

I. Meeting Packet



State of Florida
Public Service Commission
INTERNAL AFFAIRS AGENDA
Monday, December 10, 2012
Immediately following Commission Conference
Betty Easley Conference Center, Room 140

REVISED

1. Approve November 28, 2012, Internal Affairs Meeting Minutes. (Attachment 1)
2. Staff's Review of the 2012 Regulatory Assessment Fee Report. Approval is sought. (Attachment 2)
3. Presentation by Public Utility Research Center - 2012 Annual Report to the Florida Public Service Commission. (Attachment 3)
4. Legislative Update. (No Attachment)
5. Executive Director's Report. (No Attachment)
6. Other Matters.

BB/css

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.



State of Florida
Public Service Commission
INTERNAL AFFAIRS MINUTES

Wednesday, November 28, 2012

9:30 AM – 9:50 AM

Betty Easley Conference Center, Room 140

COMMISSIONERS PRESENT: Chairman Brisé
Commissioner Edgar
Commissioner Graham
Commissioner Balbis
Commissioner Brown

STAFF PARTICIPATING: Baez, Hill, Lynn, Helton, Ellis, Crawford, Dean, Polk,
Pennington

OTHERS PARTICIPATING: Billy Stiles - TECO

1. Approve October 16, 2012, Internal Affairs Meeting Minutes.

The minutes were approved.

Commissioners participating: Brisé, Edgar, Graham, Balbis, Brown

2. Staff's Review of the 2012 Ten-Year Site Plan. Approval is sought.

The Review of the 2012 Ten-Year Site Plan was approved.

Commissioners participating: Brisé, Edgar, Graham, Balbis, Brown

3. Draft Report on Electric Vehicle Charging Station Study. Approval is sought.

The draft report on Electric Vehicle Charging Station Study was approved, noting that staff will work with the Chairman to finalize any non-substantial modifications.

Commissioners participating: Brisé, Edgar, Graham, Balbis, Brown

4. Draft 2012 Lifeline Report. Approval is sought.

The draft 2012 Lifeline Report was approved.

Commissioners participating: Brisé, Edgar, Graham, Balbis, Brown

5. Legislative Update.

Ms. Pennington updated the Commissioners on Legislative matters of interest.

Commissioners participating: Brisé, Edgar, Graham, Balbis, Brown

6. Executive Director's Report.

Mr. Baez updated the Commissioners on the status of the Florida Energy Efficiency Conservation Act study.

Commissioners participating: Brisé, Edgar, Graham, Balbis, Brown

7. Other Matters.

Commissioner Brown updated the Commissioners on the Study Committee on Investor-Owned Water & Wastewater Utility Systems meeting.

Commissioners participating: Brisé, Edgar, Graham, Balbis, Brown

State of Florida



Public Service Commission

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

DATE: November 30, 2012

TO: Braulio L. Baez, Executive Director

FROM: Beth W. Salak, Director, Office of Telecommunications *the finks*
Bob Casey, Public Utilities Supervisor, Office of Telecommunications *BC*
Mark Long, Public Utilities Supervisor, Office of Telecommunications *ML*

RE: Draft Review of the 2012 Regulatory Assessment Fee Report

CRITICAL INFORMATION: Please place on the December 10, 2012, Internal Affairs agenda. Approval by the Commission is required. Report is due to the Governor, the President of the Senate, and the Speaker of the House of Representatives, by January 15, 2013. **ACTION IS NEEDED**

Pursuant to Section 364.336(3), Florida Statutes, "(b)y January 15, 2012, and annually thereafter, the commission must report to the Governor, the President of the Senate, and the Speaker of the House of Representatives, providing a detailed description of its efforts to reduce the regulatory assessment fee for telecommunications companies, including a detailed description of the regulatory activities that are no longer required; the commensurate reduction in costs associated with this reduction in regulation; the regulatory activities that continue to be required under this chapter; and the costs associated with those regulatory activities."

The draft report includes a staff-written synopsis of what actions the Commission has taken in 2012 to comply with the statutory requirements. **Staff is requesting approval of the draft report.**

cc: Charles Hill, Deputy Executive Director, Technical

DRAFT

**REPORT ON THE EFFORTS OF THE
FLORIDA PUBLIC SERVICE COMMISSION
TO REDUCE THE REGULATORY ASSESSMENT FEE
FOR TELECOMMUNICATIONS COMPANIES**

As of December 2012

Florida Public Service Commission
Office of Telecommunications

Introduction

During the 2011 legislative session House Bill CS/CS/HB 1231, the “Regulatory Reform Act” (Act), was passed and signed into law by the Governor, effective July 1, 2011. Under the Act, the Legislature eliminated most of the Florida Public Service Commission’s (PSC’s or Commission’s) retail oversight authority for the telecommunications wireline companies, yet maintained the PSC’s authority over wholesale intercarrier issues. The PSC was required to reduce its regulatory assessment fees charged to wireline telecommunications companies to reflect the concurrent reduction in PSC workload. Section 364.336(3), Florida Statutes, requires:

By January 15, 2012, and annually thereafter, the commission must report to the Governor, the President of the Senate, and the Speaker of the House of Representatives, providing a detailed description of its efforts to reduce the regulatory assessment fee for telecommunications companies, including a detailed description of the regulatory activities that are no longer required; the commensurate reduction in costs associated with this reduction in regulation; the regulatory activities that continue to be required under this chapter; and the costs associated with those regulatory activities.

As a result of this Act, last year the PSC reduced its telecommunications regulatory assessment fees (RAFs) 20%, from 0.0020 to 0.0016 of companies’ gross operating revenues derived from intrastate business. This change became retroactively effective July 1, 2011. Florida telecommunications statutes remained unchanged in 2012; the agency continues to eliminate activities no longer required by current statutes, while also continuing to streamline remaining responsibilities.¹

Regulatory Activities That Are No Longer Required

The 2011 Act eliminated most of the retail regulation of local exchange telecommunications services by the PSC, including the elimination of rate caps on all retail telecommunications services, elimination of telecommunications-related consumer protection and assistance duties of the PSC, and elimination of the PSC’s remaining oversight of telecommunications service quality. The bill also reformed the PSC’s certification processes, authority over intercarrier matters, and other general revisions.

¹ 364.107, F.S. (Public records exemption; Lifeline Assistance Plan participants) was amended to remove the sunset provision of the public records exemption and to preclude PSC employees from disclosing confidential information.

Consistent with the reduced authority of the PSC from the Act, the PSC ceased the following activities:

- The PSC no longer resolves non-basic retail consumer billing complaints.
- The PSC no longer addresses slamming or cramming complaints from consumers. The PSC continues to address slamming complaints that are reported by carriers under the Commission's wholesale authority.
- The PSC no longer publishes and distributes materials informing consumers on billing related matters or informative materials relating to the competitive telecommunications market.
- The PSC no longer designates wireless eligible telecommunications carriers (ETCs) in Florida for the federal universal service fund. Any wireless carrier seeking ETC status in Florida must petition the Federal Communications Commission (FCC) for that authority.
- The PSC no longer performs service evaluations on carriers, with the exception of payphones and telephone relay service, nor does it investigate and resolve service related consumer complaints except as they may relate to Lifeline service, Telephone Relay Service, and payphones.
- ILECs can no longer petition the PSC for recovery of storm damage related costs and expenses.
- The PSC no longer reviews non-access service tariff filings for content, form, or format. It is the carrier's choice whether to file its rate schedules with the PSC or publicly publish the schedules elsewhere, such as the companies' websites.

