

I. Meeting Packet



State of Florida
Public Service Commission
INTERNAL AFFAIRS AGENDA
Tuesday, September 13, 2016
Following Commission Agenda
Room 105 - Gerald L. Gunter Building

1. "Nuclear Waste Policy Overview"
Katrina McMurrian, Executive Director
Nuclear Waste Strategy Coalition
(Attachment 1)
2. FPSC Draft 2016 Regulatory Plan
(Attachment 2)
3. General Counsel's Report
4. Executive Director's Report
5. 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.

Nuclear Waste Policy Overview

Florida PSC Internal Affairs
September 13, 2016

Katrina McMurrian

Executive Director

Nuclear Waste Strategy Coalition

Outline

1. About the Nuclear Waste Strategy Coalition (NWSC)
2. About Nuclear Waste and Spent (Used) Nuclear Fuel
3. US Used Fuel Policy – NWPA & Yucca Mountain Repository
4. NWPA Implementation – Milestones; Standstill; Recent Actions
5. Implications of Extended Storage
6. Key Activities – Executive & Legislative Branches
7. NWSC Key Positions
8. Closing Thoughts & Contact Info

NWSC Formation, Purpose, Other Key Points

- Formation – 1993 by entities in 3 states (MI, MN, FL)
- Purpose – to urge timely removal of commercial nuclear waste by federal gov't and protect electric consumer payments into the Nuclear Waste Fund (NWF)
- Outreach to federal gov't w/o physical presence in DC
- Member-driven
- Regular conference calls
- Member meetings in DC at least annually with Hill visits
- Non-partisan
- Not pro-nuclear or anti-nuclear

NWSC Membership

- State utility commissions
- State consumer advocates
- State energy officials
- State radiation control officials
- Tribal government
- Local government
- Nuclear-generating utilities & utilities with shutdown plants
- Other subject matter experts

NWSC Leadership

- Executive Committee
 - 3 State utility commissioners
 - Hon. Sarah Hofmann, VT PSB (Chair)
 - Hon. Bubba McDonald, GA PSC (Communications Officer)
 - Hon. Julie Brown, FL PSC (Membership Officer)
 - 2 Utility Reps
 - Mr. Renze Hoeksema, DTE Energy (Vice Chair)
 - Mr. Bob Capstick, 3 Yankee Companies (Finance Officer)
 - 1 Ex-Officio
 - David Wright, former Chair of NWSC & SC PSC
- Staff
 - Katrina McMurrian (Executive Director)

NWSC Value

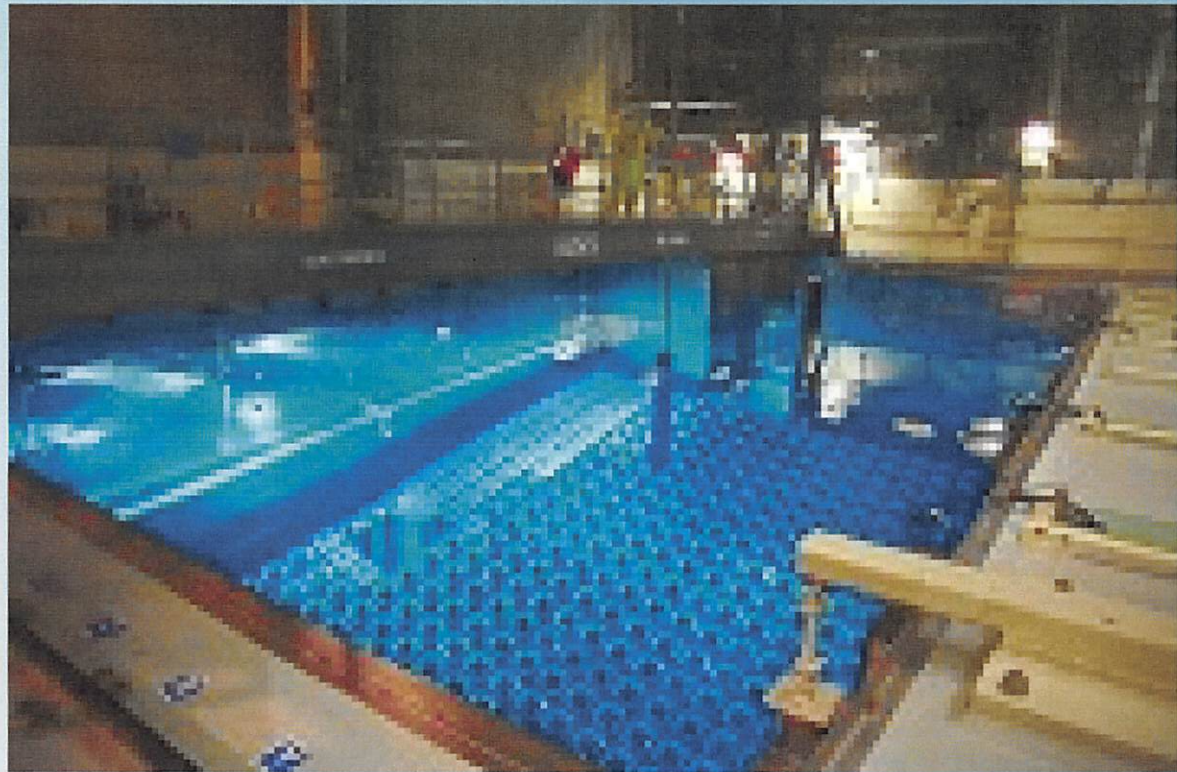
- Develop strong, cohesive messages on behalf of diverse and credible coalition
- Coordinate with other key stakeholder organizations like NARUC, NEI, NIC, DPC, NCSL, ECA, BPC, etc.
- Communicate messages to Congress, federal agencies, stakeholders, the media
 - Hill visits, letters, comments, press releases
- Inform members about relevant issues and events and provide opportunity for quick and effective input

Nuclear Waste – What is It?

- High-level waste (HLW) – Radioactive byproduct of reactions inside nuclear reactors. Takes 1 of 2 forms:
 - Spent (used) nuclear fuel (SNF) that has not been reprocessed – Most commercial waste has not been reprocessed, as commercial reprocessing is no longer practiced in US.
 - Other HLW materials remaining after reprocessing – Significant quantities produced by defense reprocessing programs at DOE facilities (Hanford, WA; Savannah River, SC) and commercial reprocessing operations at West Valley, NY. Generally managed by DOE and not regulated by NRC.
- Low-level waste (LLW) – Byproduct of uses of a wide range of radioactive materials (for electricity generation, medical diagnosis & treatment, etc.) Includes contaminated protective clothing, tools, etc. Most destined for disposal in near-surface facilities.

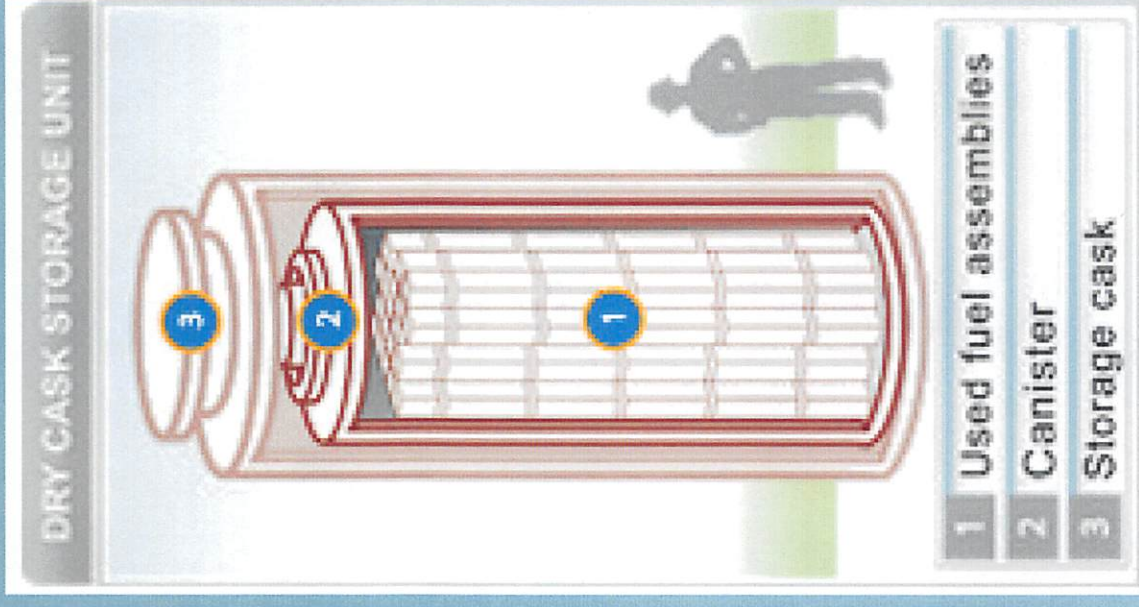
Used Fuel Storage Practices

- Spent Fuel Pool Storage
 - Water typically about 40 feet deep and serves both to shield the radiation and cool the rods.
 - Fuel usually cooled at least 5 years in pool before transfer to dry cask.



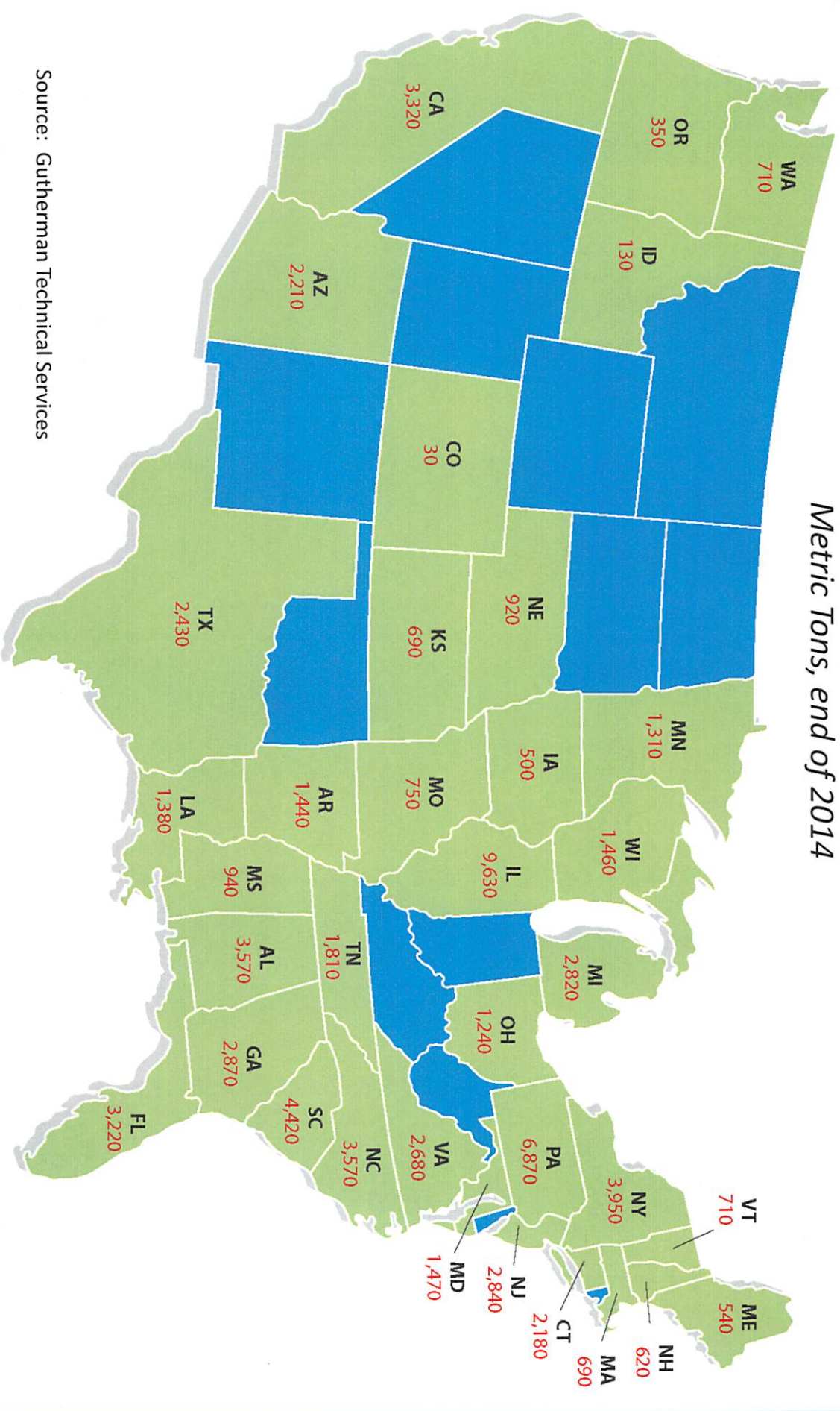
Used Fuel Storage Practices (cont.)

