

I. Meeting Packet



State of Florida
Public Service Commission
INTERNAL AFFAIRS AGENDA

Thursday, June 9, 2016

1:00 pm

Room 105 - Gerald L. Gunter Building

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1. City of Tallahassee's Energy Initiatives
The Honorable Nancy Miller, Commissioner, City of Tallahassee
(Attachment 1)
 2. Legislative Implementation
(Attachment 2)
 3. Clean Power Plan Update
 4. General Counsel's Report
 5. Executive Director's Report
 6. 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.

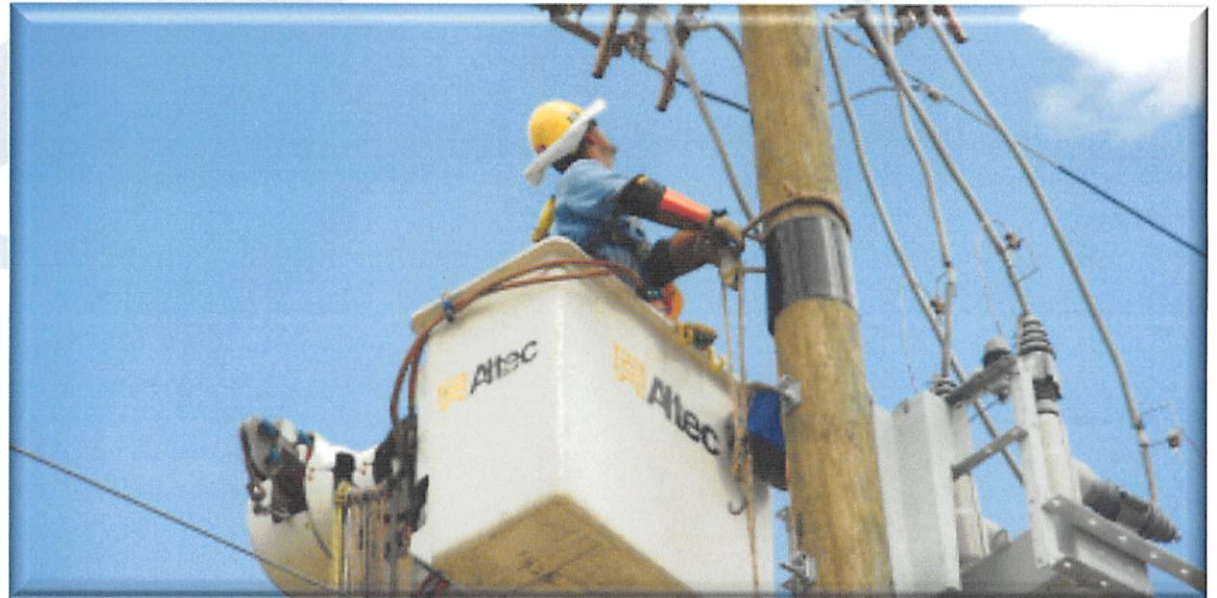
Tallahassee's Energy Initiatives



Nancy Miller | City Commissioner | City of Tallahassee

- Citizen Owned Municipal Utility since 1902.
- Generation, Transmission, and Distribution.
- 26th Largest Public Utility in U.S.

- 221 Square Miles of Service Area
- 746 MWs of Generation
- 194 Miles of High Voltage Transmission
- 2,850 Miles of Distribution (60% is Underground)



- The City of Tallahassee Owns and Operates Three Power Plants.
- One of the cleanest fleets in the U.S.

- Two State-of-the-Art Combined Cycle Units.
- Purdom Unit 8 - 2000
- Hopkins Unit 2 - 2008, recognized by Power Magazine as one of the top six natural gas power plants in the world in 2011.



Photo of City of Tallahassee Hopkins Units 2

Energy Smart Plus Programs



Neighborhood
REACH



Double
Rebates



Energy-Efficiency
Loans



ENERGY STAR
Appliance Rebates



Free Home
Energy Audit



Nights & Weekends
Pricing Program



Ceiling Insulation
Grants



e+ Online
Account Manager



WRAP
Program



PeakSmart
For Your Businesses



Good Neighbor
Program

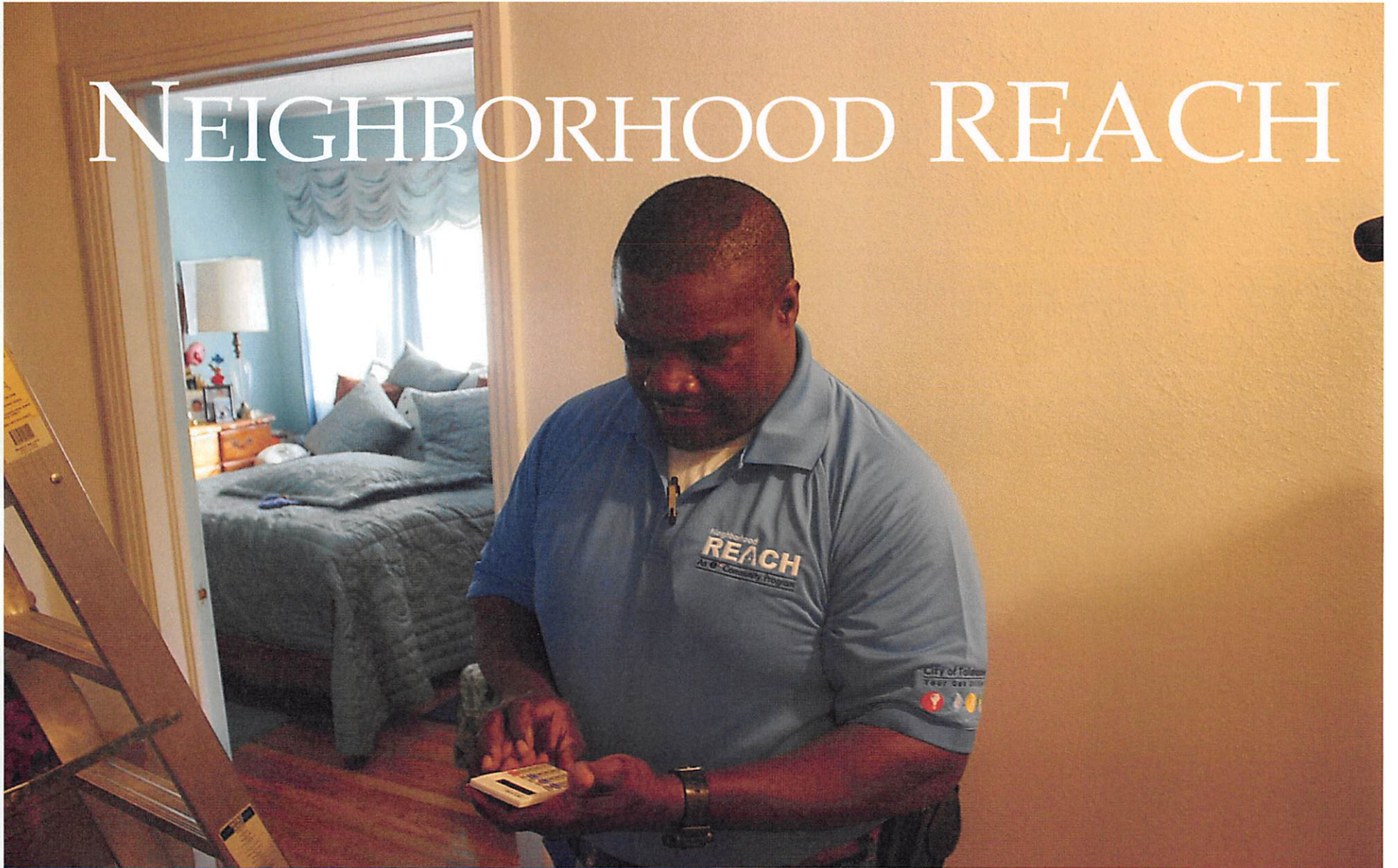


Paperless
Utility Bill

City of Tallahassee
Your Own Utilities™



NEIGHBORHOOD REACH

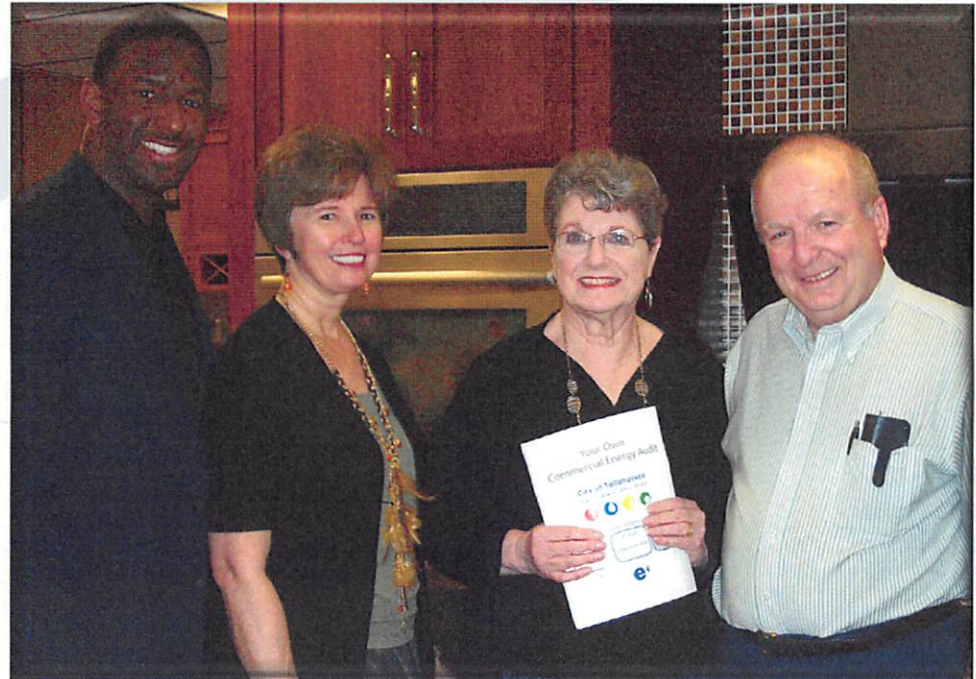


- Neighborhood REACH began in 2010.
- The program was a key element of Tallahassee's 2015 All America City Designation.

- 7,400 Homes Served
- 6,300 MWh of Annual Energy Savings
- \$750,000 in annual customer participant savings



- The Double Rebates Program is a one-of-a-kind promotion of the energy efficient appliance rebate program.
- Implemented on a time-limited basis to create urgency and leverage other incentives such as the Sales Tax Holiday.
- More than \$150 million in local spending since 2008 from the Double Rebate program and the traditional e+ rebate program.