Savings

The PSC has been seeking cost savings and efforts to streamline regulatory processes for at least 12 years. The origin of these streamlining efforts is not limited to the emergence and evolution of

competition in the telecommunications industry. In fiscal year 1999/2000, the PSC had 401 full time positions. Through several reductions over a period of years, that number was reduced to 296 in the 2011/2012 fiscal year, a total reduction of 26.2 percent. For fiscal year 2012/2013, three additional PSC positions were eliminated; all three came as a result of projected workload reductions in the telecommunications area.

Effective July 2011, the PSC reduced the telecommunications RAF from 0.0020 to 0.0016 of the gross operating revenues derived from intrastate business. In addition, all local telephone service providers now pay \$600 as the minimum fee instead of varying rates based upon the service offered.² At the current 0.0016 rate, carriers will pay this minimum fee up to \$375,000 in gross intrastate operating revenues. The reduced RAF rate was determined assuming reduced responsibilities, projecting staff hours on continuing telecommunications workload, and projecting telecommunications company revenues. Taking into account the declining revenues of the telecommunications companies regulated by the PSC, the smaller number of regulated companies, the reduction in PSC workload, and the positions eliminated, the agency does not plan to further reduce the telecommunications RAF rate at this time.

The PSC continues to review its remaining telecommunications rules to eliminate or revise them as necessary to comply with the intent of the revised statutes and to reduce the agency's costs. The PSC began in 2011 with the repeal of 66 rules that related in large part to the retail authority that was eliminated. In 2012, an additional 18 rules were repealed. Of the remaining rules, 12 are in the rulemaking process for amendment, consolidation, or repeal. Rules in the rulemaking process deal with Lifeline, slamming, rate schedules, and other items. These rulemakings will meet the standards of the PSC's statutory responsibilities while further streamlining rules and eliminating company requirements that are obsolete or unnecessary to fulfill the agency's obligations. These activities were also included in the agency's projections.

Regulatory Activities That Continue To Be Required

The Commission continues to retain authority and responsibility in the following areas for telecommunications companies:³

² Previously, the minimum fee ranged from \$600 to \$1000, depending on the type of service offered. Payphone operators continue to pay a minimum fee of \$100.

³ There were 410 telecommunications companies regulated in some way by the PSC as of October 31, 2012.

- The PSC resolves intercarrier disputes involving interpretations and implementation of sections of the intercarrier agreements.
- The PSC processes arbitrations of intercarrier agreements when the companies cannot negotiate all the terms of the agreement and request the PSC to resolve issues the companies define.
- The PSC reviews interconnection agreements filed with the PSC in accordance with federal requirements.
- The PSC resolves cases involving area code relief, number conservation plans, number resource reclamation, local number portability, and other numbering issues.
- The PSC analyzes information for and produces several statutorily required reports: the *Annual Report on the Status of the Telecommunications Access System Act of 1991*, the *Annual Report on Lifeline Assistance*, the *Report on the Efforts of the Florida Public Service Commission to Reduce the Regulatory Assessment Fee for Telecommunications Companies*, and the *Annual Local Competition Report*.
- The PSC maintains oversight of the Florida Relay Service.
- The PSC maintains oversight of Florida's Lifeline Program including establishing eligibility criteria, automatic enrollment, and monitoring ETCs.
- The PSC issues certificates of authority for telecommunications companies to operate in Florida, evaluating the applicant's technical, financial, and managerial capability to provide service.
- The PSC resolves consumer complaints relating to Lifeline, Telephone Relay, and payphones.
- The PSC publishes network access tariff and company rate schedule information.

- The PSC publishes and distributes informative materials relating to the Lifeline program and conducts related consumer outreach.

Efforts to Reduce Costs

The PSC continues to find ways to reduce the costs of performing its continuing duties. During 2012, the technical staff responsible for continuing the statutory mandates were further consolidated and established as a stand-alone unit within the agency to maximize efficiency and minimize supervisory needs.

As reported last year, the PSC retained the National Regulatory Research Institute (NRRI) in May 2011 to review the PSC's organization structure and work flow processes to determine if any additional changes were needed in the telecommunications area.⁴ NRRI concluded that the structure of the PSC's telecommunications group compares favorably to those in other states. In addition, NRRI found that the current size of the telecommunications group is correct, but suggested specific areas where streamlining or cost reduction measures might be implemented.

The PSC implemented several of NRRI's suggestions in 2011 and continues to evaluate others. The agency's actions in 2012 included:

- The PSC further shifted responsibilities to the administrative staff for the competition report's document control and relay data collection functions.
- The PSC simplified the review process, analysis of data, and reduced the length of the competition report.
- The PSC encouraged and trained companies to submit tariffs and service schedules online.
- The PSC's staff continues to receive training on monitoring the companies' Operational Support Systems.

⁴ *Assessing the Structure and Cost of the Florida Public Service Commission Telecommunications Department*, Sherry Lichtenberg, Ph.D., National Regulatory Research Institute, August 31, 2011.

In addition to the above processes, the telecommunications staff conducts biweekly internal cross training on its remaining responsibilities. As staff become familiar with each other's duties, the requisite training time will be reduced should the need arise to further consolidate or transfer functions.

Summary

The PSC has proactively responded to the changes in its statutory authority as a result of the Act. The agency has assessed the appropriate staffing levels for the telecommunications staff, and will continue to monitor the workload and staffing needs. The PSC hired NRRI in 2011 to audit the PSC's telecommunications program to determine if additional changes need to be made. While the audit results reflected favorably upon the current program, it also challenged the agency to explore additional streamlining suggestions. The PSC continues to implement NRRI's suggestions and to study other areas. The PSC is also in the process of reviewing its telecommunications rules to eliminate any unnecessary or obsolete regulation. The agency continues to seek ways to economize its resources while maintaining a high quality work product for all industries under the PSC's authority, including telecommunications.

Public Utility Research Center

2012 Annual Report to the Florida Public Service Commission



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From the Director

This update on PURC research and outreach is intended to serve as an overview for FPSC commissioners and professional staff. Below are highlights of a very active year. At the end of this summary is a list of recent research papers that are also available through the research papers search engine on the PURC Web site at www.purc.ufl.edu. We truly appreciate the support of the FPSC and welcome opportunities for continued collaboration.



Mark A. Jamison, Ph.D.
Director, Public Utility Research Center

Highlights

FEECA Research

PURC collaborated with PREC at the University of Florida and with NRRI in this evaluation of whether FEECA remains in the public interest.

40th Annual PURC Conference

The 40th Annual PURC Conference, “Reset for Regulation? ^{NEXT}Best Practices for Policy, Regulation, and Utilities” February 12-13, 2013 will examine regulation’s ability to deal with uncertainty.

PURC Advanced International Practices Program

Fifty-six infrastructure professionals from around the world participated in this year’s courses on energy pricing, benchmarking, and next generation networks.

FPSC Training on Electric Issues and Fuel Procurement

PURC provided two training seminars. One was an overview of current electric utility issues including environmental regulations, nuclear energy, renewable energy, investment, and federal transmission regulation. The other seminar provided an overview of the fuel procurement process of Florida utilities and explored best procurement practices.

Pressing Issues in World Energy Policy Conference

This research conference attracted leading experts from around the globe who presented research, including “Electricity Market Design and the Green Agenda,” “Intermittency and the Value of Renewable Energy,” “The Effects of Independent System Operators on Electricity Trading,” and “What Have we Learned from the Era of Energy Liberalisation?”

PURC/World Bank International Training Program on Utility Regulation and Strategy

One hundred and forty people attended courses in 2012. Since its inception in 1997, this program has educated more than 2,600 professionals representing 150 nations. Chairman Ronald Brisé was a featured speaker in June.

