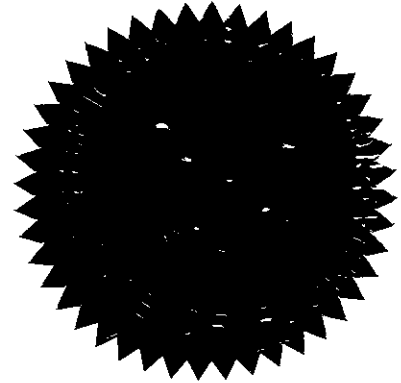


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO: UNDOCKETED

In the Matter of
REVIEW OF TEN-YEAR SITE
PLANS OF ELECTRIC UTILITIES.



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PROCEEDINGS: WORKSHOP

BEFORE: CHAIRMAN MATTHEW M. CARTER, II
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER KATRINA J. McMURRIAN
COMMISSIONER NATHAN A. SKOP

DATE: Wednesday, August 12, 2008

TIME: Commenced at 9:30 a.m.
Concluded at 10:41 a.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: LINDA BOLES, RPR, CRR
Official FPSC Reporter
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DOCUMENT NUMBER-DATE

FLORIDA PUBLIC SERVICE COMMISSION 07439 AUG 19 8

FPSC-COMMISSION CLERK

1 IN ATTENDANCE:

2 SARAH ROGERS and JOHN ODOM, representing the Florida
3 Reliability Coordinating Council.

4 GARY FREEMAN, representing the Florida Cost-Based
5 Broker System.

6 CAROLINE KLANCKE, ESQUIRE, TOM BALLINGER and ROBERT
7 GRAVES, representing the Florida Public Service Commission
8 Staff.

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I N D E X

PRESENTATION BY:	PAGE NO.:
SUSAN ROGERS, FRCC	5
GARY FREEMAN, Florida Cost-Based Broker System	32

CERTIFICATE OF REPORTER	45
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P R O C E E D I N G

1
2 CHAIRMAN CARTER: Good morning to everyone. I'd like
3 to call this workshop to order. I want to welcome everyone
4 here this morning on our electric utilities Ten-Year Site
5 Plans. And with that, Counsel, would you please read the
6 notice.

7 MS. KLANCKE: Pursuant to notice, this time and place
8 has been set for the purpose of conducting a Commission
9 workshop in the undocketed review of Ten-Year Site Plans.

10 CHAIRMAN CARTER: Thank you. Commissioners, a brief
11 agenda for today's workshop has been provided to each of you as
12 well as to all of the parties. It's been sent to them. The
13 Florida Reliability and Coordinating Council is here to
14 summarize our 2008 Regional Load and Resource Plan. They're
15 also going to give us an update on the evaluation of the energy
16 dependency of the electric generation and natural gas
17 pipelines. We're also going to have an update from the Florida
18 Cost-Based Broker System. And we -- at any time our staff or
19 Commissioners may ask questions as we proceed.

20 At this time, staff, you're recognized.

21 MR. GRAVES: Thank you, Chairman. Our first
22 presenter today will be Ms. Sarah Rogers, who is the President
23 and CEO of the FRCC. And following Ms. Rogers will be
24 Mr. Gary Freeman, who has been appointed Chairman of the
25 Florida Cost-Based Broker System.

1 CHAIRMAN CARTER: Good morning and welcome.

2 MS. ROGERS: Thank you, Chairman, Commissioners.

3 It's good to see you all. And I appreciate the opportunity to
4 present results of our analysis of the Ten-Year Site Plan at
5 this workshop.

6 In our analysis, we really look at three basic
7 things. We look at does the generation match the load? Will
8 we have sufficient generation for the load growth that's
9 projected within the state? We also look at whether or not
10 we've got sufficient fuel supply and delivery for that
11 generation, the existing generation and the planned generation.
12 And then thirdly we look at whether or not the transmission
13 system is robust enough to carry that generation to the load
14 centers. And really that's sort of the picture I want to paint
15 for you today, and I'll take each one of those separately.

16 So the purpose of the Florida Reliability Council is
17 to ensure and enhance the reliability and adequacy of the bulk
18 power supply in Florida now and into the future, and that's
19 been our mission for a long time and it hasn't changed.

20 So first I'm going to go over the load and resource
21 plan. And really the message here is do we have enough
22 generation to meet our load forecast? So this is part one.
23 This is the load forecast compiled from all the utilities. And
24 you'll note the solid line is the 2008 forecast, and the 2007
25 forecast, the previous forecast is on the dotted line. Again

1 this year we see a decrease in the load projection, and that's
2 primarily due to a decrease in the economy. It is the net
3 peak, which is the total demand minus load management and
4 interruptibles. So there may be an impact because I know there
5 has been a projection of more demand-side management than in
6 the past. But this represents a 1.3 percent compound annual
7 growth rate as opposed to 2.0 from last year. So we continue
8 to see a more and more conservative load forecast as our
9 economy has struggled somewhat.

10 This is the winter demand, and again it's the same
11 story. The compound annual growth rate is 1.5 versus
12 2.0 compared to last year. And, again, it's the depressed,
13 more depressed economy than we've seen in the past.

14 If we look at our total capacity, in blue we show the
15 existing capacity and red is the cumulative additions. Green
16 is the nonutility generators and white is the interchange,
17 essentially what we're importing into the state. The
18 nonutility generators would also include municipal solid waste
19 and heat recovery and things like that.

