

# I. Meeting Packet



**State of Florida**  
**Public Service Commission**  
**INTERNAL AFFAIRS AGENDA**  
Tuesday, May 5, 2015  
Immediately Following Commission Conference  
Room 105 – Gunter Building

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1. Briefing Regarding the 2015 Hurricane Preparedness Meeting. (Attachment 1).
2. Executive Director's Report. (No attachment).
3. Other Matters.

BB/sc

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.





## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

### -M-E-M-O-R-A-N-D-U-M-

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**DATE:** April 24, 2015  
**TO:** Braulio L. Baez, Executive Director  
**FROM:** Laura V. King, Public Utilities Supervisor, Division of Engineering *LVK*  
Penelope D. Buys, Engineering Specialist III, Division of Engineering *PDB TJS*  
**RE:** Overview of 2015 Hurricane Preparedness Meeting

**Critical Information:** Please place on May 5, 2015 Internal Affairs  
**Briefing Only**

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On March 18, 2015, staff held its annual Hurricane Preparedness Informal Meeting. Each of the five investor-owned electric utilities made a presentation regarding activities and initiatives undertaken during the past year. In addition, representatives of the electric co-operatives and municipals attended and made presentations.

As in prior years, the topics discussed were individual inspection, maintenance, and repair programs. As well as the utilities specific communication and recovery plans. While each presentation was unique to the individual utility some common concerns emerged. These concerns were:

- Limited resources, including trained line-men.
- Direct impact of a Category 4 or 5 storm.
- Multiple storms impacting same area.
- Single storm impacting multiple companies.

Highlighted below are keypoints from each presentation and various 2014 electric utility distribution reliability reports. The presentations and reports are available on the Commission's website.

#### *Florida Power and Light (FPL)*

- Initiated its second 8-year pole inspection cycle. Approximately 146,325 poles in total were inspected, including 133,572 wood poles.
- Performed ground level visual inspections on 100% of its transmission poles/structures.
- Installed submersible equipment in six of the 12 vaults in the Miami downtown electric network that are located just at or within the FEMA 100-year flood elevation levels.
- Continued efforts to improve local government coordination including: (1) meetings with county emergency operations managers to discuss critical infrastructure locations in each

jurisdiction; (2) inviting federal, state, county and municipal emergency management personnel to participate in FPL's annual company-wide storm preparedness dry run and; (3) conducting 483 community presentations on storm readiness and other topics of community interest.

#### *Duke Energy Florida (DEF)*

- In May 2014, DEF initiated its second 8-year pole inspection cycle. Approximately 108,475 poles in total were inspected, 65,674 were treated to prevent decay, and 5,597 were replaced.
- Line and vegetation resources from 5 other states can be engaged on day 1 of a major event.
- All priority trimming and pruning will be completed by June 1, 2015.
- More than 50 employees assigned to local government for emergency planning and response.
- During storms, electronic outage maps and estimated restoration times will be made available on DEF's external website. Also, detailed outage information is provided via secure websites to the EOCs.

#### *Tampa Electric*

- Year 8 of 8-year pole inspection cycle. Inspected 52,379 poles.
- Hardened 871 structures including 720 pole replacements with steel or concrete poles and 151 sets of insulators replaced with polymer insulators.
- For 2015, Tampa Electric plans to harden 548 transmission structures as a part of the pole inspection and maintenance program.
- Tampa Electric's Emergency Management communication efforts expanded from a focus with local governments in preparedness to now also include federal government agencies [i.e., Department of Energy, Department of Homeland Security, and NERC].

#### *Gulf*

- Initiated its second 8-year pole inspection cycle. Approximately 27,204, poles were inspected with a rejection rate of 2.48 percent.
- Completed storm guying on all wooden H-frame structures and continues the replacement of wooden cross arms with steel cross arms on the transmission system.
- The service area was affected by Winter Storm Leon on January 28 & 29, 2014 and a flood on April 30, 2014.
- Thirteen Gulf employees, who received federal certification under the National Incident Management System through the Federal Emergency Management Agency, are assigned to the county EOCs throughout Northwest Florida.

*Florida Public Utilities (FPU)*

- Year 7 of 8-year pole inspection cycle. A total of 3,382 wood poles were inspected (652 in the Northeast (NE) Division and 2,730 in the Northwest (NW) Division).
- Thirty-three transmission wood poles were replaced with spun concrete structures.
- NW division affected by a tornado on November 17, 2014. The NE Division did not experience any named storms.
- In 2014 FPU began using its new Outage Management System. A key feature is the automatic notification of outages to managers, supervisors and employees via smart mobile phones.