- Tallahassee's Energy Efficiency Loan Program began in 1983.
- One of only two utility loan programs in Florida.
- Approx. 500 loans per year
- More than \$3 million in loans each year
- Typical loans are for:
 - HVAC units
 - Windows
 - Appliances
 - Roofs



- Construction is scheduled to begin this summer on a 20 MW Solar Farm at the Tallahassee International Airport

- Community Solar by subscription
- 100 acre farm
- Over 40 million kWh of energy each year
- Enough energy to power 3,400 homes



Briefing of the Florida Public Service Commission on the City of Tallahassee's Energy Initiatives

Nancy Miller, Tallahassee City Commissioner
June 9, 2016

The City of Tallahassee provides electricity to more than 117,000 customers in a 221-square-mile service territory in and around Tallahassee. It operates three generating stations with 12 generating units capable of generating 746 MWs during the summer season. Two state-of-the-art combined cycle units, Purdom Unit 8 and Hopkins Unit 2, anchor the generating fleet. More than 90% of the system's energy needs are met with natural gas generation, which results in a low carbon output per MWh of less than 1,000 pounds of CO₂ per MWh. Tallahassee's transmission and delivery consists of approximately 200 miles of transmission network and approximately 3,000 miles of distribution network (approximately 60% is underground).

More than 30 years ago, the City began implementing programs and measures to foster conservation and provide assistance to its customers. While the City is not subject to the requirements of the Florida Energy Efficiency and Conservation Act (FEECA), and therefore not required by the Florida Public Service Commission to meet annual conservation goals, the City is committed to a robust Demand Side Management (DSM) program. After nearly 30 years of successful conservation programs, in 2008 the City Commission placed additional emphasis on energy conservation with the aim at delaying the need for new capacity. Today, Tallahassee's customer programs include: Free Residential and Commercial Energy Audits, Energy Efficient Appliance Rebates, Low Interest Energy Loans, Ceiling Insulation Grants, the Neighborhood REACH program, the Nights and Weekends pricing program, an online account management tool, and more. A double appliance rebate program was also offered on a time-limited basis in 2010, 2013, and 2014 with great success.

Complete DSM Program List

Free Energy Audits	Nights and Weekends Pricing
Energy Efficiency Loans	Commercial Demand Response
Ceiling Insulation Grants	Solar PV Net Metering
HVAC and Hot Water Leak Repair Grants	Variable Speed Pool Pump Rebates
Energy Star Appliance Rebates	Solar Water Heater Rebates
Duck Leak Repair Grants	Double Rebates

Other Customer Programs

E+ Online Account Management Tool	Smart Bill
Good Neighbor Program	Winter Relief Assistance Program
Digitally App Outage Reporting & Map	E+ Mobile Payment App
Change for Change	Project Share

Of the City's many DSM initiatives and customer programs, the Neighborhood REACH, Double Rebates, and Energy Loan programs are among the most popular and successful.

Neighborhood REACH

This program was launched in 2010 as a way to foster conservation and help families address utility costs. It is designed to help residents lower their energy costs through hands-on, in-home learning and proactive energy-efficiency measures. While Tallahassee offers rebates, grants, and free home energy audits to customers, these programs rely largely on the customer to approach the City for assistance. As such, many eligible customers likely do not take advantage of the services. Neighborhood REACH turns the model around by engaging customers in their homes, neighborhood by neighborhood. The original focus was on lower income neighborhoods. Having achieved great success within the first year, the program was extended to all neighborhoods. Once a neighborhood is selected, the REACH team is deployed to work door to door for several weeks. An ombudsman leads the team to meet with each resident and provide him or her with an overview of the program. This has resulted in approximately 70% program

participation. The teams provide customers with free energy assessments, energy- and water-saving measures, and education. While in the home, they perform services, such as weather-stripping exterior doors, caulking windows, replacing HVAC filters, cleaning refrigerator coils, and replacing light bulbs with CFLs – *all at no cost to the customer*.

Nearby, other City crews repair sidewalks and broken streetlights, clean drainage ditches and overgrown vacant lots, repaint signs, remove litter, and model other civic-minded practices. Recently the program was expanded to include the deployment of smoke detectors and fire extinguishers that are funded through a grant received by the Tallahassee Fire Department.

Since its inception, the REACH program has served over 7,400 homes, resulting in approximately 6,300 MWhs in annual savings for participating residents. The program also has served as a connection to other programs. Through REACH, residents have received more than 1,960 ceiling insulation grants, over 2,000 HVAC repair grants, 195 hot water leak repair grants, and 252 duct leak repair grants, totaling approximately \$760,000 in financial assistance. The effectiveness of the program was measured in a collection of neighborhoods on the southern portion of Tallahassee generally known as the Bond Community. Prior to REACH, homes in the Bond community used on average 8% - 15% more energy per household than the citywide average. In the winter following REACH, homes in the Bond community used 7% less than the citywide average. Based on this reduced energy usage, residents saved an average \$18-\$25/month that winter. Overall, it is estimated that the 7,400 participants save approximately \$750,000 each year.

Double Rebates

In 2010, the City first introduced the Double Rebate promotion of its e+ rebate program, which doubled the normal rebates for energy-efficient electric and natural gas appliances. The program was in effect for the period May 26 through September 30, 2010. The intent of the promotion was to accelerate the replacement of older, less efficient appliances, and thereby increase energy conservation, while also stimulating the local

economy. The incentive was very successful, and based upon that experience, the City reintroduced the program in 2013 for periods effective February 14 through April 30, 2013 and June 27 through July 14, 2013.

In 2014, the Florida Legislature enacted a sales tax holiday applicable to the purchase of ENERGY STAR and WaterSense products for the period beginning Friday, September 19 through Sunday, September 21, 2014. During this period, no sales taxes or local option taxes were collected on qualifying purchases of new ENERGY STAR or WaterSense products.

To leverage the effect of the sales tax holiday and to promote additional conservation, the City Commission approved the Double Rebate Program for energy-efficient appliances for the limited period of Monday, September 15 through Tuesday, September 30, 2014.

In all three cases while the Double Rebates were in effect, the City experienced a surge in rebate demand, which continued even beyond the promotional periods. Overall, the Double Rebates program and the traditional e+ rebate program have resulted in more than \$150 million in local spending since 2008.

Energy Efficiency Loan Program

A longstanding and possibly the most popular energy program offered by the City is the Energy Efficiency Loan program. In 1983, the City created a revolving loan program designed to facilitate the purchase of high efficiency appliances and heating and cooling systems. Payments are conveniently billed via the recipients' monthly utility statement. It is one of only two utility loan programs in the state, and far and away, the most extensive program in Florida. The program has since been expanded to include loans for ENERGY STAR reflective roofs, Rooftop Photovoltaic systems, windows, and more. Approximately 500 customers take advantage of the program each year with loans totaling \$3.2 million.

Community Solar

A complement to the City's numerous DSM programs is the construction of a 20 MW solar farm at the Tallahassee International Airport. The facility will be located on approximately 100 acres at the southern end of runway 18/36. It will be directly interconnected at Tallahassee's bulk power station 11. The plant is expected to be online in early 2017, and produce more than 40 million kWh each year. While technically, the project is considered a supply side resource, the City is developing a customer program that will maximize customer engagement, much like the DSM programs. The program will follow the concept of community solar. While customers will not have a direct ownership stake, they will be able to purchase a portion of their energy needs from solar. For example, residential customers may elect to buy 25% of their monthly energy from solar. Twenty-five percent of the normal fuel charge on their bill would be substituted with a charge for solar. Unlike the typical fuel charge that is updated each six months to reflect actual market prices, the charge for solar will be fixed. Program development is still ongoing and subject to final approval. Subscriptions will be limited to the total annual output of the farm, so sign-up will be limited. It is anticipated that community solar subscriptions will be available to both residential and commercial customers.

Today, customers desire more information about their utility service and greater choice. Programs such as Neighborhood REACH, Double Rebates and Energy Efficiency Loans have worked well for Tallahassee. They have resulted in energy conservation, local spending, and greater customer satisfaction. The City is also optimistic about the construction of its new solar farm, which will increase its renewable energy output while providing customers with another opportunity to participate in their energy future.

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 31, 2016

TO: Braulio L. Baez, Executive Director

FROM: Office of Industry Development and Market Analysis (Hinton)
Office of the General Counsel (Helton, Crawford)
Division of Accounting and Finance (Maurey, Bulecza-Banks)

CH
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CRD
ALM

RE: Proposed Implementation of House Bill 491

CRITICAL INFORMATION: Please place on June 9, 2016, Internal Affairs.
Approval from the Commission is sought.

The 2016 Florida Legislature enacted Chapter 2016-226, Laws of Florida, amending Sections 367.022, 367.081, 367.0814, 367.111, and 367.165, Florida Statutes, and repealing Section 367.0816, Florida Statutes (Attachment A).

This memorandum provides a summary of the sections of the bill that require Commission implementation. Staff seeks approval from the Commission on the proposed implementation.

cc: Keith Hetrick, General Counsel
Mark Futrell, Deputy Executive Director, Technical
Apryl Lynn, Deputy Executive Director, Administrative

**Proposed Implementation for HB 491
June 9, 2016**

A. Rate Case Expense

Summary: The legislation amends Section 367.0814(3), Florida Statutes (F.S.), to prohibit the award of rate case expense in staff assisted rate cases to recover fees incurred by a utility for work performed by attorneys or outside consultants engaged for the purpose of preparing or filing the rate case prior to the issuance of staff's initial report. Rate case expense may be granted if the Office of Public Counsel or other parties intervene in the rate case prior to the issuance of staff's initial report.

Implementation: Revise Rule 25-30.455, Florida Administrative Code (F.A.C.), to reflect the new statutory language. Staff anticipates that minor revisions will be necessary to comply with the statutory amendments. Pursuant to the legislation, the Commission must propose a rule by December 31, 2016.

B. Pass Through Expenses

Summary: The legislation amends Section 367.081(4)(b), F.S., to include additional expenses for which a utility may automatically increase or decrease approved rates upon verified notice to the Commission 45 days prior to implementation of the increase or decrease. The legislation also gives the Commission discretion to establish by rule additional pass through expenses. Any expense categories added by the Commission must be reviewed every five years.

Implementation: Revise Rule 25-30.425, F.A.C., to reflect the additional expenses eligible for automatic increase or decrease as set forth in the legislation. Staff will also review expense categories to identify potential additions to include in the proposed rule beyond those contained in the legislation. Staff believes rulemaking to comply with this aspect of the legislation can be accomplished expeditiously and recommends it proceed on the same track as the rate case expense rulemaking. Although the legislation does not include a deadline for this rulemaking, staff notes that pursuant to Section 120.74, F.S., a notice of rule development must be published in the Florida Administrative Register (FAR) by November 1, 2016, and a notice of proposed rule must be published in the FAR by April 1, 2017.