Other Research

PURC researchers have written papers on regulation and politics, renewable energy, the effects of ISOs, and the regulation of Google, to name a few.

ARSESP Training in Sao Paulo

This two-week course covered the basics of regulation, including market design, the regulatory process, financial analysis, incentive regulation, establishing the revenue requirement, and designing prices.

Body of Knowledge on Infrastructure Regulation (BoKIR) Web site

PURC is expanding this online resource to include more information about clean energy and energy efficiency.

Primary Research Projects

Does FEECA remain in the public interest?

PURC partnered with the National Regulatory Research Institute and the Program for Resource Efficient Communities to examine whether Florida's statutes on energy efficiency continue to serve the public interest in Florida. The answer was, "Yes," but with qualifications because of some data issues. The research offered suggestions for making the policies more effective.

How should regulation and politics interact?

The paper "Execution and Leadership" examines the formal and information practices that allow regulation to be accountable to the public and its elected representatives, while maintaining the stable environment needed for investment and the expertise needed for addressing some of the most complex issues faced by governments today.

What policies work for renewable energy?

Two PURC papers examine renewable energy policies and proper frameworks for regulation. A third PURC paper studies the job impacts of renewable portfolio standards. Also, PURC is adding FAQs, cases, and references on renewable energy to the Body of Knowledge on Infrastructure Regulation.

Does the introduction of independent system operators result in lower electricity prices?

PURC's study found that independent system operators have almost no impact on retail electricity prices, challenging the conventional wisdom that deregulation has been good for retail customers. The research supports the notion that formal, transparent markets may be no more efficient than private negotiations if there are costs to setting up the transparent markets.

Who participates in wholesale energy markets?

A PURC study finds that larger utilities and privately-owned utilities are more likely to participate in transparent wholesale markets than are other utilities. This perhaps further supports the idea that participation in transparent markets has costs.

How can utilities engage in strategic planning in the presence of changing technologies, markets, and regulations?

Two papers on strategic adaptations – one on energy and one on telecommunications – draw lessons from history for regulators and industry. These papers were presented at an executive team seminar for Talisman Energy.

Have universal service policies in telecommunications lost their way?

The paper "Mapping the field: Retrospective" identifies areas of concern regarding the mission, implementation, and impact of the federal universal service programs and support mechanisms.

What are the barriers to the adoption of new solar technologies in developing countries?

PURC is part of a consortium of three universities that received a National Science Foundation grant to develop new solar technologies that are less reliant on rare earth elements than are traditional technologies, and how these new technologies might impact developing countries.

Are there energy lessons from Europe?

Two PURC researchers are launching a survey of experts in Europe on the performance and re-evaluations of renewable energy and energy efficiency policies. The research will be conducted in 2013 by interviewing regulators, academic experts, and industry.

Should Google be regulated?

Two PURC papers examine the justifications offered for regulating Google's general search services and find that regulation would make customers worse off.

How might telecommunications mergers impact innovation?

PURC researchers examine the cancelled merger of AT&T and T-Mobile, concluding that the merger would likely have sped the deployment of 4G mobile services.

What kinds of broadband service offerings make sense for low income households?

PURC researchers are assisting TAG Mobile, an eligible telecommunications company, with an experiment to determine how low income households use broadband services and the types of service packages that they would find attractive. The project is subject to an FCC grant.

How can utilities best prepare for severe storms?

PURC continues to assist Florida's electric utilities by coordinating a research effort in the area of hardening the electric infrastructure to better withstand and recover from hurricanes.

Faculty Research Focus

Mark A. Jamison, Director

Dr. Jamison conducted studies on leadership in regulation, renewable energy, regulation and strategy in telecommunications, regulation of Google, mergers in telecommunications, and growth of data services in mobile telecommunications. His paper "Execution and Leadership"

with PURC Assistant Director Araceli Castaneda was presented at four international conferences. His research on the regulation of Google resulted in a presentation at a symposium on competition in Internet search at George Mason University and in two law publications. Earlier research on market entry in telecommunications and on political pressures on utility regulators was published this year. He is the principal investigator for the research on Florida's Energy Efficiency and Conservation Act and was awarded a National Science Foundation grant to examine barriers to adoption of solar technologies in developing countries. He is working with two former interns on a book on telecommunications and broadcasting convergence in Thailand.

Sanford V. Berg, Director of Water Studies

In the energy area, Dr. Berg prepared and published “Strategic Adaptations: Lessons from U.S. Electricity Industry in the 20th Century” in the *Electricity Journal*. Several patterns emerged from this review of historical developments in the electricity industry: (1) responses to events and perceived crises tend to involve national (and state) legislation; (2) a lack of broad public (and political) consensus regarding the appropriate role of market mechanisms vs. government regulations; (3) absence of significant changes in response to events—changes appear to be incremental rather than transformational. In addition, he has also been working with Visiting Scholar Fernando Prado on several papers related to energy policy in Brazil.

In the area of water, Dr. Berg co-edited a Special Issue of *Utilities Policy* on Water Regulation in Developed Countries. The issue provides a set of case studies from Europe and the United States, comparing and contrasting the regulatory approaches in eight nations. He also published several papers on regulation in the water sector in developing countries. He continues to explore how benchmarking can be utilized to promote cost containment and service quality enhancement in the water sector. He is currently working on best practices in regulating state-owned and municipal water utilities—with a focus on developing countries (but with lessons for the U.S. as well).

Ted Kury, Director of Energy Studies

Mr. Kury's primary research focus this year was on the effects of independent system operators and regional transmission organizations on the market for electricity. He published a paper on the retail price effects of these organizations in the *Journal of Regulatory Economics*. This paper showed that the retail price decreases that have resulted from these organizations are either small in magnitude (around 1.5%) or not distinguishable from zero. He is also working on paper that examines the degree to which utilities participate in transparent wholesale electricity markets. This paper shows that while transparent markets increase participation, that this increase is not symmetric across all types of utilities, and that, all else equal, large utilities and privately-owned utilities tend to participate more in these markets. Therefore, policy that aims to increase the transparency of wholesale markets may not benefit all participants equally.

Lynne Holt, Policy Analyst

During 2012, Dr. Holt co-authored with Mary Galligan, PURC Senior Fellow, a paper titled “Mapping the field: Retrospective” for the journal, *Telecommunications Policy*. The article surveys both oversight reports by federal government agencies and academic research literature drawn from a variety of sources to identify areas of concern regarding the mission,

implementation, and impact of the federal universal service programs and support mechanisms. Lynne also was a team member for the study on the Florida Energy Efficiency and Conservation Act under contract with the FPSC. She is currently in the process of working with Ms. Galligan on researching a paper on energy efficiency in the European Union. The intent is to analyze why the EU Member States are not on track for meeting by 2020 EU energy efficiency goals, and to examine what insights may be gleaned for national, regional, and state policies in the United States.

Outreach

Plans for the 40th Annual PURC Conference

The 40th Annual PURC Conference, “Reset for Regulation? ^{NEXT} Best Practices for Policy, Regulation, and Utilities” February 12-13, 2013 will examine options and decision making for investments affecting energy supply, energy efficiency and conservation, the environment, prices, new broadband technologies, and water supply. Conference details are available online at <http://www.purc.ufl.edu>.

Pressing Issues in World Energy Policy Conference

Leading experts from around the globe presented their latest research on pressing issues in world energy policy March 30-31, 2012 in Gainesville. Papers included:

- Bill Hogan, Harvard University “Electricity Market Design and the Green Agenda”
- Gautam Gowrisankaran, University of Arizona “Intermittency and the Value of Renewable Energy”
- Ted Kury, PURC “The Effects of Independent System Operators on Electricity Trading”
- Michael Pollitt, University of Cambridge “What Have we Learned from the Era of Energy Liberalisation?”

