings over  
3 and above what you already approved in the 2013 global  
4 settlement.

5           And now here's where the thanks really start.  
6 I thank the legislature, Senator Latvala. Thank the  
7 Governor for signing this into law. Thank you all for  
8 your support; thank you for issuing the financing order  
9 and for hiring the right people to make this happen.  
10 Thank Duke, especially Alex Glenn, Diane Triplett,  
11 Javier Portuondo, and everybody else, the long list that  
12 Charles read off, for their hard work. Big, big, big  
13 thanks, Oscars to your staff, especially Andrew,  
14 Rosanne, and Mark, for their extraordinary hard work and  
15 support for everything throughout this process. Thanks  
16 to Saber Partners. Thanks to Mr. Criddle and Orrick  
17 Herrington for their hard work to bring this in. And  
18 thanks again to y'all for approving it.

19           Again, we would join Duke and the Office of  
20 Public Counsel and PCS Phosphate and others in urging  
21 you to approve the pricing or refrain from issuing an  
22 advice letter.

23           I'm profoundly impressed, the federation is  
24 profoundly impressed with and by all the work that went  
25 into this and even more so by the result. This is just

1 really, really great. I'm going to close with three  
2 words: Wow and thank you.

3 **CHAIRMAN BROWN:** That's great. I appreciate  
4 those words.

5 All right. Mr. Maurey, do you want to  
6 readdress the Commission?

7 **MR. MAUREY:** Only if you have some questions.

8 **CHAIRMAN BROWN:** No. It obviously goes without  
9 saying, a huge thank you. All of you have worked above  
10 and beyond, many, many hours of overtime, driving down  
11 here for this emergency meeting and all that.

12 And I'm going to open it up to the  
13 Commissioners to provide some comments, questions. You  
14 may begin, Commissioner Edgar.

15 **COMMISSIONER EDGAR:** Thank you, Madam Chairman.

16 As always, some of the comments that I wanted  
17 to make have already been made, but I also would like to  
18 acknowledge the foresight of those who worked on the  
19 legislation in providing the resources and the direction  
20 for the Commission to be able to hire outside bond  
21 counsel and outside financial advisor. I do believe  
22 that was a very important part of the process and an  
23 important part of the success of the result, working  
24 closely, of course, with our staff and all of the  
25 involved parties.

1           You know, this is truly a good news story, and  
2 I hope that that goods news gets out that although it is  
3 a complex financial transaction, it is an innovative  
4 financing mechanism to address a very unique situation.  
5 And I do believe that the result that we have before us  
6 is consistent with the statutory objectives, that the  
7 lowest charges consistent with the prevailing market  
8 conditions have been achieved, and that we were also  
9 able to achieve the greatest possible consumer  
10 protections. Lots of moving pieces, lots of moving  
11 parts obviously requiring SEC review, the investor  
12 education effort, but ultimately I do believe that we  
13 have achieved the lower overall cost to mitigate,  
14 minimize costs to the ratepayers and attract capital.  
15 It is my understanding that a vote or a specific formal  
16 action is not required for this to move forward, but I  
17 certainly would like to endorse the process and the  
18 result.

19           **CHAIRMAN BROWN:** Excellent. Thank you,  
20 Commissioner Edgar.

21           I'm going to go to Commissioner Graham and  
22 then Commissioner Brisé.

23           **COMMISSIONER GRAHAM:** Well, first of all, I  
24 want to thank all the parties. My role in all this was  
25 just more impasse resolution than anything else. And I

1 have to say the first couple of -- first couple of  
2 meetings that I listened in to, I thought to myself that  
3 I was going to be very busy. And come to find out, as  
4 things went on, it started to ease itself up.

5 I'm going to steal a line from Charles  
6 Rehwinkel. He said earlier, he says, "It's like sausage  
7 because it's usually real good when you're eating it,  
8 but you don't want to see it getting made." And I think  
9 that's what this process was. A great outcome at the  
10 end of it all, but it wasn't -- sometimes it was very  
11 strained. You know, you're listening on the phone to  
12 the teleconference, so you can hear the stress in the  
13 voices, you can see some of the patience that went into  
14 all of that, but -- and all the work that went into it  
15 all. I mean, basically all I was doing was a fly on the  
16 wall listening to what was going on and it was stressing  
17 me, so I can imagine the people that were actually in  
18 the trenches that were throwing things back and forth.  
19 And I do appreciate the patience. I do appreciate  
20 nobody letting the process stop or halt, that everybody  
21 knew what the desired outcome was going to be and  
22 everybody stayed diligent and made it all happen. It  
23 didn't come easy by any means, but it did get all the  
24 way through.

25 I guess one of the questions I have to staff



1 is I want to make sure that this result, this end result  
2 that we have is -- actually addresses what that law was  
3 that passed, that we're sure that it checks all the  
4 boxes of what we're supposed to accomplish and everybody  
5 is good with that.

6 **MR. MAUREY:** Yes, sir, it does.

7 **COMMISSIONER GRAHAM:** Okay. I just wanted to  
8 make sure. I didn't want for anybody else to come to us  
9 later on and say, well, the law said this and you did  
10 that or the law was quiet to this or what we really  
11 wanted was that. But just as long as we're sure that we  
12 did everything we're supposed to have done, then I think  
13 this is absolutely fantastic, and I thank you all for the  
14 efforts that you put forth.

15 **CHAIRMAN BROWN:** Thank you, Commissioner  
16 Graham.

17 Commissioner Brisé.

18 **COMMISSIONER BRISÉ:** Thank you, Madam Chair.

19 I just want to chime in and thank all the  
20 parties for working together to come to this point. I  
21 think that we have met the statutory requirements,  
22 recognizing this is a good example of the legislature  
23 and the Commission and all the parties working together,  
24 looking at a situation, and trying to figure out what is  
25 the best outcome for the citizens here in the state of

1 Florida, and I think this is a shining example of that  
2 happening.

3 But one thing that is near and dear to my  
4 heart personally is that in addition to meeting the  
5 statutory requirement, we also addressed the issue of  
6 opening the pot so that we can have a diverse group of  
7 financial institutions as participants, and I think that  
8 that's an important factor. And I think we've done all  
9 of that, and that continues the public interest  
10 component of this as well. So I want to commend all of  
11 you and commend our staff because I know that when we  
12 were working on the finance order, that was a lot of  
13 work. And to continue all of that work, we are greatly  
14 appreciative of our staff, of your expertise, and of  
15 your willingness to put all that extra time in to get us  
16 to this point. So thank you.

17 **CHAIRMAN BROWN:** Thank you, Commissioner Brisé.  
18 Commissioner Patronis.

19 **COMMISSIONER PATRONIS:** Thank you, Madam  
20 Chairman.

21 Just mainly thank you to staff. Couldn't  
22 have this been -- this couldn't have been possible  
23 without the efforts and works and fruit of your labor.  
24 And really this is absolutely my best day as a  
25 Commissioner today. I didn't have to do a thing. Thank

1 you.

2 (Laughter.)

3 **CHAIRMAN BROWN:** And we get positive results,  
4 positive results. So seeing that we do not need to have  
5 a motion and we don't need any further discussion, if no  
6 one has any further discussion, a big thank you again in  
7 closing, and this meeting is adjourned.

8 (Meeting adjourned at 1:03 p.m.)

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

3  
4 I, LINDA BOLES, CRR, RPR, Official Commission  
5 Reporter, do hereby certify that the foregoing  
6 proceeding was heard at the time and place herein  
7 stated.

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

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

18 DATED THIS 20th day of June, 2016.

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