C. Utility Reserve Funds

Summary: The legislation adds a subsection to Section 367.081(2)(c), F.S., which enables the Commission, on its own motion or upon utility request, to authorize a utility to create a reserve fund for repair and replacement of existing distribution and collection infrastructure that is nearing the end of its useful life or is detrimental to water quality or reliability of service. The legislation directs the Commission to adopt rules to govern implementation, management, and use of the fund. The rule shall include, but is not limited to, expenses for which the fund may be used, segregation of reserve account funds, requirements for capital improvement plans, and requirements for Commission authorization of disbursements from the fund.

Internal Affairs Memorandum
May 31, 2016

Implementation: Staff proposes to initiate a rule development process to appropriately address the statutory requirements to administer the creation and future maintenance of a reserve fund. The complexity of such a rule may warrant a longer rule development track than the rate case expense and pass through rate adjustment rule revisions. Although the legislation does not include a deadline for this rulemaking, staff notes that pursuant to Section 120.74, F.S., a notice of rule development must be published in the FAR by November 1, 2016, and a notice of proposed rule must be published in the FAR by April 1, 2017.

CHAPTER 2016-226

Committee Substitute for Committee Substitute for
Committee Substitute for House Bill No. 491

An act relating to water and wastewater; creating s. 159.8105, F.S.; requiring the Division of Bond Finance of the State Board of Administration to review the allocation of private activity bonds to determine the availability of additional allocation and reallocation of bonds for water and wastewater infrastructure projects; amending s. 367.022, F.S.; exempting from regulation by the Florida Public Service Commission a person who resells water service to certain tenants or residents up to a specified percentage or cost; amending s. 367.081, F.S.; providing that the commission may authorize a utility to create a utility reserve fund under certain circumstances; requiring the commission to adopt rules to govern the implementation, management, and use of the fund; establishing criteria for adjusted rates; specifying expense items that may be the basis for an automatic increase or decrease of a utility's rates; authorizing the commission to establish by rule additional specified expense items; specifying the time period over which rate case expenses may be apportioned if a public utility is authorized to recover those expenses through its rates; prohibiting a utility from earning a return on the unamortized balance of the rate case expense; amending s. 367.0814, F.S.; authorizing the commission to award rate case expenses to recover attorney fees or fees of other outside consultants in certain circumstances; requiring the commission to propose rules by a certain date; repealing s. 367.0816, F.S., relating to the recovery of rate case expenses; amending s. 367.111, F.S.; authorizing the commission to review water quality and wastewater service under certain circumstances; amending s. 367.165, F.S.; requiring counties to comply with requirements for abandoned water and wastewater systems; amending s. 403.8532, F.S.; authorizing the Department of Environmental Protection to require or request that the Florida Water Pollution Control Financing Corporation make loans, grants, and deposits to for-profit, privately owned, or investor-owned water systems; removing current restrictions on such activities; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 159.8105, Florida Statutes, is created to read:

159.8105 Allocation of bonds for water and wastewater infrastructure projects.—The division shall review the allocation of private activity bonds to determine the availability of additional allocation and reallocation of bonds for water and wastewater infrastructure projects.

Section 2. Subsections (9) through (12) of section 367.022, Florida Statutes, are renumbered as subsections (10) through (13), respectively, and a new subsection (9) is added to that section to read:

1

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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367.022 Exemptions.—The following are not subject to regulation by the commission as a utility nor are they subject to the provisions of this chapter, except as expressly provided:

(9) Any person who resells water service to his or her tenants or to individually metered residents for a fee that does not exceed the actual purchase price of the water plus the actual cost of meter reading and billing, not to exceed 9 percent of the actual cost of service.

Section 3. Paragraph (c) is added to subsection (2) of section 367.081, Florida Statutes, paragraph (b) of subsection (4) is amended, subsection (8) is renumbered as subsection (10), and new subsections (8) and (9) are added to that section, to read:

367.081 Rates; procedure for fixing and changing.—

(2)

(c) In establishing rates for a utility, upon its own motion or upon the request of a utility, the commission may authorize a utility to create a utility reserve fund for infrastructure repair and replacement for a utility for existing distribution and collection infrastructure that is nearing the end of its useful life or is detrimental to water quality or reliability of service, to be funded by a portion of the rates charged by the utility, by a secured escrow account, or through a letter of credit. The commission shall adopt rules to govern the implementation, management, and use of the fund, including, but not limited to, rules related to expenses for which the fund may be used, segregation of reserve account funds, requirements for a capital improvement plan, and requirements for commission authorization before disbursements are made from the fund.

(4)

~~(b) The approved rates of any utility which receives all or any portion of its utility service from a governmental authority or from a water or wastewater utility regulated by the commission and which redistributes that service to its utility customers shall be automatically increased or decreased without hearing, upon verified notice to the commission 45 days prior to its implementation of the increase or decrease that the utility's costs for any specified expense item rates charged by the governmental authority or other utility have changed. The approved rates of any utility which is subject to an increase or decrease in the rates or fees that it is charged for electric power, the amount of ad valorem taxes assessed against its used and useful property, the fees charged by the Department of Environmental Protection in connection with the National Pollutant Discharge Elimination System Program, or the regulatory assessment fees imposed upon it by the commission shall be increased or decreased by the utility, without action by the commission, upon verified notice to the commission 45 days prior to its implementation of the increase or decrease that the rates charged by the supplier of the electric power or the taxes imposed by the governmental~~

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~~authority, or the regulatory assessment fees imposed upon it by the commission have changed. The new rates authorized shall reflect the amount of the change of the ad valorem taxes or rates imposed upon the utility by the governmental authority, other utility, or supplier of electric power, or the regulatory assessment fees imposed upon it by the commission. The approved rates of any utility shall be automatically increased, without hearing, upon verified notice to the commission 45 days prior to implementation of the increase that costs have been incurred for water quality or wastewater quality testing required by the Department of Environmental Protection.~~

1. The new rates authorized shall reflect, on an amortized or annual basis, as appropriate, the cost of, or the amount of change in the cost of the specified expense item, required water quality or wastewater quality testing performed by laboratories approved by the Department of Environmental Protection for that purpose. The new rates, however, shall not reflect the costs of any specified expense item required water quality or wastewater quality testing already included in a utility's rates. Specified expense items that are eligible for automatic increase or decrease of a utility's rates include, but are not limited to:

a. The rates charged by a governmental authority or other water or wastewater utility regulated by the commission which provides utility service to the utility.

b. The rates or fees that the utility is charged for electric power.

c. The amount of ad valorem taxes assessed against the utility's used and useful property.

d. The fees charged by the Department of Environmental Protection in connection with the National Pollutant Discharge Elimination System Program.

e. The regulatory assessment fees imposed upon the utility by the commission.

f. Costs incurred for water quality or wastewater quality testing required by the Department of Environmental Protection.

g. The fees charged for wastewater biosolids disposal.

h. Costs incurred for any tank inspection required by the Department of Environmental Protection or a local governmental authority.

i. Treatment plant operator and water distribution system operator license fees required by the Department of Environmental Protection or a local governmental authority.

j. Water or wastewater operating permit fees charged by the Department of Environmental Protection or a local governmental authority.

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k. Consumptive or water use permit fees charged by a water management district.

2. A utility may not use this procedure to increase its rates as a result of an increase in a specific expense item which occurred water quality or wastewater quality testing or an increase in the cost of purchased water services, sewer services, or electric power or in assessed ad valorem taxes, which increase was initiated more than 12 months before the filing by the utility.

3. The commission may establish by rule additional specific expense items that are outside the control of the utility and have been imposed upon the utility by a federal, state, or local law, rule, order, or notice. If the commission establishes such a rule, the commission shall review the rule at least once every 5 years and determine if each expense item should continue to be cause for an automatic increase or decrease and whether additional items should be included.

4. The provisions of This subsection does de not prevent a utility from seeking a change in rates pursuant to the provisions of subsection (2).

(8) The amount of rate case expense that the commission determines a public utility may recover through its rates pursuant to this chapter shall be apportioned for recovery over 4 years unless a longer period can be justified and is in the public interest. At the conclusion of the recovery period, the public utility shall immediately reduce its rates by the amount of the rate case expense previously included in rates.

(9) A utility may not earn a return on the unamortized balance of the rate case expense. Any unamortized balance of rate case expense shall be excluded in calculating the utility's rate base.

Section 4. Subsection (3) of section 367.0814, Florida Statutes, is amended to read:

367.0814 Staff assistance in changing rates and charges; interim rates.

(3) The provisions of s. 367.081(1), (2)(a), and (3) shall apply in determining the utility's rates and charges. However, the commission may not award rate case expenses to recover attorney fees or fees of other outside consultants who are engaged for the purpose of preparing or filing the case if a utility receives staff assistance in changing rates and charges pursuant to this section, unless the Office of Public Counsel or interested parties have intervened. The commission may award rate case expenses for attorney fees or fees of other outside consultants if such fees are incurred for the purpose of providing consulting or legal services to the utility after the initial staff report is made available to customers and the utility. If there is a protest or appeal by a party other than the utility, the commission may award rate case expenses to the utility for attorney fees or fees of other outside consultants for costs incurred after the protest or appeal. By

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December 31, 2016, the commission must propose rules to administer this subsection.

Section 5. Section 367.0816, Florida Statutes, is repealed.

Section 6. Subsection (3) is added to section 367.111, Florida Statutes, to read:

367.111 Service.—

(3) The commission may, on its own motion or based on complaints of customers of a water utility subject to its jurisdiction, review water quality as it pertains to secondary drinking water standards established by the Department of Environmental Protection. The commission may, on its own motion or based on complaints of customers of a wastewater utility subject to its jurisdiction, review wastewater service as it pertains to odor, noise, aerosol drift, or lighting.

Section 7. Section 367.165, Florida Statutes, is amended to read:

367.165 Abandonment.—It is the intent of the Legislature that water or wastewater service to the customers of a utility not be interrupted by the abandonment or placement into receivership of the utility. Notwithstanding s. 367.171, this section applies to each county. To that end:

(1) A ~~No~~ person, lessee, trustee, or receiver that owns, operates, manages, or controls owning, operating, managing, or controlling a utility may not shall abandon the utility without giving 60 days' notice to the county or counties in which the utility is located and to the commission. A person ~~Anyone~~ who violates ~~the provisions of this subsection~~ commits ~~is guilty of a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.~~ Each day of such abandonment constitutes a separate offense. In addition, such act is a violation of this chapter, and the commission may impose upon the utility a penalty for each such offense of not more than \$5,000 or may amend, suspend, or revoke its certificate of authorization; each day of such abandonment without prior notice constitutes a separate offense.

(2) After receiving such notice, the county, or counties acting jointly if more than one county is affected, shall petition the circuit court of the judicial circuit in which such utility is domiciled to appoint a receiver, which may be the governing body of a political subdivision or any other person deemed appropriate. The receiver shall operate the utility from the date of abandonment until such time as the receiver disposes of the property of the utility in a manner designed to continue the efficient and effective operation of utility service.

