

# I. Meeting Packet



**State of Florida**  
**Public Service Commission**  
**INTERNAL AFFAIRS AGENDA**

Wednesday, May 15, 2013

9:30 a.m.

Betty Easley Conference Center, Room 140

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

BB/css



State of Florida



## Public Service Commission

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

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

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

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

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

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

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

Attachment

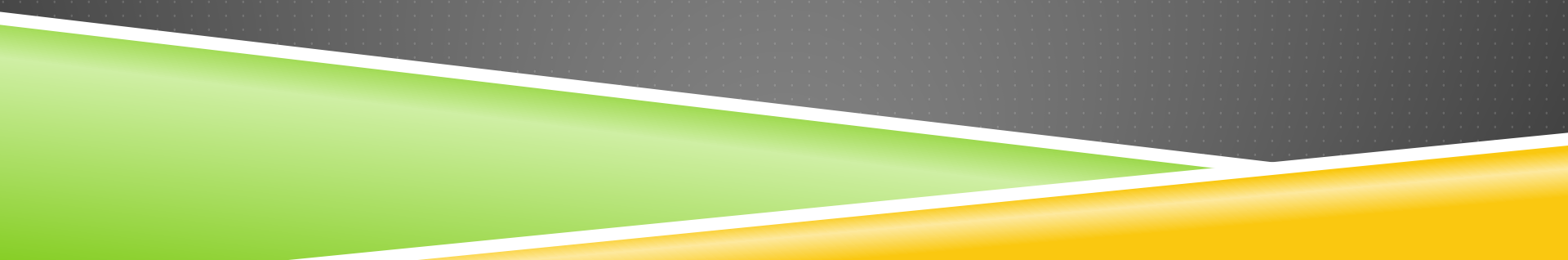
cc: Chuck Hill, Deputy Executive Director - Technical  
April Lynn, Deputy Executive Director - Administrative



# HURRICANE PREPAREDNESS WORKSHOP OVERVIEW

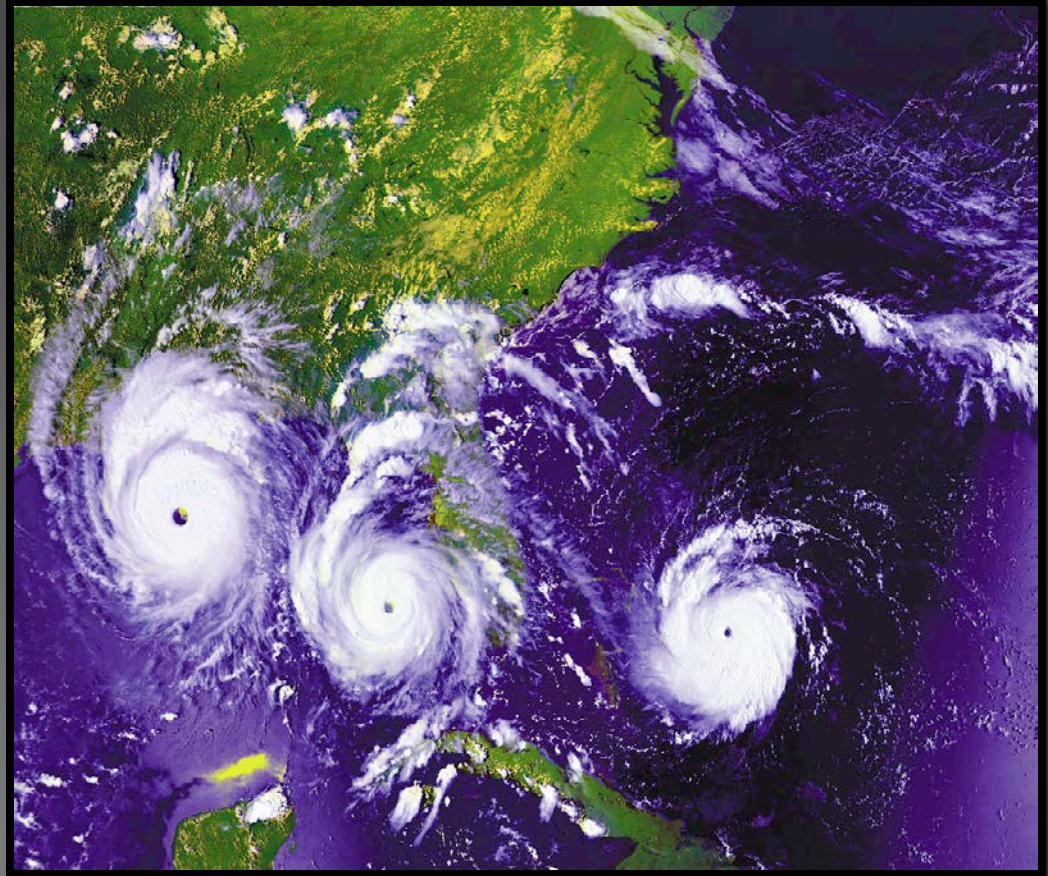
By: Melissa L'Amoreaux  
Engineering Specialist II  
Florida Public Service  
Commission