- Dry Cask Storage
 - As pools near capacity, utilities move some of older spent fuel into “dry casks.”
 - Approx. 75 ISFSIs licensed in 34 states



Used Nuclear Fuel in Storage

Metric Tons, end of 2014



Source: Gutherman Technical Services

US Used Fuel Policy – NWPA



- Nuclear Waste Policy Act (NWPA) of 1982
 - Called for repository site search to result in 2 sites (1 in East & 1 in West assumed)
 - Limited 1st repository to 70,000 metric tons until 2nd repository open
 - Created office in DOE to focus on waste
 - Authorized DOE to contract with utilities for DOE removal of SNF starting in 1998 in return for fees
 - Directed DOE to propose site & design for MRS
 - Assigned licensing to NRC using EPA standards

US Used Fuel Policy – NWPA (*cont.*)

- 1987 NWPA Amendments
 - Named Yucca Mountain (YM) as sole repository site; eliminated 2nd repository program
 - Rescinded MRS site selection and tied future operation to repository progress
 - Offered incentives to host states & tribes
 - Established Nuclear Waste Negotiator to find voluntary repository or MRS sites (*expired*)
 - Established Nuclear Waste Technical Review Board to increase oversight of OCRWM
 - If YM found unsuitable, studies to be stopped, site restored, and DOE to report to Congress in 6 mos. on course of action

NWPA Implementation

➤ Milestones Achieved

➤ 2002 –

- Sec. of Energy recommended Yucca Mtn. for the only repository & Pres. Bush approved
- Nevada exercised state veto in April
- Veto overridden by Congress by mid-July

➤ 2008 –

- DOE submitted license application for Yucca repository to NRC

NWPA Implementation *(cont.)*

- Political Intervention Leads to Standstill
 - 2010 –
 - Administration zeroed out Yucca Mtn. funding
 - DOE moved to withdraw Yucca Mtn. license app
 - President created BRC to “recommend a new strategy” because Yucca “unworkable”
 - DOE’s OCRWM closed
 - 2011 –
 - NRC discontinued technical review of Yucca license app

NWPA Implementation *(cont.)*

➤ Recent Actions

➤ 2013 –

- NRC restarts technical review of YM license application as directed by USCA-DC writ of mandamus, but only so long as appropriated funds last

➤ 2015 –

- NRC completion of Safety Evaluation Report (SER)

➤ 2016 –

- NRC completion of Supplemental EIS
- Remaining license app review work will require additional funding by Congress

NWPA Implementation *(cont.)*

Nuclear Waste Fund (NWF) Payment Info as of December 31, 2014 (Million Dollars)

	Total NWF Contributions	1-Time Fee Outstanding	Allocation of Interest on NWF	Total Liabilities
Florida	903.6	0	785.9	1,689.5
US Total	21,192.4	3,263.6	18,433.4	42,889.4

- Payments based on nuclear plant generation
- Source: DOE; Updated: 4/15 by NEI
- Note: DOE suspended collection of fee in May 2014 as a result of a Nov. 2013 USCA-DC decision in NARUC fee suspension case.

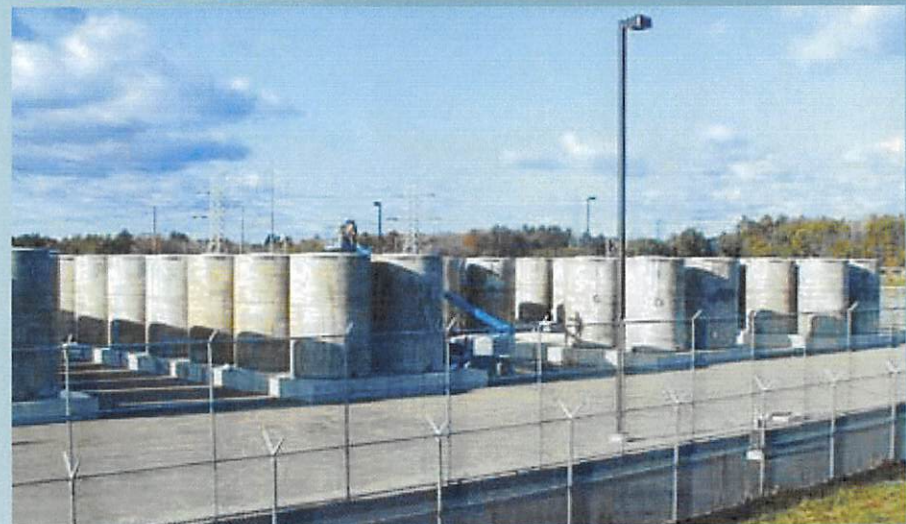
Implications of Extended Storage



- On Electric Consumers
 - Paid over \$40 B in fees & interest into NWF with little in return (most used for purposes other than disposal)
 - Before fee collection suspended, ratepayers were paying about \$750 M per year despite non-performance
 - Additional costs for dry cask storage, security, and work-arounds required by government's delay
- On Taxpayers
 - Damages for unmet obligation (breach of contract) paid out of Judgment Fund – over \$5.3 B paid as of 9/30/15
 - Estimated remaining future liability – \$23.7 B through 2021 and approx. \$500 M per year after

Implications of Extended Storage *(cont.)*

- On Communities
 - Increasing concern that used fuel won't be removed and dry casks not licensed for indefinite storage (e.g., Prairie Island)
 - In case of shutdown units (e.g., Maine Yankee), dry cask storage may be the only thing preventing other economic uses of property



Key Activities – Executive Branch

- Blue Ribbon Commission on America’s Nuclear Future
 - Report to Secretary of Energy, Jan. 2012
- Department of Energy (DOE)
 - “Strategy” for Integrated Waste Management, Jan. 2013
 - Defense-Only Repository, Mar. 2015
 - Consent-Based Siting (CBS) for repository and interim storage
 - Deep Boreholes for specific waste forms
 - Reorganization of Office of Nuclear Energy
 - Transportation and other SNF-related matters
- Nuclear Regulatory Commission (NRC)
 - Yucca Mountain licensing
 - Continued Storage Rule (formerly “waste confidence”)
 - Transportation and other SNF-related matters

Key Activities – Legislative Branch

- Senate Gang of 4 (Sens. Murkowski, Cantwell, Alexander, Feinstein) bill – NW Administration Act of 2015 (S.854)
- Consent-related bills:
 - S.1825 (NV Sens. Reid & Heller) – referred ENR 7/22/15
 - S.691 (NV Sens. Reid & Heller) – referred EPW 3/10/15
 - H.R. 1364 (NV Rep. Titus) – referred E&C 3/13/15
- Interim Consolidated Storage bills:
 - H.R.3643 (TX Rep. Conaway) – introduced 9/29/15 and referred E&C; 28 cosponsors
 - H.R. 4745 (SC Rep Mulvaney) – introduced 3/15/16 and referred E&C; no cosponsors
- Potential House E&C bill (IL Rep Shimkus)
- Energy & Water Appropriations in both chambers

NWSC Key Positions

- Permanent Disposal – Complete the Yucca Mountain repository license application in accordance with NWPA; Repository is needed.
- Consolidated Interim Storage (CIS) – Facilitate volunteer CIS as a way for federal gov't to begin meeting obligations, with priority for shutdown reactor fuel.
- Transportation – Prepare transportation infrastructure (incl. railcars, casks, components) to support both CIS and repository efforts; Adequately fund state & tribal transportation preparation activities.

NWSC Key Positions *(cont.)*

- Funding – Ensure timely access to the NWF for its intended purpose, without reliance on the annual appropriations process, but with appropriate Congressional oversight.
- Governance – Re-establish office in DOE to manage program until it can be transferred to an independent waste management organization, such as a federal corporation.
- Consent-Based Siting (CBS) – DOE should engage with potential host communities, but any CBS approach should be focused and timely, should complement the NWPA, should not be retroactively applied, and should result in enforceable agreements.

Closing Thoughts

- Timely resolution of the nuclear waste disposal problem is in the public interest, is achievable, and helps preserve the nuclear option.
- NWPA still law of land, and future liability can be avoided. *Proceed with Yucca Mtn. review!*
- One can support both Yucca Mountain and consolidated storage.
- Public awareness of these issues is lacking.
- Usually need *crisis or consensus* to spur action.
Please join us in pursuing consensus!

For More Info



Web: www.theNWSC.org

Twitter: [@NWSCoalition](https://twitter.com/NWSCoalition)

Email: katrina@theNWSC.org

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

DATE: September 1, 2016

TO: Braulio L. Baez, Executive Director

FROM: Pamela H. Page, Senior Attorney, Office of the General Counsel *PHP/SMC.*

RE: 2016 Regulatory Plan

CRITICAL INFORMATION: Please place on the September 13, 2016 Internal Affairs.

Approval of draft Regulatory Plan is sought.

The Commission is required to annually submit a Regulatory Plan to the Joint Administrative Procedures Committee by October 1. Section 120.74(1)(a), F.S., requires that the Commission submit a report on all rulemakings required to implement new laws creating or modifying the duties or authority of the Commission. Pursuant to Section 120.74(b), F.S., the Commission shall also report on all other rulemakings to be implemented by July 1, 2017. Section 120.74(1)(c), F.S., requires that the Commission include any desired updates to its 2015 Regulatory Plan. Attachment A is the Commission's draft report on rulemakings required to implement new laws. Attachment B is the Commission's draft report on all rulemakings to be conducted by July 1, 2017. Attachment C is the Commission's statement that there are no laws or desired updates to be reported in the 2016 Regulatory Plan. Staff recommends approval of the draft 2016 Regulatory Plan.

Attachments

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

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

STATE OF FLORIDA



KEITH C. HETRICK
GENERAL COUNSEL
(850) 413-6199

Public Service Commission

September x, 2016

Kenneth J. Plante
Coordinator
Joint Administrative Procedures Committee

Re: Florida Public Service Commission's 2016 Regulatory Plan

Dear Mr. Plante:

The Florida Public Service Commission (Commission) hereby files its Regulatory Plan pursuant to Section 120.74, Florida Statutes (F.S.).

Section 120.74(1)(a), F.S., requires a listing of each law enacted or amended during the previous 12 months which creates or modifies the duties or authority of the agency, a statement whether rule adoption is required to implement the law, and if so, whether a notice of rule development has been published; and an identification of the date by which the agency expects to publish the notice of proposed rule. The Commission's report of laws pursuant to Section 120.74(1)(a), F.S., is attached hereto as Attachment A.

