

I. Meeting Packet



State of Florida
Public Service Commission
INTERNAL AFFAIRS AGENDA

Wednesday, May 15, 2013

9:30 a.m.

Betty Easley Conference Center, Room 140

-
1. Hurricane Preparedness Presentation. (Attachment 1)
 2. Legislative Update. (No Attachment)
 3. Executive Director's Report. (No Attachment)
 4. Other Matters. (No Attachment)

BB/css

State of Florida



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-

DATE: May 2, 2013
TO: Braulio Baez, Executive Director
FROM: Melissa L'Amoreaux, Engineering Specialist II, Division of Engineering
RE: Briefing of the Eighth Annual Hurricane Preparedness Workshop

Critical Dates: Please place on the May 15, 2013 Internal Affairs. Information purposes only. No Commission action requested.

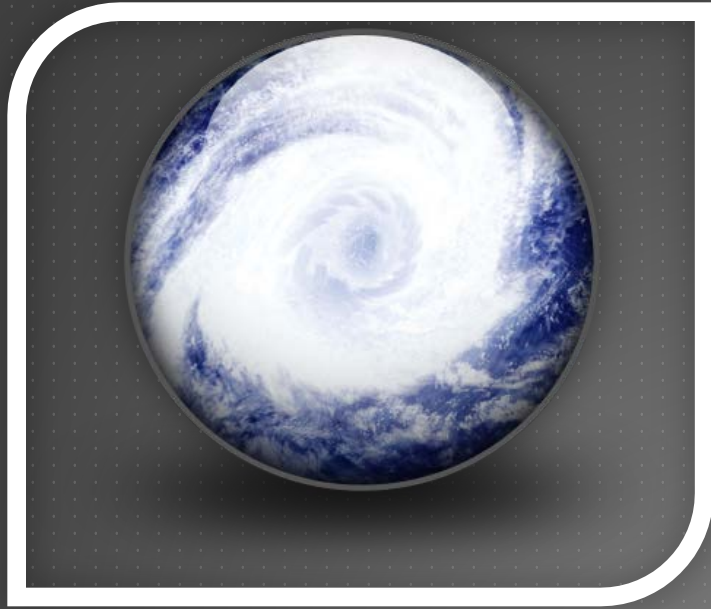
In 2006, the Florida Public Service Commission adopted a multifaceted approach and a response to ensure all utilities' infrastructures would be better able to withstand the impact of hurricanes and implement lessons learned from the 2004/2005 seasons. With that, the Commission adopted ten storm hardening initiatives and required investor-owned utilities to file formal storm hardening plans every three years subject to Commission approval. The second updated storm hardening plans were filed this month and are currently scheduled for Commission approval in the fall.

In a July 2007 report to the Legislature, the Commission recommended that Floridians maintain a high level of storm preparation. The annual hurricane preparedness workshop provides utilities and local exchange companies a forum to advise the Commission of their individual preparation activities.

After years with no hurricanes visiting Florida, we are pleased to say the utilities in Florida have not become complacent in their efforts to strengthen their infrastructure to withstand severe weather events. The Florida Public Service Commission will continue its efforts to review and analyze all hurricane preparedness programs as well as each utility's storm hardening plan. Attached is a PowerPoint presentation that staff will review at the May 15, 2013 Internal Affairs.

Attachment

cc: Chuck Hill, Deputy Executive Director - Technical
April Lynn, Deputy Executive Director - Administrative



HURRICANE PREPAREDNESS WORKSHOP OVERVIEW

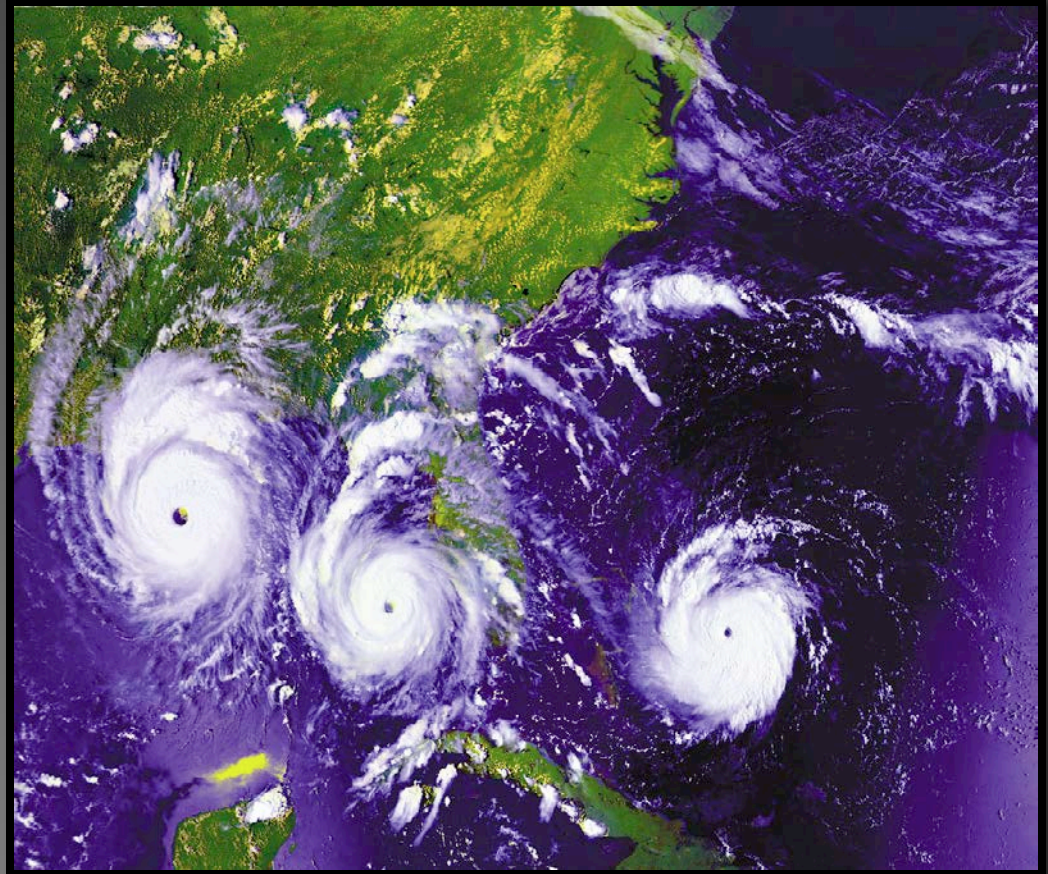
By: Melissa L'Amoreaux
Engineering Specialist II
Florida Public Service
Commission

OVERVIEW

- ▶ WHAT COMPANIES PRESENTED?
- ▶ WHAT WERE THE KEY TOPICS DISCUSSED?
- ▶ ANY CHANGES?
- ▶ WHY IS THIS WORKSHOP HELPFUL?
- ▶ WHAT THE PSC DOES TO ENSURE COMPANIES / RATE PAYERS ARE READY FOR THIS HURRICANE SEASON?