# OVERVIEW

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

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



# TOPICS

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



# FLORIDA POWER & LIGHT

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

# PROGRESS ENERGY FLORIDA

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

# TAMPA ELECTRIC COMPANY

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

# GULF POWER COMPANY

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

# FLORIDA PUBLIC UTILITIES COMPANY

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

# CHANGES

- Hurricane Sandy
- Refined Storm Hardening Plans



# WHY THIS WORKSHOP IS HELPFUL

- Work Achieved
- Gain Insight
- Assist

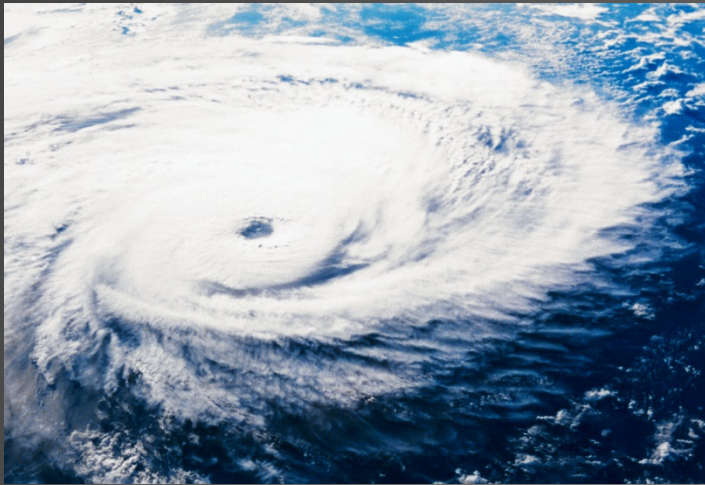
WHAT THE PSC DOES TO ENSURE COMPANIES /  
RATE PAYERS ARE READY FOR THIS HURRICANE  
SEASON?

ANNUAL HURRICANE  
PREPAREDNESS  
WORKSHOP

PSC WEBSITE







CONCLUSION

QUESTIONS

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

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

# III. Supplemental Materials Provided During Internal Affairs

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

# IV. Transcript

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**STATE OF FLORIDA  
PUBLIC SERVICE COMMISSION**

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



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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

1 were just filed.

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

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

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

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

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

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

7                   **COMMISSIONER EDGAR:** Thank you.

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

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

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

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

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

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

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

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

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

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

2           **MS. L'AMOREAUX:** Yes.

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

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

18           **CHAIRMAN BRISÉ:** Okay.

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

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

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

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

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

18 **COMMISSIONER BROWN:** Thank you.

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

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

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

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

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

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

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

10                  **COMMISSIONER BALBIS:** Okay.

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

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

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

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

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

5 **COMMISSIONER BALBIS:** Okay.

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

7 **CHAIRMAN BRISÉ:** Sure.

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

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



1 becomes a major issue.

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

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

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

13 **CHAIRMAN BRISÉ:** Right.

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

25 **CHAIRMAN BRISÉ:** Thank you.

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

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

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

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

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

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

5 **CHAIRMAN BRISÉ:** Right.

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

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

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

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

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

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

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

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

17 And with that, that is --

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

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

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

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

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

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

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

5           (Laughter.)

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

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

10          **COMMISSIONER BROWN:** Really.

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

13          (Laughter.)

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

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

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

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

20          **CHAIRMAN BRISÉ:** Good morning.

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

23          (Laughter.)

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

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

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

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

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

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

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

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

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

1 interrupting, is it 1492 or 1472?

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

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

5 **COMMISSIONER BROWN:** Okay.

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

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

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

21 **MR. BAEZ:** Static.

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

18 **COMMISSIONER BROWN:** Can I?

19 **CHAIRMAN BRISÉ:** Sure.

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

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

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

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

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

17 **CHAIRMAN BRISÉ:** Sure.

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

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

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

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

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

12           **MR. BAEZ:** So --

13           **COMMISSIONER BROWN:** Good answer.

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

15 (Laughter.)

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

19           **COMMISSIONER BROWN:** Thank you.

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

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

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

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

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

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

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

13          **MR. BAEZ:** July 1.

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

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

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

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

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

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

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

9 **CHAIRMAN BRISÉ:** Commissioner Balbis.

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

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

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

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

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

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

22 **COMMISSIONER EDGAR:** Thank you.

23 **CHAIRMAN BRISÉ:** Commissioner Edgar.

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

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

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

12 **CHAIRMAN BRISÉ:** Sure.

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

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

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

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



1 received.

2 **MS. PENNINGTON:** Okay.

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

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

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

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

21 **COMMISSIONER EDGAR:** Thank you.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 **CHAIRMAN BRISÉ:** All right.

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

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

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

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

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

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

1 business with that one.

2 The --

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

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

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

6 **CHAIRMAN BRISÉ:** (Indicating.)

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

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

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

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

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

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

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

1 these.

2 **CHAIRMAN BRISÉ:** All right.

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

25 **CHAIRMAN BRISÉ:** Right.

1 (Laughter.)

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

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

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

13 **CHAIRMAN BRISÉ:** Yes.

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

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

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

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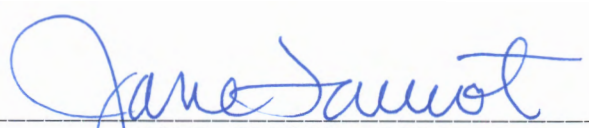
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I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

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

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

DATED THIS 28th day of May, 2013.

  
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