*Municipals*

- All municipal utilities have completed the first round of their 8-year pole inspection cycle.
- Since 2007, pole replacement has been in the 2-10 percent range.
- The Florida Municipal Electric Association conducts pre-season preparation briefing with members.
- Individual municipal utilities conducted exercises, briefings and meetings to discuss their preparation.

*Cooperatives – Suwannee Valley Electric Cooperative*

- Pole inspection program is on an 8 year cycle.
- Annual replacement of failed poles and attached equipment (cross arms, braces, arrestors, insulators, guys).
- Annual storm stock buildup and practice drill via table top exercise.
- Key staff assigned to local EOC's.

cc: Lisa Harvey  
Charlie Beck  
Tom Ballinger  
Paul Vickery

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

***OUTSIDE PERSONS WHO WISH  
TO ADDRESS THE COMMISSION AT***

***INTERNAL AFFAIRS  
May 5, 2015***

**Speaker**

**Representing**

**Item #**

J. R. Kelly

Office of Public Counsel

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# 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

1                                   BEFORE THE  
2                                   FLORIDA PUBLIC SERVICE COMMISSION

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6       PROCEEDINGS:           INTERNAL AFFAIRS

7  
8       COMMISSIONERS  
9       PARTICIPATING:       CHAIRMAN ART GRAHAM  
10                               COMMISSIONER LISA POLAK EDGAR  
11                               COMMISSIONER RONALD A. BRISÉ  
12                               COMMISSIONER JULIE I. BROWN  
13                               COMMISSIONER JIMMY PATRONIS

14       DATE:                   Tuesday, May 5, 2015

15       TIME:                   Commenced at 2:50 p.m.  
16                               Concluded at 3:03 p.m.

17       PLACE:                  Betty Easley Conference Center  
18                               Room 148  
19                               4075 Esplanade Way  
20                               Tallahassee, Florida

21       REPORTED BY:          LINDA BOLES, CRR, RPR  
22                               Official FPSC Reporter  
23                               (850) 413-6734  
24  
25

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

1  
2           **CHAIRMAN GRAHAM:** We will call to order  
3 the Internal Affairs meeting. Let the record show  
4 it is Tuesday, May the 5th. Cinco de Mayo. Huh.

5           Okay. Now that I've been distracted, we  
6 will go to Item No. 1, which is hurricane  
7 preparedness.

8           **MS. KING:** Good afternoon, Commissioners.  
9 Laura King with Commission staff.

10           I'm here to just provide you a brief  
11 overview of our most recent hurricane preparedness  
12 meeting which took place on March 18th of this year.  
13 Each of the IOUs participated and did a PowerPoint  
14 presentation for us, as well as a member of the  
15 cooperatives and the municipals, so we've got a lot  
16 of different perspectives.

17           As in prior years, the topics discussed  
18 were the individual inspection programs, maintenance  
19 and repair programs, as well as the specific  
20 communication and recovery plans. Some areas of  
21 common concerns emerged, which are a lot of the same  
22 areas that we've heard about throughout the years:  
23 Limited resources post storm; direct impacts of a  
24 Category 4, 5 storm, a catastrophic storm; multiple  
25 storms impacting the same area; and single storms

1 impacting multiple companies. We highlighted some  
2 of the key points from those presentations. I could  
3 go through those, if you'd like. The presentations  
4 are all on our website, along with the utilities'  
5 most recent reliability reports as well. I'd be  
6 glad to answer any questions or go through the key  
7 points, if you'd like.

8 **CHAIRMAN GRAHAM:** Number one, I want to  
9 thank you for this. You know, we've, we've been  
10 blessed because we haven't had to deal with any  
11 hurricanes for, what, the last ten years.

12 But the -- I guess the question I have is  
13 are there any real changes, substantive changes from  
14 years past? I mean, there -- I guess there's no, no  
15 local lessons, new lessons learned, but are there  
16 any things added to, things that may -- the  
17 hurricanes that hit up north, the hurricanes that  
18 hit other places, tornadoes, that sort of stuff?

19 **MS. KING:** No, sir. There was really  
20 nothing surprising in the recent presentations. The  
21 companies seem to be proceeding along, they're  
22 following our orders, so there's really been  
23 nothing.

24 It was interesting, there was some  
25 discussion by Gulf about the ice storm that they had

1 last January, which was, you know, the lesson  
2 learned from that is not a whole lot of experience  
3 with ice in North Florida. And in that case, the  
4 outages weren't near as catastrophic as trying to  
5 get to the outages. So, no, sir, there was really  
6 nothing new or surprising presented in this last,  
7 last meeting.