COMPANIES IN ATTENDANCE

- FLORIDA POWER & LIGHT
- PROGRESS ENERGY FLORIDA
- TAMPA ELECTRIC
- GULF POWER
- FLORIDA PUBLIC UTILITIES COMPANY
- MUNICIPALS
- COOPERATIVES



TOPICS

- Hurricane Drills
- Inspection Programs
- Hurricane Sandy
- Critical Infrastructure

FLORIDA POWER & LIGHT

- ▶ Annual preparations for FPL include extensive training, company-wide hurricane dry runs, organizing forensic teams, informing employees of the restoration plans, and active participation in the National Hurricane Conference.
- ▶ Since 2006, FPL has replaced more than 11,000 wood transmission structures and replaced ceramic post insulators on more than 3,900 structures.
- ▶ FPL deployed nearly 1,000 workers and additional resources to assist the 11 utilities to restore power following Hurricane Sandy.
- ▶ Since 2006, FPL has hardened 1,253 miles and 361 feeders, serving 385 critical infrastructure customers.

PROGRESS ENERGY FLORIDA

- ▶ Annual preparation and training continues. In addition to mock drills, PEF is looking to possibly modify different tactics due to lessons learned from Hurricane Sandy.
- ▶ Since 2006, PEF has replaced 17,800 poles that were identified in inspections. 4,600 of those were replaced last year alone.
- ▶ PEF deployed around 600 employees and contractors for Hurricane Sandy. This represented nearly 20% of PEF's entire workforce in Florida.
- ▶ PEF has completed all 57 projects that were listed in the 2010 storm hardening plan. More projects will be noted in the 2013 plan.

TAMPA ELECTRIC COMPANY

- ▶ **TECO** addressed its continued participation in internal and external preparedness exercises and collaborated with government emergency management agencies at local, state, and federal levels. In addition to mock drills, all emergency support functions were reviewed and personnel were trained.
- ▶ In 2012, **TECO** completed 54,000 pole inspections, hardened nearly 900 structures, replaced 700 structures and 200 sets of insulators. Since the beginning of the program, **TECO** has replaced 17,000 distribution poles and 4,600 transmission poles.
- ▶ **TECO** deployed about 115 linemen, substation crews, and support staff and 145 contractors for Hurricane Sandy. In addition, 50 customer service representatives helped answer customer calls.
- ▶ **TECO** completed two major hardening projects for critical infrastructure: St. Joe's major trauma center and the Port of Tampa, which has the ability to deliver 40% of Florida's natural gas supply. **TECO** is currently looking into other projects and will report these projects in the storm hardening plan.

GULF POWER COMPANY

- ▶ **Gulf continues to participate in both EOC and state drill events. District and local managers continue to interact with city and county personnel on a regular basis in order to stay informed for weather events. In addition to mock hurricane drills, Gulf reenacted a natural disaster event in which minimal notice was available.**
- ▶ **Since 2007, Gulf has replaced 4,049 distribution poles. Gulf completed the five-year guy installation program, of which 1,721 structures were unguyed. Gulf has also replaced 1,278 structures with its arm replacement program.**
- ▶ **Gulf deployed 48 line workers and 14 additional employees to assist with relief efforts for Hurricane Sandy. Gulf personnel worked safely in West Virginia, Pennsylvania, and New Jersey.**
- ▶ **Gulf has spent a total of \$1.3 million on critical infrastructure projects in 2012. This consisted of mainly substation feeders in different districts. More projects will be noted in the 2013 report. However, Gulf notes that it continues to plan on ramping up conversion to Grade B construction.**

FLORIDA PUBLIC UTILITIES COMPANY

- ▶ **Annually FPUC updates its emergency restoration plan and interactively trains employees on proper procedures as well as being actively involved with the EOC.**
- ▶ **To date approximately 26,000 poles have been inspected, of which 1,268 wood poles failed inspection. These poles are currently being prioritized and replaced based on worst poles first. 753 poles have been replaced so far. FPUC completed its six-year transmission line inspection during 2012.**
- ▶ **FPUC deployed 10 employees to help in the relief efforts for Hurricane Sandy.**
- ▶ **FPUC stated several projects were underway addressing critical infrastructure particularly on Amelia Island due to the vulnerability from hurricanes. Such projects include hardening of distribution feeders to Baptist Hospital, additional underground feeder to provide backup service to the south end of Amelia Island, and replacement of wooden transmission poles with concrete poles.**

CHANGES

- Hurricane Sandy
- Refined Storm Hardening Plans



WHY THIS WORKSHOP IS HELPFUL

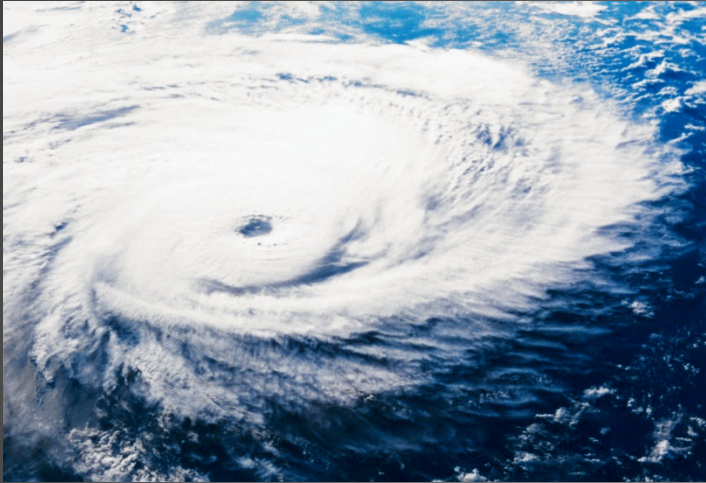
- Work Achieved
- Gain Insight
- Assist

WHAT THE PSC DOES TO ENSURE COMPANIES /
RATE PAYERS ARE READY FOR THIS HURRICANE
SEASON?

☐ ANNUAL HURRICANE
PREPAREDNESS
WORKSHOP

☐ PSC WEBSITE





CONCLUSION

QUESTIONS

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

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

III. Supplemental Materials Provided During Internal Affairs

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

IV. Transcript

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**STATE OF FLORIDA
PUBLIC SERVICE COMMISSION**

Internal Affairs Meeting
Wednesday, May 15, 2013
Betty Easley Conference Center, Room 140

P R O C E E D I N G S

CHAIRMAN BRISÉ: Good morning, everyone.

We'll go ahead and call this Internal Affairs meeting to order. Today is Wednesday, May 15th, 2013.

And so we will begin with our hurricane preparedness presentation.

MS. L'AMOREAUX: Well, good morning, Commissioners. My name is Melissa L'Amoreaux. And today I would like to discuss with you the Hurricane Preparedness Workshop held April 3rd, 2013. Before I begin, I would like to give you a brief overview of how this workshop was formed.

In 2006, the Florida Public Service Commission adopted a multi-faceted approach and a response to ensure all utilities' infrastructure would be better able to withstand the impact of hurricanes and implement lessons learned from the 2004/2005 seasons.