This conference was co-sponsored with the Robert F. Lanzillotti Public Policy Research Center (PPRC) in the University of Florida Warrington College of Business Administration.

Digital Multimedia Management and Regulation

Dr. Jamison served as lead faculty for a course *Digital Multimedia Management and Regulation* sponsored by the Gordon Institute of Business Science, University of Pretoria, in May 2012. He taught sessions on convergence, policy frameworks, radio spectrum management, competition, and leadership, and moderated all other course sessions. Other topics in the course included innovation, macroeconomic trends, business models for serving the poor, multimedia marketing, regulatory impact assessment, ethics, and regulatory and business models. Course faculty came from South Africa, Tanzania, and the United States. Course participants examined cases on business model change, marketing, and regulatory change.

North American Energy Markets Association 2012 Annual Meeting and Spring Conference

Public policy, like nature, abhors a vacuum. Congress may not be taking steps to direct U.S. energy policy, but the past year has seen federal agencies step up and fill this gap. The Environmental Protection Agency (EPA) has become the *de facto* leader in U.S. energy policy over the past year, and this role has implications for all market participants. This was the message that PURC Director of Energy Studies Ted Kury delivered to participants at the annual

meeting and spring conference of the North American Energy Markets Association in Ponte Vedra Beach, Florida. He shared his thoughts on the current state of global carbon policy, new EPA mandates and their effects on electricity generation, the transformation of the U.S. to a net exporter of natural gas, the implications of the latest proposed clean energy standards, and the future of nuclear waste disposal. He concluded that while there are costs to action on energy policy matter, that there are costs to inaction as well, and that overlooking them can mean consequences for the future.

Forum on Broadband Development in Africa

Speakers from Tanzania, Nigeria, and South Africa examined fiber optic deployment in Africa during a panel moderated by PURC Director Dr. Mark Jamison. Sponsored by the Centre for Dynamic Markets at the Gordon Institute for Business Science at the University of Pretoria, the panel examined fiber optic deployment within the continent and around the rim of Africa, business opportunities and challenges, hurdles to policy change, and lessons from historical developments in broadband technologies. The panel was sponsored by the Centre for Dynamic Markets and the Gordon Institute for Business Science at the University of Pretoria.

2012 National Electricity Forum

Presentations and feedback helped attendees at the 2012 National Electricity Forum explore the balance between regulation and market structures to incentivize and facilitate the development of a flexible, environmentally benign, and cost effective electricity system. Dr. Berg spoke on the theme of this year's forum, "Visualizing the 21st Century Electricity Industry," as one of the panelists in the concluding session on Institutional Solutions. Joining state commissioners from South Carolina and Washington and the Special Advisor for Renewable Energy and Transmission (office of the Secretary of DOE), he focused on four sources of conflict: facts, values, interests, and authority. Dr. Berg argued that addressing emerging issues requires that leaders identify the sources of conflicts so that technical studies and adaptive work (dialogues) can move forward. The forum illustrated how stakeholders bring different perspectives (and special interests) to the policy arena.

International Symposium - Water, Forests and People: Toward Integrative Research on Dams, Natural Resources and Society in the Amazon

This international symposium explored themes on dams, rivers, society, and climate change. Dr. Berg addressed attendees during the Public Utilities and Benchmarking for Water and Energy Sectors session.

American Economic Association Panel Presentation by Ted Kury

Audience members listened as Mr. Kury presented his paper, "The Price Effects of Independent System Operators in the United States Electricity Market." The paper assesses whether regional transmission organizations (RTOs) and independent system operators (ISOs) have had any impact on the price of electricity in the U.S. Mr. Kury delivered his presentation as a member of a panel sponsored by the American Economic Association during the Allied Social Science Association's annual meeting in Chicago. In 1996, the Federal Energy Regulatory Commission sought to "remove impediments to competition in the wholesale bulk power marketplace and to bring more efficient, lower cost power to the nation's electricity consumers" through a series of market rules. A product of these rules was the establishment of RTOs and ISOs, charged with facilitating equal access to the transmission grid for electricity suppliers. Whether these changes

in market structure have succeeded in achieving the FERC's goal to provide "lower cost power to the nation's electricity consumers" remains an open question.

Other Research Conferences

PURC researchers presented papers at the International Industrial Organization Society Conference, the Western Economic Association International Conference, and the Regional Energy Policy Workshop. Also at the International Industrial Organization Society Conference, PURC awarded its annual "Best Paper in Regulation" award to a paper on how policies can go awry if policy makers fail to consider the incentives and options that customers have. The paper examined a policy in Sweden that was designed to decrease dependence on foreign oil and to decrease carbon emissions, but had the opposite effect.

South African Economic Regulators Conference

As the newest member of the emerging markets group BRICS, South Africa plays an important role in the global economy. The continued development of regional infrastructure is critical to South Africa's ability to expand this role in the future. The role of regulation and government policy in this development was the focus of the inaugural South African Economic Regulators Conference held in Johannesburg on August 21 and 22, and PURC was pleased with the opportunity to participate in the discussions. Before an audience of 250 regulators, government officials, and industry professionals from across the region, Mr. Kury presented two papers written by PURC researchers. The first, "New Tools for Regulators in Addressing the Impact of Renewable Energy and Energy Efficiency Policy," co-authored by Dr. Berg and Mr. Kury, focused on the role of government and the regulator in assimilating new sources of energy into the existing electricity system. The second, "Execution and Leadership: Fulfilling Conflicting Responsibilities in Utility Regulation" by Dr. Jamison and Ms. Castaneda, discussed strategies for managing the conflict between the regulator's role as implementer of public policy, and providing leadership in a time of policy change.

Other International Conferences

PURC researchers spoke at several international conferences, including the CARILEC workshop on renewable energy in Bermuda, the Office of Utility Regulation's anniversary conference in Jamaica, and the Organisation of Caribbean Utility Regulators' annual conference in the Bahamas. The presentations covered renewable energy and leadership topics.

NRRI Research Advisory Committee

Dr. Berg has been appointed to the Research Advisory Committee of the National Regulatory Research Institute.

PURC Visiting Scholars

PURC hosted two interns from the National Broadcasting and Telecommunications Commission of Thailand (NBTC), Roswan Sangprasert and Natchaya Taweewitchakreeya. They worked on PURC outreach projects and wrote a book on telecommunications and broadcasting convergence in Thailand. PURC and the NBTC established the internship program in 2010 and hosted its first two interns for a 10-month period until March 2011. PURC is currently hosting a visiting scholar from Colombia, Dr. Luis Hernando Gutierrez, and another from Brazil, Dr. Fernando Almeida Prado. Dr. Gutierrez is a former PURC student and is conducting research on broadband development in Colombia. Dr. Prado is conducting research on energy regulation in Brazil.

Results of the 39th Annual PURC Conference

More than 125 key leaders in industry and government attended the 39th Annual PURC Conference, “Utility Policy Today: Do We Have Strategies or Just Tactics” in February. Speakers included Mary Bane, Rajnish Barua, Lawton (Bud) Chiles, Edward Kee, Katrina McMurrian, Lee (Chip) Merriam and John Mayo among others. Speakers examined the extent to which public policy ignores trade-offs among legitimate objectives. Conference details are available online at <http://www.purc.ufl.edu>.