8 **CHAIRMAN GRAHAM:** Okay. I don't see any  
9 other lights on, so I do appreciate what you've done  
10 and for your presentation.

11 **MS. KING:** Yes, sir.

12 **CHAIRMAN GRAHAM:** Next we're going to  
13 actually have an update from General Counsel first  
14 before Executive Director.

15 **MR. BECK:** Thank you, Mr. Chairman. I  
16 just wanted to take a moment to acknowledge the work  
17 that Kelley Corbari and Adam Teitzman did in  
18 bringing us to a settlement to collect the  
19 regulatory assessment fees from Country Club  
20 Utilities. Excuse me. As you know, they abandon --  
21 the country club was abandoned by the owners, and  
22 then they went into receivership with the City of  
23 Sebring as the receiver. And there was a mortgage,  
24 or a note and a mortgage secured by a mortgage that  
25 was given to the owners that had no mention of our

1 regulatory assessment fees in that.

2           So Kelley prepared a petition to enforce  
3 our agency action and intervene in the action. That  
4 led to a series of negotiations. At times it  
5 required a lot of diplomacy, but other times it  
6 required her to be very hardheaded, and I think she  
7 succeeded in both counts very well. In the end she  
8 negotiated a settlement that we've reached whereas  
9 the City of Sebring has, has given us a note for our  
10 regulatory assessment fees. It's secured by a  
11 mortgage on the utility property, and it takes  
12 precedence over the mortgage that was given to  
13 Mr. Harris.

14           Along with that, the Public Counsel  
15 intervened in the case as well. We worked with  
16 them, and I think through their efforts they got an  
17 agreement from the City of Sebring to ensure that  
18 there would be no fee on the customers to  
19 interconnect the Sebring system with Country Club,  
20 as well as that they would pay rates that are no  
21 different than other customers who are located  
22 outside the city. So it was just a wonderful  
23 conclusion to hard work, and I just wanted to  
24 acknowledge that. And also appreciate the City of  
25 Sebring because they worked with us to make this

1 happen.

2 **CHAIRMAN GRAHAM:** And you got OPC  
3 involved, huh? Do you know people over there?

4 **MR. BECK:** J. R., did you want to say  
5 something?

6 **MR. KELLY:** Mr. Chair, I'd just like to  
7 add my thanks to Kelley as well. She and Erik, Erik  
8 Sayler in my office worked on that case, and she and  
9 Kelley -- excuse me -- he and Kelley did a great job  
10 of, I think, protecting the consumers, protecting  
11 the Commission, and it was very much a win-win-win  
12 throughout. So I wanted to add my thanks to  
13 Kelley's fine work as well.

14 **CHAIRMAN GRAHAM:** I have to say I was glad  
15 to see that we are getting something out of that. I  
16 know as we were going down that path it seemed like  
17 that that utility was going to get away and there  
18 were going to be those funds that, you know, we  
19 weren't going to be -- we weren't going to get our  
20 hands on. And this is kind of a rarity for us, and  
21 so I do appreciate -- the first time. Well, there  
22 you go.

23 **MR. BECK:** And, Mr. Chairman, on a sadder  
24 note, I have to report that Adam will be leaving us.  
25 He's leaving next Thursday -- or Thursday next week



1 is his last day. We've been trying to twist his arm  
2 so badly to get him to stay, but he has family  
3 matters in Southeast Florida and needs to return  
4 there. So we're very sorry to see Adam go.

5 **CHAIRMAN GRAHAM:** Well, if we don't  
6 approve that, then he can't go; correct? Well,  
7 it's, it's going to be sad to see you go. And I do  
8 understand that you have things that you have to  
9 attend to, and good luck with all that.

10 **MR. TEITZMAN:** Thank you.

11 **CHAIRMAN GRAHAM:** Charlie, that's it?

12 **MR. BECK:** That's it. Thank you.

13 **CHAIRMAN GRAHAM:** Okay. Executive  
14 Director's report. Do you have good news, too?

15 **MR. BAEZ:** I have -- yeah, it's all good  
16 news after, after this early afternoon. And not to  
17 put too fine a point on it, it is, in fact, the  
18 first time that we've been able to secure this kind  
19 of result in defense of what winds up being our  
20 work. And it really gives you a glimpse of just  
21 what a -- the myriad of things that your legal  
22 department actually does. It's not, it's not really  
23 all about, yes, it's okay to amend the  
24 recommendation and we need administrative assist --  
25 you know, they actually step out of the regulatory

1 world on occasion more than, more than even I knew,  
2 and so this is a really good result. As, as the  
3 side of the house that's, that's most focused on, on  
4 our fees, I'm over the moon. I can't -- but I'll  
5 stop talking about it. Thank you, Charlie and Adam  
6 and Kelley.