Section 120.74(1)(b), F.S., states that the regulatory plan must also include a listing of each law not listed pursuant to Section 120.74(1)(a), F.S., which the agency expects to implement by rulemaking before the following July 1, including a statement whether rulemaking is intended to simplify, clarify, increase efficiency, improve coordination with other agencies, reduce costs, or delete obsolete, unnecessary, or redundant rules. The Commission's report of laws pursuant to Section 120.74(1)(b), F.S., is attached hereto as Attachment B.

Section 120.74(1)(c), F.S., requires an identification and listing of laws which were previously identified in a prior year's regulatory plan as requiring rulemaking to implement, but for which a notice of proposed rule has not been published. Section 120.74(1)(c), F.S., also requires the Commission to specify any desired updates to the Commission's 2015 Regulatory Plan. As stated in Attachment C, the Commission has no laws or desired updates to report pursuant to Section 120.74 (1)(c), F.S.

Section 120.74(1)(d), F.S., requires the Commission to submit a certification regarding the regulatory plan. Pursuant to Section 120.74(1)(d), F.S., we hereby verify that we have reviewed the attached regulatory plan and that the Commission regularly reviews all of its rules. The Commission's rules were most recently reviewed for the period January 1, 2012, through

July 1, 2015, to determine if the rules remain consistent with the Commission's rulemaking authority and the laws implemented.

JULIE I. BROWN
Chairman
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770

KEITH HETRICK
General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770

PHP

Enclosure

FLORIDA PUBLIC SERVICE COMMISSION
2016 REGULATORY PLAN

ATTACHMENT A

LAWS CREATING OR MODIFYING DUTIES OR AUTHORITY- SECTION 120.74(1)(a), F.S.

Laws	Rulemaking Necessary	Notice of Rule Development Published	Expected Date of Notice of Proposed Rule	Reason Why Rulemaking Is Not Necessary
2016-226 – Authorizes the Commission when establishing rates for a utility, to authorize a utility to create a utility reserve fund for infrastructure repair and replacement to be funded by a portion of the rates charged by the utility.	Rulemaking necessary for Section 367.081(2) (c), F.S., on creation, management of utilities' reserve fund.		April 1, 2017	N/A
2016-226 – Addresses the Commission's award of rate case expenses in staff assisted rate cases.	Rulemaking necessary for Section 367.0814(3), F.S, on rate case expenses.		December 31, 2016	N/A
2016-226 – Includes additional expenses for which a utility may automatically increase or decrease approved rates, authorizes the Commission to establish by rule additional	Rulemaking necessary for Section 367.081(4)		April 1, 2017	N/A

FLORIDA PUBLIC SERVICE COMMISSION
2016 REGULATORY PLAN

ATTACHMENT A

LAWS CREATING OR MODIFYING DUTIES OR AUTHORITY- SECTION 120.74(1)(a), F.S.

Laws	Rulemaking Necessary	Notice of Rule Development Published	Expected Date of Notice of Proposed Rule	Reason Why Rulemaking Is Not Necessary
specific expense items. Requires this rule to be reviewed every five years.	(b), F.S., on additional expenses for which a utility may increase or decrease approved rates.			
2016-6 – Expands public records exemptions for certain data processing software obtained by an agency.	No	N/A	N/A	Statute is specific as to types of data processing software that are exempt from public records law.
2016-20 – Requires public agency contracts for services to include a statement on public records, contractor responsibilities, and to provide information on the public agency’s custodian of public records.	No	N/A	N/A	Statute is prescriptive as to the public records requirements for public agency contracts for services.
2016-27 – Provides an exemption for any information furnished to an agency by any person for emergency notification.	No	N/A	N/A	Statute is prescriptive as to the applicability and scope of the public records exemption.

FLORIDA PUBLIC SERVICE COMMISSION
2016 REGULATORY PLAN

ATTACHMENT A

LAWS CREATING OR MODIFYING DUTIES OR AUTHORITY- SECTION 120.74(1)(a), F.S.

Laws	Rulemaking Necessary	Notice of Rule Development Published	Expected Date of Notice of Proposed Rule	Reason Why Rulemaking Is Not Necessary
2016-49 – Provides an exemption from public records requirements for bids, proposals, or replies submitted to an agency in response to a competitive solicitation.	No	N/A	N/A	Statute is specific as to the applicability and scope of the public records exemption.
2016-63 – Revises employer retirement contribution rates and employer assessment rate which offset the administrative and educational costs for the State of Florida Retirement System.	No	N/A	N/A	Statute is specific as to the terms of the retirement contribution rates and costs to be offset.
2016-102 – Requires each state agency to develop and implement veterans’ recruitment plans and establishes plan requirements.	No	N/A	N/A	Statute is specific and prescriptive as to the required elements of the recruitment plans.
2016-116 – Requires an agency beginning July 1, 2017, to publish all rules that are so designated that a violation of the rule would be a minor violation, and for each rule filed for adoption certify whether any part of the rule is designated as a minor violation.	No	N/A	N/A	Statute is prescriptive as to the publication and certification requirements for rules designated as minor violations.
2016-232 – Provides additional requirements for the calculation of estimated adverse impacts and regulatory costs for	No	N/A	N/A	Statute specifies the methodology for the calculation of adverse impacts and regulatory costs.

FLORIDA PUBLIC SERVICE COMMISSION
2016 REGULATORY PLAN

ATTACHMENT A

LAWS CREATING OR MODIFYING DUTIES OR AUTHORITY- SECTION 120.74(1)(a), F.S.

Laws	Rulemaking Necessary	Notice of Rule Development Published	Expected Date of Notice of Proposed Rule	Reason Why Rulemaking Is Not Necessary
rules.				

FLORIDA PUBLIC SERVICE COMMISSION
2016 REGULATORY PLAN

ATTACHMENT B

LAWS NOT CREATING OR MODIFYING DUTIES OR AUTHORITY- SECTION 120.74(1)(b), F.S.

Laws	Intent of Rulemaking
Section 350.123, F.S	Amend Rule 25-30.458, F.A.C., Notice of and Public Information For Limited Alternative Proceedings Rate Increase, to clarify public information requirements for limited alternative proceedings for rate increases.
Section 350.127(1), F.S.	Amend Rule 25-4.004, F.A.C., Certificates of Necessity or Authority; Application, to clarify the application form for authority to provide telecommunication services.
Section 364.10, F.S	Amend Rule 25-4.0665, F.A.C., Lifeline Service, to eliminate quarterly reporting; to prohibit a company from discontinuing a customer's lifeline local service if applicable charges, taxes, and fees are paid; and to clarify carrier responsibilities to conform to new federal lifeline rules.
Section 364.105, F.S.	Amend Rule 25-4.0665, F.A.C., Lifeline Service, to eliminate quarterly reporting; to prohibit a company from discontinuing a customer's lifeline local service if applicable charges, taxes, and fees are paid; and to clarify carrier responsibilities to conform to new federal lifeline rules.
Section 364.183(1), F.S.	Amend Rule 25-4.0665, F.A.C., Lifeline Service, to eliminate quarterly reporting; to prohibit a company from discontinuing a customer's lifeline local service if applicable charges, taxes, and fees are paid; and to clarify carrier responsibilities to conform to new federal lifeline rules.
Section 364.33, F.S.	Amend Rule 25-4.004, F.A.C., Certificates of Necessity or Authority; Application, to clarify the application form for authority to provide telecommunication services.
Section 364.335, F.S.	Amend Rule 25-4.004, F.A.C., Certificates of Necessity or Authority; Application, to clarify the application form for authority to provide telecommunication services.
Section 366.04(2)(f), (6), F.S.	Amend Rule 25-6.0346, F.A.C., Quarterly Reports of Work Orders and Safety Compliance, to make consistent with updated federal regulations.
Section 366.05(1), F.S.	Amend Rule 25-6.0346, F.A.C., Quarterly Reports of Work Orders and Safety Compliance to make consistent with updated federal regulations.

FLORIDA PUBLIC SERVICE COMMISSION
2016 REGULATORY PLAN

ATTACHMENT B

LAWS NOT CREATING OR MODIFYING DUTIES OR AUTHORITY- SECTION 120.74(1)(b), F.S.

Laws	Intent of Rulemaking
Section 367.081, F.S.	<p>Amend Rule 25-30.345, F.A.C., Customer Service Charges, to clarify customer service charges.</p> <p>Amend Rule 25-30.433, F.A.C., Rate Case Proceedings, to update the quality of service determination provision.</p> <p>Amend Rule 25-30.445, F.A.C., General Information and Instructions Required of Water and Wastewater Utilities in an Application for a Limited Proceeding, to clarify the required information for utilities to provide in an application for a limited proceeding.</p> <p>Amend Rule 25-30.460, F.A.C., Application for Miscellaneous Service Charges, to clarify additional definitions for late fee, insufficient funds, convenience fee, and meter tampering charges.</p>
Section 367.0814, F.S.	Amend Rule 25-30.458, F.A.C., Notice of and Public Information For Limited Alternative Proceedings Rate Increase, to clarify public information requirements in limited alternative proceedings for rate increase.
Section 367.0816, F.S.	Amend Rule 25-30.4705, F.A.C., Rate Case Expense Rate Reduction, to clarify the methodology for calculation of rate case expense rate reduction.
Section 367.0822, F.S.	Amend Rule 25-30.445, F.A.C., General Information and Instructions Required of Water and Wastewater Utilities in an Application for a Limited Proceeding, to clarify the required information for utilities to provide in an application for a limited proceeding.
Section 367.091, F.S.	Amend Rule 25-30.335, F.A.C., Customer Billing, to clarify requirement for name of utility on customer bill.

FLORIDA PUBLIC SERVICE COMMISSION
2016 REGULATORY PLAN

ATTACHMENT B

LAWS NOT CREATING OR MODIFYING DUTIES OR AUTHORITY- SECTION 120.74(1)(b), F.S.

Laws	Intent of Rulemaking
Section 367.101, F.S	<p>Amend Rule 25-30.540(5), F.A.C., Performance Under Agreements, to add requirement for utility to maintain a copy of all executed developer agreements.</p> <p>Amend Rule 25-30.550(1), F.A.C., Filing of Agreements; Approval of Contracts, to improve efficiency and decrease costs to government or private sector by removing requirement for utility to file developer agreements with the Commission.</p> <p>Amend Rule 25-30.585, F.A.C., Developer Service Availability Charges, to improve efficiency and decrease costs to government or private sector by removing requirement for utility to file developer agreements with the Commission.</p>
Section 367.111, F.S	<p>Amend Rule 25-30.325, F.A.C., Termination of Service by Customer, to clarify the rule as to temporary termination of service to avoid paying base facility charge.</p> <p>Amend Rule 25-30.345, F.A.C., Customer Service Charges, to clarify customer service charges.</p>
Section 367.121, F.S	<p>Amend Rule 25-30.325, F.A.C., Termination of Service by Customer, to clarify the rule as to temporary termination of service to avoid paying base facility charge.</p> <p>Amend Rule 25-30.335, F.A.C., Customer Billing, to clarify requirement for name of utility on customer bill.</p> <p>Amend Rule 25-30.4705, Rate Case Expense Rate Reduction, to clarify the methodology for calculation of rate case expense rate reduction.</p> <p>Amend Rule 25-30.458, F.A.C., Notice of and Public Information For Limited Alternative Proceedings Rate Increase, to clarify public information requirements for limited alternative proceedings rate increases.</p> <p>Amend Rule 25-30.460, F.A.C., Application for Miscellaneous Service Charges, to clarify additional definitions for late fee, insufficient funds, convenience fee, and meter tampering charges.</p>

FLORIDA PUBLIC SERVICE COMMISSION
2016 REGULATORY PLAN

ATTACHMENT B

LAWS NOT CREATING OR MODIFYING DUTIES OR AUTHORITY- SECTION 120.74(1)(b), F.S.