With that, the Commission adopted ten storm hardening initiatives and required investor-owned utilities to file formal storm hardening plans every three years subject to the Commission's approval.

The second updated storm hardening plans were filed this month, and are currently being reviewed in Docket Numbers 130129-EI, 130131-EI, 130132-EI, 130138, and 130139-EI.

1 In the July 2007 report to the Legislators,
2 the Commission cited that our most critical
3 recommendation, that Floridians maintain a high level of
4 storm preparation. The annual hurricane season
5 preparedness workshop provides utilities and local
6 exchange companies a forum to advise the Commission of
7 their individual preparation activities.

8 So with that, these are the sections I'm going
9 to cover with you today in my presentation: What
10 companies presented; what were the key topics discussed;
11 any changes; why this workshop is helpful; and what the
12 PSC does to ensure that ratepayers and companies are
13 ready for hurricane season.

14 The companies in attendance for this year were
15 Florida Power & Light, Progress Energy, which now is
16 Duke Energy, Tampa Electric, Gulf Power, Florida Public
17 Utilities Company, a representative from the
18 municipalities, and a representative from the
19 cooperatives.

20 The topics on the slide were the main subjects
21 discussed by every presenter at the hurricane workshop.
22 We talked about hurricane drills, inspection programs,
23 Hurricane Sandy, and critical infrastructure. And those
24 four topics I'm going to go over for each company, each
25 IOU.

1 Florida Power & Light told us that annual
2 preparations for Florida Power & Light included
3 extensive training, company-wide hurricane dry runs,
4 organizing forensic teams, informing employees of their
5 restoration programs, and active participation in the
6 National Hurricane Conference.

7 Since 2006, FPL replaced more than 11,000 wood
8 transmission structures and replaced ceramic post
9 insulators on more than 3,900 structures.

10 FPL deployed nearly a thousand workers and
11 additional resources to assist eleven utilities to
12 restore power to (sic) Hurricane Sandy. And since 2006,
13 Florida has hardened 1,253 miles and 361 feeders serving
14 385 critical infrastructure customers.

15 Progress Energy. Annual preparation and
16 training continues. In addition to mock drills, Duke is
17 looking into possibly modifying different tactics due to
18 the lessons learned in Hurricane Sandy. And since 2006,
19 Duke has replaced 17,800 poles that were identified in
20 inspections; 4,600 of those were replaced just last
21 year.

22 They deployed around 600 employees and
23 contractors for Hurricane Sandy. And this represented
24 nearly 20 percent of their entire workforce in Florida,
25 so they were very proactive.

1 Progress also completed all 57 projects that
2 were listed in their Storm Hardening Plan, and more are
3 going to be noted in their recent filing.

4 Tampa Electric. TECO addressed its continued
5 participation in internal and external preparation
6 exercises and collaborated with government emergency
7 management agencies at local, state, and federal levels.
8 In addition to mock drills, all emergency support
9 functions were reviewed and personnel were trained.

10 In 2012, TECO completed 54,000 pole
11 inspections, hardening nearly 900 structures, replaced
12 700 structures, and 200 sets of insulators. And since
13 the beginning of the program, TECO has replaced 17,000
14 distribution poles and 4,600 transmission poles.

15 TECO deployed about 115 linemen, substation
16 crews, and support staff, and 145 contractors for
17 Hurricane Sandy, in addition to 50 customer service
18 representatives that helped answer phone calls.

19 TECO completed two major hardening projects
20 for critical infrastructure, the St. Joe Major Trauma
21 Center, and the Port of Tampa, which has the ability to
22 deliver 40 percent of -- it's supposed to be gasoline
23 supply, not natural gas.

24 TECO is currently looking into other projects,
25 and those will be reported in their hardening plans that

1 were just filed.

2 On to Gulf. Gulf continues to participate in
3 both the EOC and state drill events. District and local
4 managers continue to interact with city and county
5 personnel on a regular basis in order to stay informed
6 for weather events. In addition to mock hurricane
7 drills, Gulf re-enacted a natural disaster in which
8 minimal notice was available, more like a tornado event.

9 And since 2007, Gulf has replaced 4,049
10 distribution poles. Gulf completed the five-year guy
11 installation program of which 1,721 structures were
12 unguyed. Gulf has also replaced 1,278 structures with
13 its arm-replacement program.

14 Gulf deployed 48 line workers and 14
15 additional employees to assist with the relief efforts
16 for Hurricane Sandy. Gulf personnel worked safely in
17 the West Virginia and Pennsylvania and New Jersey area.
18 We were informed after this PowerPoint slide was
19 completed that they also sent 22 support staff.

20 Gulf has spent a total of 1.3 million on
21 critical infrastructure projects for 2012, and this
22 consisted mainly of substation feeders in different
23 districts. More projects will be noted in the 2000
24 (sic) report. However, Gulf noted that it continues to
25 plan on ramping-up its Grade B conversions.

1 **COMMISSIONER EDGAR:** What's that?

2 **MS. L'AMOREAUX:** There's different grade
3 levels for different poles, and the higher the grade the
4 better it can resist wind, wind resistance. So Grade B
5 is pretty much like the best to withstand hurricane
6 events.

7 **COMMISSIONER EDGAR:** Thank you.

8 **MS. L'AMOREAUX:** Uh-huh.

9 And Florida Public Utilities. Annually, FPUC
10 updates its Emergency Restoration Plan and interactively
11 trains employees on proper procedures, as well as being
12 actively involved at the EOC.

13 And to date approximately 26,000 poles have
14 been inspected, of which 1,268 wood poles failed the
15 inspection. These poles are currently being prioritized
16 on the worst-pole level. 753 poles have been replaced
17 so far, and FPUC completed its Six-Year Transmission
18 Line Inspection Program in 2012.

19 They deployed ten employees to help with the
20 relief efforts with Hurricane Sandy. And FPUC stated
21 that several projects were underway addressing critical
22 infrastructure, particularly in the Amelia Island area
23 because of the vulnerability due to hurricanes. These
24 projects include hardening of distribution feeders to
25 the Baptist Hospital; additional underground feeders to

1 provide backup work service to the south end of Amelia
2 Island, and replacement of wooden transmission poles
3 with concrete poles.

4 I didn't go over the municipalities and the
5 cooperatives. There was one representative for all of
6 them, and they pretty much discussed the same stuff.

7 The next slide talks about changes. Every
8 company in attendance seemed to agree that change is
9 sometimes needed in order to improve Florida's
10 infrastructure. Lessons learned by deploying crews to
11 Hurricane Sandy were the main focus. Companies involved
12 in the restoration progress in the Northeast stated that
13 changes in the programs and trainings were possibly
14 needed.

15 In order to ensure Florida's electric
16 companies do not experience the same dilemmas, refined
17 post-weather event procedures are being looked at. In
18 addition, companies such as TECO and Gulf have also
19 modified their trim cycles as part of their vegetation
20 management programs to enhance the service of their
21 territory.

22 As stated earlier, investor-owned utilities
23 have filed their second storm hardening update -- storm
24 hardening plans, and any changes will be included in
25 these filings.