Body of Knowledge on Infrastructure Regulation (BoKIR) Web site

PURC is expanding this valuable online resource to include more information about clean energy and energy efficiency. New links to other databases will be integrated into the site, and 10 new Frequently Asked Questions and 20 new references pertaining to clean energy will be added. Currently, the web site provides tutorials, literature surveys, self-paced tests, and more than 500 downloadable references on utility regulation, as well as a regulatory glossary translated into several different languages. A set of FAQs on how regulators can promote cost-effective renewable energy and energy efficiency programs:

- What should be the involvement and mandate of the energy regulator in connection with promotion of Renewable Energy and what are the main challenges associated from a regulatory perspective?
- What should be the involvement and mandate of the energy regulator in connection with promotion of Energy Efficiency and what are the main challenges associated from a regulatory perspective?
- What is the best choice of regulatory instruments/tools for Renewable Energy promotion based on efficiency and effectiveness of reaching policy targets? (FiT versus Green Certificates versus Central Procurement and others)
- What is the best choice of regulatory instruments/tools for Energy Efficiency promotion based on efficiency and effectiveness of reaching policy targets? (Energy Efficiency Certificates versus Central Procurement and others)

Training and Development

FPSC Electric Issues Overview Training

This training seminar provided an overview of current electric utility issues related to uncertainties associated with new and potential environmental regulations, nuclear energy development, renewable energy initiatives, infrastructure investments including smart grid, federal transmission regulations, the supply and demand for natural gas, and the impact of the current economy. Topics included industry basics, jurisdiction, environmental issues, nuclear power, the increasing use of natural gas, infrastructure additions, customer behavior, and renewable energy.

FPSC Electric Utility Fuel Procurement Training Seminar

This training seminar provided an overview of the fuel procurement process of Florida utilities and explored best procurement practices, i.e., getting the best price and best reliability. Topics included natural gas exploration, recovery, and processing; natural gas industry structure, markets, prices, and pipelines; federal regulation; the value chain for coal; markets and pricing for coal; and hedging and risk avoidance.

31st and 32nd PURC/World Bank International Training Programs on Utility Regulation and Strategy

One-hundred forty infrastructure managers learned from each other and from leading experts during the January and June deliveries of this biannual, two-week program in Gainesville. The program is designed to enhance the economic, technical, and policy skills required to design and manage sustainable regulatory systems for infrastructure sectors. The participants studied ongoing infrastructure reform programs, networked with international speakers, and offered their own insights into regulatory policies.

2012 PURC Advanced International Practices Program

PURC delivered three courses under its Advanced International Practices Program: Energy Pricing, Benchmarking Infrastructure Operations, and Telecom Policy and Regulation for Next Generation Networks. In attendance were 56 participants from 27 nations. Participants of the energy course performed price reviews and analyzed financial statements for rate setting. Benchmarking participants assessed how information on trends in key performance indicators helps decision-makers. Telecom participants examined the foundations, drivers, and policy priorities for NGN. Dr. Jamison, Dr. Berg, Mr. Kury, and Ms. Castaneda designed and delivered the courses during the 10-day program.

Practicing Leadership in a Political Environment: A One-Day Intensive Training Workshop for Emerging Leaders in Utility Policy

In January and June, Dr. Jamison and Ms. Castaneda delivered leadership workshops for regulatory professionals, who examined the activities, behaviors, mindsets, and skills of a successful leader during this training workshop designed by PURC for emerging leaders in utility policy.

ARSESP Training in Sao Paulo, Brazil

In October Mr. Kury, Dr. Jamison, Dr. Berg, and a guest faculty taught a two-week course for the utility regulator in Sao Paulo, Brazil. The course, which was attended by about 60 ARSESP staff, plus several operators, covered the basics of regulation, including market design, the regulatory process, financial analysis, incentive regulation, establishing the revenue requirement, and designing prices.

Upcoming Course on Infrastructure Sharing for Broadcasting

In December, PURC is providing a course on infrastructure sharing in broadcasting. The course will examine the economics and logistics of sharing, business models for infrastructure sharing, the effects on competition, and emerging trends in resource sharing. The course is being conducted for the NBTC of Thailand.

Appendix

Public Utility Research Center Recent Publications and Working Papers

Applied Publications

Berg, Sanford V. Forthcoming. “Advances in Benchmarking to Improve Water Utility Operations: A Review of Six IWA Books.” *Water Policy*.

Berg, Sanford V. Forthcoming. “Strategic Adaptations: Lessons from U.S. Electricity Industry in the 20th Century.” *The Electricity Journal*.

Berg, Sanford V. 2012. “Communications Tools and Strategies for Utilities.” *Water Utility21*, February: 48.

Berg, Sanford V. 2012. “Communications Tools and Strategies: Valuable Lessons for Customer and Business Management.” *Water Utility Management International*, 7(1): 8-10.

Gentry, Richard, Thomas Dalziel, and Mark A. Jamison. Forthcoming. “Who Do Start-up Firms Imitate? A Study of New Market Entries in the CLEC Industry.” *Journal of Small Business Management*.

Holt, Lynne, and Mary Galligan. Forthcoming. “Mapping the Field: Retrospective of the Federal Universal Service Programs.” *Telecommunications Policy*.

Holt, Lynne, and Mary Galligan. 2012. “Is It Time to Recreate the E-Rate Program?” *Federal Communications Law Journal*, 64(2): 275-317.

Jamison, Mark A. 2012. “Electricity, Gas, Google? Why Google Is Not a Utility.” *Law360*, May 4. <http://www.law360.com/>.

Marques, Rui Cunha, Pedro Simões, and Sanford V. Berg. Forthcoming. “Water Sector Regulation in Small Island Developing States: An Application to Cape Verde.” *Water Policy*.

Technical Publications

Hauge, Janice A., Mark A. Jamison, and James E. Prieger. 2012. “Oust the Louse: Does Political Pressure Discipline Regulators?” *The Journal of Industrial Economics*, 60(2):299-332.

Woo, Chi-Keung, Wing-Keung Wong, Ira Horowitz and Hing-Lin Chan. 2012. “Managing a scarce resource in a growing Asian economy: Water usage in Hong Kong.” *Journal of Asian Economics*, 24: 374-382.

Yane, Shinji, and Sanford V. Berg. Forthcoming. “Sensitivity Analysis of Efficiency Rankings to Distributional Assumptions: Applications to Japanese Water Utilities.” *Applied Economics*.

Working Papers

Berg, Sanford V. and Theodore J. Kury. 2012. “New Tools for Regulators in Addressing the impact of Renewable Energy and Energy Efficiency Policy.” University of Florida, Department of Economics, PURC Working Paper.

Jamison, Mark A. 2012. “Should Google Search Be Regulated as a Public Utility?” University of Florida, Department of Economics, PURC Working Paper.

Jamison, Mark A. and Araceli Castaneda. 2012. “Execution and Leadership: Fulfilling Conflicting Responsibilities in Utility Regulation.” University of Florida, Department of Economics, PURC Working Paper.

Jamison, Mark A., Sanford V. Berg, and Theodore Kury. 2012. "Rules for Renewables: Aligning Roles and Incentives for Renewable Energy" University of Florida, Department of Economics, PURC Working Paper.

Kury, Theodore J. 2012. “Outlook for United States Energy Policy: Look to the EPA.” University of Florida, Department of Economics, PURC Working Paper.

Kury, Theodore J. 2012. “Price Effects of Independent Transmission System Operators in the United States Electricity Market.” University of Florida, Department of Economics, PURC Working Paper.

Kury, Theodore J. 2012. “The Impact of Transparent Wholesale Markets on Market Participation in the U.S. Electricity Industry.” University of Florida, Department of Economics, PURC Working Paper.