7 We heard about hurricane preparedness for  
8 your utilities, and that actually creates a nice  
9 segue for, for me. We, we recently tested our  
10 Continuation of Operations Plan. We have to do that  
11 every year. We have to file it with the, with the  
12 Division of Emergency Management and -- so, so that  
13 our continuity as an agency, our work both here and  
14 in our branch offices out in Miami and Tampa also  
15 work in a coordinated fashion so that we can  
16 continue our work during a natural disaster.

17 Really quickly, we've tested all our  
18 emergency call trees. We do have, if you've  
19 noticed, signage designating, designating the  
20 location of safe locations inside the building, and  
21 we've reviewed those and updated them. And, and  
22 finally there's floor wardens that are designated  
23 for each floor to make sure that our, our employees  
24 and staff members keep -- are kept safe and directed  
25 in a proper manner, and each of them, to add, has

1 CPR certification. So we just wanted to let you  
2 know that we are all doing our part in terms of  
3 disaster preparedness.

4 A couple of quick announcements since we  
5 had -- we didn't have an Internal Affairs last  
6 month. The, the Commission recently presented a  
7 couple of Triple E awards -- the Es again for energy  
8 efficiency effort -- to two very deserving  
9 organizations.

10 The first is Guixens Food Group in Tampa.  
11 They are TECO customers. And their award -- or  
12 their efforts involved retrofitting their 55,000  
13 square foot warehouse, which gave them some savings.

14 And, secondly, Chairman Graham recognized  
15 Pastor Michael Hutchinson at the Power of Faith  
16 Ministries. They installed new ceiling insulation  
17 with the help of Florida Power & Light that actually  
18 made such an impact in financial terms on the church  
19 that it allowed it to add additional services with  
20 no increased energy cost. So that's -- that is how  
21 you translate savings into, into action. So we're  
22 very, very proud of not just the customers' efforts  
23 but the assistance of the utilities.

24 And, lastly, just reminding those of us  
25 that have reached a certain age that May is Older

1 Americans Month, and the Commission is doing many,  
2 many things around the state to help our seniors  
3 stay protected by staying informed. That includes  
4 sessions throughout the state to help seniors save  
5 money both on utility bills as well as avoiding  
6 scams. The presentations will give them also tips  
7 on energy, information about Lifeline assistance,  
8 the telephone discount program, and also ways to  
9 protect themselves from scammers. The schedule for  
10 activities I think should be up on our website, I  
11 believe. I'm looking for a nod. Okay. So you can  
12 find details about when they're occurring -- and  
13 anybody else listening -- from our website. And  
14 that concludes my report.

15 **CHAIRMAN GRAHAM:** Thank you very much. We  
16 are now to other business. I guess the first thing  
17 is session is over -- well, at least the first round  
18 of session, and I do want to congratulate both  
19 Commissioner Patronis and Commissioner Brown for  
20 their appointment.

21 (Applause.)

22 I don't know if you know this, but there  
23 were 338 appointments that, that Scott tried to  
24 make, and I think there was over 100 or so that did  
25 not go through this time. So -- and we know their

1 appointment is a little different than ours where if  
2 you don't get appointed, then there is other kinds  
3 of issues that kind of kick in, and we don't need to  
4 get into those details because --

5 **COMMISSIONER EDGAR:** It didn't happen.

6 **CHAIRMAN GRAHAM:** -- because it didn't  
7 happen, thank God. But I am glad that you guys made  
8 it through. And I think you guys represented very  
9 well -- at least the committee meetings that I went  
10 to and the Senators that I've talked to -- so that  
11 says a lot. I think this, this Commission has  
12 changed a lot since I've been here, and, and I'm  
13 glad that we are still Team Florida and we are still  
14 moving forward. And, Jimmy, it's great to have you  
15 on board, and Ryan back on board.

16 Any other matters to come before us?

17 Seeing none, I think we are adjourned.

18 Everybody travel safe.

19 (Internal Affairs adjourned at 3:03 p.m.)  
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1 STATE OF FLORIDA )  
2 : CERTIFICATE OF REPORTER  
3 COUNTY OF LEON )

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 May, 2015.

19 *Linda Boles*  
20 \_\_\_\_\_

21 LINDA BOLES, CRR, RPR  
22 FPSC Official Hearings Reporter  
23 (850) 413-6734  
24  
25