1 **CHAIRMAN BRISÉ:** Before you go forward --

2 **MS. L'AMOREAUX:** Yes.

3 **CHAIRMAN BRISÉ:** -- with respect to changes or
4 lessons learned from Hurricane Sandy, was there any
5 conversation about greater interaction between the
6 telephone companies and the electric companies, so that
7 now that most people are off of the copper wires and
8 they are greatly dependent on wireless and so forth, so
9 that the backup power is available so that there is
10 communication services available?

11 **MS. L'AMOREAUX:** Yes, I'm not -- I don't think
12 that it was widely discussed in the workshop. However,
13 there are programs in place and they constantly keep in
14 contact with these companies. And they report them in
15 their Storm Hardening Plans, and what programs they have
16 in place to keep the lines open with telephone
17 companies.

18 **CHAIRMAN BRISÉ:** Okay.

19 **MS. L'AMOREAUX:** It wasn't really discussed.
20 We kind of mainly discussed what they saw in Hurricane
21 Sandy and what they could probably -- lessons learned on
22 what we can do better here in Florida.

23 **COMMISSIONER BROWN:** In a similar vein with
24 regard to Hurricane Sandy, you said earlier that Duke is
25 employing different tactics as a result of lessons

1 learned from Sandy. Can you specify what those are?

2 **MS. L'AMOREAUX:** Not until we review the
3 plans. But they said that -- they gave a lot of
4 information on their slides, and I can provide the
5 slides to you that they gave. But they spoke about --
6 just their encounters on getting, moving to areas in
7 time, there was a lot of sitting around, and getting
8 work orders done. And so that was probably one of the
9 -- like, one of the lessons that they definitely are
10 going to try to switch with their program.

11 But their main focus was to just kind of let
12 us know what they saw, and that when they filed their
13 plans that those would be in there to kind of let us
14 know what they are going to change. We just got them on
15 May 3rd. And in preparing for this and everything else,
16 we really haven't fully looked at them. But once that's
17 done -- but I can provide the slides on what they said.

18 **COMMISSIONER BROWN:** Thank you.

19 **COMMISSIONER BALBIS:** A follow-up question.
20 You indicated you just received the plans May 3rd?

21 **MS. L'AMOREAUX:** Yes, sir.

22 **COMMISSIONER BALBIS:** How long will it take
23 staff to review the plans?

24 **MS. L'AMOREAUX:** Not long at all. Probably
25 about -- no more than a month and a half to two months.

1 **COMMISSIONER BALBIS:** Okay. I think it may be
2 better -- I don't know why May 3rd was chosen, because
3 that is near the start of the hurricane season.
4 Wouldn't it be better to have it due a little before
5 that so staff can review it before hurricane season
6 starts?

7 I don't know how the date was set, but --

8 **MR. BALLINGER:** I think the date might have
9 come from when the last ones were approved.

10 **COMMISSIONER BALBIS:** Okay.

11 **MR. BALLINGER:** They are on a three-year
12 cycle. I'll have to look at that. I don't think it's
13 specified in the rule of actually when they are due. It
14 may have been tied to when the first ones were done,
15 which went through a lengthy process because it was the
16 initial one there. So I can look at that.

17 **MS. L'AMOREAUX:** In 2007 it just happened that
18 it was -- they were filed in May. And so it said every
19 three years, and so now they've been filing in May.

20 **COMMISSIONER BALBIS:** Okay. It might be
21 something to think about for the next one. Maybe have
22 it due in March so that once it's reviewed, staff can
23 provide input before the start of the hurricane season.

24 **MR. BALLINGER:** This is not really for a
25 preparation of the season. This is a longer-term

1 hardening program. It is tied somewhat with storm
2 preparations, but the approval of the plan, I don't know
3 that it really is that critical to be done; but we can
4 look at that for sure.

5 **COMMISSIONER BALBIS:** Okay.

6 **MR. HILL:** Mr. Chairman? Excuse me.

7 **CHAIRMAN BRISÉ:** Sure.

8 **MR. HILL:** With respect to the coordination
9 with the telephone companies, I know back in 2006 there
10 was a major problem, and I know that our investor-owned
11 utilities through the EOC, we got together and had
12 several meetings with representatives from the telephone
13 companies to coordinate both at the EOC and on the
14 ground in the field where the damage has happened to
15 make sure that there is a direct connection of
16 communication between the power companies and the
17 telephone companies.

18 **CHAIRMAN BRISÉ:** That's helpful. Because
19 apparently that was one of the major challenges with
20 Sandy in the aftermath that, you know, part of the issue
21 wasn't the fact that the towers were not -- that the
22 towers were down or anything, it was just the fact that
23 there was no power in the towers, so people just didn't
24 have the ability to make calls. And since so many
25 people are off of the traditional line, that that

1 becomes a major issue.

2 **MR. BAEZ:** That's been something that's been
3 getting addressed from both sides. Not just the
4 restoration of the utility side, but the reserves that
5 the mobile companies actually put at their tower sites.

6 **MR. LEWIS:** Excuse me, Melissa.

7 Commissioners, I just wanted to answer your
8 question further about the problems after Sandy. One of
9 the things that was brought out -- I'm sorry, I'm
10 Clayton Lewis with staff -- the coordination efforts
11 seemed to be the big problem. There were issues with
12 getting trucks and personnel out of the parking lots.

13 **CHAIRMAN BRISÉ:** Right.

14 **MR. LEWIS:** So that is one of the emphasis
15 that the companies are working on. They realize that
16 Florida is blessed; we are farther ahead. So they are
17 looking at when they do assistance to other regions,
18 that they have their people meet off-site and have some
19 of their coordinating efforts. And even things such as
20 feeding people, and having the right personnel and the
21 supplies ready to go further so they have a productive
22 day. So that's the things that they are working on and
23 what we are expecting to be provided to us at a later
24 date.

25 **CHAIRMAN BRISÉ:** Thank you.

1 **COMMISSIONER EDGAR:** The advanced staging is
2 part of that preparation prior to. I know one of the
3 key factors, that when we looked back -- we meaning
4 everybody involved -- looked back at what we had learned
5 in '04 and '05, that advanced preparation staging is
6 key.

7 And my understanding from speaking with
8 utility representatives and with regulators from some of
9 those states in the Northeast, that some of those
10 lessons that we've learned had not completely
11 transferred prior to Sandy.

12 **MR. BAEZ:** I was going to say, a lot of what
13 you find out here is that there is more best practices
14 being exported from Florida than the other way around.
15 I mean, when we all sit here and use terms of lessons
16 learned, and we failed to emphasize who actually is
17 learning the lesson. Obviously it's a two-way street,
18 but, you know, back to what I said, there's a lot more
19 best practices going on. I think that's something that
20 we also need to recognize, that somehow we are setting
21 the bar out there. And that's something that we can all
22 be proud of, the whole community.

23 **CHAIRMAN BRISÉ:** Well, on that note, the
24 Telecommunications Committee at NARUC has recognized
25 that we are way ahead of the curve on this issue, and

1 they are sort of looking to us for a little bit of
2 guidance.