(3) The notification to the commission under subsection (1) is sufficient cause for revocation, suspension, or amendment of the certificate of authorization of the utility as of the date of abandonment. The receiver operating such utility shall be considered to hold a temporary authorization

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from the commission, and the approved rates of the utility shall be deemed to be the interim rates of the receiver until modified by the commission.

Section 8. Subsection (3) of section 403.8532, Florida Statutes, is amended to read:

403.8532 Drinking water state revolving loan fund; use; rules.—

(3) The department may make, or request that the corporation make, loans, grants, and deposits to community water systems; for-profit, privately owned, or investor-owned water systems; nonprofit, transient, noncommunity water systems; and nonprofit, nontransient, noncommunity water systems to assist them in planning, designing, and constructing public water systems, ~~unless such public water systems are for profit privately owned or investor owned systems that regularly serve 1,500 service connections or more within a single certified or franchised area. However, a for profit privately owned or investor owned public water system that regularly serves 1,500 service connections or more within a single certified or franchised area may qualify for a loan only if the proposed project will result in the consolidation of two or more public water systems.~~ The department may provide loan guarantees, purchase loan insurance, and refinance local debt through the issue of new loans for projects approved by the department. Public water systems may borrow funds made available pursuant to this section and may pledge any revenues or other adequate security available to them to repay any funds borrowed.

(a) The department shall administer loans so that amounts credited to the Drinking Water Revolving Loan Trust Fund in any fiscal year are reserved for the following purposes:

1. At least 15 percent for qualifying small public water systems.
2. Up to 15 percent for qualifying financially disadvantaged communities.

(b) If an insufficient number of the projects for which funds are reserved under this subsection have been submitted to the department at the time the funding priority list authorized under this section is adopted, the reservation of these funds no longer applies. The department may award the unreserved funds as otherwise provided in this section.

Section 9. This act shall take effect July 1, 2016.

Approved by the Governor April 14, 2016.

Filed in Office Secretary of State April 14, 2016.

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

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

**INTERNAL AFFAIRS
June 9, 2016**

<u>Speaker</u>	<u>Representing</u>	<u>Item #</u>
The Honorable Nancy Miller Commissioner	City of Tallahassee	1
Reese Goad Deputy City Manager	City of Tallahassee	1
Rob McGarrah General Manager of Utilities	City of Tallahassee	1

III. Supplemental Materials for Internal Affairs

Note: The following material pertains to Item 1
of this agenda.



City of Tallahassee Energy Efficiency Programs 2015 Programs For Homes and Businesses

Free Energy Audits! April 1, 2016 marks Tallahassee's 35th year of energy audits offerings

Get a free energy checkup of your home or business. Call 891-4YOU (4968) to schedule an appointment.

Energy Saving Grants, Rebates, Loans, Income-Based Assistance, and Solar Net Metering

- **Ceiling Insulation Grants.** The City of Tallahassee will pay 80% of the cost, up to \$400, to add ceiling insulation up to R38 in single-family residences and small commercial buildings. For owned or for rental single-family detached, duplex, triplex or quadraplex residences; and for smaller commercial structures with accessible attics. Rental installations require property owner permission.
- **Natural Gas Appliance Rebates.** Rebates for both new and replacement natural gas appliances in existing homes, and new gas appliances in new homes. A \$2,000 "Gold Package" rebate is offered for all-at-once replacement of electric or propane equipment with natural gas Furnace, Water Heater and Range or Dryer.
- **Solar Water Heating Rebates.** \$450 rebate for solar domestic water heating systems certified by the Florida Solar Energy Center. Freeze-protected Indirect or Drain-back systems; or qualifying solar-electric PV designs. For new or existing homes as well as businesses.
- **Energy Star Homes Rebate.** \$1 per square foot (conditioned area) up to \$2,000 rebate for new or renovated homes meeting current Energy Star requirements and utilizing natural gas water heating.
- **Energy Star Appliance Rebates.** Rebates for Energy Star-qualified refrigerators, freezers, dishwashers, clothes washers, variable-speed pool pumps, air conditioners, air source heat pumps, closed loop water source heat pumps, and the new Energy Star-qualified "hybrid" heat pump water heaters.
- **Energy Efficiency Loan Program.** 5% interest loans for energy efficient electric heat pumps, natural gas furnaces and gas combination systems ("hydro-heat"), air conditioning, solar photovoltaic systems (PV), solar water heating, natural gas dryers and ranges, Energy Star refrigerators, Energy Star windows, and many other measures that boost the energy efficiency of your home or business.
- **Income-Based Energy Assistance Program.** a) Grants to \$500 for hot water leak repair, AC duct repair, AC coil cleaning, and AC refrigerant leak repair; b) Grants to \$500 for ceiling insulation additions up to R38. Home energy audit required. Rental installations require property owner permission.
- **Solar Photovoltaic (PV) Net Metering.** For solar PV installations up to 100 kilowatts. Customer's excess PV-generated electricity exported to the City electrical grid is net metered. The digital meter registers "backwards," awarding kWh credits to participating customers at the full retail electric rate including taxes. Available to commercial as well as residential facilities. As of February, 2015 the total of net-metered solar PV in Tallahassee is over 1.7 megawatts (that is, over 1,700,000 watts).
- **Neighborhood Reach.** A multi-year neighborhood sweep program offering free energy audits, on-the-spot installation of helpful weatherization measures, and guidance into income-based programs for ceiling insulation, HVAC repair, and hot water leak repair. Launched in December 2010; continues in 2016 in targeted neighborhoods.

For more information call City of Tallahassee Utility Services at 891-4YOU (4968); online information at Talgov.com/you.

IV. Transcript

1 BEFORE THE
2 FLORIDA PUBLIC SERVICE COMMISSION

3
4 PROCEEDINGS: INTERNAL AFFAIRS

5 COMMISSIONERS
6 PARTICIPATING: CHAIRMAN JULIE BROWN
7 COMMISSIONER LISA POLAK EDGAR
8 COMMISSIONER ART GRAHAM
9 COMMISSIONER RONALD BRISÉ
10 COMMISSIONER JIMMY PATRONIS

11 DATE: Thursday, June 9, 2016

12 TIME: Commenced at 1:01 p.m.
13 Concluded at 1:53 p.m.

14 PLACE: Gerald L. Gunter Building
15 Room 105
16 2540 Shumard Oak Boulevard
17 Tallahassee, Florida

18 REPORTED BY: LINDA BOLES, CRR, RPR
19 Official FPSC Reporter
20 (850) 413-6734

P R O C E E D I N G S

1
2 **CHAIRMAN BROWN:** Good afternoon, everyone.
3 This is the Internal Affairs agenda today, and it is
4 Thursday, June 9th. And I'm excited about our first
5 speaker today. We have the City of Tallahassee here,
6 and the Honorable Nancy Miller, who's our very own
7 Commissioner for here in Tallahassee, is here with us,
8 and she's prepared some materials for us. And,
9 Commissioner Miller, I am so grateful to have you here
10 today.

11 **COMMISSIONER MILLER:** Thank you.

12 **CHAIRMAN BROWN:** And you've got a nice
13 presentation. The City of Tallahassee is doing a lot of
14 wonderful initiatives on the utility front, so we're
15 looking forward to hearing from you guys. And I know
16 you have some gentlemen here with you. If you --

17 **COMMISSIONER MILLER:** I do. Thank you.
18 Tremendous thanks for letting us come and share our
19 philosophy of managing our utility. And I brought with
20 me Reese Goad, who is our assistant city manager for
21 utilities, and this is Rob McGarrah, who is the general
22 manager of the electric utility. So these guys are more
23 than capable of giving you any information that you
24 desire.

25 Simply put, we have a philosophy of planning

1 and then forecasting and then investing in our
2 customers. That's the driving philosophy behind the
3 utility, along with maintenance and being very proactive
4 with maintenance. We're interested in making sure that
5 the -- we partner with our customers, who are our
6 owners, the people of Tallahassee, and involve them as
7 much as possible in making those decisions about their
8 energy future. So I think those are the primary
9 motivational forces that bring us to the point where
10 we're able to come, that with some very innovative
11 thinking on the part of the management, and I'm going to
12 go into some of that as I talk to you.

13 There we go. Look at that. Very good.

14 All right. The City of Tallahassee's electric
15 utility is the 26th largest public utility in the United
16 States, and in 2012 it was named the top public power
17 operation in the country by the American Public Power
18 Association. We're all very proud of this. This
19 includes generation, transmission, and distribution. We
20 have -- we serve 117,000 customers over 221 square
21 miles. Our electricity flows through a transportation
22 network of 3,000 -- of 200 miles with 3,000 miles of
23 distribution, and 60 percent of that is underground.

24 **CHAIRMAN BROWN:** Commissioner Miller, if I
25 could stop you just --

1 **COMMISSIONER MILLER:** Yes.

2 **CHAIRMAN BROWN:** Again, this is very informal
3 for us.

4 **COMMISSIONER MILLER:** That's okay. Thank you.

5 **CHAIRMAN BROWN:** I was surprised by the
6 60 percent number. That seems pretty high. For
7 example, Florida Power & Light has about 30 percent
8 underground roughly and one of the -- you know, the
9 largest utility, IOU in the state.

10 **COMMISSIONER MILLER:** I know.

11 **CHAIRMAN BROWN:** Do you know how that has come
12 to pass?

13 **COMMISSIONER MILLER:** I would -- well, just my
14 guess, and you can tell me if I'm wrong, would be that
15 when a development comes in, like Killlearn, for example,
16 comes in -- and Southwood, when they come in for
17 development, they're asked to underground all the
18 utilities, so --

19 **MR. MCGARRAH:** That's basically it. We
20 haven't done a new residential subdivision since the
21 middle '80s aboveground. It's been the developers who
22 wanted to go underground. We've helped facilitate that.
23 So that's how we -- all of our new development for the
24 last 30 years has been underground.

25 **CHAIRMAN BROWN:** Is it a requirement?

1 **MR. MCGARRAH:** No. Our standard offering is
2 like everyone else, it's overhead, but there's a small
3 fee for going underground. Now within the city limits
4 we waive that. So there's an incentive for the
5 developers at the front end to go ahead and have us put
6 it in underground, and it's good for us to have it in
7 underground.

8 **COMMISSIONER MILLER:** Especially in a storm.

9 **CHAIRMAN BROWN:** Yeah. Absolutely. Thank
10 you.

11 **COMMISSIONER EDGAR:** If I may.

12 **CHAIRMAN BROWN:** Sure. Commissioner Edgar has
13 a question.

14 **COMMISSIONER EDGAR:** Just a follow-up
15 question. Thank you. So -- and I realize you said
16 that -- well, let me start over.