20 If we look at our reserve margin, we see that it is
21 above the FRCC minimum of 15 percent. And there's three points
22 I'd like to make about the reserve margin. First of all,
23 30 percent of our reserve margin is made up of demand-side
24 management. So it's not all iron in the ground. 30 percent of
25 that is cutting off water heaters or interrupting interruptible

1 load. So we analyze that every year because we want to ensure
2 that the demand-side management percentage of the reserve
3 margin doesn't get so great that we're interrupting customers
4 on a regular basis. Because we found in the past that when you
5 interrupt customers on a regular basis, they, there's a mass
6 migration out of the plans, because these are voluntary plans.
7 And what happens when you invoke demand-side management on a
8 regular basis and people leave the plans, then the utilities
9 are forced to scramble and put in additional peaking power to
10 make up for that sudden load increase. So it's a very delicate
11 balance. And last year we were about 30 percent. This year
12 again we're about 30 percent. So that's something that we
13 really keep a very close eye on and look at.

14 Additionally, the numbers here are higher than last
15 year because the load forecast has decreased. So if we
16 suddenly have a change in our economy, and history has shown
17 that there tends to be a big upwards swing in Florida when the
18 economy recovers, this gives us a little margin in the event
19 that our economy does recover between now and 2017, which I
20 think we all hope happens sooner rather than later. So those,
21 those are the points that I would really want you to look at.

22 And I can also show you a slide that shows the
23 reserve margin without demand-side management. So how much of
24 that is really made up of generation? Would you like me to
25 show you that slide?

1 CHAIRMAN CARTER: Absolutely.

2 MS. ROGERS: Okay. Or I can't really. He can make
3 that happen.

4 CHAIRMAN CARTER: The wizardry of high technology.

5 MR. POTTS: Is that the right one?

6 MS. ROGERS: Yes. That's the correct one.

7 So you can see in the winter we're closer to that
8 20 percent. And in the summertime we're well below the
9 15 percent for, for near-term years.

10 One of the questions that has come up is what would
11 happen if the stipulated agreement between the Public Service
12 Commission and the investor-owned utilities were changed or
13 reversed? And the concern I would have there is that suddenly
14 the, if we did that, the percentage of reserve margin that was
15 made up of demand-side management would remain constant;
16 whereas, the -- or the number of megawatts for demand-side
17 management would remain constant while the generation would
18 shrink. So we would have a much greater percentage of
19 demand-side management, and we would then be in the danger of
20 people abandoning those plans and be forced to put in more
21 peaking power, which is exactly what the state doesn't need.
22 We need baseload power, which by nature is kind of chunky and
23 gives us this uneven look.

24 If you want to switch back for me.

25 MR. POTTS: Is that correct? That's the other one.

1 MS. ROGERS: There we go.

2 Okay. So when we look at reserve margin, we want to
3 ensure that the regional minimum criteria of 15 percent is met.
4 And from the slides you could see that the planned reserve
5 margin exceeds 20 percent for all peak periods over the next
6 ten years. And I will mention that there, again, that there is
7 a stipulated agreement between the Public Service Commission
8 and the investor-owned utilities for a 20 percent reserve
9 margin, which was really based on the fact that we were in the
10 past invoking demand-side management very regularly and people
11 were abandoning the plan, so.

12 MR. GRAVES: Excuse me, Ms. Rogers.

13 MS. ROGERS: Certainly.

14 MR. GRAVES: I just have a couple of quick questions
15 back on Slide 8. And I think you had mentioned that the change
16 in the forecast, which I guess would affect the new units
17 coming in, do you know how many of the new units before 2013
18 are certified or under construction currently?

19 MS. ROGERS: The majority of them are. I don't have
20 an exact number for you, but the majority have been committed.

21 MR. GRAVES: Okay. And do you know if any of the
22 utilities are studying ways to minimize cost by reducing the
23 reserve margin planning criteria?

24 MS. ROGERS: I am not aware of that.

25 MR. GRAVES: Okay. Thank you, ma'am.

1 CHAIRMAN CARTER: Commissioners, any questions?

2 Thank you.

3 MS. ROGERS: I've talked a lot about demand-side
4 management and I wanted to show you a slide from some figures
5 we got from NERC. What this slide shows is the percentage of
6 demand-side management relative to regional peak. And I think
7 this is a really great story for Florida. We lead North
8 America in the percentage of demand-side management that we
9 have. And the message here is that's generation that doesn't,
10 so long as people continue to stay in the programs, doesn't get
11 built. And, you know, people often say the cheapest megawatt
12 is a megawatt you don't use. And at 6.2 percent we do lead the
13 nation, and I think that's a great reflection on the Commission
14 and the utilities that they regulate.

15 MR. GRAVES: Sorry.

16 MS. ROGERS: Certainly.

17 MR. GRAVES: I have one more question. Back on Slide
18 10, that 6.2 percent, does that figure include dispatchable DSM
19 such as load management and non-dispatchable DSM such as attic
20 insulation and AC rebate programs?

21 MS. ROGERS: It does not include energy efficiency.
22 It includes demand-side management like water heaters and pool
23 pumps and it includes interruptibles. So it's load management
24 and interruptibles. But I do have a slide later on on energy
25 efficiency, which is also a very good story.

1 Any other questions? Okay.

2 Well, let's look at our fuel diversity. This slide
3 has changed significantly since last year. As you may recall,
4 last year there were a number of utilities that were planning
5 to build coal units and all of the coal units have been
6 canceled, and the majority of that generation has been planned
7 as gas going forward. So last year we were about 39 percent of
8 our energy came from natural gas. This year we're projecting
9 42 percent and we're expecting it to grow to 55 percent.