3 **MR. BAEZ:** It's a terrible way to get ahead of
4 the curve -- (Laughter.) -- but there is that, you know.

5 **CHAIRMAN BRISÉ:** Right.

6 **MS. L'AMOREAUX:** And two side-notes on one of
7 the storm hardening initiatives is the audits with
8 telephone companies that they have, so they are
9 inspecting the poles that they have with the telephone
10 companies.

11 And another side-note, the New Jersey State
12 Attorney General has contacted me for information on our
13 storm hardening plans and what exactly we do here in
14 Florida so that they can better prepare and start to try
15 to initiate their own storm hardening plan based on
16 ours. So that's a little exciting.

17 All right. Why this workshop is helpful.
18 This annual workshop is extremely helpful for three
19 reasons: First, it allows companies to brief the
20 Commission staff on work achieved to protect facilities
21 to date as well as work in progress.

22 Second, companies gain insight on what other
23 utilities in Florida are accomplishing in order to
24 maintain a high awareness of severe weather events.

25 And, lastly, we at the Commission are able to

1 address and assist in areas of vulnerability within a
2 service area.

3 And what the PSC does to ensure companies and
4 ratepayers are ready for this hurricane season. The PSC
5 is working diligently to make sure companies and
6 ratepayers in Florida are prepared for the hurricanes.

7 Not only does the PSC hold annual preparedness
8 workshops, but there are also many useful tools for
9 customers on our website. Under the consumer assistance
10 tab, the PSC provides hurricane tips such as what to
11 have in a disaster supply kit; what to do when power
12 lines go down; how to handle pets and outdoor objects,
13 just to name a few examples. In addition, the PSC
14 provides useful links to the American Red Cross,
15 FloridaDisaster.org, and the Florida Department of
16 Emergency Management.

17 And with that, that is --

18 **CHAIRMAN BRISÉ:** All right. Any further
19 questions?

20 **MR. BAEZ:** Commissioners, I didn't want to say
21 this earlier, because there's such a thing as piling too
22 much pressure on, but this was Melissa's first
23 presentation before you all.

24 **MS. L'AMOREAUX:** IA, yes.

25 **MR. BAEZ:** We thank her for her diligent work.

1 **MS. L'AMOREAUX:** Thank you.

2 **CHAIRMAN BRISÉ:** Well, thank you, Melissa.
3 You did a fantastic job this morning.

4 **MS. L'AMOREAUX:** I'm a little nervous.

5 (Laughter.)

6 **CHAIRMAN BRISÉ:** That's all right. We all get
7 nervous sometimes.

8 **COMMISSIONER BALBIS:** You can't let her off
9 this easy.

10 **COMMISSIONER BROWN:** Really.

11 **COMMISSIONER BALBIS:** I have twenty more
12 questions.

13 (Laughter.)

14 **CHAIRMAN BRISÉ:** All right. We're going to go
15 ahead -- thank you.

16 **MS. L'AMOREAUX:** Thank you.

17 **CHAIRMAN BRISÉ:** We are going to go ahead and
18 move to Legislative Update.

19 **MS. PENNINGTON:** Good morning.

20 **CHAIRMAN BRISÉ:** Good morning.

21 **MS. PENNINGTON:** This is my first presentation
22 also.

23 (Laughter.)

24 **COMMISSIONER BALBIS:** We're not going to go
25 easy on you.

1 **MR. KISER:** I don't think --

2 **MS. PENNINGTON:** No matter how hard I try.

3 Good morning. I just wanted to give you a
4 couple of brief updates this morning, and at the next
5 Internal Affairs meeting we'll be providing our regular
6 end-of-session summary in writing, just so that you can
7 have that throughout the year.

8 I want to talk first about the bill relating
9 to 366.93, Nuclear Cost -- Nuclear and IGCC
10 Cost-Recovery. That was one major bill that will impact
11 the way we do business. It may impact our rules; it may
12 require some rule revisions, et cetera. So we'll take a
13 look at that one first.

14 And then a couple of other bills that we are
15 looking at final versions to see if -- we kind of
16 watched them through the session, monitored those bills
17 to see if the final version has any impact on us.

18 And then, finally, over just a couple of bills
19 that died, but very likely will be back, that we
20 monitored and you may have some interest in.

21 So the first bill, 1492 (sic), has been
22 enrolled and has not yet gone to the Governor's Office.
23 It amends several sections of 366.93, relating to the
24 cost-recovery. The first thing it does --

25 **COMMISSIONER BROWN:** Katherine, I'm sorry for

1 interrupting, is it 1492 or 1472?

2 **MR. BAEZ:** 72, I think.

3 **MS. PENNINGTON:** Thank you so much. It's
4 1472.

5 **COMMISSIONER BROWN:** Okay.

6 **MS. PENNINGTON:** 1472, thank you.

7 The first thing it does is it changes the way
8 that the AFUDC carrying cost rates are calculated. As
9 you know, those carrying costs are calculated based upon
10 the date that the law was implemented. Beginning with
11 this legislation, assuming -- this is all assuming the
12 Governor signs the bill, they'll be calculated on the
13 IOU's most recently approved pre-tax AFUDC rate at the
14 time that recovery is sought.

15 The result is that, for instance, with FP&L,
16 it will decrease their rate from 7.42 percent to
17 6.41 percent, which is the current rate. And for
18 Duke/Progress from 8.84 percent to 7.44 percent. So
19 that's pretty significant going forward, if those rates
20 were to remain -- fixed --

21 **MR. BAEZ:** Static.

22 **MS. PENNINGTON:** Static. Fixed; static --
23 which, of course, they won't. But if they were, for
24 instance, with the Levy Project, that would save 870
25 million over the total cost of the project. So this

1 change in the AFUDC rate is probably one of the most
2 significant parts of the legislation.

3 Something else it does is it puts some
4 incremental steps in the bill in that it requires, first
5 of all, that it limits -- during the licensing and
6 certification process, it limits cost-recovery to only
7 costs that are associated with licensing and
8 certification.

9 And as Mark explained to us when we were
10 looking at this bill during session, that there are some
11 costs associated with on-going activities that may not
12 be related to -- certification that we'll be taking a
13 look, or that you all will be taking a look at during
14 the NCRC proceedings.

15 And then we go in increments. It requires PSC
16 approval. Once licensing and certification is obtained,
17 it requires PSC approval. The IOU must come back to the
18 Commission and petition for approval to proceed with
19 pre-construction. And at that time the agency, the
20 Commission must determine that the facility remains
21 feasible and that project costs are reasonable.

22 The same thing for the construction phase, the
23 IOU must, again, petition. It does not require -- the
24 final version of the bill does not require
25 preconstruction to be complete before the IOU comes in

1 to petition for construction costs, or approval to
2 proceed with construction. One version of the bill did
3 that, but the final version, there is some ability to
4 overlap there.