Silbert, Megan, and Maria del Pilar Useche. 2012. “Repeated Natural Disasters and Poverty in Island Nations: A Decade of Evidence from Indonesia.” University of Florida, Department of Economics, PURC Working Paper.

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

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

***INTERNAL AFFAIRS
December 10, 2012***

<u>Speaker</u>	<u>Representing</u>	<u>Item #</u>
Dr. Mark Jamison	PURC	3

III. Supplemental Materials Provided During Internal Affairs

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

IV. Transcript

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STATE OF FLORIDA
PUBLIC SERVICE COMMISSION

Internal Affairs Meeting
Monday, December 10, 2012
Betty Easley Conference Center, Room 140

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

2 **CHAIRMAN BRISÉ:** Good morning, everyone. We
3 are convening our Internal Affairs Monday,
4 December 10th, 2012. We are ready to entertain a motion
5 to approve the minutes.

6 **COMMISSIONER BROWN:** Move the minutes.

7 **COMMISSIONER BALBIS:** Second.

8 **CHAIRMAN BRISÉ:** Okay. It's been moved and
9 seconded. All in favor, say aye.

10 (Vote taken.)

11 **CHAIRMAN BRISÉ:** All right. Thank you very
12 much. Moving on to Item Number 2.

13 **MR. LONG:** Commissioners, Item 2 is the 2012
14 Telecom RAF report that's due to the Legislature by
15 January 15th. Staff is here to answer questions.

16 **CHAIRMAN BRISÉ:** Thank you.

17 Are there any questions? Okay.

18 **COMMISSIONER EDGAR:** So, Mark, what would you
19 consider to be the high points?

20 **MR. LONG:** High points?

21 **COMMISSIONER EDGAR:** Yes, sir.

22 **MR. LONG:** The high points for --

23 **COMMISSIONER EDGAR:** Merry Christmas.

24 (Laughter.)

25 **MR. LONG:** I think the Lifeline work and the

1 intercarrier dockets, Qwest, Halo, were (inaudible).

2 **COMMISSIONER EDGAR:** And the efforts to reduce
3 costs?

4 **MR. LONG:** The efforts to reduce costs
5 continue. It is a continuous function trying to think
6 of different ways of doing things, reducing paper,
7 getting the work flows better. So that's something that
8 we, that is a weekly endeavor.

9 **COMMISSIONER EDGAR:** And I understand that a
10 number of the suggestions that came forward from the
11 NRRI review that we did last year or so have been
12 implemented and continue down that path.

13 **MR. LONG:** That is correct.

14 **COMMISSIONER EDGAR:** Thank you, Mr. Chairman.

15 **CHAIRMAN BRISÉ:** Commissioner Graham.

16 **COMMISSIONER GRAHAM:** A question for you,
17 Mr. Long. The call center that we had open up down in
18 Miami, is that up and running right now?

19 **MR. BAEZ:** The Lifeline call center, I think.

20 **MS. LYNN:** The Relay call center?

21 **COMMISSIONER EDGAR:** It is Relay.

22 **MR. CASEY:** Yes. It was up and running
23 August 15th and is running -- it started out at
24 31 employees. We're up to 44 employees now.

25 **COMMISSIONER GRAHAM:** 44 employees.

1 **MR. CASEY:** 44 employees.

2 **COMMISSIONER GRAHAM:** Now, didn't we initially
3 get some customer complaints or calls about different
4 accents and such that haven't been worked through?

5 **MR. CASEY:** No. We, we brought that before
6 our TASA board, the advisory board, and they didn't
7 really have any problem with it.

8 **COMMISSIONER GRAHAM:** Okay.

9 **MR. CASEY:** There are some accents, but
10 they're understandable. I know the previous call center
11 we had in Miami, there were some problems. So AT&T was
12 very specific about hiring these people, making sure
13 they didn't have strong accents.

14 **COMMISSIONER GRAHAM:** So everything is up and
15 running, looking good?

16 **MR. CASEY:** There's small bumps, but we're
17 working them out.

18 (Simultaneous conversation.)

19 **COMMISSIONER GRAHAM:** What are some of, what
20 are some of our small bumps?

21 **MR. CASEY:** Oh, like when you dial 711, you'll
22 get a sound that appears like a fax. And really what it
23 is, it's a TTY machine. And we're working that out with
24 them right now so it'll be on a delayed response so when
25 somebody does dial 711, they'll actually get a person.

1 **COMMISSIONER GRAHAM:** Okay.

2 **MR. CASEY:** And then be transferred to a TTY.
3 Because a lot of people think -- when they hear that
4 sound, they'll hang up thinking it's a fax machine. But
5 we're meeting with AT&T on that. They're working with
6 us on it.

7 **COMMISSIONER GRAHAM:** Is that the only small
8 bump?

9 **MR. CASEY:** That's about it.

10 **COMMISSIONER GRAHAM:** Okay.

11 **MR. CASEY:** Speed. Oh, I'm sorry. The typing
12 speed, we're working on that too. They're not meeting
13 the quota for the FCC, which is 60 words per minute.

14 **COMMISSIONER GRAHAM:** They're just shy of
15 that? Are they just shy of that, or quite a bit shy of
16 that?

17 **MR. CASEY:** They're -- it depends on the
18 month, but it's about half and half right now.

19 **COMMISSIONER GRAHAM:** Okay. Thank you.

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

22 **COMMISSIONER EDGAR:** Move approval.

23 **CHAIRMAN BRISÉ:** Okay. It's been moved. Is
24 there a second?

25 **COMMISSIONER GRAHAM:** Second.

1 **CHAIRMAN BRISÉ:** Very good. All in favor, say
2 aye.

3 (Vote taken.)

4 Thank you. Thank you, Mark.

5 Okay. Moving on to Item Number 3, we have a
6 presentation by PURC.

7 **DR. JAMISON:** Good morning. Thank you for,
8 for taking time to, to talk with us and let us tell you
9 what we've been up to. And as always, thank you for
10 your sponsorship of PURC. We've appreciated the support
11 and the work with the PSC over many years.

12 I think many of you have met, but just in case
13 you've not, I want to introduce Araceli Castaneda, who's
14 the Assistant Director at PURC. We have some other
15 business in Tallahassee today, so she came along for
16 this meeting and for those as well.

17 So you have the report of what we've done over
18 the past year. And let me just hit some highlights with
19 that, one of which, the thing that we've been consumed
20 by for the past three months or so has been this
21 analysis of FEECA and whether or not it remains in the
22 public interest. We completed that report last week.
23 And I brought the 50 copies with me today, so they're in
24 the trunk of the car and we'll get those, give them to
25 Mark and his team today.

1 We've also directly with the PSC been involved
2 in some training workshops this year: Had one on fuel
3 procurement, how that works, kind of best practices, and
4 then some of the risks involved; and then also just on
5 the energy issues, what are the outstanding issues,
6 federal involvement, environmental issues, et cetera.
7 So we've gone through that as well.

8 We have some plans coming for this year, 2013.
9 We're going to have a course on the basics of
10 regulation. And we're also talking with Mark and his
11 team on some leadership workshops and a few other
12 workshops also in the, in the works for the coming year.
13 So we're looking forward to doing, doing all of that.

14 Also, in the area of training, as you know, a
15 lot of our training work is international. We have an
16 advanced issues program that we've launched. We
17 actually launched it a year ago, but we've added to it
18 this past year. We've covered courses on benchmarking
19 of utilities, a whole week on energy pricing, and one on
20 next generation networks and telecommunications. And
21 those have been successful for a couple of years now, so
22 we're repeating, repeating those again in 20 -- 2013.