10 Additionally, another change this year is last year
11 we went up to 2016, and I don't know if that showed the nuclear
12 units that were planned for Levy County there. So we show an
13 increase in 2017 in the nuclear side.

14 If we look at, if we look at the numbers from a pure
15 capacity standpoint, you can see that the majority of our
16 capacity in the state today is gas and is expected to be that
17 in the future. And just to sort of put that in perspective,
18 nationwide it's about 20 percent. So Florida is much more
19 dependent upon natural gas than the rest of the nation. Maybe
20 Texas is in sort of the same situation as we are.

21 Renewables, this has been -- a lot of talk about
22 renewables. In Florida, our renewables are still, today are
23 municipal solid waste. And this is the nameplate rating of
24 the -- so it's an iron in the ground picture of where we stand
25 today. Any questions on --

1 CHAIRMAN CARTER: Commissioner Edgar.

2 COMMISSIONER EDGAR: Going back a moment, if I could,
3 on Slide 11. I'm sorry. You blew right by me there.

4 MS. ROGERS: I'm sorry.

5 COMMISSIONER EDGAR: That's okay. On Slide 11, could
6 you shed a little light for me on the difference in the yellow
7 for the other category of the pie charts from 14 percent to
8 5 percent?

9 MS. ROGERS: Other represents net sales and
10 purchases, so it's net imports. And also unsorted fuels like
11 pet coke, things that don't fall into the -- they're not really
12 renewables and they don't fall into the other categories.

13 COMMISSIONER EDGAR: So is the difference there,
14 generalizing, taken up by the increase in natural gas over that
15 time period as well?

16 MS. ROGERS: Yes.

17 COMMISSIONER EDGAR: As well as the coal primarily?

18 MS. ROGERS: Correct.

19 COMMISSIONER EDGAR: All right. Thank you.

20 CHAIRMAN CARTER: Commissioners, anything further?

21 Thank you.

22 MS. ROGERS: Any questions on --

23 CHAIRMAN CARTER: I think you were on 13.

24 MS. ROGERS: -- on renewables, on Slide 13?

25 CHAIRMAN CARTER: You were on 13?

1 MS. ROGERS: Yeah.

2 CHAIRMAN CARTER: Any questions on Slide 13? Thank
3 you.

4 MS. ROGERS: Okay. Please do stop me because I will
5 kind of move along, and I don't mind going back at all.

6 This is what the renewable forecast, what's been
7 planned through 2017, and we see a big increase compared to
8 last year in solar. The biomass and wood products have also
9 increased. But we're not yet projecting where some of the
10 targets have been laid out, you know, to have a 20 percent
11 renewables forecast at this point in time. But any questions
12 on the -- yes.

13 MR. GRAVES: Yes, ma'am. I have one quick question.
14 Do you know if these planned renewable generators are under
15 contract with the utilities or not?

16 MS. ROGERS: I believe so. John?

17 MR. ODOM: Some of them are, but many of them are in
18 the development stages where they're just looking to trying to
19 determine how, how best to get started. But some of them are
20 under contract and others are under development.

21 CHAIRMAN CARTER: Any idea about the amount of
22 megawattage that's under contract?

23 MS. ROGERS: I think it's all but 12. There's 2 on
24 feasibility.

25 CHAIRMAN CARTER: Is that such a word, megawattage?

1 MR. ODOM: Scott just said there's 12 under the
2 feasibility, so, yes.

3 MS. ROGERS: Yeah. So all but 12.

4 MR. GRAVES: Okay.

5 CHAIRMAN CARTER: So of the 468 megawatts, all but 12
6 are under contract or in the process of negotiation?

7 MS. ROGERS: That's correct. And this includes both
8 firm purchases and nonfirm.

9 CHAIRMAN CARTER: Thank you. Commissioners, any
10 further questions?

11 Commissioner Skop, you're recognized, sir.

12 COMMISSIONER SKOP: Good morning.

13 MS. ROGERS: Good morning.

14 COMMISSIONER SKOP: Thank you, Mr. Chair.

15 Just with respect to the expected forecast, I don't
16 see any wind element there and I was just wondering whether
17 that might have been inadvertently left off or if there's --
18 because at least, I guess, FPL was proposing to do some wind.
19 I know that's kind of bogged down right now, but I just wanted
20 to see whether that element was --

21 MS. ROGERS: That's a very good question.

22 MR. ODOM: Yes. I'm John Odom of FRCC. The wind
23 element, in the individual breakdown there are small wind
24 projects but they weren't of a size that, that would be
25 significant in this chart and so, so we left those off.

1 COMMISSIONER SKOP: Okay. Well, I guess with respect
2 to the proposed project, it was supposed to be, I think, 13
3 plus megawatts, so I guess it would be at least greater than
4 landfill gas on there. But, anyway, I was just -- I know in
5 RPS and pursuant to legislative mandates, you know, we're
6 supposed to look at solar and wind, so I keep beating the drum
7 there for both. So thank you.

8 MS. ROGERS: We appreciate that.

9 Any further questions on this slide?

10 CHAIRMAN CARTER: Any idea about the -- I notice you
11 said that there was some wind. Any idea about a range, the
12 amount? I don't want to say megawattage again, but the number
13 of megawatts that may possibly be available for that?

14 MS. ROGERS: For wind?

15 CHAIRMAN CARTER: Yes. I know we've got -- well, I
16 think probably you've got hydro here with zero and probably
17 Commissioner Skop was looking at the schedule and was probably
18 saying, well, maybe there should have been a category that said
19 wind and maybe zero or maybe one or whatever the case may be.