Laws	Intent of Rulemaking
Section 367.121(1)(a), F.S.	Amend Rule 25-30.445, F.A.C., General Information and Instructions Required of Water and Wastewater Utilities in an Application for a Limited Proceeding, to clarify the required information for utilities to provide in an application for a limited proceeding.
Section 367.145(2), F.S.	Amend Rule 25-30.445, F.A.C., General Information and Instructions Required of Water and Wastewater Utilities in an Application for a Limited Proceeding, to clarify the required information for utilities to provide in an application for a limited proceeding.
Section 368.03, F.S.	<p>Amend Rule 25-12.005, F.A.C., Codes and Standards Adopted, to make consistent with updated federal regulations.</p> <p>Amend Rule 25-12.008, F.A.C., New, Reconstructed or Converted Facilities, to make consistent with updated federal regulations.</p> <p>Amend Rule 25-12.027, F.A.C., Welder Qualification, to make consistent with updated federal regulations.</p> <p>Amend Rule 25-12.040, F.A.C., Leak Surveys, Procedures and Classifications, to make consistent with updated federal regulations.</p> <p>Amend Rule 25-12.085 F.A.C., Written Annual Reports Required, to make consistent with updated federal regulations.</p>
Section 368.05, F.S.	<p>Amend Rule 25-12.005, F.A.C., Codes and Standards Adopted, to make consistent with updated federal regulations.</p> <p>Amend Rule 25-12.027, F.A.C., Welder Qualification, to make consistent with updated federal regulations.</p>
Section 368.05(2), F.S.	Amend Rule 25-12.008, F.A.C., New, Reconstructed or Converted Facilities, to make consistent with updated federal regulations.

FLORIDA PUBLIC SERVICE COMMISSION
2016 REGULATORY PLAN

ATTACHMENT B

LAWS NOT CREATING OR MODIFYING DUTIES OR AUTHORITY- SECTION 120.74(1)(b), F.S.

Laws	Intent of Rulemaking
	Amend Rule 25-12.022, F.A.C., Requirements for Distribution System Valves, to make consistent with updated federal regulations. Amend Rule 25-12.085, F.A.C., Written Annual Reports Required, to make consistent with updated federal regulations.
Section 376.1213, F.S.	Amend Rule 25-30.433, Rate Case Proceedings, to update the quality of service determination provision.
Section 427.704, F.S.	Repeal Rule 25-4.113, F.A.C., Refusal or Discontinuance of Service by Company.

FLORIDA PUBLIC SERVICE COMMISSION
2016 REGULATORY PLAN

ATTACHMENT C

UPDATES TO 2015 REGULATORY PLAN- SECTION 120.74(1)(c), F.S.

The Commission has no laws or updates to the 2015 Regulatory Plan to report pursuant to Section 120.74(1)(c), F.S.

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

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

**INTERNAL AFFAIRS
September 13, 2016**

<u>Speaker</u>	<u>Representing</u>	<u>Item #</u>
Katrina McMurrian	Nuclear Waste Strategy Coalition	1

III. Supplemental Materials for Internal Affairs

Note: The following material pertains to Item 4
of this agenda.

State of Florida




Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

DATE: September 13, 2016

TO: Julie I. Brown, Chairman
Lisa Polak Edgar, Commissioner
Art Graham, Commissioner
Ronald A. Brisé, Commissioner
Jimmy Patronis, Commissioner

FROM: Braulio L. Baez, Executive Director 

RE: FPSC Legislative Budget Request for Fiscal Year 2017-18
Critical Information: September 13, 2016 Internal Affairs. Consensus is Sought.
Due to Governor's Office of Policy and Budget – October 15, 2016

The proposed *Legislative Budget Request for Fiscal Year 2017-18* of \$24,926,180 represents a decrease of (0.41%) from the Commission's Fiscal Year 2016-17 adjusted operating budget.

Senior management continuously works to identify opportunities to gain efficiencies and reduce budget. As a result of that effort, the Fiscal Year 2017-18 proposed budget request represents one reduction issue of \$213,219 in General Revenue while retaining and funding the 3 associated positions within existing Regulatory Trust Fund Appropriation, a budget request of \$100,000 in non-recurring funds to replace aged vehicles with over 150,000 miles, and a technical request of \$10,000 in recurring appropriation to support the increased cost of network resources and data storage.

A summary of the budget request is attached.

BB:pq

c: Apryl C. Lynn, Deputy Executive Director - Administrative
Mark Futrell, Deputy Executive Director - Technical
Keith Hetrick, General Counsel

Parties/Staff Handout
Internal Affairs/Agenda
on 09/13/16
Item No. 4

**PUBLIC SERVICE COMMISSION
FY 2017-18 LEGISLATIVE BUDGET REQUEST**

September 13, 2016

Fiscal Year 2016-17 Operating Budget	\$25,029,399
Fiscal Year 2017-18 Proposed Legislative Budget Request (LBR)	
<i>Proposed Budget Issues</i>	
<ul style="list-style-type: none"> • Eliminate General Revenue Funding & Retain the 3 Associated Positions 	(\$213,219)
<ul style="list-style-type: none"> • Non-Recurring Budget Authority to Replace Motor Vehicles 	\$100,000
<i>Technical Issue</i>	
<ul style="list-style-type: none"> • Request Additional Appropriation in Agency for State Technology category (for increased cost of network services and data storage). 	\$10,000
Fiscal Year 2017-18 Proposed Operating Budget Total	\$24,926,180
Increase (Decrease) From FY 2016-2017 Adjusted Operating Budget	(0.41%)

IV. Transcript

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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PROCEEDINGS: INTERNAL AFFAIRS

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

DATE: Tuesday, September 13, 2016

TIME: Commenced at 3:09 p.m.
Concluded at 4:00 p.m.

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

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

P R O C E E D I N G

1
2 **CHAIRMAN BROWN:** Well, this is actually an
3 exciting IA, and I'm really excited to have our speaker,
4 our first speaker here today. And this Internal Affairs
5 is called to order at this time.

6 And I really want to just take a moment to
7 thank Katrina McMurrian, who has waited all day for us.
8 Katrina and I worked very closely on the Nuclear Waste
9 Strategy Coalition. She's the executive director, and
10 she also wears many hats. In addition to being a former
11 Commissioner, she has such -- I've watched her in so
12 many different conferences, so many different forums
13 give topics -- I mean, give speeches on this topic, and
14 she has really become the expert in the field. She can
15 hang with the nuclear engineers every single day and
16 teach them a lesson, as well as the attorneys that
17 specialize in this area. So it's a treat to have her
18 here. And I want to apologize for, again, for just a
19 long day that you've been waiting for us. So I know you
20 probably thought we were going to be coming right after
21 lunch, so thank you for your patience, and I'm just
22 delighted to have you here.

23 **MS. McMURRIAN:** No, I'm delighted to be here,
24 and thank you. And as I've seen these long Commission
25 days before, so I was prepared. My flight's tomorrow,

1 not today.

2 **CHAIRMAN BROWN:** Good.

3 **MS. McMURRIAN:** So I was flexible. I just
4 appreciate the opportunity to be here. It's good to be
5 home, both in Tallahassee and here at the Commission.

6 And if I may, I know that time is short, but I
7 would like to add my condolences to John Williams'
8 family and his work family, of which I was proud to be a
9 part. We used to, you know, work hard together and
10 laugh hard together, and he definitely will be missed by
11 a lot of folks all across the country. In fact, I heard
12 from it -- from folks in Connecticut. I mean, it was
13 touching a lot of people. So, anyway, I just wanted to
14 say that. It is really a family here, despite what some
15 of us read, and I'm proud to have been a part of it. So
16 thank you for allowing me to say that.

17 And also certainly nuclear waste has been an
18 issue that's important to Florida, and we've been
19 extremely fortunate that Florida has been such a leader
20 on this, that as one of the founding members of the
21 Nuclear Waste Strategy Coalition, which I'll talk a
22 little bit about, and we've been particularly fortunate
23 to have Chairman Brown serve on our leadership committee
24 over these last couple of years. And when Mark first
25 proposed this idea to me, I said, "Well, she's certainly

1 doing her part to raise awareness for this important
2 consumer issue starting at home." So that's a really
3 good example to set, and I appreciate the opportunity to
4 be here and for everyone's support.

5 **CHAIRMAN BROWN:** Thank you. Well, there's a
6 legacy in Florida helping start the Nuclear Waste
7 Strategy Coalition, so I do think it's very important to
8 be engaged. And we do have a lot of spent fuel in our
9 state, and so it's -- again, we have the Office of
10 Public Counsel in Florida who's one of our members and
11 provides some good perspective, and Commissioner Edgar
12 was also very instrumental in helping me get involved in
13 the organization, and it's just been such a treat to be
14 among them. So with that, you want to kick it off?

15 **MS. McMURRIAN:** Yes. And I'll try to be -- I
16 know there are a lot of slides. You've all seen them in
17 your handout. I'm going to try to zoom through them.
18 And maybe if you all want to give me guidance about some
19 part to focus on, that's, of course, fine as well.

20 I will skip over, of course, this outline. As
21 we've just been talking about, this was formed a good
22 while ago. Actually Commissioner Susan Clark was
23 involved in forming this back in late '93 along with two
24 other states, Michigan and Minnesota. In fact, Greg
25 White, who is your executive director at NARUC, was

1 around for that and has a lot of info on it, if you want
2 to chat with him about nuclear waste.

3 At that time, even though that was before the
4 government's deadline to start taking waste, it was
5 already clear they weren't going to meet that deadline.
6 So the idea was to try to bring a coalition of folks
7 together from a lot of different entities and try to
8 push the federal government to act as quickly as
9 possible and certainly to try to protect consumer
10 payments into the Nuclear Waste Fund. So that was the
11 overall purpose.

12 I'm going to highlight some of the other areas
13 there I'll mention at the very end. Of course, we're
14 non-partisan. We're not pro nuclear obviously. A lot
15 of our members are very supportive of nuclear, but we
16 also have members who aren't that enamored with it, and
17 we're all able to work toward the common goal.

18 So our membership includes those entities
19 there. We have about 11 state commissions, 10 or
20 11 depending on membership renewals. We have three
21 consumer advocates, including the Florida Office of
22 Public Counsel, as you mentioned; energy officials;
23 radiation control officials; a tribal and local
24 government in Minnesota; and, of course, nuclear
25 generating utilities and some that only have shutdown

1 plants and some who have both; and some other subject
2 matter experts.

3 Our leadership includes three state
4 commissioners from Vermont, Georgia and, of course,
5 Florida; and then two utility members from DTE Energy
6 and the 3 Yankees, they have all shutdown plants up in
7 the northeast; and then David Wright, a former NARUC
8 president like Commissioner Edgar. And they all try to
9 keep me straight essentially and work toward our goal.

10 **CHAIRMAN BROWN:** Especially Bubba.

11 **MS. McMURRIAN:** Yes, especially Bubba.

12 So overall I think we provide a lot of value
13 by having this diverse group and pushing toward a common
14 goal. I think we have a lot of credibility because of
15 that. We coordinate with NARUC and NEI and, of course,
16 have members in common with them, but also with the
17 Nuclear Infrastructure Council, Decommissioning Plant
18 Coalition -- anyway, the whole alphabet soup up there.
19 I could go through any of them, if you're interested.
20 But we work with a lot of other folks is the main thing,
21 NCSL included, that have different reasons to be very
22 interested in this issue and work on it as well.

