

I. Meeting Packet



State of Florida
Public Service Commission
INTERNAL AFFAIRS AGENDA

Tuesday, April 4, 2017

Following Commission Agenda
Room 148 – Betty Easley Conference Center

1. Legislative Update
2. General Counsel's Report
3. Executive Director's Report
4. Other Matters

BB/ks

OUTSIDE PERSONS WISHING TO ADDRESS THE COMMISSION ON
ANY OF THE AGENDAED ITEMS SHOULD CONTACT THE
OFFICE OF THE EXECUTIVE DIRECTOR AT (850) 413-6463.

II. Outside Persons Who Wish to Address the Commission at Internal Affairs

Note: The records reflect that no outside persons addressed the Commission at this Internal Affairs meeting.

III. Supplemental Materials for Internal Affairs

Note: The records reflect that there were no supplemental materials provided to the Commission during this Internal Affairs meeting.

IV. Transcript

P R O C E E D I N G S

1
2 **CHAIRMAN BROWN:** So we are calling this
3 Internal Affairs meeting to order. The time is 11:38,
4 and today is Tuesday, April 4th. And we are going to
5 start out with -- it's a very short one. I don't
6 anticipate this going long, maybe five, ten minutes. So
7 we'll start out with legislative affairs update

8 **MR. HINTON:** It will go very fast. Thank you.

9 **CHAIRMAN BROWN:** Thank you.

10 **MR. HINTON:** Before I hand it off to Katherine
11 and Adam to discuss the schedule and update you on any
12 status, I wanted to just bring your attention to one
13 bill I'm sure you've already heard about. But since it
14 was proposed since our last Internal Affairs, I just
15 wanted to draw some attention to it.

16 House Bill 7071 began as a proposed House
17 Committee bill from the House Energy and Utility
18 Subcommittee. It amends several statutes that affect
19 the Commission and our statutory authority. In
20 particular, it amends Chapter 120 to eliminate the
21 Commission's exemption on rulemaking for cost recovery
22 clauses. It amends Chapter 350 where it addresses the
23 Nominating Council, Commissioner appointments, and terms
24 of office. It also moves the Office of Public Counsel
25 from the legislature to the Attorney General's Office,

1 and it also -- and it requires the Commission to conduct
2 annual service hearings in the service territory of each
3 IOU.

4 Further, the bill would amend Chapter 366 to
5 require the Commission to establish four IOUs'
6 utility-specific performance criteria that will be
7 evaluated annually, maximum generation reserve margins
8 of 15 percent, and multiyear rate plans very similar to
9 the settlements that the Commission has approved in
10 recent rate cases.

11 That's the bill in a nutshell. I'd be happy
12 to handle -- address any questions. We did -- it did go
13 before the House Government Operations and Technology
14 Appropriations Committee this morning where it was
15 passed out favorably. And so --

16 **CHAIRMAN BROWN:** What was the vote?

17 **MR. HINTON:** Sorry?

18 **CHAIRMAN BROWN:** Vote?

19 **MR. HINTON:** Yes. It was voted --

20 **CHAIRMAN BROWN:** What was the vote, sir?

21 **MR. HINTON:** 11-to-2. I didn't know how many
22 yays there were, but I knew there was two no's. And the
23 next step is Commerce Committee.

24 **CHAIRMAN BROWN:** Okay. More importantly,
25 there is a Senate resolution commemorating Commissioner

1 Patronis's family and 50 years of Captain Anderson's.

2 **COMMISSIONER PATRONIS:** How did you hear that?

3 **CHAIRMAN BROWN:** A little birdie told me about
4 it. And I just wanted to recognize Commissioner
5 Patronis for -- and his family for the years that you've
6 spent -- 50 years at Captain Anderson's. And I know
7 that there's a lot of support surrounding that, so I
8 wanted to congratulate you.

9 **COMMISSIONER PATRONIS:** Thank you, Madam
10 Chair.

11 **CHAIRMAN BROWN:** All right. Commissioners,
12 any questions on the Senate or House side?
13 Commissioners? Commissioner Polmann? No?

14 Commissioner Brisé.

15 **COMMISSIONER BRISÉ:** I can't -- I haven't been
16 following this very closely, but is this the bill that
17 also creates districts?

18 **MR. HINTON:** Yeah. That's part of the
19 amendments to Chapter 350. Future Commissioners would
20 have to be appointed from one of the five districts that
21 match the District Courts of Appeal.

22 **COMMISSIONER BRISÉ:** Sure. Have they
23 gotten -- has there been discussion on how structurally
24 that would be in terms of would there be district
25 offices? Would there be intention for district staff

1 and all of that? Has there been any discussion?

2 **CHAIRMAN BROWN:** Ms. Pennington.

3 **MS. PENNINGTON:** Thank you, ma'am. They've
4 really not, Commissioner Brisé. We have some question
5 about that as our legal staff is interpreting it to
6 believe that there may be a need and a requirement for
7 an office within your district.

8 House staff seems to say that's not
9 necessarily the case, but they're -- and then there is
10 still a requirement in 350 that the office -- your
11 offices be in Tallahassee, and that has not been touched
12 by the proposed legislation. So it's still a little in
13 flux. We have had discussions. We've given them some
14 fiscal information based upon our interpretation, which
15 is you would have, you would have your district office,
16 I guess.