20 MS. ROGERS: And we can make that modification.

21 CHAIRMAN CARTER: Okay. We'd appreciate that.

22 MS. ROGERS: Okay.

23 CHAIRMAN CARTER: Thank you.

24 MS. ROGERS: This next slide represents conservation
25 or avoided generation. And this is increased attic insulation,

1 you know, generation needs that will not appear because of
2 proactive measures of the utilities and homeowners and
3 businesses to avoid the need for generation. And the good news
4 here is that we continue to see that grow. And
5 4,000 megawatts, that's a significant amount of generation that
6 the State of Florida has been able to avoid building through
7 having very proactive conservation and energy efficiency
8 programs.

9 Next we'll look at the nuclear forecast. We
10 currently have five nuclear plants in the state. There's going
11 to be some uprates on those existing plants to squeeze the
12 extra megawatts out of what we have. And then we also show
13 Levy 1 and 2 coming on in 2016 and 2017.

14 CHAIRMAN CARTER: Commissioners? Staff? Thank you.

15 MS. ROGERS: If we look at our energy production from
16 natural gas, this slide obviously has changed a lot from last
17 year as well. We continue to see a very sharp rise in the
18 percentage in the state that comes from natural gas. And, and
19 that's mainly because the -- we had seen that tapering off last
20 year as the utilities planned coal generation. And with the
21 coal projects being canceled, the majority of that generation
22 has been replaced with natural gas.

23 So the conclusion of the load and resource
24 assessment, and, again, this is do we have the generation we
25 need to match the load that we project, is that we -- the

1 answer is yes. The results of the resource adequacy review
2 indicate that the FRCC region has planned adequate reserves to
3 remain reliable over the next ten years. So we have the answer
4 to the first question.

5 CHAIRMAN CARTER: Commissioners, any, any questions
6 on this first section? Staff, any further questions on this
7 first section? Thank you. You may proceed.

8 MS. ROGERS: Since Florida is becoming more and more
9 reliant upon natural gas, it's very incumbent upon FRCC to, to
10 look at that situation and make sure that we have adequate
11 supply and delivery for the plants that are planned. But we
12 also recognize that, you know, today the issue is natural gas.
13 Tomorrow the issue could be another fuel. So we want to look
14 at fuel more holistically rather than just at natural gas.

15 So what I want to talk to you about today regarding
16 fuel is a new working group that we've created called the FRCC
17 Fuel Reliability Working Group, I want to give you an update on
18 the Gas Study Project and I want to talk to you a little bit
19 about some fuel reliability coordination plans that we've put
20 in place since the last workshop.

21 Several years ago it was recognized that there is a
22 tremendous interdependency upon electric generation and fuel
23 availability. That's kind of an obvious statement, I think.
24 But we want to understand the fuels and the potential impacts
25 to reliability, so FRCC identified the need for a long-term

1 solution and we created the Gas Study Project. And it was,
2 part of it was spurred on and made more urgent by the hurricane
3 history that we had in 2005 when Katrina and Rita interrupted
4 some of the supply from the Gulf Coast and that impacted
5 Florida, and we want to make sure that that doesn't happen
6 again going forward. We want to look at the potential impacts
7 of fuel reliability on electricity reliability, the need for a
8 forum to continue to enhance fuel awareness, develop a better
9 understanding of the interdependencies and an efficient way to
10 respond to issues on a regional basis when we do have them.

11 So we created the Fuel Reliability Working Group last
12 year. And it's -- they sort of -- it's run jointly by the
13 Operating Committee and the Planning Committee at the FRCC, and
14 it reports to the Operating Reliability Subcommittee, which we
15 call ORS, so you may hear me say that word, ORS. It's a good
16 fit because the potential fuel impacts can clearly have an
17 impact on transmission and generation, and we need to
18 coordinate short-term fuel issues within the state. And all
19 these deliverables bubble up to the standing committees being
20 the Operating Committee and the Planning Committee. So we've
21 got a group that's really focused on this and looking at it.

22 And their scope, the regional fuel reliability forum
23 that studies the interdependencies of fuel reliability and
24 electric reliability and supports the coordinated regional
25 responses to fuel issues and emergencies. They now have

1 oversight of the Gas Study Project, its support for real-time
2 emergency response regarding any potential fuel impacts to
3 system reliability, we provide input on regional fuel
4 reliability positions for NERC when we do our long-term
5 reliability assessments and the responsibility for development
6 of regional fuel reliability positions as requested by any
7 external regulatory bodies such as yourselves.

8 The Gas Study Project, as you may recall, I gave a
9 fairly detailed update on this last year. We've created a
10 model that is very similar to the power flow model that enables
11 us to look at contingency analysis on the gas system, on the
12 pipeline system and see how that impacts the generation. And
13 my message to you last year was that because the majority of
14 our plants run on, have dual fuel capability or are, have dual
15 pipeline capability, we really did not have a lot of risk. It
16 was about 7,100 megawatts of risk for the loss, you know, for a
17 major loss of a gas pipeline. So on an ordinary day we could
18 sustain that. On a peak day clearly there would be some impact
19 to our customers.

20 We continue to update the flow models. The
21 infrastructure for gas continues to expand. As more gas plants
22 are announced, their associated pipelines, you know, follow or
23 maybe slightly precede that.

24 We look at the alternate fuel capability, fuel
25 storage, dual pipeline capability and the usage data. And

1 these flow models and database are very, very valuable tools
2 for us in evaluating reliability for the electrical system.