23 We communicate messages to the federal
24 government, and we try to keep members informed about a
25 lot of different activities and give them a way to weigh

1 in if they don't have the resources to weigh in on their
2 own.

3 So what is nuclear waste? Don't worry. I'm
4 not going to go through some technical definition. I'm
5 not really -- despite Chairman Brown's great statements
6 about me keeping up with the engineers, I'm not sure
7 that's true.

8 **CHAIRMAN BROWN:** It is.

9 **MS. McMURRIAN:** But certainly there's -- I
10 just wanted to highlight that there are different forms
11 of nuclear waste. We also care about low-level waste,
12 but most of our focus is on high-level waste, the spent
13 nuclear fuel that comes from the nuclear reaction
14 process, and the other high-level -- there's some other
15 high-level waste, even some government waste that all
16 has to be permanently disposed. So usually they're
17 treated similarly and have been, at least in the past,
18 all destined to go to the same final resting place. But
19 Florida is also interested, of course, in low-level
20 waste. It just has a different disposal path and we
21 usually don't spend as much time on that.

22 Used fuel storage practices, I think you all
23 are familiar with this. The spent fuel pool storage is
24 just like what it sounds. It has to cool about five
25 years before you can transfer it to dry cask. Dry cask

1 really should have never been necessary. They were only
2 built because the government didn't do what it was
3 supposed to. So a lot of fuel sits in the pools a lot
4 longer than five years because they've tried to avoid
5 the expense of the dry cask storage. But I think most
6 utilities now, if not all, have had to resort to dry
7 cask storage.

8 And these are some pictures of dry cask
9 storage or different designs. Some of it is stored
10 vertically, some horizontally. Anyway, there's about
11 75 independent spent fuel storage installations in 34
12 states. So there's a lot of this stuff out there.

13 This gives kind of an order of magnitude, over
14 3,000 metric tons in Florida.

15 Key things from the Nuclear Waste Policy Act
16 is originally it called for two sites, thinking there
17 might be one in the west and one in the east. It
18 created an office in DOE. But most importantly what the
19 1982 act did was authorizing DOE to contract with the
20 utilities to start removing fuel in 1998. They did
21 contract with the utilities. That has not worked out
22 very well for them because they didn't do what they were
23 supposed to do on their end and start moving fuel. The
24 fee collection, of course, worked just fine. They
25 collected from customers for many years. In '87 they

1 amended the act to name Yucca Mountain as the sole
2 repository site. This, of course, is very
3 controversial.

4 **CHAIRMAN BROWN:** Katrina, I'm just going to
5 stop you --

6 **MS. McMURRIAN:** Sure, sure.

7 **CHAIRMAN BROWN:** -- to talk about the fee for
8 a second. So, as you said, they've been collecting, the
9 government has been collecting from ratepayers,
10 constituents, taxpayers for spent fuel, but those funds
11 actually go into -- they don't go into a dedicated
12 reserve.

13 **MS. McMURRIAN:** No. As they were collected
14 over the past few years when they were still being
15 collected, and we'll talk about that because a court
16 case has ceased those collections, but when they were
17 being collected, it was about 750 million a year, and
18 generally that money was being spent on other things by
19 Congress.

20 **CHAIRMAN BROWN:** Yes, it was.

21 **MS. McMURRIAN:** In fact, even when there was
22 money being allocated to Yucca Mountain, it was nowhere
23 near 750 million a year, so, yeah. But we're going to
24 make them accountable for that money that we still say
25 is fair in a dedicated fund, even though it's not.

1 **CHAIRMAN BROWN:** It's not. Thank you. Thank
2 you for highlighting that.

3 **MS. McMURRIAN:** Thank you. And the only thing
4 I would highlight here is if Yucca Mountain is
5 ultimately found unsuitable, there is a process to look
6 at something else. I think sometimes that gets lost.
7 There is a process for making sure that it's safe to put
8 it there. So if it's not, we don't want it to go there
9 either. But it so far has passed all the tests.

10 There were a lot of milestones that were
11 achieved early on back at this particular time. We
12 thought things were moving at a snail pace, but now
13 looking back, they got a lot of things done at this
14 time. There was the whole Secretary of Energy
15 recommending it, Nevada exercising a veto under the law,
16 and then Congress overrode the veto. That, in
17 particular, is controversial in Nevada.

18 In 2008, they -- after doing a lot of work out
19 at the site, they submitted a license application to the
20 Nuclear Regulatory Commission. And then in
21 2010 everything comes to a screeching halt. The
22 Administration zeroed out the funding. They tried to
23 withdraw the license application that they themselves
24 had submitted in 2008. They didn't get to do that. But
25 essentially the work stopped. They closed the office in

1 DOE. They said that Yucca was unworkable, which didn't
2 have anything to do with science. They've never come up
3 with a scientific reason. It's really just been
4 political, and everyone pretty much accepts that, I
5 think. So also the work at the NRC stopped.

6 Things started to get better after the courts
7 got involved. Definitely NARUC, NEI, a lot of -- some
8 states, some local governments have gotten involved and
9 sued the government to try to get something done. They
10 required the NRC to restart their work, which they've
11 done. That led to the safety evaluation report, a
12 supplemental environmental impact statement, one I'm
13 sure you're familiar with, Commissioner Edgar. And
14 they -- so, but that's about all that they'll be able to
15 get done. They were only able to use the carryover
16 funds that have been appropriated by Congress. Until
17 Congress gives them more money, which, of course, is
18 also political, they're not going to be able to move
19 past that. So we're hoping in 2017 that the dynamic may
20 change a little bit with changes in Congress and
21 leadership in particular.

22 **CHAIRMAN BROWN:** And I was going to say, could
23 you elaborate? These guys love politics, and I think
24 that they would appreciate the dynamics of the change
25 and why there -- other than the presidential election,

1 who the key player here is.

2 **MS. McMURRIAN:** Well, certainly Nevada has a
3 lot of interest in this, and certainly the senior
4 senator from Nevada has had a lot of -- well, has had a
5 leadership position whether he was in the majority or
6 the minority.

7 The story had always been that when new
8 members contacted him, that they, you know, if they
9 didn't want to be on the underwater basket weaving
10 committee, they had to be there for him when he needed
11 them on Yucca Mountain. I don't know that for sure, but
12 that is the story. He has -- he's been able to use that
13 influence, and he thinks it's important, you know, very
14 important for his state to stop this.

15 Now some of us think that there's probably a
16 way to change the conversation in Nevada. Some of the
17 representatives on the House side -- and, by the way,
18 this is shared by Republicans and Democrats in Nevada.
19 This is not just about Senator Reid. He's just been the
20 one that's most effective at doing something about it.
21 But a lot of folks think, including some of the House
22 leadership that are really passionate about getting this
23 moving, and some of the House leaders from Nevada have
24 shown some interest in at least starting a conversation
25 about what Nevada can get out of this. So if you can --

1 incentives. Go ahead.

2 **COMMISSIONER PATRONIS:** No, that's exactly
3 what I was going to ask you. What has been put on the
4 table for Nevada to get them to --

5 **MS. McMURRIAN:** Well, there was some kind of
6 incentives, I would call them, I guess, in the Nuclear
7 Waste Policy Act, but definitely not enough to, you
8 know, to change the dynamic there. Now there have been
9 differential polls that, you know, some people care more
10 about this than, you know, than others, that maybe it's
11 not important enough to really weigh in on some of the
12 big senate races anymore. So they're not sure exactly
13 where the public is. But, in general, I think people
14 would say they don't want a nuclear waste site in
15 Nevada. And it's been characterized as a dump and not
16 really been associated with things that they could get
17 out of it other than maybe some jobs right at the test
18 site. It hurt Nevada when they closed Yucca Mountain.

19 **CHAIRMAN BROWN:** But, like, New Mexico has
20 been very effective at interim storage, at getting kind
21 of con -- without calling it consent, but getting the
22 community and the governor on board with hosting interim
23 storage.

24 **MS. McMURRIAN:** Yes.

25 **CHAIRMAN BROWN:** So there are ways to do that,

1 and you're going to get into consent-based --

2 **MS. McMURRIAN:** Yes. I'll mention that in a
3 little bit. I'm glad to talk about it however --
4 whenever you'd like.

5 **CHAIRMAN BROWN:** Please proceed.

6 **MS. McMURRIAN:** And this is just -- we already
7 talked a little bit about the funding, so I won't go in
8 detail there, but that shows the number of Florida
9 contributions of 903. The allocation of interest is
10 pretty substantial, as you see there, so we keep track
11 of this. The government keeps track of this. Again,
12 we're not really sure -- well, we're not going to let
13 them off the hook with respect to this money that's
14 still there. About 10 billion has been spent on Yucca
15 Mountain already, but that leaves 30 billion plus that
16 has already been paid in by your consumers and others.
17 So they've got money to work on Yucca Mountain and move
18 the ball forward there and maybe even to do some interim
19 storage and such, but they have to be given
20 authorization to do other things beyond what's in the
21 Nuclear Waste Policy Act already.

22 **CHAIRMAN BROWN:** Can you touch on what those
23 other things would consist of?

24 **MS. McMURRIAN:** Well, with respect to interim
25 storage perhaps, because now they're not authorized

1 under the law to do that. But certainly there's a lot
2 of interest, and we're also supportive of it, in having
3 some interim storage at least for shutdown facilities.
4 So for plants like Crystal River and, of course, in the
5 northeast there are a lot of plants that have been shut
6 down an awfully long time where it's only basically the
7 spent fuel storage installations surrounded by maybe
8 gates and some guards, and they're spending a lot of
9 money every year on just protecting that little area.
10 They're not in the waste business. They don't want to
11 be in the waste business. In fact, as utilities, they
12 want to go out of business. So they're waiting on the
13 government, meaning the northeast utilities, the
14 Yankees.

15 **COMMISSIONER EDGAR:** Katrina --

16 **MS. McMURRIAN:** Yeah, sure.

17 **COMMISSIONER EDGAR:** -- so in those instances,
18 and it may not be the same for each one, but how are
19 those costs handled in many states? I mean, are those
20 part of rate cases, are they part of riders, or, I mean,
21 how do other state commissions in other states address
22 those types of costs when it's not an actively
23 generating facility?

24 **MS. McMURRIAN:** It is different -- like in the
25 northeast, I think that because they're not fully

1 regulated like in this state, it's handled differently.
2 I think it's even a FERC matter. I'm not sure exactly
3 how the mechanics work, but it is different in some of
4 the restructured states because of that.

5 **CHAIRMAN BROWN:** Pennsylvania.

6 **MS. McMURRIAN:** What was that?

7 **CHAIRMAN BROWN:** Like Pennsylvania, is that --

8 **MS. McMURRIAN:** Yeah. In -- I was thinking in
9 Massachusetts and Connecticut and -- what's my third
10 state that I'm all the sudden forgetting for my
11 shutdown -- Maine.

12 **CHAIRMAN BROWN:** Illinois?

13 **MS. McMURRIAN:** Maine. But I'm not sure, but
14 Maine, I think, is fully regulated. So I think it's in
15 Connecticut and Massachusetts, I believe, is different.
16 I know that the representatives talked about that
17 they -- it's also a FERC issue for them. But I'm not
18 sure exactly how the mechanics work.