5 It also creates a new subsection in 366.93
6 that talks about what happens if the IOU does not build
7 the facility within a certain period of time. First of
8 all, if construction does not begin within ten years,
9 the IOU must petition the Commission to preserve the
10 opportunity for future recovery through the clause. And
11 at that time the Commission makes a determination that,
12 yes, indeed they do still intend to build the facility,
13 but if the Commission determines there's a lack of
14 intent to build it, it may prohibit future cost-recovery
15 under this section.

16 It also precludes the alternative
17 cost-recovery if the IOU has not begun construction
18 within 20 years. That's sort of a drop-dead date.
19 However, traditional base rate recovery would be
20 available. It's not shutting you out of everything.

21 It also revises 366.93(3), that the Commission
22 must find -- or may find that the utility intends to
23 construct the plant by determining by a preponderance of
24 the evidence that it has committed -- that it has
25 committed sufficient, meaningful, and available

1 resources to enable the plant to be completed, and that
2 the utility's intent is realistic and practical.

3 The language that I think I spoke to you about
4 at one point during the legislative session which
5 required the agency to conduct a comprehensive review,
6 and that language also at one point was in proviso
7 language, that was removed from the bill. And this
8 language that appears to rely upon the Commission
9 discretion to determine what is sufficient, meaningful,
10 realistic, and practical. So that's --

11 **CHAIRMAN BRISÉ:** The proviso language died in
12 conference?

13 **MS. PENNINGTON:** It moved. It was removed in
14 conference committee, yes, sir.

15 Any questions about that bill? And we will be
16 providing you with some summary points as well for that
17 bill, if you were asked questions.

18 **COMMISSIONER BROWN:** Can I?

19 **CHAIRMAN BRISÉ:** Sure.

20 **COMMISSIONER BROWN:** Katherine, do you think
21 this is really the tipping point of some future
22 substantial changes? From your experience and from what
23 you've heard during all the different discussions on
24 this bill, do you think that this is just the beginning?

25 **MS. PENNINGTON:** My crystal ball is not that

1 clear, Commissioner Brown, and I would not want to go
2 there. But what I can tell you in discussions,
3 especially with the Senate sponsors on this legislation
4 who had wanted something even a little tougher at one
5 point during the session, that they -- and they were not
6 real happy about some language coming out of the bill at
7 the last minute that related to refunds, that they did
8 indicate we'll come back next year and try to get some
9 of these things that didn't get in the bill this year.
10 So that's one thing I can tell you.

11 And I think that any time you pass something
12 that does have a significant impact, the Legislature is
13 going to come back and take a look to see how it has
14 worked. But other than that, I'm not going there with
15 my crystal ball.

16 **MR. KISER:** Mr. Chairman?

17 **CHAIRMAN BRISÉ:** Sure.

18 **MR. KISER:** In answer to your question, yes, I
19 think they are coming back. Yes, the people that want
20 to do away with the whole clause are energized. You saw
21 the article in Sunday's paper talking about the cost of
22 nuclear versus natural gas. I think there's going to be
23 much more of that kind of look. And I think that they
24 are going to look very closely at how we implement this
25 new section.

1 It's going to be -- they are going to be right
2 on top of it. So I think it is coming back, and I think
3 a lot more questions are going to be asked, and we'll
4 just have to see how it plays out. But that's my read
5 on it from the discussions I've had with people.

6 **COMMISSIONER BROWN:** Can we talk about how we
7 plan on implementing it this year?

8 **MR. BAEZ:** Well, can I just interject? I'm
9 very wary of discussing implementation on something that
10 hasn't become law yet.

11 **COMMISSIONER BROWN:** That's a good answer.

12 **MR. BAEZ:** So --

13 **COMMISSIONER BROWN:** Good answer.

14 **MR. KISER:** He dodged that one, didn't he?

15 (Laughter.)

16 **MR. BAEZ:** And just as a prelude to it,
17 Commissioner -- I'm sorry, I'm not trying to shut down
18 the discussion; that's not my intent.

19 **COMMISSIONER BROWN:** Thank you.

20 **MR. BAEZ:** But there is -- you know, there's
21 an appropriate time to talk about implementation, and
22 maybe this isn't it, especially when we are still trying
23 to deal with how we're going to propose to implement it.
24 I don't think that has been reduced to writing, if you
25 will.

1 **COMMISSIONER BROWN:** Braulio, when is our next
2 Internal Affairs, though?

3 **MR. BAEZ:** It is in June. I don't have a --
4 the 25th. So that would have been -- that would have --
5 I'm not clear on what the cut-off date for signing of
6 the bill. Does anyone --

7 **MS. PENNINGTON:** There's no cut-off date.
8 It's only fourteen days once it gets to the Governor.
9 There's no cut-off for getting it to the Governor.

10 **MR. BAEZ:** That's my impression.

11 **CHAIRMAN BRISÉ:** But what date does it --

12 **MS. PENNINGTON:** July 1.

13 **MR. BAEZ:** July 1.

14 **MS. PENNINGTON:** Yes, sir.

15 **CHAIRMAN BRISÉ:** So anytime between now and
16 July 1, in essence -- it's not in effect. So anytime
17 after July 1, it's in effect. So I think we could be
18 doing the work before then, and then post July 1 we can
19 really start talking about implementation.

20 **COMMISSIONER BROWN:** That's what I'd like.

21 **MR. BAEZ:** What I had wanted to finish up
22 saying is that it's our intention to have digested the
23 bill and then have a proper discussion as to how the
24 implementation of it, how we would propose to implement
25 it. It's ultimately you all's decision to have, you

1 know, to have the discussion of whether our proposal
2 meets with your --

3 **COMMISSIONER BROWN:** I just want to be
4 proactive.

5 **MR. BAEZ:** Oh, it is -- we are being as
6 proactive as we can be, given the uncertainty at this
7 point of whether we need to be more active or not.
8 That's kind of -- I know it's convoluted, but --

9 **CHAIRMAN BRISÉ:** Commissioner Balbis.

10 **COMMISSIONER BALBIS:** And I think on the same
11 vein of being proactive, I mean, we have testimony
12 coming in for this year's clause proceedings. So I
13 don't want to have to wait until an Internal Affairs
14 discussion to have staff -- I'm prehearing officer on
15 the clauses, so if there's something that we need to
16 modify --

17 **MR. BAEZ:** We're discussing it in the back
18 room as we speak, among staff as we speak. I'm not sure
19 -- and if it is your pleasure, Commissioners, we will
20 come forth with an implementation project on the bill,
21 if that is the point in time at which it's your pleasure
22 to discuss it.

23 **CHAIRMAN BRISÉ:** Let me jump in here. My
24 conversation with the Executive Director and with our
25 General Counsel on this has been this; first of all, we

1 need to understand what the language says and sort of
2 lay out what the changes are. Once we identify what the
3 changes truly are, then we can start talking about what
4 changes we need to have within our processes and so
5 forth.