3 CHAIRMAN CARTER: Sarah, excuse me. On the, what do
4 you call it, the LNG, anything on those in your consideration
5 or your evaluation?

6 MS. ROGERS: Right now we're not modeling them.
7 Until those plants get certified and licensed, we continue to
8 not model them. But any supply diversity is a good thing for
9 reliability, but the cost of that is more between you and the
10 electric utilities.

11 CHAIRMAN CARTER: Isn't that always the way it is?

12 MS. ROGERS: Absolutely.

13 CHAIRMAN CARTER: Commissioners, anything?

14 Thank you, Sarah.

15 MS. ROGERS: This is a representative diagram of the
16 gas system today. You can see at the very top coming into
17 Jacksonville is the Cypress Pipeline which does have LNG
18 capability and that gives us some fuel diversity. And one
19 thing I'll point out on this, we often think of the fuel
20 supply, the gas supply into the state as being two pipelines.
21 But if you look at the Florida natural gas network in red, it's
22 actually several looped lines, and those pipes are buried about
23 12 feet apart on a, on a common right-of-way. So when we think
24 about, you know, a cutoff to the entire supply from Florida Gas
25 Transmission, it's more unlikely. It's not a farmer with a

1 backhoe that's going to hit all three of those pipes that are
2 12 feet apart buried underground. Now the Gulfstream Natural
3 Gas pipe is one pipe, but it does come in through the Gulf of
4 Mexico. ' .

5 I mentioned that we've got some plans in place to
6 help address fuel supply or fuel delivery issues, and one of
7 them is the Generating Capacity Shortage Plan. We used to have
8 a separate plan for fuel issues. We've merged those two
9 together. And the Public Service Commission adopted this
10 latest revision later last, late last year. This enables us
11 for our state emergency coordinator function of the Reliability
12 Coordinator, when they issue generating capacity alerts or
13 advisories, they can specify now whether it's related to actual
14 lack of generation or whether it's a fuel supply issue or a
15 fuel delivery issue. So this is a good thing.

16 And then additionally we've formalized the
17 communication and the relationship between the pipeline
18 companies and our Reliability Coordinator, and this was in
19 response to FERC Order 698. But we had a communications
20 process in place but it wasn't well-documented and formalized.
21 And so we formalized that in October of last year and have
22 adopted that. So we have a formalized communication plan
23 between the gas supply and pipeline companies and our
24 Reliability Coordinator for the state. So that's another good
25 thing.

1 So in conclusion, the question of do we have the fuel
2 supply, do we have the, to meet our generation, the delivery to
3 the generation, is fuel delivery capacity constraints can be
4 mitigated and that's due to the dual fuel plants that we have
5 as well as dual pipeline plants. We have improved
6 communications between the State Capacity Emergency
7 Coordinator, the Reliability Coordinator and the pipelines. We
8 have enhanced tools and processes for regional fuel status.
9 We've incorporated fuel issues into our generation, Generating
10 Capacity Shortage Plan. We've created the Fuel Reliability
11 Working Group that reports up through our standing committees
12 to promote fuel reliability awareness, to continue to refine
13 the processes for minimizing the impacts of fuel issues and to
14 perform proactive fuel assessments and studies.

15 CHAIRMAN CARTER: Commissioner Edgar.

16 COMMISSIONER EDGAR: On that, your first point there
17 about the capacity constraints could be mitigated, I didn't
18 hear you say anything about on, on-site -- well, excuse me.
19 Let me start over. In-state gas storage, does that enter into
20 the analysis as to, you know, how to potentially plan for
21 delivery issues?

22 MS. ROGERS: It does not currently factor into our
23 plans. But we have seen a large increase in storage, not
24 necessarily within state. But I've got some numbers here.

25 Since 2005 -- between 2005 and now our storage

1 capacity has increased from 13.9 Bcf to 51.9. So that's a
2 significant increase in storage capability. And what's planned
3 between 2008 and 2010 is to go from about 52 Bcf to 156. Now
4 whether all those projects will materialize, you know, is
5 questionable at this point in time. But that's, that's very
6 positive for the state to have more storage capacity whether
7 it's in state or out of state.

8 COMMISSIONER EDGAR: And for those proposed projects
9 out of state for onshore storage, is the delivery onshore
10 pipelines, the delivery to pipeline, pipeline delivery system
11 onshore?

12 MS. ROGERS: It would be through -- I believe the
13 majority of it is with Florida Gas Transmission. Actually all
14 those numbers were with Florida Gas Transmission, so that's
15 onshore. We do have storage from Gulfstream, let me see,
16 that's under construction with an in-service date of 2010 of 50
17 Bcf on the Florida Gulfstream. So that would be coming in from
18 offshore.

19 COMMISSIONER EDGAR: Thank you.

20 MS. ROGERS: Additionally, too, one thing I will
21 mention is later this year there should be the completion of
22 the Southeast Supply Header, which will connect the gas
23 pipeline system to sources, to many more sources that come from
24 onshore, Texas and Oklahoma type of, type of gas that we can
25 bring in. So the pipelines have expanded and we're not as

1 dependent upon the offshore production as we were in 2005. And
2 after September with the completion of the Southeast Header
3 we'll be even less dependent upon that because we'll have
4 access to a lot of the onshore oil wells in Texas and
5 Oklahoma -- gas wells. I'm sorry.