19 Yeah, it's -- but with respect to those,
20 they're looking for some kind of solution to get the
21 waste moved off their site as soon as possible. And
22 we're supportive of that because we think that even
23 though we're also still supportive of Yucca Mountain and
24 you have to have a repository no matter what, if you at
25 least -- you can demonstrate that you can move this

1 safely, that you can find some kind of solution, you can
2 take this problem off of their hands, you know, allow
3 them to use that land for other economic purposes. But
4 I will say that there is a lot of difference of opinion
5 about whether or not you should support Yucca Mountain
6 or consolidated interim storage. People tend to want to
7 put you in one box or the other, but we're supportive of
8 both at least to some extent. I don't think we're
9 supportive -- I know a lot of our members aren't
10 necessarily crazy about the idea of moving all used fuel
11 from where it's located to some central location. But
12 particularly with respect to the shutdown plants, that
13 seems to make economic sense even without doing any
14 analysis because of how much they're spending on just
15 watching it.

16 **COMMISSIONER EDGAR:** Is there interest, either
17 scientifically, business-wise, or politically or some
18 combination, of regional interim storage?

19 **MS. McMURRIAN:** You know, some different ideas
20 have come up about this. There's even been one that
21 some congressional members have floated about having
22 utilities, you know, maybe taking one of the shutdown
23 sites and moving everything there. That's never seemed
24 to get a lot of traction. The regional --

25 **COMMISSIONER PATRONIS:** Not in my backyard.

1 **MS. McMURRIAN:** Yeah. And the regional sites,
2 I mean, I don't know that anyone has necessarily said
3 that, but there has been a lot of feedback, for
4 instance, in these efforts in New Mexico and Texas. You
5 might hear people say, "Well, why are we taking all this
6 waste? You know, most of the waste was generated on the
7 east coast. You all need to take care of your own
8 problem. We don't even have any nuclear facilities in
9 New Mexico," for instance. Not to suggest that those
10 efforts aren't moving forward. They seem to be. But,
11 of course, there's always going to be pushback. But
12 similar to what I mentioned about the Nuclear Waste
13 Policy Act originally, about how they contemplated
14 dividing the east and the west perhaps into, it was an
15 idea to maybe distribute the pain somewhat. But there's
16 a lot of discussion on the interim side too, whether or
17 not it would make sense to have two consolidated interim
18 storage sites since there is interest in Texas and New
19 Mexico already, and perhaps more as the government looks
20 for other volunteers.

21 **COMMISSIONER PATRONIS:** Madam Chair.

22 **CHAIRMAN BROWN:** Oh, yes. I'm sorry.

23 **COMMISSIONER PATRONIS:** I've got a question.
24 I'm looking at this map of where used nuclear fuel is
25 stored, but the map illustrates that nothing is stored

1 in New Mexico. I keep on hearing comments, like you're
2 making it sound like there is in New Mexico. Am I
3 missing something?

4 **MS. McMURRIAN:** No, you're not. There's
5 nothing stored there now other than they do have some
6 facilities for taking government waste.

7 **COMMISSIONER PATRONIS:** Right.

8 **MS. McMURRIAN:** But there's nothing there now
9 because they have no nuclear generation there. And that
10 was some of the -- one of the meetings we had with the
11 senator's office from New Mexico was kind of the
12 question of why are we -- "Why are you wanting us to
13 take your waste?" And, of course, we haven't taken a
14 position on any particular interim storage facility in
15 any particular state, but certainly are interested in
16 seeing someone come forward and maybe being on board
17 with the idea of taking some of this fuel at least for
18 the shutdown plants.

19 **CHAIRMAN BROWN:** And there are developments in
20 the state of Texas and in New Mexico where they've
21 gotten the government, local government, state
22 government on board.

23 **MS. McMURRIAN:** Yeah. Some of -- they've got
24 letters from county officials and state officials. And,
25 you know, maybe nothing is nailed down yet, but some of

1 them are moving forward -- well, actually both of them
2 are moving forward with license applications to the NRC.
3 So it's real. They're putting up money, their own
4 money, private money now to move forward, at least at
5 that part in the process. At some point they may be
6 looking for Nuclear Waste Fund money to support the
7 interim storage, and that will probably be a discussion
8 that you'll hear more about at NARUC as well. But at
9 this stage, it's all private money.

10 And there are some bills in Congress to maybe
11 allow for these private initiatives. Some people don't
12 seem to like the idea of a private facility doing this.
13 We're very adamant that we don't think the government,
14 looking for volunteers, should preclude these guys that
15 have done all this groundwork and have people holding up
16 their hand and saying we might be interested in doing
17 this. We want them to keep all options open.

18 **CHAIRMAN BROWN:** Could you go to the
19 implications of the extended storage?

20 **MS. McMURRIAN:** Sure.

21 **CHAIRMAN BROWN:** I think that's a very
22 important thing to highlight.

23 **MS. McMURRIAN:** Sure. We've talked about the
24 amount of money, of course, paid into the Nuclear Waste
25 Fund, about how much was collected every year, the

1 additional cost of dry storage, some other workarounds,
2 security, et cetera. The taxpayer bit I think is
3 probably what you wanted me to highlight here. Because
4 whether or not you receive power from nuclear generating
5 utilities, as a taxpayer you're sharing the burden of
6 this problem because the damages to utilities are paid
7 out of the U.S. Judgment Fund, which is part of the
8 Treasury and it's financed by taxpayers. So 5.3 billion
9 already has gone back to the utilities to pay for the
10 damages. And, of course, the utilities pass it on --
11 it's different mechanisms in different states, but the
12 utilities pass that back to the ratepayers in some form
13 or another. I think they're using clauses mostly in
14 most of the states. But that's already 5.3 billion.
15 It's estimated to be over 23 billion by 2021. That's if
16 the government were to be moving something by then,
17 which is unlikely. So 500 million per year after that.
18 So this is really racking up.

19 This is -- I think it's been an impetus for
20 some senators and House members, particularly those
21 dealing with appropriations issues and seeing this kind
22 of hanging out there. They know that this number keeps
23 getting bigger. It affects what they can do with money
24 coming in from the taxpayers, and so they have -- they
25 would like to reduce this liability, but it seemed to be

1 at an impasse.

2 So, and then on communities with respect to,
3 you know, wanting this fuel removed, not really feeling
4 like it's safe where it is, I think the NRC has said
5 that the fuel is safe onsite for a number years and a
6 very prolonged period now based on their most recent
7 ruling. But still there's some uncertainty about how
8 long is this really safe. It was never intended to be
9 here in this manner. And, of course, wanting to use the
10 property for other purposes with respect to these
11 shutdown plants. And also just on society as a whole,
12 there are some states that have moratoria against new
13 nuclear if they don't resolve this problem.

14 So these are some things that the executive
15 branch has been up to. I'm not going to go through this
16 list. I know you're thankful.

17 We've mentioned consent-based siting, but
18 the -- they're looking for volunteers to maybe hold up
19 their hands and say, "We would like to help you with
20 this waste problem either on an interim basis," or if
21 you're interested even in taking it permanently, that
22 would be okay too.

23 **CHAIRMAN BROWN:** Now, Katrina, there's been
24 some development on the legislative front. Do you want
25 to share some of that, please?

1 **MS. McMURRIAN:** Sure, sure. There are several
2 bills again. I'm not going to go through this whole
3 list.

4 The key ones here, the Senate Gang of 4, as
5 we've called them, these are some, as you see there,
6 heavy hitters in the Senate. These are the energy
7 leaders and the energy and water appropriations leaders
8 in the Senate have worked on this for a few years now.
9 It's a very comprehensive bill. It's certainly not
10 perfect. But it has started a conversation on the
11 Senate side that's been important. And we understand
12 from their staff that they'll be picking some of this up
13 in some form next year, we think.

14 **COMMISSIONER EDGAR:** Have we heard that
15 before?

16 **MS. McMURRIAN:** Yeah, we have.

17 **CHAIRMAN BROWN:** And before and before.

18 **MS. McMURRIAN:** They -- you know, to their
19 credit, they, you know, they see it as we've brought
20 this up but people don't agree with our bill. But, you
21 know, there are definitely some issues in there. They
22 get into a lot of detail about a consent-based process.
23 They have kind of -- they really have a poison pill
24 provision in there with respect to liability for the
25 utilities. There's some real problems with it, but they

1 could work that out and move forward. But they see the
2 world very differently than the House side. The House
3 side wants to focus on Yucca. The Senate bill does not.

4 **COMMISSIONER PATRONIS:** Senator Reid is not
5 standing for reelection.

6 **MS. McMURRIAN:** Right, right. Senator Reid
7 will be out. Some people think that we're always going
8 to have a problem with senators from Nevada. But he was
9 in such a position of leadership, so it really is
10 different.

11 And there -- and, again, there are a lot of
12 Democrats on the -- even on the Senate side that they're
13 concerned about this issue too. They know it's
14 important for their state. They just don't want to
15 really roll over him in that sense. So it's been -- I
16 think that there will be a change in dynamic. At the
17 same time, you know, there are a lot of things at play
18 about how, you know, different parties see the
19 priorities with respect to these issues. So we're
20 hoping that the House -- the ideal thing, I think, would
21 be for the House to put something together that supports
22 moving forward on Yucca and following the law and maybe
23 working out some perhaps incentives for Nevada, which we
24 think that Congressman Shimkus will do. He's one of the
25 frontrunners for perhaps becoming Energy and Commerce

1 Chairman on the House side. And he's very passionate
2 about this. Illinois is a huge nuclear state and wants
3 the waste removed.

4 He put something forward on Yucca Mountain on
5 his side, and the Senate continues to support
6 consolidated interim storage. It may be that those
7 things can meet in some form of conference committee, if
8 they can remember how to do one of those, and maybe work
9 out a lot of the details there and have it where you can
10 move forward on both fronts. That's what we hope to
11 see.

12 These are our key positions. We've talked
13 about a lot of this. We, of course, support moving
14 forward on Yucca Mountain and consolidated interim
15 storage.

16 Transportation is very important. No matter
17 which path you see as the most important, we're going to
18 have to move fuel there. So it's important to support
19 that, and we really -- make sure that DOE is aware that
20 that's a good place to spend money.

21 And there's also a lot of efforts at the state
22 level and the tribal level to prepare for transportation
23 activities that people aren't aware. And I think it's
24 important for the state and other governments to have a
25 role in that, again, to be adequately prepared for any

1 kind of emergency, et cetera. And I think to the extent
2 more people knew that, that would be helpful.

3 And then funding and governance reform are
4 also key areas. I think we've kind of touched on
5 funding. Governance is really -- we would like to
6 ultimately have the program moved out of DOE. Now a lot
7 of people say, "Why would you want to create another
8 agency or another bureaucracy in government?" and I get
9 that. But one of the problems is it's almost
10 impossible, with all the changes in an administration
11 and that sort of thing, to keep a program going and have
12 the independence you need. You need someone really
13 focused on getting the work done.

14 **CHAIRMAN BROWN:** Because they're failing at
15 it.

16 **MS. McMURRIAN:** That's right, miserably. And
17 there's a lot distrust, of course. Even DOE is saying
18 that "We're okay with moving the program out of DOE."
19 So they really have -- "I don't care how much money the
20 government -- you can take it"; right? Anyway, but
21 that's a bizarre development, but they are actually
22 supportive of it as well.

23 And then consent-based siting, which we've
24 talked about, we just don't want -- we want to make sure
25 that consent-based siting has a real focus, that they

1 want to do things that complement the Nuclear Waste
2 Policy Act and actually lead to enforceable agreements,
3 that we're not just, you know, having meetings about
4 consent-based siting. We're actually moving forward to
5 get volunteers and --

6 **CHAIRMAN BROWN:** And that's one thing to
7 highlight is that the government is having meetings on
8 consent-based siting. I mean, they're going on around
9 the country right now. And they've had how many
10 meetings?