17 **COMMISSIONER BRISÉ:** Sure.

18 **MR. HINTON:** The plain language states that to
19 be appointed you have to reside there, but it's silent
20 about whether you have to continue to reside there, so.

21 **CHAIRMAN BROWN:** Okay. Commissioners, any
22 follow-up?

23 **COMMISSIONER BRISÉ:** Yeah. I mean, rationally
24 one would think that if you want me to be appointed from
25 the region, there's a reason why you want me to be

1 appointed from there. So you want me to have some
2 connect, and it would make sense that I would reside
3 there so that I could have a sense of -- not the
4 constituency, but what the needs and the interests are
5 of those who live in the area that, that the
6 Commissioner is coming from. Not that the Commission
7 would represent the area, but that there would be some,
8 some level of connection that would exist.

9 **CHAIRMAN BROWN:** That's logical. That makes
10 logical sense.

11 **MR. BAEZ:** Commissioner, I think the bill
12 analysis kind of teed up the question as softly as we
13 could, and there may be conversation about that or not,
14 but that's --

15 **CHAIRMAN BROWN:** So I promised a short
16 agenda -- I mean, Internal Affairs, so -- and we have
17 two more lights. So I'm going to kind of ask the
18 Commissioners to kind of streamline this.

19 Commissioner Patronis.

20 **COMMISSIONER PATRONIS:** The summary you gave
21 us is over the House bill. What is the status of the
22 Senate bill?

23 **MS. PENNINGTON:** There is no Senate bill.

24 **COMMISSIONER PATRONIS:** There is none?

25 **MS. PENNINGTON:** No, sir.

1 **COMMISSIONER PATRONIS:** Okay. Thanks.

2 **CHAIRMAN BROWN:** Okay. Thank you.

3 Commissioner Polmann, one question only.

4 (Laughter.)

5 No? Oh, even better. All right.

6 No other questions. I appreciate you guys.

7 You all have been so active. And, again, thank you for
8 keeping us informed. You're doing a great job, an
9 excellent job. It doesn't -- there's no other
10 legislative affairs, but we're going to General Counsel.

11 I do also want to acknowledge, Mr. Kiser, it's
12 nice to see you in the room. We're all curious: "What
13 is he doing here? What's going on?" We're happy to --
14 hotdogs. We're very happy to -- we're happy to see you.
15 I look forward to chatting up with you after we break
16 now.

17 General Counsel.

18 **MR. HETRICK:** Just one announcement, Madam
19 Chair. Lee Eng Tan has been appointed to succeed Keino,
20 and he'll be -- she'll be assuming her responsibilities
21 on April 10th.

22 **CHAIRMAN BROWN:** Wonderful. Wonderful. We
23 will miss Keino, but that's a great selection.

24 And Executive Director.

25 **MR. BAEZ:** Thank you, Madam Chair. Real

1 quickly, the budgets, the proposed budgets for -- have
2 emanated from both houses. And so if you recall, our
3 LBR was pretty straightforward. We were proposing to
4 absorb the general revenue portion of our budget and the
5 three positions that were attached to it into our
6 trust-funded budget. And we also had an item to replace
7 some aging vehicles and then some technical issues for
8 our relationship with the State Technology Office.

9 The House issued their proposed budget for the
10 agency. They were proposing a 16-position reduction,
11 along with an 815,000 reduction in the appropriation
12 related to it. The Senate, on the other hand, proposed
13 only a reduction of four positions and a corresponding
14 204,000 reduction in the appropriation. Both houses --
15 both sides picked up all of our issues, though, so
16 that's a good starting point. To be continued. Now
17 we're waiting for all the steps in conference, so.

18 **CHAIRMAN BROWN:** Thank you, and thank you also
19 for keeping us informed on that process too.

20 **MR. BAEZ:** We'll continue to keep you posted.

21 **CHAIRMAN BROWN:** Okay. Other matters. I just
22 have one. Although he's not here because he's working
23 diligently for the Commission and doing -- conducting an
24 audit, Carl Vinson with our audit -- is our April 2017
25 employee of the month. And he's been an employee since

1 1989. He will not get shortchanged on his recognition,
2 and we'll enjoy all that goes with that. And we'll be
3 presenting it to him later this month, his award. But
4 he's just a tremendous employee, has been with the
5 Office of Auditing and Performance Analysis. All of us
6 have gotten a chance to know him, and I'm really excited
7 that he gets the honor this month as employee of the
8 month.

9 He also enjoys duck hunting, I did not know
10 that about him, and has a granddaughter that he just
11 treasures. So, please, when you see Carl, you know,
12 congratulate him for all the work and effort. He's got
13 a great deal of support here in the Commission.

14 If there are no other matters -- seeing none,
15 this Internal Affairs meeting is adjourned. Thank you.

16 (Proceeding adjourned at 11:47 a.m.)
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1 STATE OF FLORIDA)
 :
2 COUNTY OF LEON) CERTIFICATE OF REPORTER

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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,
15 nor 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 12th day of April, 2017.

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