6 So I think they are in the process of doing
7 that now. And understand this, as Curt alluded to,
8 there's the language of the bill, then there's the
9 intent, and then there's all the pitfalls around it. So
10 we have to be very cautious as to how we deal with this.
11 So I think it's most appropriate for us to have
12 something in writing before us before we truly begin
13 having discussions on things that may not say what we
14 think they say. So --

15 **MR. BAEZ:** Mr. Chairman, if I might. In
16 further answer to your question, Commissioner Balbis,
17 all of the timing and the upcoming clause hearings and
18 how whatever we -- whatever you all decide is proper to
19 implement gets implemented has that in mind, as well.
20 So it will be our goal to consider the whole of how it
21 gets dovetailed into processes that already exist.

22 **COMMISSIONER EDGAR:** Thank you.

23 **CHAIRMAN BRISÉ:** Commissioner Edgar.

24 **COMMISSIONER EDGAR:** Mr. Chairman, as is
25 usually the case, I could not agree more with the

1 comments that you just shared with us. Thank you, of
2 course, for -- I know you being proactive and working
3 with our staff during the session and immediately after
4 the session as we are all trying to figure out where the
5 dust had settled.

6 But with that said, you know, we have here
7 what is termed legislative update. Our staff just
8 labeled this significant legislation. And, therefore,
9 for us to have the opportunity to ask some very general
10 questions is to me different than asking for today a
11 detailed implementation plan.

12 **CHAIRMAN BRISÉ:** Sure.

13 **COMMISSIONER EDGAR:** I think there's some
14 space in between there. So I just have two questions
15 immediately. One would be, since you have just labeled
16 this significant, what is it that you deem significant?

17 And secondly, Katherine, you noted that -- I
18 believe I heard you say that a new provision in the
19 statute requires a feasibility analysis after a NRC
20 license would be received. How is that feasibility
21 analysis different than the feasibility analysis that we
22 have done on a year-by-year basis?

23 **MS. PENNINGTON:** After the licensing is
24 received?

25 **COMMISSIONER EDGAR:** After the license is

1 received.

2 **MS. PENNINGTON:** Okay.

3 **COMMISSIONER EDGAR:** If I heard you correctly.

4 **MS. PENNINGTON:** Okay. Let me answer that
5 question first. Once the license and certification is
6 obtained, the IOU must come back to the Commission and
7 petition for approval to move forward with
8 pre-construction. It does not specify a feasibility
9 analysis, per se, except that --

10 **COMMISSIONER EDGAR:** I thought that's what you
11 said.

12 **MS. PENNINGTON:** -- the facility remains
13 feasible, and that the costs are reasonable, projected
14 costs are reasonable, which is -- and it does not
15 require -- that's one thing, one of the things that
16 Mark's unit will take a look at, is just how that
17 relates to the feasibility analysis that is currently
18 conducted every year. And that's one of the things that
19 they will take a look at is how that will mesh into what
20 we are -- do existing for that.

21 **COMMISSIONER EDGAR:** Thank you.

22 **MS. PENNINGTON:** And then the answer to your
23 first question is, it's significant in that it's
24 probably one of the first times since I've actually been
25 here that there will likely be, from Mark's unit working

1 with the Executive Director's Office, that there will be
2 an implementation plan. There may or may not be rule
3 revisions.

4 So there are several factors that staff will
5 take a look at to ensure implementation goes smoothly.
6 So it would -- and it may change the way business is
7 conducted. So we don't know that yet, but because of
8 that it -- significant might not be the right word, but
9 it's more than passing legislation.

10 **MR. KISER:** Well, it's significant just from
11 the dollar amount --

12 **MS. PENNINGTON:** Well, that is significant.

13 **MR. KISER:** -- that she has specified on the
14 AFUDC rate. I mean, that's a pretty hefty chunk. And I
15 would also point out that during the whole process that
16 the two utilities that are in the nuclear business
17 opposed the bill, did not want any changes, did not
18 approve any of those changes. So we have yet to hear
19 anything from them either, yet, and probably it will
20 have to play out a little bit, as to whether this
21 affects whether they go forward or not.

22 There was always -- one of the issues was,
23 well, how much changing to the current law can you do
24 without them saying, well, we're not going to do this
25 anymore because you have now taken away so many

1 incentives to do it. They have been real silent about
2 that, so we don't know where they are in that process.

3 But in terms of significant, I guess it is
4 significant because obviously this whole process
5 involves a lot of money, and they've changed and put in
6 some new requirements in terms of these reviews. And
7 the loss of -- from the company's perspective, a loss of
8 a significant amount of revenue, because that AFUDC rate
9 is going to be changed to a rate that fluctuates each
10 year as opposed to one that was set that they get
11 through the whole time period. That's going to change
12 each year.

13 **MS. PENNINGTON:** One of the other changes in
14 the legislation is that it adds a -- I think Mark's word
15 has been a layer, perhaps a layer of regulatory approval
16 required in that they must come back. The IOU must come
17 back to the Commission before it can proceed with
18 preconstruction and construction. That is a new step in
19 the process, and they are taking a look at, you know,
20 how that will be implemented.

21 So there is some -- and then there is
22 something else in the bill that basically says during
23 the preconstruction phase any preconstruction materials
24 or equipment purchases that exceed 1 percent of the
25 total project cost must be approved by the Commission.

1 It sounds a little bit like almost a contract manager
2 approach to it, and they'll be sorting out what exactly
3 that means, and what is a preconstruction material or
4 preconstruction equipment. How that will be defined,
5 because it is not defined in the legislation.

6 **CHAIRMAN BRISÉ:** Mark, you joined us at the
7 table. Is there something you wanted to --

8 **MR. FUTRELL:** Just in case there's any
9 questions. Since there may be some questions, and so
10 I'm --

11 **CHAIRMAN BRISÉ:** All right.

12 **COMMISSIONER BROWN:** Well, I look forward to
13 additional briefings with our staff. And I know my
14 Commissioners, fellow Commissioners also will welcome
15 that, too, especially prior to our next Internal Affairs
16 meeting. So, thank you, Katherine.

17 **MS. PENNINGTON:** Uh-huh.

18 A couple of other bills that we kind of passed
19 that really don't affect the agency too much or just
20 might be of interest to you. One is Senate Bill 2,
21 which is the Ethics Bill, and our legal staff are
22 looking at that right now. And I don't have a summary
23 of the final document for you. A lot of things went
24 into and out of that bill during the legislative
25 session, but I don't think that there are any big

1 jump-out-at-anybody surprises. At one point there was,
2 like, an eight-year prohibition on post-service
3 employment or something like that, but that kind of
4 stuff is not in this legislation. But we will be
5 providing that summary when we do our end-of-session
6 summary.

7 The public meetings bill. I talked about that
8 one a little bit last year; it did not pass. It did
9 pass this year. We don't see any adverse impact or any
10 changes to our current processes simply because the only
11 wording in the bill last year that caused us to ask a
12 couple of questions has been changed a little bit. And
13 that was the language that, you know, you had to provide
14 an opportunity for public testimony at a public hearing
15 prior to a decision being made.

16 The language last year said that you could --
17 it didn't have to be the meeting at which the decision
18 was made as long as it was -- the public hearing was
19 held in close proximity to the location where the
20 decision was made, which when we have service hearings
21 in the service areas, and then in Tallahassee you make
22 your decision -- we weren't real sure. But that
23 language has now changed to that it must be approximate
24 time, close in time to the time that the decision is
25 made. So we don't see anything changing how we do

1 business with that one.