11 **MS. McMURRIAN:** Nine or ten.

12 **CHAIRMAN BROWN:** And they're going to
13 continue, so.

14 **MS. McMURRIAN:** Yes, absolutely.

15 So I'll skip over my closing thoughts because
16 I think I've probably shared them in one form or
17 another, and there's just some contact information. But
18 I'm glad to take any questions that any of you may have.

19 **CHAIRMAN BROWN:** Thank you, Katrina. And,
20 Commissioners, this is a really important issue and it's
21 near and dear to my heart. And I find it just
22 fascinating the work that the Nuclear Waste Strategy
23 Coalition does, and I wanted to share it with you all.
24 I think it's -- it's something that I spend a lot of
25 time on in my free time. So thank you.

1 **MS. McMURRIAN:** Thank you.

2 **CHAIRMAN BROWN:** And staff -- I know staff
3 does have maybe a question or two for you here. And
4 Mr. Hinton, he helps me out a lot on a lot of the
5 presentations. And, Cayce, I don't know if you have any
6 questions for her.

7 **MR. HINTON:** I have more than you want me to
8 ask, but one -- we were chatting about this earlier. It
9 would probably be a good thing to really explain in this
10 setting is the distinction between storage and disposal.

11 **MS. McMURRIAN:** Yes. I admitted to Cayce that
12 I worked on this issue for years and I would use the
13 terms interchangeably all the time, and I notice a lot
14 of people do it. Of course, there's storage at the
15 site, at the plant site. So, you know, we usually refer
16 to that as onsite storage. Of course, that was never
17 the plan. But, anyway, there it is.

18 There is storage, interim storage, as we refer
19 to it, where we've talked about like maybe these sites
20 in Texas and New Mexico possibly coming to fruition and
21 storing. So when we mean storage, we truly mean storing
22 temporarily. And disposal, of course, is permanent.
23 We're looking for a final resting place. You have to
24 have it no matter what. You may have heard Commissioner
25 Echols or others talk about reprocessing as a technology

1 that could help reduce the amount of waste. And it's
2 fascinating. They do it in other countries. They're not
3 able to do it here. It's very expensive. So it's
4 probably got a, you know, a tough road to get to that.
5 But there are some folks interested in it.

6 But even if you reprocess, you still have to
7 have a place after you reprocessing -- after you
8 reprocess for the fuel to be -- for what can't be
9 reprocessed or what's left over. So, in any case, you
10 have to find a place for disposal, and that's what the
11 law calls for. So while we support the interim storage,
12 we really -- we absolutely can't take our eye off the
13 ball to get something for it to be disposed of
14 permanently, so.

15 **CHAIRMAN BROWN:** Commissioners, want to jump
16 in?

17 **COMMISSIONER EDGAR:** So just to clarify, Yucca
18 would be considered a disposal and not a storage.

19 **MS. McMURRIAN:** Yes.

20 **COMMISSIONER EDGAR:** Is there a difference --
21 and you maybe just said this, but what's the difference
22 between permanent storage and disposal?

23 **MS. McMURRIAN:** Well, permanent -- I guess you
24 could call it permanent storage. A lot of times we use
25 "storage." And it would be stored at Yucca Mountain,

1 but it really is disposed. It's there, it's going to
2 stay there essentially.

3 Now the only exception I would say to that,
4 the law does require, at least currently require it to
5 be retrievable. So I guess if there were some kind of
6 issue or something, you can get into Yucca Mountain and
7 remove them. Perhaps one day there may be some more
8 value to this waste and they would be able to retrieve
9 it.

10 But there are also, when you talk about maybe
11 disposing in salt, there are efforts -- well, the
12 government disposes of some of it at WIPP, Waste
13 Isolation Pilot Plant. The government disposes of some
14 of theirs in salt. That's a more permanent -- you can't
15 retrieve it in that sense. So there are different
16 levels of permanent disposal, I guess I would say. But
17 some you can retrieve and some you can't.

18 **COMMISSIONER EDGAR:** Have you been to Yucca?

19 **MS. McMURRIAN:** I have, yeah. Years ago when
20 they were still doing the tours, NARUC arranged some.

21 **COMMISSIONER EDGAR:** As have I.

22 **MS. McMURRIAN:** Were you able to go?

23 **COMMISSIONER EDGAR:** I was. It was
24 fascinating, absolutely fascinating.

25 **CHAIRMAN BROWN:** Commissioner Patronis.

1 **COMMISSIONER PATRONIS:** Yeah. I'm just
2 looking at pictures of it. So I guess this is a fully
3 mature facility. It's just not being utilized right
4 now.

5 **MS. McMURRIAN:** They still have work to do on
6 it, but they did carve -- you know, they did -- they
7 bought a tunnel boring machine. I can't remember how
8 many millions of dollars it was now. It was only, I
9 think, used for that purpose. I'm not sure if they were
10 ever able to sell it. A lot of the things that they
11 used out there they've tried to sell off to, you know,
12 recoup some of that investment. But they've got a lot
13 of work done, but they would still have to do a lot
14 more.

15 There are things like titanium drip shields
16 that they're supposed to put in, which are extremely
17 expensive. There's just -- there's a lot of work to be
18 done. But you can ride little train railcars through it
19 and see what it would be. And you get a good sense that
20 there's nothing around that place. It seems like a
21 perfect place to put it to anyone who's been out there.
22 But there are also concerns about fault lines and
23 things, and I'm certainly not qualified to say where
24 it's safe to be and where it's not.

25 **CHAIRMAN BROWN:** Any further questions?

1 **COMMISSIONER EDGAR:** Yes.

2 **CHAIRMAN BROWN:** Yeah, go.

3 **COMMISSIONER EDGAR:** Thank you. You touched
4 on the lawsuit and the court decision that ultimately
5 stopped further collection of the fee. Did that lawsuit
6 address money that had already been put in for this
7 purpose?

8 **MS. McMURRIAN:** No, there was definitely no --
9 there was definitely no requirement to refund any of the
10 money. There have been discussions about that or
11 different efforts to get money out of the waste fund for
12 different things. Like, for instance, for communities
13 that, as we say, we never, you know, we never gave
14 consent at Turkey Point, Crystal River, St. Lucie to
15 become a host to this waste that's still sitting there.
16 There have been efforts by congressional members to say
17 let's take some of that money and reimburse those sites
18 for having become interim storage sites. But there was
19 nothing in the lawsuit, as I remember it, as I recall
20 it, that would talk about refunding the money in any
21 way.

22 But there is a lot of controversy also with
23 respect to whether or not they could restart the fee.
24 The court was pretty clear that they need to have a
25 program to restart collection. It wasn't necessarily a

1 good thing to stop collection overall because that meant
2 you didn't have a program, and so -- but certainly glad
3 to see that the lawsuit prevailed. And NARUC did a lot
4 of work on that and made sure that they -- if they
5 weren't going to have a program, it's silly to keep
6 collecting money from your customers.

7 **COMMISSIONER EDGAR:** So, as you've
8 mentioned -- and I know this Commission was very
9 supportive of NARUC and others who were pursuing that
10 legal remedy. What is the role of commissions now?

11 **MS. McMURRIAN:** Well, what we're working on at
12 the Strategy Coalition, we've been -- we've come up with
13 this idea to also start having -- reaching out to
14 congressional members when they're back in their
15 districts. At this time they've got these extended
16 periods up until the election. I know you're all
17 familiar. So we're hoping that our members,
18 including -- and not just the folks who are, you know,
19 on our calls or participate like Chairman Brown. As you
20 all run into some of your congressional members when
21 they're back in the district, we'd love for you to make
22 sure that they know that this is important to Florida
23 and to you all.

24 Sometimes people tend to think of it as a
25 utility problem. They don't think about everybody else

1 that it touches as well. And so I think with
2 commissions and consumer advocates like J.R. and other,
3 you know, other entities in Florida, at times the
4 attorneys general have been involved, and making sure
5 that congressional members know that this problem is out
6 there and that a lot of people are affected by it as
7 taxpayers and consumer -- as electric consumers, that's
8 extremely important. So we're hoping too that if
9 there's an opportunity to have a bill that would maybe
10 move forward on Yucca Mountain or on consolidated
11 storage, that all the members in Congress start to be
12 more aware of this issue. The ones on the key
13 committees know it, but some of the others do not.
14 So -- and there's been so much turnover and there will
15 be new members, of course, soon. So if you all run into
16 some of those folks and can let them know. We'd be glad
17 to send them any information, so.

18 **CHAIRMAN BROWN:** And we have materials and
19 positions and things of that nature that we'd be happy
20 to distribute.

21 **MS. McMURRIAN:** Absolutely. I appreciate your
22 help.

23 **CHAIRMAN BROWN:** Commissioners, any further
24 questions?

25 **COMMISSIONER PATRONIS:** This is great. Thank

1 you.

2 **CHAIRMAN BROWN:** Cayce, you know you always
3 have access to Katrina any time you want.

4 **MR. HINTON:** Thanks.

5 **CHAIRMAN BROWN:** Katrina, thank you so much.
6 I wanted to give you this for taking the time to come
7 out here and just on behalf of us to show you our
8 appreciation.

9 **MS. McMURRIAN:** Well, thank you. Thank you.

10 **CHAIRMAN BROWN:** You're welcome. And she's
11 going to be doing the roadshows.

12 **MS. McMURRIAN:** Thank you. That's so nice.
13 Thank you.

14 **CHAIRMAN BROWN:** I appreciate it. Thank you
15 very much for coming out here.

16 **MS. McMURRIAN:** Thank you all.

17 **COMMISSIONER EDGAR:** Be safe.

18 **CHAIRMAN BROWN:** Talk to you soon. Thank you.
19 All right. Moving on to Item 2, which is the
20 2016 regulatory plan.

21 **MS. PAGE:** Good afternoon, Commissioners.

22 **COMMISSIONER PATRONIS:** Good afternoon.

23 **MS. PAGE:** Staff is seeking approval for the
24 Commission's 2016 regulatory plan reporting on
25 rulemaking in the upcoming year. A certification is

1 required by the Chairman and the General Counsel that
2 they have reviewed the plan and that the Commission
3 regularly reviews its rules for correctness. The plan
4 must be posted on the Commission website and the
5 certification submitted annually to the Joint
6 Administrative Procedures Committee by October 1st,
7 2016.

8 For each rule implementing a new law, the plan
9 must include the date by which rulemaking will be
10 initiated and the expected date by which a notice of
11 proposed rule will be published. We ask for
12 administrative authority, working with the Chairman's
13 office, to update the draft plan to include the actual
14 dates that the notices of rule development are published
15 and to correct any scrivener's errors as necessary
16 before posting the plan.

17 **CHAIRMAN BROWN:** Thank you. Commissioners,
18 any questions or comments on the attachments or the
19 draft letter? There are three attachments.

20 If there are no questions, I would entertain a
21 motion.

22 **COMMISSIONER EDGAR:** Move approval.

23 **COMMISSIONER BRISÉ:** Second.

24 **CHAIRMAN BROWN:** All those in favor, say aye.

25 (Vote taken.)

1 All right. The motion passes.

2 Thank you. Thank you for your work.

3 All right. Moving on to General Counsel.

4 **MR. HETRICK:** Thank you, Madam Chair. In the
5 interest of time, I have no report.

6 **CHAIRMAN BROWN:** Thank you. I suppose Suzanne
7 Brownless is still on vacation after that two-week
8 hearing?

9 **MR. HETRICK:** I wish that were true, but we'll
10 make sure she takes more vacation.