6 COMMISSIONER EDGAR: Thank you. Commissioners,
7 anything further? Thank you.

8 MS. ROGERS: So where we stand right now is we've
9 answered the question of do we have enough generation to meet
10 the load and do we have the fuel supply and delivery to get
11 there? So the next question is can the wires handle it? So
12 that's what I want to talk to you about next.

13 I mentioned the FRCC Planning Committee in the
14 previous slide. The Planning Committee promotes the
15 reliability of the bulk power system in the FRCC region, they
16 assess and encourage generation and transmission adequacy, and
17 they provide a vehicle for ensuring that the transmission
18 planning within the FRCC region will provide for the
19 development of a more robust transmission network.

20 So each utility essentially evaluates their own
21 transmission systems. And then when we pull it all together in
22 FRCC, we make sure that those seams between the utilities all
23 match up and that their plans mesh together to provide Florida
24 with a more robust transmission network.

25 Some of the key aspects of the planning process is it

1 does provide coordination between all the participants. It's
2 an open and transparent process. We coordinate information
3 exchange. There's comparability ensured throughout the
4 process. We do have a method for dispute resolution which we
5 have not had to invoke so far. And regional participation is
6 ensured.

7 We have a coordinated participation for the entire
8 region. We also perform inter-regional studies to make sure
9 that the Florida system as planned will interface with our ties
10 to the north and the SERC, which is the Southeast Reliability
11 Coordinating Council or Corporation.

12 We also participate in a group that looks at the
13 whole eastern interconnection reliability and that group is
14 called ERAG. And we also have a cost allocation part of the
15 planning process which we presented to you all last year. Do
16 you have any questions?

17 CHAIRMAN CARTER: I was just thinking about you might
18 want -- that name, ERAG.

19 MS. ROGERS: ERAG. Our planning process does meet
20 all the objectives outlined in FERC's Order 890 for regional
21 planning activities. They have nine principles in that. I
22 won't go through that again this year as I did last year, but
23 we are consistent with all those nine principles. And it's
24 supported by all of the transmission owners in the FRCC region,
25 as well as customers and stakeholders. And, of course, as all

1 of our committee meetings are, it's open to the Public Service
2 Commission staff.

3 Recent enhancements. With the NERC planning
4 standards now becoming, now being mandatory and being monitored
5 much more closely, one activity that we went through in the
6 planning process is to map those planning requirements to our
7 planning documents to demonstrate compliance, which is a good
8 thing to do that proactively. And then we've enhanced the FRCC
9 website and OATI website to improve accessibility amongst the
10 participants. So they have more accessibility to the data and
11 the models.

12 Essentially we perform four types of studies through
13 the Planning Committee in our planning process. The first is
14 our summer and winter assessments. And these are near-term
15 look-aheads. We will -- have we completed the winter one or
16 are we beginning to work on that or we will shortly, John?

17 MR. ODOM: That's underway right now. We haven't
18 completed it yet.

19 MS. ROGERS: So it's, so it's a near-term look-ahead
20 based on actual generation availability, you know, where we
21 have many more knowns. And we do report that to the Public
22 Service Commission as well as to NERC and we use the latest
23 data on availability, et cetera. We perform a Ten-Year
24 Transmission Reliability Study, and that's very key in this
25 evaluation. We also do Inter-Regional Transmission Studies and

1 we look at Resource Deliverability Evaluation. And this is
2 something that's a little unique to the FRCC region and I think
3 it's very, very valuable and it's sort of intuitive. You want
4 to make sure that those resources that are planned, that new
5 generation is going to be able to get that generation to the
6 load centers. And we look at that not just on an individual
7 generator in their interconnect, but how it impacts all of the
8 transmission associated in that region, and I'll cover that a
9 little more.

10 In the Ten-Year Site, Ten-Year Transmission Study we
11 look at a number of contingencies as we call them. We look at,
12 we first look at the system in a steady state, make sure it's
13 reliable with everything available, and then we look at it with
14 a loss of a single element. And an element could be a
15 transmission line, it could be a generator, it could be a major
16 transformer. And what we look for there is that there's very
17 minimal loss of local, local load. And a great example of that
18 is a radial transmission line that serves a substation.
19 Clearly if you lose that transmission line, that substation is
20 going to be impacted.

21 Then we also look at multiple element outages. And
22 what we look for there is that there's a controlled loss of
23 load. And an example of that might be the event that we had in
24 South Florida where we had multiple elements out and we had the
25 underfrequency load shed. So it was a controlled loss of load.

1 And then -- well, maybe that's more of an extreme event.
2 Multiple may be where they actually shed load on a, on a
3 purposeful basis, but then we have the extreme event outages
4 like South Florida. But the key there is to prevent cascading
5 outages of the transmission system. And an example of an
6 extreme outage with cascading loss of load would be what
7 happened in the northeast in 2003, and that's certainly what we
8 want to prevent from happening.

9 And we have done these tests for the FRCC
10 transmission region and the 2008-2017 transmission plans do
11 satisfy these tests. So that's good news.

12 MR. BALLINGER: Excuse me. Ms. Rogers?

13 MS. ROGERS: Yes.

14 MR. BALLINGER: I may have a question. Actually it
15 might be for Mr. Odom. He might know the answer.

16 The transmission plans go out through 2017. Do you
17 know if they include the Levy Units 1 and 2? Or I know they
18 don't include the Turkey Point units because those are later
19 on.

20 MR. ODOM: Yes. I'll go ahead and answer that.
21 Those are loaded into our plans. They were not last year, so
22 this plan did not include them. But we are undertaking the new
23 study for next year, and those plants are included along with
24 the associated transmission needed for those plans. So, so
25 they will be included as a part of next year's study but they

1 weren't particularly included this year.