2 The --

3 **MR. KISER:** Katherine, let me --

4 **MS. PENNINGTON:** Yes, sir.

5 **MR. KISER:** Mr. Chairman?

6 **CHAIRMAN BRISÉ:** (Indicating.)

7 **MR. KISER:** Last year, some of you may recall,
8 we were a little concerned. Because when we are in our
9 quasi-judicial operation and we've had service hearings
10 and customers have already had an opportunity to speak,
11 one of our concerns was that they would then come to the
12 rate hearing and want to be heard all over again, and
13 that the bill, you know, might authorize that.

14 But we received assurances that the language
15 that was in there, and I was assured, again, by
16 Senator Negron that when we are acting in our
17 quasi-judicial mode, as long as those people have had a
18 chance somewhere along the process, that they could not
19 use that as a right they had of getting heard right at
20 the time the rate hearing is being held. That would be,
21 you know, pretty much the Commission and the parties and
22 that's it. So that continued on. We got those
23 assurances last year, and that's still, I think,
24 protected.

25 **MS. PENNINGTON:** Just a couple more. There

1 was a pretty big, mostly voluminous piece of legislation
2 relating to administrative procedures which just changed
3 noticing requirements and rule challenges and things
4 like that. That did not pass. And so we do expect to
5 see some administrative procedure laws proposed again
6 next year.

7 You heard and read about some of the
8 fracturing bills. The bills that were before the
9 Legislature only required DEP to maintain a chemical
10 registry of the substances that were used in the
11 fracturing process, and then there was a public records
12 exemption relating to that. Those bills did not pass
13 either, so those are two that I would expect to return.

14 Representative Mayfield had a bill we spoke
15 about relating to water utilities, that when the utility
16 has customers outside the city boundary and how they
17 would, that they would be represented by, they would be
18 regulated by the Public Service Commission. That bill
19 did not pass either. She's still very interested in
20 that, as I'm sure you know, so we may see that bill back
21 next year.

22 Those are the only things I wanted to
23 highlight today, and then at the next Internal Affairs
24 meeting we will provide the final summary for you. And
25 hopefully by then the Governor will have acted on all of

1 these.

2 **CHAIRMAN BRISÉ:** All right.

3 **MS. PENNINGTON:** I didn't know if Braulio
4 wanted to talk about the budget. That's probably --

5 **MR. BAEZ:** Yes, I've got some brief -- again,
6 harkening back to the things that are not yet final,
7 but --

8 **MS. PENNINGTON:** The clock is ticking on that
9 one, though.

10 **MR. BAEZ:** The clock is ticking. I think the
11 Governor has until May 24th to sign the budget. So I'll
12 give you brief highlights of the Conference Report.

13 As I had told you before, our budget, we had
14 presented a continuation budget. It came through pretty
15 clean. There's only a couple of notable reductions.
16 We've got a current year budget reduction of \$92,000
17 that's tied to DMS's real estate initiatives, so that's
18 mostly rent and space related. And beyond that, a
19 recurring reduction of \$100,000.

20 We went through practically untouched, I'm
21 pleased to say. And there are other small reductions
22 and adjustments for data processing and the like, so
23 nothing major there.

24 Major points relevant to us, there are pay
25 increases in the Conference Report. The larger one

1 effective October 1st, 2013, is \$1,400 for employees
2 earning 40,000 or less; one thousand for those earning
3 more than 40,000, and that includes all the employees,
4 all the way to the top of the agency.

5 And then there's a merit bonus component,
6 also effective October 1st. It's a \$600 one-time bonus
7 for all eligible permanent employees. There are some
8 requirements. The most notable one is that there is a
9 percentage requirement, maximum 35 percent of your
10 agency FTEs. For us that works out to about 100/102
11 positions.

12 The other components briefly are a little bit
13 more complicated, they involve the evaluation
14 components. Part of that also includes a peer
15 evaluation. So our HR folks and our Administration
16 folks are trying to figure out how we're going to
17 implement that piece, and if there are more effective
18 ways for us to be able to implement it. But like I
19 said, that's a May 24th date for the conference report.

20 **CHAIRMAN BRISÉ:** Any questions on the budget?

21 **MR. BAEZ:** And then the last little nit, we
22 heard about the storm preparation efforts and storm
23 hardening efforts of our utilities. Just to remind you
24 that we, too, engage in disaster-type preparations. So
25 our COOP Plan, the Continuity of Operations Plan, has

1 been updated and submitted to the Division of Emergency
2 Management, as well. Things like call-trees, who calls
3 who, when and where, has been updated, tested and
4 confirmed. Critical assessment teams, critical incident
5 assessment teams have been laid out. The first-aid kits
6 have been re-stocked with Reader's Digest, because, you
7 know, laughter is the best medicine.

8 We've also, on a serious note, we've also
9 updated our best practices in terms of handling
10 suspicious packages, as well, so our troops have been
11 properly trained and informed and updated on how to do
12 that.

13 Emergency PA systems have been rolled out on
14 our switch. Signage of safe locations and CPR training
15 for all of those floor wardens. That's a scary term,
16 but we've got to call them something, right? They've
17 all been certified with CPR. So we're, you know, in
18 short, we're ready to go for whatever happens.

19 And if you all don't have any questions,
20 that's the end of mine.

21 **CHAIRMAN BRISÉ:** All right. Any questions?

22 **COMMISSIONER BROWN:** Good job on the budget.

23 **MR. BAEZ:** Well, we were fortunate. I think
24 sometimes it's better to be lucky than good.

25 **CHAIRMAN BRISÉ:** Right.

1 (Laughter.)

2 **MR. BAEZ:** And we did have a lot -- it was a
3 lot of hard work by a lot of people, I should mention
4 that. Not just on the legislative and technical side,
5 but in the administration and the budget side, as well.
6 So we are very, very fortunate, as I've already said, to
7 have good relationships over in the Legislature, and
8 they came true this time around. So thanks to all who
9 were involved, really.

10 **CHAIRMAN BRISÉ:** Any other matters to bring up
11 today?

12 **MR. KISER:** Hotdog party.

13 **CHAIRMAN BRISÉ:** Yes.

14 **MR. BAEZ:** Yes, there is. There is the
15 trademark "Hot Diggitty Dog" following Internal Affairs.
16 Feel free to join us under the oak in the front yard.

17 **CHAIRMAN BRISÉ:** All right. If there's
18 nothing else before us today, Commissioner Graham moves
19 we rise.

20 (The Internal Affairs meeting concluded at
21 10:30 a.m.)

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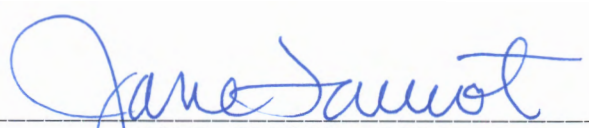
CERTIFICATE OF REPORTER

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, 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' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 28th day of May, 2013.



JANE FAUROT, RPR
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