17 So if a new development is coming in within
18 the city limits and the developer elects then to
19 underground, for the additional cost that would be a
20 part of that, is that paid for by the developer or the
21 residents that will be in that area, or is that
22 difference basically subsidized by the entire body of
23 ratepayers?

24 **MR. MCGARRAH:** It's by the entire body of
25 ratepayers as long as the development is over a certain

1 size.

2 **COMMISSIONER EDGAR:** Okay. Thank you.

3 **COMMISSIONER MILLER:** I think that it's a very
4 competitive environment to develop property, and now
5 there's basically a standard out there and people want
6 those -- they want to live in a neighborhood where the
7 utilities are undergrounded. So, I mean, that's a big
8 demand. We probably get more demand for that.
9 Everybody wants every line underground because it just
10 looks so much better. And so I think that's a big, big
11 part of it, why the developers are anxious to do it.

12 The City operates three generating stations
13 with 12 generating units capable of producing
14 746 megawatts during the summer season. The backbone of
15 this system is -- consists of two state-of-the-art
16 combined cycle units: the Purdom Unit 8, which was built
17 in 2000, and Hopkins Unit 2, which was repowered in
18 2008. And Hopkins has been recognized by Power Magazine
19 as one of the top natural gas power plants in the world.
20 One of the -- this is obviously one of the cleanest
21 fleets because 90 percent of the system is powered by
22 natural gas, which has a lower carbon footprint.

23 About 30 years ago, the City began to
24 implement programs that encouraged customers to conserve
25 but also to assist customers. And as one of the few

1 municipalities in Florida that generates, produces, and
2 basically furnishes electricity, it gives us the
3 flexibility and independence to try new programs. And
4 so over the years, all sorts of programs, as you can see
5 from the icons, have developed.

6 While the City is not subject to the
7 requirements of the Florida Energy Efficiency
8 Conservation Act and, therefore, not required by you
9 wonderful people to meet annual conservation goals --

10 **CHAIRMAN BROWN:** Thank you.

11 **COMMISSIONER EDGAR:** We don't get that very
12 often.

13 **CHAIRMAN BROWN:** It may be a first.

14 **COMMISSIONER MILLER:** -- the City
15 Commission -- well, you certainly deserve it for the
16 work you do. Let me just say that.

17 **CHAIRMAN BROWN:** Aww, thank you.

18 **COMMISSIONER MILLER:** The City Commission is
19 convinced that a robust demand-side management program
20 just makes sense, and that certainly reflects the views
21 of our people.

22 In 2008, as the recession deepened, the City
23 Commission became even more committed to conservation in
24 order to avoid or postpone having to build a new power
25 plant and find new capacity. The concepts center around

1 engaging the customer. I guess that's one of my main
2 themes here today that you're going to hear.

3 Our utility touches the citizens at every
4 opportunity, and they literally sit around and try to
5 think of other ways to get involved with the customers.
6 Free Residential and Commercial Energy Audits. Energy
7 Efficient Appliance Rebates, those are available all the
8 time. We also have a Double Appliance Rebate program
9 that's offered -- well, it's only been offered three
10 times but with huge results. Low interest energy loans.
11 Ceiling insulation grants, 6,000 of those per year.
12 Neighborhood REACH program, which I'll talk about a
13 little more in a few minutes. A Nights and Weekends
14 Pricing program that is very clear and easy and simple
15 to understand. And then I mentioned the Double
16 Appliance Rebate. That was offered in 2010, 2013, and
17 2004.

18 In your packet, and I brought -- I asked Reese
19 to bring a list of -- with a little more detail. In
20 your packet, though, is -- your white paper is a
21 complete list of all the programs and also a list of
22 other customer-oriented programs that the utility
23 offers.

24 **COMMISSIONER EDGAR:** How many -- what's been
25 the utilization for customers with the nights and

1 weekends program? Is it real popular? Is it still kind
2 of new?

3 **MR. GOAD:** We have several thousand customers
4 that have subscribed. I'm a customer. It tends to work
5 well for folks that are away during the day. It kind of
6 meets their lifestyles and makes it more top of mind. I
7 find that the customers that are signed up love it.
8 Oftentimes they tell me that they're saving far more
9 money than they could possibly save, and so that makes
10 me feel good because that means they like it. Right?
11 So it's not just a financial transaction of can I save
12 \$5 a month or \$10 a month by changing my habits. It's
13 something I want to do and it helps me make it top of
14 mind. So we've had a lot of good success. It is really
15 easy to understand, 7:00 a.m. to 7:00 p.m., just no
16 seasons, no complexity to the program.

17 **COMMISSIONER MILLER:** By far, out of these
18 programs there are three that are -- that stand out in
19 their popularity. The first one is Neighborhood REACH,
20 the second one is the Double Rebate Program, and a third
21 one is the Revolving Energy Efficiency Loan Program that
22 we have, and that's been in effect since the mid '80s.

23 Neighborhood REACH, which was featured as part
24 of our All American Cities presentation last year, I
25 believe went a long way to helping us to obtain that

1 recognition, which we're very excited about. This
2 program was launched in 2010 as a way to help families
3 address utility costs. And keep in mind the perspective
4 that 2010 was really at the very deepest part of the
5 recession and people really were having trouble making
6 ends meet.

7 The REACH team engages customers in their
8 homes, going door to door offering hands-on and in-home
9 learning while they install energy efficiency
10 weatherization measures. The team accommodates
11 customers with free energy assessments, energy and water
12 saving measures, performing services like
13 weatherstripping doors, caulking windows, cleaning
14 refrigerator coils, replacing HVAC filters, and
15 replacing lightbulbs with CFLs. And I've told these
16 guys that they're going to have to switch over to LEDs
17 now, but whatever. And it's been incredibly effective
18 and well received, all at no cost to the customer.

19 **CHAIRMAN BROWN:** Was REACH originally focused
20 on low income neighborhoods?

21 **COMMISSIONER MILLER:** Yes, that's what I was
22 just getting ready to explain. Originally it was
23 offered to low income neighborhoods, but -- well, let's
24 go back one sentence.

25 This program, because this is a real important

1 point, the program is very different in the fact that
2 normally with these types of programs the customer has
3 to approach the utility, the provider, and in this case
4 the provider is actually going to the customers and
5 offering the program to them. Originally this was
6 offered -- we started with low income neighborhoods
7 because the neighborhood we chose, Bond, the Bond
8 community is a place with older housing stock, people
9 with not the resources to upgrade their homes, to keep
10 them in good repair, and so it was a perfect place to
11 start. And, as a matter of fact, folks were spending,
12 in the Bond community were spending on average -- well,
13 I'm going to go -- I'm jumping ahead -- but we have
14 evaluated this, and they were spending, before REACH was
15 there, 8 to 15 percent more than the average household
16 on energy in -- than the average household citywide.
17 And after the REACH program came into the neighborhood,
18 they -- that winter they were basically spending about
19 7 percent less on energy than the citywide average.

20 This translates into about \$18 to \$25 a month to folks
21 that -- where that is a significant part -- piece of
22 cash. So we were very, very happy to see that result.

23 Once the neighborhood is selected, the REACH
24 team goes into the neighborhood and then they begin to
25 go door to door to see all the folks. There's an

1 ombudsman who comes with the team, leads the team, and
2 he basically knocks on the door, introduces them, and
3 explains what's about to happen. Prior to that, though,
4 we go to the neighborhood to a public place a couple of
5 weeks ahead of time with a truck, with the guys in their
6 uniforms, the very people that are going to be in the
7 neighborhood, and it's an opportunity for them to
8 meet -- for the neighbors to come and meet the folks
9 that they're going to be seeing on the street, they're
10 going to see that truck parked, they're going to know
11 why it's there, and then they also have the opportunity
12 to answer questions of anybody, you know, of staff and
13 all these guys are there. And, Commissioners, yeah, you
14 know, we're all there just to make them feel
15 comfortable, that this is a safe program that's -- and
16 they can trust these people, that they're coming in
17 representing the City and that they're going to be
18 trying to do something to help.

19 Nearby other City crews are out busily at work
20 spiffing up the neighborhoods. They repair sidewalks,
21 they replace broken streetlights, they clean up litter.
22 They just do all sorts of things to show that we care
23 about the neighborhood. And I think as a package it's
24 really -- it really is heartwarming to see the reception
25 that the people get that you're really -- you really do

1 care. You are coming in here and you're trying to help.

2 Recently our TPD -- or not TPD -- our fire
3 department got a grant to pay for supplying smoke
4 detectors and fire extinguishers to homes, and so that's
5 been added to the program.

6 **CHAIRMAN BROWN:** Great.

7 **COMMISSIONER MILLER:** Since its inception, the
8 REACH program has served over 7,400 homes and resulting
9 in 6,300 megawatt hours in annual savings for the
10 participating residents, and this includes renters and
11 homeowners.

12 The program also serves as a connection to
13 other conservation programs, which I think is critical.
14 The folks are in the building there, able to see --
15 well, you know, we have the program, the insulation
16 program, and we have programs to help you repair duct
17 leaks, water heater leaks, and so they're able to also
18 inform folks on the other programs that they can qualify
19 for.

20 **CHAIRMAN BROWN:** Commissioner Brisé has a
21 quick comment.

22 **COMMISSIONER MILLER:** Yes, sir.

23 **COMMISSIONER BRISÉ:** Yeah. I just want to
24 commend the City on this program.

25 **COMMISSIONER MILLER:** Thank you.

1 **COMMISSIONER BRISÉ:** My team, and with Cindy's
2 help, we've been out on a few of these, and so --

3 **COMMISSIONER MILLER:** Good.

4 **COMMISSIONER BRISÉ:** -- it's really remarkable
5 to see how the community responds as the individuals --
6 as people go from door to door. And it's interesting to
7 watch as they go through in the house, identifying
8 everything within the house that there could be upgrades
9 or things that could be done to address some of the
10 challenges. So I want to commend the City for taking
11 such a grassroots approach to enhancing people's lives
12 this way.

13 **COMMISSIONER MILLER:** You know, this came on
14 about the same time I was elected, and so they've been
15 really in part of the development. And it was such a
16 great idea. I mean, I have not had to experience life
17 without Neighborhood REACH, but it's just -- but it's
18 just such a positive relation building experience on top
19 of the fact that you really are helping people save
20 money. And I think this -- and then the added services
21 that go on in the neighborhood at the time, I mean, I
22 think that really shows people that no matter where you
23 live in the city -- north, south, east, or west -- your
24 government really does care about you, because we do
25 care about -- because this -- this -- your own utility

1 thing, we all take very seriously with that. And so I
2 think it's great to be able to actually touch people one
3 on one to be sure they are aware of that and then -- and
4 make real differences in peoples' lives.