2 MR. BALLINGER: But only the Levy Units.

3 MR. ODOM: That's correct.

4 MR. BALLINGER: Okay.

5 CHAIRMAN CARTER: Any further questions? Thank you.

6 MS. ROGERS: Okay. We also perform an Inter-Regional
7 Transmission Study, and the purpose there is to determine the
8 amount of reliable import and export capability across the
9 Florida Southern transmission interface. And what we see there
10 from the most recent analysis is that we continue to have the
11 ability to import 3,600 megawatts in the summer and 3,700 in
12 the winter. We've seen a slight change on the export from
13 FRCC. It's now 1,000 megawatts in the summertime, last year it
14 was 1,500, so that's a decrease of 500 megawatts export
15 capability in the summer. But there's an increase of
16 100 megawatts export in the winter. And the reason for the
17 decrease is due to a decrease of dispatched generation in the
18 Savannah, Georgia, area of the Southern Company's control area.
19 So that -- it's hard to imagine that those things all
20 interrelate, but that's why we do these studies, to make sure
21 that we have a clear understanding of what our capabilities
22 are.

23 CHAIRMAN CARTER: Commissioner Skop.

24 COMMISSIONER SKOP: Thank you, Mr. Chairman.

25 Ms. Rogers, I guess with respect to the comment you

1 made about the, the generation in the Savannah area, is that
2 just expected outage or planned outage in the summer of 2008
3 and that would be back online?

4 MS. ROGERS: That's a very good question. John?

5 MR. ODOM: The way I understand that, Commissioner
6 Skop, is that that is, that is a planned outage. But, and I
7 believe it is just the fact that the generation in that area is
8 not as economic as it was before. And so I believe that that
9 number is going to sustain. But, you know, as, as fuel prices
10 continue to change, we're not sure, so we continue to evaluate
11 that each year.

12 COMMISSIONER SKOP: Thank you.

13 CHAIRMAN CARTER: Commissioners? Thank you.

14 MS. ROGERS: Okay. As I mentioned earlier, we also
15 look at resource deliverability, and I mentioned that this was
16 a little unique in the FRCC region compared to the other seven
17 regions in the United States. Each individual utility is
18 required to evaluate service requests, whether it's
19 transmission service or generation interconnection service, and
20 they perform those studies and they provide the results of
21 those studies to the Planning Committee. And then we look at
22 it holistically to ensure that those plans in place do not
23 cause overloads on adjacent transmission systems, another
24 owner's transmission system. And we've -- in the last year or
25 so, roughly a year we've performed nine of those evaluations as

1 shown on this slide here.

2 So the question, can the wires handle it question,
3 is, yes, the results of the transmission reliability assessment
4 indicate that the planned transmission system within the FRCC
5 region is expected to be reliable for the next ten years. So
6 we now know the answer, do we have the generation that we need,
7 do we have the fuel that we need, do we have the wires that we
8 need, and, as planned, the answers are yes today.

9 But we have had an issue that, where we've got some
10 congestion in the state and it's been ongoing for a couple of
11 years now, and I wanted to give you an update on that. And
12 that's in the Central Florida area where we have a lot of gas
13 pipeline, a lot of generation, and they're trying to get -- the
14 load is elsewhere. And these are the projects that had been as
15 a result, had been planned as a result of the Florida Central
16 Coordinated Study and the restudy, and we've got just some
17 updates on that highlighted in yellow. We see that that first
18 line, the West Lake Wales to Dundee Number 2, there's a
19 six-month delay on that. But the project, the whole project is
20 the West Lake Wales to Intercession City Number 2, and so the
21 need date is May of 2010. So it's a, it's a delay, but it's
22 not going to impact the system.

23 We also see on the Cane Island to Cane Island North
24 Tap, that one is actually early by two months. And then we
25 have our first project completed, which is a Lake Agnes/Osceola

1 plant that was a joint project between OUC and Tampa Electric.
2 And that's been completed, so that's good news. And that's
3 sort of my message to you all. I welcome any other questions
4 that you might have.

5 CHAIRMAN CARTER: Commissioners, any further
6 questions. Staff, any further questions?

7 Thank you, Sarah. Once again, a dynamic and
8 insightful presentation.

9 MS. ROGERS: Well, thank you. And I'll turn it over
10 to Gary Freeman.

11 MR. FREEMAN: Thank you and good morning. Thank you
12 for -- good morning, but thank you for letting me come and give
13 you an update on the Florida Broker System.

14 Let me expand first on my role because I think that's
15 important related to the success of the broker system. I am
16 the Chairman of the broker system now. That's kind of a
17 voluntary position. But my primary role is a market
18 participant. I'm the Director of Power Trading Operations for
19 Progress Energy, and it's my group of traders and our portfolio
20 managers that, that are going to actually make this system work
21 going forward. So we've got the system and the development of
22 the system in the right hands, I feel like, and that's in the
23 hands of the market participants. You know, our group is
24 responsible for unit commitment, load forecasting, things like
25 that, and trying our best to optimize, you know, the system on

1 a day-to-day basis. So I think that's important going forward.

2 If you turn -- okay. All right. I'll leave you with
3 a couple of messages here. One, you know, kind of our overall
4 message is that the project is progressing well. A lot has
5 been accomplished so far. There's still a lot to do. We've
6 got a high level of stakeholder collaboration and support from
7 the municipalities, the co-ops and the IOUs. And as we get
8 more and more into this project, we are very encouraged by the
9 potential benefits that we can extract from this system.