11 **CHAIRMAN BROWN:** She deserves it.
12 Executive Director's report.

13 **MR. BAEZ:** Thank you, Madam Chairman.

14 Commissioners, I circulated -- before you is a
15 highlight bullet sheet of our legislative budget request
16 for 2017 and '18. At the top of the list, I can walk
17 you through it, at the top of the list you see our --
18 last year's operating budget of 25,029,000 and change.
19 This year we plan on filing -- we're filing
20 October 15th.

21 We have three issues that our proposed budget
22 will contain. The first you see is a net negative of
23 213,000, which will result from the elimination of
24 general revenue funding for three FTEs. If you recall,
25 there was -- I want to say it was Senate Bill 272 back

1 in '14.

2 **CHAIRMAN BROWN:** Senator Simpson's bill?

3 **MR. BAEZ:** Senator Simpson's bill, exactly,
4 that the legislature had given us three FTEs plus
5 general revenue funding to fund them for the work under
6 the legislation. Over the last couple of years, we've
7 fortunately been able to manage our financial position
8 well enough to be in a position to absorb the FTEs and
9 return the general revenue funding to the legislature,
10 which I think right now is a prudent thing to do. And
11 so there you see the 213,000 net reduction.

12 Any questions on that? Okay.

13 **CHAIRMAN BROWN:** You don't need approval or --

14 **MR. BAEZ:** Oh, I'm still, still working on it.
15 We're still walking through.

16 The next issue is the nonrecurring budget
17 authority for our replacement for vehicles. We asked
18 the legislature for budget authority so we can -- we
19 have an ongoing budget replacement of vehicles, our
20 inspection vehicles. We've got quite a few that are
21 getting up there in mileage, so we're requesting budget
22 authority to replace some of those. You can see there,
23 that's a \$100,000 issue.

24 And, lastly, our kick-in for the state
25 technology, the shared resource center has gone up, so

1 that's a \$10,000 issue. And that leaves us at a
2 24.9 million budget request for this coming year. We
3 were -- we've been able to reduce it just a smidge, but
4 at least it's going in the right direction, a negative
5 almost half a percent. So we're proud of the work that
6 we've been able to do on this budget request. And, yes,
7 Madam Chair, we do request your approval.

8 **CHAIRMAN BROWN:** I jumped the gun. I know
9 Commissioners may have some questions.

10 **MR. BAEZ:** We're trying to move fast. We're
11 trying to move fast, but whatever questions you have.

12 **CHAIRMAN BROWN:** I hear stomachs growling all
13 around me.

14 Commissioner Edgar.

15 **COMMISSIONER EDGAR:** I would just say my
16 understanding, and would like you to confirm, if indeed
17 you agree, or not confirm.

18 **MR. BAEZ:** Sure, yes.

19 **COMMISSIONER EDGAR:** But this is basically a
20 continuation budget.

21 **MR. BAEZ:** Yeah, it's a flat budget.

22 **COMMISSIONER EDGAR:** With the one item of
23 perhaps a little more significance would be the fund
24 shift of the three additional positions that we had been
25 given by the legislature.

1 **MR. BAEZ:** Yes. Correct.

2 **COMMISSIONER EDGAR:** Was that one year ago or
3 two years ago or? They all blur.

4 **CHAIRMAN BROWN:** 2014.

5 **MR. BAEZ:** Two. It was the '14 legislative
6 session.

7 **COMMISSIONER EDGAR:** So the fund shift from
8 general revenue to our agency trust fund.

9 **MR. BAEZ:** Exactly, exactly.

10 **COMMISSIONER EDGAR:** I will move approval at
11 the appropriate time.

12 **CHAIRMAN BROWN:** Now is the appropriate time.

13 **COMMISSIONER EDGAR:** I move approval.

14 **COMMISSIONER BRISÉ:** Second.

15 **CHAIRMAN BROWN:** All those in favor.

16 (Vote taken.)

17 Thank you.

18 **MR. BAEZ:** Thank you, Commissioners.

19 **CHAIRMAN BROWN:** Anything else, Mr. Braulio --
20 Baez?

21 **MR. BAEZ:** I have one last item, and it's a
22 quick rundown of the Class C water and wastewater
23 workshops that were just completed.

24 You'll recall my telling you we were sending
25 some of our talented staff on the road. Four staff

1 members, Adam Hill, Matt Vogel, Charlie Johnson, and
2 with the great Patty Daniel riding herd, went out into
3 the hinterlands mid-July to mid-August. We had ten
4 workshops; metropolises such as Eustis, Melbourne,
5 Sebring. They held ten workshops, as I said. They were
6 recorded, the audio was recorded. We're busily putting
7 together a video that's going to get uploaded onto the
8 website for future reference.

9 Tale of the tape, it was 47 participants
10 representing 61 utilities, 54 of those Class C. That's
11 really good. That's 54 out of 100 that we regulate, so
12 those are pretty good numbers. We had some As and Bs
13 there. And, oddly enough, we had about four
14 non-jurisdictional utilities. I wonder what they know
15 that we don't. I don't know what the story there is.

16 There was also a shame offensive that took
17 hold because following the workshop in Tallahassee,
18 which was the first one back in July, we actually had
19 one Class C go ahead and file annual reports that were
20 in arrears as far back as 2013, and went ahead and -- so
21 our staff actually helped them file a SARC case. So,
22 you know, yielding results on the first day.

23 There was a survey component to this, and some
24 of the things that the folks that attended found useful,
25 first and foremost, was the legislative updates. These

1 are small utilities obviously and they have -- they
2 don't get the memos. So it's good to pass along the
3 latest news and the latest changes in the laws, and
4 obviously being able to interact face to face with the
5 Commission staff and to see some of their peers as well,
6 other utility owners and operators.

7 A lot of the questions, as you might imagine,
8 related to, like, billing deposits and when do you have
9 to return particularly to renters and things like that.
10 So that's -- you know, the majority of the questions had
11 to do with that, as we're told. But it was good to have
12 that information out there.

13 So now what's left to do after action. The
14 staff is working on a number of items to be included now
15 on the Commission website. I mentioned the video
16 presentation of the workshop material. There's also an
17 update of material on the Utility Reference Manual,
18 which is the big book that is circulated around to the
19 utility owners, and finally an update to the brochure
20 that we provide to the new utility -- I'm sorry -- to
21 new customers. Forgive me. I understand staff's
22 actually having a planning meeting either this week or
23 next to go over those activities. But if anybody has
24 any questions.

25 **CHAIRMAN BROWN:** Any questions, Commissioners?

1 I thank staff for all their work on it.

2 **MR. BAEZ:** They really did a good job. I
3 think it was --

4 **CHAIRMAN BROWN:** Productive.

5 **MR. BAEZ:** -- good planning on their part,
6 Mark as well, and the recently -- Lisa Harvey as well
7 had a lot to do with it. They all worked together and
8 came up with a great plan. And I think it's -- no
9 present plans to do it again in the near future, but
10 it's something that I think we're going to wind up, you
11 know, reheating over and over again in due course.
12 We're proud of that.

13 **CHAIRMAN BROWN:** Thank you. Thank you, Mark,
14 too for your help on that.

15 On to other matters. Are there any other
16 matters that we need to address today?

17 Commissioner Graham.

18 **COMMISSIONER GRAHAM:** Thank you. This goes
19 back to the forever meeting that we had earlier. Bruce
20 May mentioned something earlier, and I don't know if it
21 was just a Hail Mary or if there's actually such a
22 thing. He talked about monopoly abuse and a special
23 proceeding. Is there such a thing? And if there is,
24 what would that look like?

25 **CHAIRMAN BROWN:** Mr. Hetrick, Ms. Helton, do

1 you recall that conversation?

2 **MR. HETRICK:** If I could turn this on.

3 **COMMISSIONER GRAHAM:** And that's not my words.
4 That was his word.

5 **MR. HETRICK:** We'll be happy to look into
6 that, Commissioner, a little bit more. But we've had
7 conversations with Mr. May over that. I think what was
8 troubling in this case is there was no evidence before
9 you, no information presented to us in the scope of this
10 type of proceeding that was before you that gave us any
11 evidence of that. There was allegations flying around
12 but no evidence. So it was never framed to come with
13 you -- there was an issue of law which he was trying to
14 get at, and we got at that issue of law. We had -- this
15 was not an evidentiary hearing. It may turn into an
16 evidentiary hearing and we may have evidence of monopoly
17 abuse, but we don't have that right now.

18 **COMMISSIONER GRAHAM:** All right. Because I --
19 no, I didn't see anything. And as many times as this
20 has come before us, I hadn't seen or heard anything.
21 And -- but it seemed like it was hammered quite a bit
22 today. And, you know, if there's real concern about --
23 if there is a problem here that, you know, that needs to
24 be looked into, I guess my question is how does that
25 happen?

1 **CHAIRMAN BROWN:** And Mr. Hetrick or Mary Anne?

2 **MS. HELTON:** I'm not sure that I have anything
3 to add at this point that Mr. Hetrick didn't say, but
4 it's something that we will definitely look into and
5 come back to you with if there's something that we think
6 that should be addressed by you.

7 **MR. HETRICK:** And let me add two ways to get
8 back to you. One is this proposed order will turn into
9 a final order and proposed agency action will turn into
10 proposed action, which can be challenged within 21 days.
11 If someone challenges that, that can turn into an
12 evidentiary proceeding.

13 There are also legal issues dealing with
14 antitrust monopoly issues that can be dealt with between
15 the City of Vero Beach and Indian River Shores. Those
16 are issues between those. But you operate within the
17 statutory scheme. There was information -- or
18 allegations today that you have a presumption to deal
19 with this issue because you determine the territory.
20 You don't really determine the territory. You implement
21 a statutory scheme. So it's not anything that the
22 Commission has done. So this needs to play out with the
23 parties, and we're kind of stuck in the middle of it.
24 But we stand behind our recommendations given to you.
25 And there may be certain ways to get that back to us

1 today in terms of a 120 proceeding. And if not, the
2 parties can deal with it amongst themselves.

3 **COMMISSIONER GRAHAM:** And I'm not trying to
4 dig into anything. It just -- it was just something --
5 a question that was out there that I figured I'd ask a
6 question here now in IA rather than out there.

7 **CHAIRMAN BROWN:** Thank you, Commissioner
8 Graham.

9 Comments or going to leave that one alone?
10 Let's leave that alone. Let's leave that alone.

11 Any other matters?

12 I do want to recognize our employee of the
13 month, who is actually one of my favorite employees in
14 the Commission, Mr. Jim Breman, who is also the Gunter
15 Award winner. He's been with the Commission, as you all
16 know, for 27 years. Just a tremendous employee, so
17 instrumental and so much -- so many -- so much of our
18 policy and our regulatory schemes, including the nuclear
19 cost recovery statute, the damage cost recovery, the
20 storm hardening, implementation, development of all
21 those. You're a leader in the agency, you continue to
22 be a leader in the agency, and for that we recognize
23 you. And just very proud that you are the employee of
24 the month this month. And so when you get a chance,
25 please congratulate him. Thank you.

1 (Applause.)

2 All right. If there are no other matters,
3 then we are officially -- no.

4 **COMMISSIONER PATRONIS:** I just want to remind
5 everybody it's Ryan West's birthday today.

6 **CHAIRMAN BROWN:** Happy birthday.

7 (Applause.)

8 If there are no other matters, this meeting is
9 adjourned. Thanks.

10 (Internal Affairs adjourned at 4:00 p.m.)

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

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

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

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

18 DATED THIS 23rd day of September, 2016.

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LINDA BOLES, CRR, RPR
FPSC Official Hearings Reporter
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