5 The second thing I want to talk about is the
6 Double Rebate program. This was offered, first of all,
7 in 2010 for a limited time from May 26th to September
8 30th. That was over the summer. And the intent was to
9 encourage people to replace older, less efficient
10 appliances and thereby reduce their energy use. This
11 incentive was tremendously successful, and it was
12 brought back by popular demand in 2013 and 2014. In
13 2013 for a couple of months. In 2014 for several weeks.

14 And I wanted to talk a little more about the
15 2014 experience because this is the kind of opportunity
16 that management looks for and this is how. The state
17 established a sales tax holiday from September 19th --
18 the legislature -- from September 19th through September
19 21st, and for sales tax holiday on Energy Star and
20 WaterSense products purchased over that weekend. And to
21 leverage this -- the popularity of the sales tax holiday
22 and also to promote conservation, our staff came to us,
23 they came to the Commission and said, "Look, we would --
24 we think it would be a great idea to put this in place
25 for two weeks, for the 15th through the 30th." And so,

1 sure enough, we did. We put it right away back into
2 place. It would be great to offer it all the time, but,
3 you know, my next fact is the reason why we can't offer
4 it all the time. In all three time periods while the
5 double rebates were in effect the City experienced a
6 surge in rebate demand.

7 **CHAIRMAN BROWN:** Shocking.

8 **COMMISSIONER MILLER:** Yeah. And even more
9 importantly, this surge lasts over -- after the rebate
10 period is -- after that time period is over. So it
11 really does reach the intended goal of focusing on
12 conservation and giving people an incentive to, you
13 know, to upgrade their equipment.

14 So overall, the Double Rebate program and the
15 traditional e+ Rebate program have resulted in more than
16 \$150 million in local spending since 2008. Now that is
17 over the time period of the recession. And because
18 people bring in their receipts, our guys know exactly
19 where the money is being spent. They can tell you how
20 much money is spent at Sears or Mays-Munroe or every --
21 they know because people get the rebates through their
22 receipts. So we know this is being used locally and
23 that residents save money, economic stimulus, local
24 shopping. I mean, people are not going to necessarily
25 go on Amazon to get their new refrigerator and/or HVAC

1 unit, and so the fact that the money is spent locally is
2 just a real plus in my mind.

3 Our Energy Efficient Loan program, this is
4 one of the most long-term programs that we have and one
5 of the most popular. The program is offered as a
6 revolving loan fund. Money is always going out; money
7 is always coming in. Designed to encourage the purchase
8 of high efficiency appliances and heating and cooling
9 systems. The payments are billed on the recipient's
10 monthly bill. And this is only one of two loan programs
11 in the state of Florida and by far and away the most
12 extensive. The program has been expanded to include
13 Energy Star reflective roofs, rooftop photovoltaic
14 systems, and windows, and approximately 500 people per
15 year take advantage of the program.

16 **CHAIRMAN BROWN:** If I could just stop you
17 right there. I'm curious about the Rooftop Solar Loan
18 program and what the reaction has been, customer
19 reaction. How many -- has it grown?

20 **MR. MCGARRAH:** I don't have a number on that.
21 Do you, Reese?

22 **MR. GOAD:** Well, I can speak probably more
23 globally in terms of the Rooftop Solar program. Some of
24 our customers take advantage of it, not all. It
25 certainly eliminates some barrier to entry with the

1 great capital cost it would take. Our Solar Rooftop
2 program over the last several years has grown at 6 to 7
3 percent. We have about 250 installations in and around
4 Tallahassee. That's not limited to residential. That's
5 all of the rooftop-type solar installations. And some
6 of them have taken advantage of the loan, but that
7 doesn't seem to be a key factor, I wouldn't say. It
8 helps for those that it would otherwise be a barrier to
9 entry. It's a very generous loan program, so it's a
10 relatively low-cost account -- or a low interest rate
11 and we do it on the bill. So it's there. I wouldn't
12 say it's the only piece of that program that encourages
13 rooftop solar. We've got net metering and other things
14 that facilitate that transaction.

15 **CHAIRMAN BROWN:** But that's obviously a nice
16 attractive incentive. And is that -- does that also
17 include -- you're only one of two utilities for Solar,
18 too, loan programs?

19 **MR. GOAD:** It's my understanding the other
20 utility that offers the loan does not include the
21 rooftop solar.

22 **CHAIRMAN BROWN:** Okay. So you could be the
23 only one.

24 **MR. GOAD:** We may be. That's my
25 understanding. Yes, ma'am.

1 **CHAIRMAN BROWN:** Thank you.

2 **COMMISSIONER MILLER:** Well, what a beautiful
3 segue. We are soon expecting to break ground on a
4 20-megawatt solar farm covering 100 acres at the
5 Tallahassee International Airport. The plant is
6 expected to be online in early 2017 and produce more
7 than 40 million kilowatt hours per year. While
8 technically this program is a supply side resource, the
9 City is developing a customer program that will follow
10 the concept of community solar. If people choose to buy
11 some of -- a percentage of their power in solar, say
12 25 percent, on my bill I would see -- where my normal
13 fuel charge is, I would see 25 percent of that would be
14 substituted in place of the fuel charge that is adjusted
15 every six months. And -- but as opposed to that
16 adjustment, that adjusting fuel number, the solar number
17 will stay the same the length of the contract because of
18 the contract. And so that -- but that's one of the --
19 this isn't approved yet. It is not in place yet. It's
20 just because they're still developing and the farm is --
21 you know, we haven't broken ground on it yet, but all
22 the pieces are in place. And the Commission is
23 completely supportive of this idea, so we're pretty
24 excited about it actually.

25 **CHAIRMAN BROWN:** Commissioner Edgar has a

1 question for you.

2 **COMMISSIONER EDGAR:** Thank you. Thank you.

3 And community solar is something, I'm sure you're aware,
4 that this Commission has spent a lot of time on, and
5 many of the utilities that we do regulate I know have
6 projects that are -- have recently been initiated and/or
7 are in the works, so the mechanics of it is always
8 fascinating to me.

9 So for those customers who would volunteer
10 to -- or sign up to receive part of their generation
11 from a solar supply, is that an addition -- that's an
12 additional cost that then would be on that customer?

13 **MR. MCGARRAH:** It would supplant that portion
14 of their energy cost recovery that's from the fossil
15 units.

16 **COMMISSIONER EDGAR:** So would there be a cost
17 change for that customer or would their bill remain
18 exactly the same as it would have been if they did not
19 participate?

20 **MR. MCGARRAH:** The pricing we've got from the
21 solar company, it's going to stay -- it's not much
22 different than our incremental cost today.

23 **COMMISSIONER EDGAR:** Okay. So are there risks
24 to customers from this project if there is not a high
25 subscription rate?

1 **COMMISSIONER MILLER:** Oh, I don't think so.

2 Do you?

3 **MR. McGARRAH:** No. We -- if we don't fully
4 subscribe the project, is that the question?

5 **COMMISSIONER EDGAR:** That's one of them.

6 **MR. McGARRAH:** The rest of -- yeah, the rest
7 of the generation would go into the pool as if it was
8 any other power supply resource on our -- in our fleet.
9 But the --

10 **COMMISSIONER EDGAR:** I'm sorry. Just so I'm
11 clear. And as you all know, my family and I are local.
12 We live here. My husband and I raise our children here;
13 however, we are not City of Tallahassee customers.

14 **COMMISSIONER MILLER:** Oh, but we would be
15 delighted.

16 **COMMISSIONER EDGAR:** I know. I know. There
17 are a number of programs -- I'm very happy with our
18 supplier, by the way. They do a great job, very
19 reliable service; however, we do not have as many
20 demand-side management type programs available to us
21 because we are serviced by a co-op, so just so you know,
22 but yet how this works is still of great interest to me.

23 So if I were a City of Tallahassee residential
24 customer and if my family chose, when it became
25 available, to subscribe, say, 25 percent from the solar

1 facility, our bill would not change --

2 **MR. MCGARRAH:** Well, I --

3 **COMMISSIONER EDGAR:** -- from what -- if we did
4 not?

5 **MR. MCGARRAH:** I -- well, we're still working
6 through some of the details. The first year's solar
7 cost is not much different than our current avoided
8 cost, our energy recovery cost. On a levelized basis,
9 it's slightly less than 5 cents a kilowatt hour. So if
10 you were to subscribe for it for 20 years, it would
11 levelize the cost -- and we're still working through
12 those pricing options -- that would be a levelized fixed
13 cost for that portion of your energy charge for the life
14 of the contract. So those are some of the details we're
15 still working out. But clearly over the life cycle
16 it's, because the cost is more certain, it's going to be
17 a better deal if you're interested in subscribing to
18 that.

19 **COMMISSIONER MILLER:** And think of it this
20 way. Right now it's -- our gas prices are low and it's
21 pretty much on par with the gas price, fuel price. That
22 gas price will fluctuate over time.

23 **CHAIRMAN BROWN:** The topic of the day.

24 **COMMISSIONER MILLER:** I'm not sure how much
25 lower it's actually going to get, but it probably will

1 go up. And if that were the case, then you would be at
2 an advantage because now you have a portion of your bill
3 which is fixed cost; whereas, you're not totally
4 subjected to that fluctuation.

5 **COMMISSIONER EDGAR:** So for the permitting,
6 construction, operation, implementation, is the risk on
7 the City and/or the customers or is that on the
8 developer?

9 **MR. MCGARRAH:** The developer. We're doing
10 this as a -- since we don't have access to the
11 investment tax credit as a tax exempt entity, we're
12 doing this as a purchase power agreement with a third
13 party, a company called Origis. So they're taking all
14 of the construction/development costs and operational
15 risk during the term of the contract, and it's a 20-year
16 purchase power agreement with two five-year renewal
17 terms.

18 **COMMISSIONER EDGAR:** So how did you get that
19 deal?

20 **MR. MCGARRAH:** We went out and did a
21 competitive process. We issued an RFP and asked for
22 vendors to give us proposals to construct a project like
23 this. We actually got -- I want to say it was nine or
24 ten different vendors with 16 or 17 different proposals.
25 Most of the vendors gave us multiple proposals of

1 different options of doing it. We went through an
2 evaluation process that looked at the life cycle cost
3 and came up with Origis getting the contract.

4 **COMMISSIONER EDGAR:** Thank you. Again, I find
5 it very interesting. I think it's wonderful that the
6 Commission and all of you are taking the initiative to
7 really looking into some of these things.

8 **COMMISSIONER MILLER:** Well, I was excited that
9 they were able to negotiate this price because, like I
10 said, with gas prices where they are, to find something
11 that's competitive with gas is -- because we -- really
12 the amount of time and effort that is spent on
13 everybody's part to try to make sure that these rates
14 are affordable for people, because we're incredibly
15 sensitive to the fact that many people struggle with
16 their power bill -- well, their utility bill.