23 Our flagship international work is the
24 two-week course we teach twice a year. We do that in
25 collaboration with the World Bank. That course, since

1 it was started in early 1997, has trained almost
2 2,600 people from 150 countries. And some of you have
3 been speakers in that program. We appreciate all of
4 your support. All of our Commissioners from the PSC
5 that speak at it just get rave reviews, and so we're
6 always excited for, for your support. That's one of the
7 qualifications of becoming a PSC Commissioner is you
8 have to get rave reviews on our course.

9 (Laughter.)

10 We have our annual conference coming up in
11 February. We've had as a kind of a constant theme for
12 the past several years dealing with uncertainty,
13 political uncertainty and economic uncertainty. We
14 decided, well, maybe that uncertainty is just chronic.
15 And if it's chronic, then how does regulation think
16 about that? Because we looked -- tried to have this
17 perspective of looking forward to trying to resolve the
18 uncertainty, just kind of getting through it for now.
19 But maybe, maybe it's permanent. So how does regulation
20 then adapt?

21 So we're having Bill Hogan from Harvard come
22 down and talk about his perspectives on that, especially
23 in the energy space. We are talking with Phil Jones,
24 President of NARUC, to see if he can come down and kind
25 of give us that view from the NARUC level anyway. We've

1 got some other speakers and executives who will talk
2 about some energy efficiency issues in that context as
3 well. But that's kind of the theme for the annual
4 conference, and that'll be in the middle of, middle of
5 February.

6 Other things we've been doing, we've been
7 adding to our body of knowledge on infrastructure
8 regulation. That's an online website that covers a,
9 kind of a host of regulation issues, everything from why
10 do we regulate utilities, how do we structure agencies,
11 how do we think about markets, how do we do financial
12 analysis? It's the whole spectrum. About 600 different
13 references, narratives, and explanations as to how
14 regulation works.

15 We've been adding a lot on energy efficiency
16 and renewable energy to that. That's been funded by the
17 Norwegian Trust Fund. So we're wrapping up that first
18 phase of work. And just today, as a matter of fact,
19 launching the new website with, with those issues
20 incorporated, and then we're working on what we'll do in
21 that arena for next year as well. Plus it has, we have
22 on there a glossary of about -- I think we've printed
23 off, it's about 80 pages or so, and it's now in five or
24 six different languages. So we've had good success
25 getting that translated as well. Working on Russia

1 right now, just about to, to finish it up.

2 And you've also seen in the report the things
3 we've been doing research on besides the energy
4 efficiency. You see things on working on RTOs and ISOs,
5 do they really make a difference? And our conclusion
6 was it doesn't appear so, which was kind of
7 counterintuitive. We just couldn't find that they made
8 a retail price difference anyway for customers.

9 Also worked on, in telecommunications working
10 on broadband use: What are the pricing plan services
11 that would make sense? We're working with a company out
12 of Texas on that to see, see what that might look like.
13 So that's kind of some of the highlights. I'd be glad
14 to answer any questions that you might have or take any
15 comments that you might have.

16 **CHAIRMAN BRISE:** Sure. Commissioner Graham.

17 **COMMISSIONER BROWN:** Thank you, Mark, for
18 coming out here.

19 These papers seem very interesting. I haven't
20 been to your website for a while. Are all of them
21 loaded up on the website? We could access them?

22 **DR. JAMISON:** Absolutely.

23 **COMMISSIONER BROWN:** Okay.

24 **DR. JAMISON:** Yeah. They're all there. If
25 there's one in particular you're looking for, just let

1 me know.

2 **COMMISSIONER BROWN:** The Google one. The
3 Google --

4 **DR. JAMISON:** Oh, the Google one.

5 **COMMISSIONER BROWN:** Yes.

6 **DR. JAMISON:** Yes. If you'd like, I could
7 just email that one to you if it gets hard to navigate
8 our website at all. I'll be glad to do that.

9 **COMMISSIONER BROWN:** Thank you for your great
10 work. Appreciate it.

11 **DR. JAMISON:** Oh, thank you.

12 **CHAIRMAN BRISÉ:** Commissioner Balbis.

13 **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.
14 And thank you, Dr. Jamison, for coming here. And I
15 think this is a good summary of all the great things
16 that PURC does.

17 **DR. JAMISON:** Thank you.

18 **COMMISSIONER BALBIS:** I think a lot of the
19 research is, is very pertinent and interesting. And I'm
20 glad you did the, prepared the report on ISOs and RTOs,
21 because those are topics that at least I personally get
22 asked quite a bit, especially with NARUC and the states
23 that do have RTOs in place that, you know, the effect on
24 the retail level. So I did read that and it was
25 interesting. And I found the conclusion interesting as

1 well on how I could base my discussions on something in
2 writing rather than my own thoughts.

3 But I just want to thank you for the work that
4 PURC does, and I think it's very useful and pertinent
5 for the state.

6 **DR. JAMISON:** Oh, thanks.

7 **CHAIRMAN BRISÉ:** Commissioner Graham. Oh.

8 **COMMISSIONER EDGAR:** Go right ahead.

9 **CHAIRMAN BRISÉ:** Ladies first. Commissioner
10 Edgar.

11 **COMMISSIONER EDGAR:** Thank you. Thank you.

12 Dr. Jamison, when will a draft agenda for the
13 February meeting be available?

14 **DR. JAMISON:** It'll be available this week.
15 We've been working on it trying to get a few more
16 speakers lined up, but, yeah, we'll get something out
17 this week.

18 (Simultaneous conversation.)

19 **COMMISSIONER EDGAR:** That's great. I
20 actually, I looked last week for it and saw that there
21 wasn't anything available, and I figured it was coming,
22 coming soon.

23 **DR. JAMISON:** Yeah. The Director is a little
24 slow on getting his work done. People are lighting a
25 fire under him. It'll get done.

1 (Laughter.)

2 **COMMISSIONER EDGAR:** I understand. And you'll
3 refresh my memory, how many faculty and staff comprise
4 your personnel resources, your human resources effort?

5 **DR. JAMISON:** Sure. Yeah. It, it's a little
6 difficult to count. There are two of us faculty that
7 are full-time with the center, and then we have two that
8 are part-time with the center.

9 Staff wise, there's about six staff
10 altogether. Yeah. And then a small number of students
11 that that number changes. But we work with people all
12 over the place.

13 **COMMISSIONER EDGAR:** Uh-huh.

14 **DR. JAMISON:** For example, for doing the
15 report on FEECA we worked with NRRI; also worked with an
16 organization called PREC, it's the Program for Resource
17 Efficient Communities there at the university. So we
18 worked with them as well.

19 We've -- we're doing research projects with a
20 university in Portugal, some in Africa, some in Asia.
21 We've worked a lot with -- Araceli has been doing a lot
22 of work with Brazil lately. So we, we tap resources all
23 over the place. It just depends upon on what we need to
24 get done. So we're -- while we're a small shop, we've
25 got a lot of friends.

1 **COMMISSIONER EDGAR:** I concur.

2 **DR. JAMISON:** Yeah.

3 **COMMISSIONER EDGAR:** And you do for your
4 full-time and part-time faculty I know have so much
5 depth of, depth and breadth of knowledge in the utility
6 sector.

7 Do, and I'm just curious, do any of your
8 faculty ever do like expert witness, present testimony
9 in hearings across the country, anywhere in the country?