17 And so -- and just to finish up, in
18 Tallahassee our folks are engaged and they demand
19 conservation and they demand solar options. Programs
20 like REACH and Double Rebates and the Energy Efficiency
21 Loans have been accepted, have been very
22 enthusiastically accepted and they have resulted in
23 energy conservation, in local spending, and in happy
24 customers over the large part.

25 Let's face it, power costs money. In our

1 particular market, the folks are very -- they have very
2 strong feelings about being able to control their own
3 power destiny, so to speak, and controlling how much
4 they spend on power. So coupled with the proactive
5 maintenance and efforts to do everything possible to
6 maintain reasonable, affordable, reliable rates, the
7 City -- the residents are receiving I believe to be one
8 of the most outstanding services in the country, and
9 fortunately others have recognized that also.

10 **COMMISSIONER EDGAR:** And very reliable.

11 **COMMISSIONER MILLER:** Yes, it is. I mean,
12 yes, the power does go out occasionally. But, I mean, I
13 don't know, I grew up when the power would go out
14 routinely for two hours at a time. I mean, shoot.

15 **COMMISSIONER GRAHAM:** You're not biased, are
16 you?

17 (Laughter.)

18 **COMMISSIONER MILLER:** No. But I really -- you
19 know, we are a city that loves our trees, and trees have
20 squirrels. Often we have fried squirrels and -- too
21 often.

22 **CHAIRMAN BROWN:** Goodness.

23 **COMMISSIONER MILLER:** And storms -- even when
24 the wind blows and even sometimes when it doesn't
25 branches fall on wires. And so other than having a

1 100 percent number of -- even that's the distribution
2 line. I mean, you know, then we've got the --

3 **CHAIRMAN BROWN:** Transmission.

4 **COMMISSIONER MILLER:** -- big delivery
5 transmission lines that, you know, aren't underground
6 and all that.

7 **CHAIRMAN BROWN:** Yeah.

8 **COMMISSIONER MILLER:** So -- and then, you
9 know, undergrounding, get a big flood, which we don't
10 normally fortunately get, thanks to our excellent storm
11 water department.

12 **CHAIRMAN BROWN:** Unlike Tampa.

13 **COMMISSIONER MILLER:** We -- you know, I think
14 that they do a great job and I'd like to take this
15 opportunity to publicly commend these gentleman because
16 they've been working really hard for a long time to make
17 this story one that we can bring to you today. So thank
18 you very much. And if you have any other questions,
19 we'd be glad to answer them.

20 **CHAIRMAN BROWN:** We're all very interested in
21 what the City of Tallahassee does.

22 Commissioner Graham has a follow up.

23 **COMMISSIONER GRAHAM:** Well, you guys are
24 fortunate you're not part of our DSM program. Actually
25 I think all municipals should not be part of our

1 program. I think it allows you guys to be freer on the
2 things that you do. I mean, you don't have to be --
3 you're not tied to two-year paybacks on rebates and all
4 that sort of stuff. You can kind of do whatever works
5 best for your community. I mean, you can give away the
6 free fluorescent lights or LEDs and you can see the
7 immediate impact of those sort of things when you do
8 that kind of program.

9 Do you guys also handle the water and
10 wastewater for City of Tallahassee? I mean, I am
11 guessing, but normally that's probably got to be the
12 largest user of power for the City of Tallahassee.

13 **MR. GOAD:** We do provide the water and
14 wastewater. We operate that utility. We've got about
15 85,000 customers in water, a little less in wastewater.
16 The City as a whole is one of the larger users of
17 electricity. That's normally the way we would track it.
18 But the water utility in particular would not on its own
19 rise to that level. It's a large power user, but we've
20 got large customers like our institutional customers
21 like that that would tend to be far, far larger.

22 **COMMISSIONER GRAHAM:** It just -- it gives you
23 some of that freedom. You know, if you guys decide you
24 want to switch out those pumps for higher energy
25 conservation pumps, I mean, you're allowed to do that

1 sort of thing and it's kind of win-win for everybody.

2 **MR. GOAD:** Yes, sir.

3 **COMMISSIONER MILLER:** We're going to take that
4 quote public.

5 **CHAIRMAN BROWN:** Win-win.

6 **COMMISSIONER GRAHAM:** But, I mean, it grants
7 you guys a lot more flexibility, especially when you're
8 controlling all access. And I'm assuming that that --
9 everything goes out in one bill, water, wastewater,
10 electricity. And so, I mean, that just -- it's a
11 wonderful world sometimes when it works like that. You
12 know, I applaud and -- you know, it's interesting, one
13 of our fellow Commissioners, Mayor Marks, used to brag
14 about your utility all the time. I mean, when I first
15 got here, you know, he was one of the ones that kind of
16 reached out to kind of welcome me to Tallahassee and
17 welcome me to the Commission, and he talked, you know,
18 very, very highly about the utility. I think -- I've
19 heard a lot and I think you guys are doing a fantastic
20 job.

21 **COMMISSIONER MILLER:** That's a good point,
22 because -- Commissioner, because I think the mayor is --
23 the fact that the mayor was on the Public Service
24 Commission made him especially focused on energy and it
25 gave him the opportunity to hear from utilities all over

1 the state. So I thank you for saying that, and I'll
2 pass that along to him.

3 I want to give a little bit of -- well, I
4 would not be here today without giving credit to our
5 customers. They demand these things and they pay
6 attention and they get involved. They come in and they
7 make their wishes known. We get emails about ways we
8 can conserve, and we pursue any suggestion that anybody
9 has. But as the capital with a lot of state folks here,
10 I think that people are -- they're also exposed to
11 practices all over the state and even probably the
12 country, and then these guys are part of national
13 organizations. But I would say that our customers and
14 the pressure that they put on and the demands that --
15 you know, they want to be involved, and so they're part
16 of the picture for sure.

17 **CHAIRMAN BROWN:** And, Commissioner Miller, I
18 was just going to follow up with you on that because you
19 started the conversation talking about the customer and
20 the customer is really the owner here, and I think that
21 is unique for a utility at least in our world here. So
22 I think that's an interesting perspective to start with.
23 I'm curious because there's so much buy-in on the
24 customer side in the City of Tallahassee with the
25 demand-side management programs. You have, you know,

1 just a lot of unique and innovative forward-thinking
2 programs and initiatives. How do you reach out to your
3 customers? How is that dialogue achieved and to keep it
4 so positive?

5 **COMMISSIONER MILLER:** Well, for one thing, we
6 have a utilities marketing department, and their job is
7 to -- we use WCOT. We talk about these things at the
8 Commission meetings regularly. And then that all
9 evolved into -- there's an audit program, which that's a
10 pretty well-recognized program. But I agree that it's
11 critical to be able to get the word out because a lot of
12 times the people that are most in need of the programs
13 are the last people to hear about it, and -- but we have
14 a utilities marketing department that is focused on how
15 to do that. And they have booths at public events all
16 the time. Believe me, we have -- well, you probably
17 know.

18 **COMMISSIONER PATRONIS:** There's a newsletter
19 in every statement.

20 **COMMISSIONER MILLER:** Yes, that's right. And
21 we also, as you all know who spend very much time in
22 Tallahassee, we have an event a minute, just go to
23 Cascades Park, and they have booths there all the time.
24 Not just Cascades Park but everywhere they can, any time
25 there's a public meeting. We'll be having a budget

1 workshop, for example, that's out in public and they
2 will have a booth, you know, right there all about all
3 of this information. So they really go above and beyond
4 trying to make sure that they reach the people that need
5 to hear about the programs.

6 **CHAIRMAN BROWN:** That's great.

7 **COMMISSIONER MILLER:** And most of this is
8 offered to commercial as well as residential. So, you
9 know, everybody's got the opportunity to participate.

10 **CHAIRMAN BROWN:** You're doing a great job.
11 You all are very forward thinkers, and we're happy to
12 have you. And thank you for taking the time to share
13 some of the highlights of the City of Tallahassee.

14 Commissioners, are there any further
15 questions, comments?

16 **COMMISSIONER BRISÉ:** Thank you.

17 **COMMISSIONER PATRONIS:** Thank you very much.

18 **COMMISSIONER MILLER:** Well, thank you for
19 having us.

20 **CHAIRMAN BROWN:** Thank you.

21 **COMMISSIONER MILLER:** It's been very nice to
22 come and visit with y'all.

23 **COMMISSIONER EDGAR:** Come back again.

24 **COMMISSIONER MILLER:** We will.

25 **CHAIRMAN BROWN:** Open door. Thank you, guys.

1 All right. Moving on to -- we are moving
2 along. We're getting to the legislative implementation.
3 It's very limited to House Bill 491.

4 Hi, Cayce.

5 **MR. HINTON:** Good morning.

6 **CHAIRMAN BROWN:** Good morning -- afternoon.

7 **MR. HINTON:** Good afternoon.

8 Yes, Commissioners, as promised at the last
9 Internal Affairs, this item is staff's proposed
10 implementation plan for three statutory revisions in
11 HB 491 that we believe will require rulemaking by the
12 Commission, three topic areas really to be addressed.

13 The first one addresses rate case expense for
14 staff-assisted rate cases. The legislative change
15 prohibits the award of rate case expense during a SARC
16 to recover fees incurred by a utility for work performed
17 by attorneys or outside consultants prior to staff's
18 initial report. And, of course, unless OPC or another
19 party intervenes in that case, rate case expense can be
20 awarded.

21 This particular section of the legislation
22 is -- we are required to propose a rule by December 31st
23 of this year. Staff anticipates that only minor
24 revisions will be necessary to comply with the statutory
25 amendments, and so we don't anticipate any problems

1 meeting that deadline.

2 The second topic area is pass-through
3 expenses. The legislation amends Section 367.081 to
4 include additional expenses for which a utility may
5 automatically increase or decrease approved rates given
6 45 days' notice. The legislation also gives the
7 Commission discretion to establish by rule additional
8 pass-through expenses, but any expenses that we would
9 add would have to be done through rulemaking. But we
10 would have to review them every five years to make sure
11 they should stay eligible for pass-through expense.

12 We propose revising Rule 25-30.425 to reflect
13 the additional expenses eligible as set forth in
14 legislation. Staff will also review expense categories
15 to see if we can identify anything that we would
16 recommend adding to the list that the legislature put
17 forward.

18 Staff believes rulemaking to comply with this
19 aspect of the legislation can be accomplished
20 expeditiously, and so we propose that it follow the same
21 track as that of the rate case expense.

22 The third subject area regarding -- is
23 regarding utility reserve funds. The legislation adds a
24 subsection to Section 367.081 which enables the
25 Commission, on its own motion or upon utility request,

1 to authorize the utility to create a reserve fund for
2 repair and replacement of existing distribution and
3 collection infrastructure that is nearing the end of its
4 useful life or detrimental to water quality or
5 reliability of service.

6 The legislation directs the Commission to
7 adopt rules to govern implementation management and use
8 of the fund, and the rules shall include, at a minimum,
9 expenses for which the fund may be used, segregation of
10 reserve account funds, requirements for capital
11 improvement plans, and requirements for Commission
12 authorization of disbursement from the fund. So this is
13 going to be a much more complex rulemaking exercise, and
14 so we -- this would be on a separate track. Now even
15 though the legislature doesn't set forth a deadline for
16 us to accomplish this, separate statutory requirements
17 would require us to propose a rule by April 1st of next
18 year. We're available to answer any questions that you
19 might have.

20 **CHAIRMAN BROWN:** Thank you very much.

21 Commissioners, do you have any questions on
22 this?

23 Looking forward to seeing how that utility
24 reserve fund pans out. Do you have a timeframe? I know
25 you said April --

1 **COMMISSIONER GRAHAM:** April 1st, April Fool's
2 Day.

3 **MR. HINTON:** Yeah. We would have to --

4 **CHAIRMAN BROWN:** It's your birthday?

5 **COMMISSIONER GRAHAM:** No.

6 (Laughter.)

7 **MR. HINTON:** We'd have a proposed rule by
8 April 1st, and so what that contemplates is staff will
9 begin work on a draft rule that we would then put out
10 there for comment by stakeholders. More than likely,
11 we're going to be having a rule development workshop or
12 two on this particular rule. And then once we go
13 through that process, staff will revise the draft, given
14 the input from the stakeholders, and bring a proposed
15 rule to you, at which point that would need to take
16 place by April 1st.

17 **CHAIRMAN BROWN:** Great. Looking forward to
18 it. Thank you, guys.

19 All right. Moving on to the Clean Power Plan
20 update. We've seen lots of emails from Kathryn over the
21 past month or two.

22 **MS. COWDERY:** Yes. This update is since our
23 last update on the April IA. In the Clean Power Plan
24 litigation, which is on the existing plants, on April
25 15th the petitioners filed their reply briefs. They

1 filed on procedural issues and on legal issues. The
2 petitioners filing these briefs include the State of
3 Florida, Gulf Power Company, CO2 Task Force of the
4 Florida Electric Power Coordinating Group, and Seminole
5 Electric Cooperative.

6 The final briefs of all parties we filed
7 April 20th, 2016, and on April 28th the parties filed
8 their proposals to the court regarding the structure and
9 length of oral argument, which at that time was
10 scheduled to be June 2nd. But on May 16th, the D.C.
11 District Court of Appeals, on its own motion, ordered
12 that oral argument be rescheduled from June 2nd to
13 September 27th. The court also ruled that instead of
14 being a three-judge panel, it would be heard en banc,
15 that is, by the entire court instead of by the
16 three-judge panel. The entire court is 11 judges. Two
17 of the judges did not participate in that order. You
18 know, if that happens at oral argument, then it would be
19 a nine-judge panel -- you know, don't know yet --
20 regarding the new modified and reconstructed source
21 rule.

22 The next action in the court case is that
23 we've got briefs due for petitioners July 15th, 2016;
24 respondent EPA's brief is due September 23rd;
25 petitioners' reply briefs are due October 21st; and then

1 final briefs are due at the beginning of November in
2 2016. No oral argument date has been set.

3 And another however, on May 24th, petitioners
4 and the petitioner intervenors filed a motion asking the
5 court to suspend this briefing schedule. And the reason
6 for this is they had filed petitions directly with EPA
7 asking for reconsideration of that particular rule and
8 EPA denied reconsideration. So the petitioners state to
9 the D.C. court that they're planning to file asking the
10 court to review EPA's denial of their reconsideration of
11 the rule. The deadline for that is July 5th. So at
12 this time that briefing schedule remains. The court
13 hasn't ruled on the motion yet. EPA and other
14 respondents are opposing that motion.

15 **CHAIRMAN BROWN:** Thank you for the update.
16 And before we get to the other Commissioners, I'll turn
17 to Commissioner Edgar and ask if you'd like to add
18 anything.

19 **COMMISSIONER EDGAR:** Oh, thank you, Madam
20 Chair.

21 Just briefly, and thank you for that update.
22 This makes me think kind of, as a metaphor, of the duck
23 for the Clean Power Plan which with, you know, with the
24 stay in place, it may appear that not much is really
25 happening and it's just moving, but if you look just

1 under the surface, there's a whole lot of activity that
2 is still going on on all of these issues for many states
3 and also nationally. And also to point out that on the
4 surface it may seem that we're moving -- for the
5 existing plans or existing sources moving the date from
6 June to September may seem to be a delay, but in
7 actuality it probably is not because it does circum --
8 not circumvent -- but move past some of those additional
9 processes that could have taken place if, indeed, there
10 were oral argument before a panel and then there was a
11 request to take it en banc eventually.

12 So the point being our staff is on top of it,
13 which I know we're all very appreciative of, but these
14 issues continue to move forward.

15 **CHAIRMAN BROWN:** Thank you, Commissioner
16 Edgar. And thanks for tracking and continuing to be
17 engaged on it on the national front and on the state
18 front.

19 Commissioners, any other questions or
20 comments?

21 Thank you again. Thanks for keeping us
22 apprised.

23 All righty. We are moving along to General
24 Counsel.

25 **MR. HETRICK:** Yes. All is well, Madam Chair,

1 and we are very busy.

2 **CHAIRMAN BROWN:** You are busy. We all are
3 busy.

4 All right. Executive Director's report.

5 **MR. BAEZ:** Thank you, Madam Chair. SEARUC and
6 the Brisé birthday bash June 12th through 15th. We have
7 the Regulatory Attorneys Conference again coming on the
8 19th through the 23rd. As advertised, upcoming service
9 hearings: June 16th, Melbourne and Daytona Beach;
10 June 27th, Miami; June 28th, Fort Lauderdale and
11 Pembroke Pines; June 29th, Miami Gardens.

12 And, Commissioners, the staff has been
13 preparing to hold a series of workshops beginning in
14 July that's going to target Class C water and wastewater
15 utilities, and the purpose of the workshops is to
16 educate and raise awareness of the Commission's
17 procedures and regulatory processes and the requirements
18 of those processes. They're going to be held at various
19 locations around the state, and it's to facilitate the
20 small water companies' participations -- participation
21 in our processes. The goal being, you know, to get them
22 to learn how to file their annual reports properly and
23 to learn when to come in for their rate cases on time
24 and to also participate in the various pass-throughs and
25 indexes and all the -- to be able to facilitate an

1 orderly participation in those processes.

2 **CHAIRMAN BROWN:** Commissioner Graham has a
3 question for you.

4 **COMMISSIONER GRAHAM:** Are these workshops
5 going to be live streamed? If they're not live
6 streamed, are they at least going to be available online
7 --

8 **MR. BAEZ:** That's a good question.

9 **COMMISSIONER GRAHAM:** -- for those people that
10 can't actually make the workshop but are interested in
11 the things that happen during the workshop?

12 **MR. BAEZ:** That's a good question. The long
13 view -- that's a good question, Commissioner. The long
14 view is to have those workshops set down into a type of
15 webinar that's going to be accessible on our website.
16 But the real value of the workshops is to get the actual
17 utility owners and operators in live because that
18 creates one-on-one contact with our staff personnel to
19 actually walk them through the -- remember, these are
20 real small mom and pop utilities, and it creates the
21 one-on-one human contact to actually have a staffer walk
22 them through the filling out of the forms and the annual
23 reports and so forth.

24 The added value to all of this is we're
25 coordinating with the Florida Rural Water Association.

1 FRWA has a program where they're trying to -- they have
2 a program where they offer, provide these small water
3 utilities with computers. I don't know whether you know
4 this or not, I'm sure you've heard the stories, a lot of
5 these small utilities, they don't even have -- they
6 don't have computers in order to kind of -- in order to
7 access, for instance, a webinar, you know, much less to
8 file an annual report online like we want them to do
9 because this is sort of what we're moving towards --
10 trying to move towards as an agency.

11 So we're trying to coordinate all of these
12 things. And so we're very thankful and very fortunate
13 to have a rural water association to work with us on
14 that. So if we -- so the real value is to get it live.
15 And we're hoping to do this -- you know, again, this is
16 pie in the sky -- we're hoping to do this every couple
17 of years to be able to establish that kind -- and in the
18 end get all -- have contact with all the small water
19 companies and make this a normal thing so that, you
20 know, they can actually get the knowledge first-hand.

21 **CHAIRMAN BROWN:** So the short answer is yes?

22 **MR. BAEZ:** Yes, very long answer. Yes, we
23 are.

24 (Laughter.)

25 **MR. BAEZ:** There's a larger strategy to it,

1 but, yes. Initial locations, Pasco, Polk, and Marion
2 County, with additional locations to be announced. And
3 we'll keep you apprised of the progress.

4 **CHAIRMAN BROWN:** Commissioners, any other
5 questions?

6 **MR. BAEZ:** Thank you.

7 **CHAIRMAN BROWN:** Okay. Thank you for sharing
8 that with us.

9 Moving on to other matters. Just two
10 recognitions. If I could get Laura King and Lynn Deamer
11 to just come up here real quick. I stole Laura King's
12 little Employee of the Month award from her. She got
13 the benefit of having it over the past -- this past
14 month of May. And just to tell you a little bit about
15 her, she has been with the agency for 23 years starting
16 in telecom, and just recently transferred, in 2014, to
17 the Division of Engineering and quickly rose up to the
18 manager position and really a dedicated manager.
19 You're -- the whole agency really supports all the work
20 you've done in those various capacities. And since we
21 didn't have an opportunity in May to formally give this
22 to you, I want to thank you and congratulate you for
23 everything that you do for us. Thank you.

24 **MS. KING:** Thank you.

25 (Applause.)

1 **CHAIRMAN BROWN:** And moving on to this month,
2 and Lynn and I haven't had an opportunity to get
3 together and get to know each other a little bit more,
4 but she's been with the Commission in the -- you started
5 out in the Tampa office back in 1986.

6 **MS. DEAMER:** Uh-huh. That's correct.

7 **CHAIRMAN BROWN:** Been with us for a lot.
8 Moved to Tallahassee in 1991 as a computer audit
9 analyst, and now she is the chief of auditing since
10 December 2012. Fun fact about her, and I can't wait to
11 get to know her a little bit more, but she rides
12 Harley-Davidsons.

13 **MS. DEAMER:** Oh, yeah. Go Harley.

14 **CHAIRMAN BROWN:** Go Harley. And we're
15 grateful to have you here at the Commission all these
16 years. And thank you so much for the service, and hope
17 you're enjoying your spotlight this month.

18 **MS. DEAMER:** Thank you so much.

19 **CHAIRMAN BROWN:** Thank you.

20 (Applause.)

21 Thank you. Are there any other matters? All
22 right. Thank you. This meeting is adjourned.

23 (Internal Affairs adjourned at 1:53 p.m.)

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 13th day of June, 2016.

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