10 **DR. JAMISON:** We have -- that hasn't happened
11 since I've been at PURC, and I joined in 1996. I know
12 that the first Director of PURC, Gene Brigham, did that.
13 I don't think Sandy, my predecessor, ever, ever did. We
14 just -- we've not done that.

15 **COMMISSIONER EDGAR:** Maybe there's a revenue
16 producer, producer -- producing option for you.

17 **DR. JAMISON:** It could be. One of the things
18 that we try to be very careful about is that there's not
19 a solution that has PURC's name on it out there. We,
20 since we work with so many, in so many different
21 contexts, we try to be able to talk about here are the
22 different approaches you can use. And we can't tell you
23 which one is really best for you because you're the
24 expert in your context. All we can do is give you here
25 are the ideas and the tools to help you reach that

1 solution.

2 And that's one reason why we don't push the
3 notion of going in and being the expert witness in
4 proceedings because that takes us too close to being an
5 advocate, and we just stand back from that.

6 **COMMISSIONER EDGAR:** Thank you.

7 **CHAIRMAN BRISÉ:** Commissioner Graham.

8 **COMMISSIONER GRAHAM:** Dr. Jamison, welcome.

9 **DR. JAMISON:** Thank you.

10 **COMMISSIONER GRAHAM:** NARUC has got a -- their
11 water committee has a, a rate school they put on twice a
12 year.

13 **DR. JAMISON:** Uh-huh.

14 **COMMISSIONER GRAHAM:** And I know for the past
15 two or three years the school that currently does it
16 now, I want to say it's from Michigan.

17 **DR. JAMISON:** Yes.

18 **COMMISSIONER GRAHAM:** And I know every couple
19 of years that contract comes up. Is that ever something
20 that you guys are looking to do or that could do?

21 **DR. JAMISON:** We, we have thought about it.
22 It was many years ago that we thought about it. That
23 was before I became Director, and I don't remember
24 exactly why we did not put in a proposal at that time.

25 In fact, I have not heard lately of that

1 coming up for review again, although that might -- yes,
2 actually I have heard. That is coming up again. We
3 could pretty easily.

4 Our approach is a little bit different than,
5 than the NARUC rate school, but that's fine. We can
6 adapt to that. But, no, we've not pursued it in the
7 past but maybe we really should.

8 **COMMISSIONER GRAHAM:** I've been through it and
9 I think it's a very worthwhile school, and a lot of our
10 staff members have been through it. And, you know, it'd
11 be nice to have it based out of here. As Commissioner
12 Edgar said earlier, you know, any revenue producers we
13 can come up with.

14 **DR. JAMISON:** Yeah.

15 **COMMISSIONER GRAHAM:** It tends to be a win-win
16 for everybody.

17 **DR. JAMISON:** Okay.

18 **COMMISSIONER GRAHAM:** And we happen to have a
19 friend or two on the board.

20 (Laughter.)

21 **DR. JAMISON:** Yeah. The rate school gets rave
22 reviews. It does, does very, very well. And so, yeah,
23 we'll look into that. Thank you for the suggestion.

24 **CHAIRMAN BRISÉ:** All right. Anything else?
25 Well, Dr. Jamison, thank you very much for

1 your, for your work at PURC. I always enjoy getting
2 down there and participating in your program. And I
3 certainly hope that you continue the good work.

4 **DR. JAMISON:** All right. Well, thank you so
5 much. We look forward to seeing you in January and
6 everyone in February. Thank you.

7 **CHAIRMAN BRISÉ:** All right. Thank you.
8 Legislative update.

9 **MS. PENNINGTON:** I don't have much. We did
10 complete our first week of committee meetings last week.
11 We had -- our presentations in the House and the Senate
12 were well received. Thank you, Mr. Chairman and Mark.

13 The -- we have two weeks of committee meetings
14 in January, three weeks in February, prior to the
15 beginning of session in March. So I want to thank you
16 for your, your help and your assistance and your
17 cooperation, and we'll let you know what the next round
18 brings forth.

19 **CHAIRMAN BRISÉ:** There's a question for you
20 from Commissioner Brown.

21 **COMMISSIONER BROWN:** Quick question. Can you,
22 Katherine, can you give us a list of the weeks that the
23 committee's meeting? I don't have them on my calendar
24 yet for January.

25 **MS. PENNINGTON:** I can. Uh-huh.

1 **COMMISSIONER BROWN:** Thanks.

2 **CHAIRMAN BRISÉ:** All right. Any further
3 questions for Katherine?

4 Seeing none, thank you very much.

5 All right. Mr. Baez.

6 **MR. BAEZ:** No, nothing to report specifically
7 this week. Everything is great.

8 **CHAIRMAN BRISÉ:** Okay.

9 **MR. BAEZ:** We've got a busy day today, so in
10 the interest of -- there's nothing pending that you all
11 don't already know.

12 **CHAIRMAN BRISÉ:** All right. Moving on to
13 other matters. Give anybody an opportunity on other
14 matters if there's something that you'd like to bring
15 up.

16 **COMMISSIONER BROWN:** Just an update. I know
17 we talked about it during agenda, but the Water Study
18 Committee, we had our customer meetings in New Port
19 Richey and Eustis. They were long, but we got a lot of
20 information, repeated information. (Laughter.) Deja
21 vu. But it was helpful.

22 We're meeting, we are meeting by
23 teleconference on Wednesday, next week at 11:00 a.m.,
24 and then we have other tentative dates -- well, actually
25 we're noticing the dates, but we have other dates in

1 person in January after the holidays in Tallahassee. So
2 I'll keep you guys informed. But it looks like we're
3 moving forward, but there's just a lot of other ground
4 to cover that some of the committee members really want
5 to focus on.

6 **CHAIRMAN BRISÉ:** Well, thank you, Commissioner
7 Graham, for that -- I mean, Commissioner Brown --
8 interesting day.

9 (Laughter.)

10 **COMMISSIONER GRAHAM:** I don't understand the
11 confusion.

12 **CHAIRMAN BRISÉ:** Thank you, Commissioner
13 Brown, for, for your report and your work.

14 **COMMISSIONER BROWN:** Thank you.

15 **CHAIRMAN BRISÉ:** I know that it's a challenge
16 and it's additional work to do that. And I've watched a
17 few of the meetings and you're doing a fantastic job.
18 So thank you.

19 There is one issue I wanted to bring up, and
20 that is the issue that we don't necessarily have any
21 control over per se, but we'd like to sort of get an
22 update as to where we are. And I know our staff has
23 been in contact with Progress with respect to the issue
24 in Citrus County, and so at some point in the future,
25 probably in January we will be asking the company to

1 come and provide a full report on what has transpired
2 and what is transpiring to resolve the issues that exist
3 there.

4 But if any Commissioners have any questions or
5 comments that they would like to make on that issue,
6 you're welcome to do so.

7 **COMMISSIONER EDGAR:** Mr. Chairman, are you
8 referring specifically to the issue with the local taxes
9 and some concerns that have been raised?

10 **CHAIRMAN BRISÉ:** Yes, ma'am. Specifically to
11 the, to the tax issues.

12 All right. Seeing no other comments, we
13 certainly appreciate your participation this morning.
14 And Commissioner Brown moves we rise.

15 (Internal Affairs concluded at 11:01 a.m.)
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STATE OF FLORIDA)
 :
COUNTY OF LEON)

CERTIFICATE OF REPORTER

I, LINDA BOLES, RPR, CRR, Hearing Reporter Services Section, Office of Commission Clerk, do hereby certify that the foregoing proceedings were transcribed from digital recording to the best of my ability.

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

DATED THIS 23rd DAY OF JANUARY, 2013.



LINDA BOLES, RPR, CRR
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