10 So let me start with, you know, kind of a little
11 history review of where we were and where we are today. If you
12 think back into the late 2005, early 2006 time frame, you know,
13 an RTO study was done and the results were presented, I think,
14 to you and, you know, the rest of the Florida community. And
15 what came out of that study was there are a lot of benefit
16 opportunities to forming an RTO, but the costs to form that RTO
17 exceeded, you know, the benefits. So, you know, in discussions
18 with you and the IOUs, a commitment was made to look at ways
19 to, you know, try and get at some of those benefits without the
20 cost. So, you know, we're kind of rebirthing the old Florida
21 Broker System that worked so well back in the '80s and early
22 '90s. And then, you know, with all the market uncertainty and
23 a lot of, you know, new NERC reliability requirements, a lot of
24 kind of electronic and automation took place and that system
25 just kind of, you know, kind of fell off the radar screen. So

1 we believe it makes sense to kind of reenact that system. So
2 that decision was made back in the middle of 2006.

3 Early on it was primarily the regulatory entities
4 within the three IOUs and the transmission groups with some
5 participation from some of the market participants. You know,
6 we started re, reestablishing that system. So we worked really
7 from, you know, the August time frame of '06 through almost the
8 end of November at developing a new what we call functional
9 spec document, and that document really details out how the
10 system would work in terms of how bids would be matched, you
11 know, all the credit issues. I mean, the list goes on and on
12 about the issues that come up when you get into kind of
13 redesigning this system. So that work took roughly a year or
14 so primarily between the three IOUs.

15 When we felt comfortable enough to send that document
16 out, we went out to the, to the industry and we looked at
17 roughly 12 different vendors that we thought could provide a,
18 this service to us. And we actually invited, oh, a half a
19 dozen or so to participate in some workshops with us to learn
20 more about what we were looking for and learn what their
21 capabilities were. That resulted in a number of estimates from
22 these, these vendors on what they felt like they could build
23 this system for. So that really kind of formed the basis going
24 forward of what we thought the cost might be.

25 In late '07, believing that this now made sense to

1 move forward, we developed what we refer to as an
2 administrative document and incorporation documents to kind of,
3 you know, kind of birth this thing. So in December of '07 we
4 actually incorporated the Florida Cost-Based Broker System as a
5 nonprofit entity in the state. The reason for that is we were
6 not sure ultimately where this was going to go, but we felt
7 like, you know, ownership needed to be kind of defined, you
8 know, in an entity. You know, this entity, you know, will not
9 be involved in, in exchanging energy but it's just to house the
10 vendor solution and just provide a way to, you know, manage
11 costs and the administration functions of this system.

12 Once we incorporated, in January of this year there
13 was kind of a handoff, if you will, from the regulatory
14 transmission side to the market participants. Thus I got
15 heavily involved at this point along with my counterparts at
16 the IOUs and the municipalities and co-ops. We right now have
17 11 members committed to move forward with us. They've all
18 provided the initial funding to take the project forward.
19 We've elected a board of directors and officers and we've
20 approved our bylaws, and each of us are required to signed a
21 member agreement that basically describes what each of our
22 obligations are in terms of cost and participation and also
23 what the broker system, you know, will do for us.

24 So once we kind of expanded our group and shifted it
25 from, you know, kind of regulatory transmission to market

1 participants, we went back through a process of revising the,
2 the technical document or functional spec document. With a
3 broader group there were new perspectives and some new
4 requirements that needed to be incorporated into the system.
5 So that's taken -- that took us, you know, two to three months
6 to accomplish that and get the functional spec document ready
7 for, ready to be submitted to our vendor of choice. So we did
8 that.

9 And based on the original budget estimates we found
10 one vendor that just really fit our needs, and that's OATI.
11 OATI is, has a big presence in the market. They provide a lot
12 of the OASIS and transmission reservation services for a lot of
13 entities throughout the country. And they had developed a
14 system back several years ago up in the northern midwestern
15 area that was developed. And then, you know, that area went
16 kind of in a different direction, so they had put this system
17 on the shelf. So the majority of the development costs were
18 kind of already sunk, if you will, with OATI. So they're able
19 to offer us, pull this application off the shelf with some, you
20 know, fairly significant modifications. They're going to take
21 that as kind of the foundation to build the system for us. So
22 we negotiated a contract with them and actually signed that
23 contract just last month, and, you know, so we're moving
24 forward with OATI.

25 I want to talk now a little bit about the

1 collaboration and support that we're getting from all the
2 market participants. I think, as I said earlier, this has been
3 kind of a consensus-building process. We're all in this
4 together and the success is going to be dependent on all of us,
5 you know, supporting and moving forward together. So we've got
6 involvement from really three of the four sectors at this
7 point. The four sectors expressed a lot of interest in moving
8 forward with us as we get closer to implementation. But all
9 three investor-owned utilities are participating. We have, I
10 think it's seven of the municipal utilities involved. We have
11 the Energy Authority, which is a joint action agency that
12 provides kind of services for Jacksonville Electric and
13 Gainesville and a couple of others. They represent kind of
14 those municipal utilities. We also have a lot of participation
15 from Seminole Electric who represents all the electric co-ops
16 in the state. And, you know, the fourth sector, the nonutility
17 generators or independent power producers, we've had a lot of
18 interest from them and inquiry from them at this point. We
19 suspect that they will join. But the way the system is set up
20 right now, there's not a lot of incentive for them to pay money
21 and participate in kind of the uncertainty of getting the
22 system up and running. But we've, we've had a lot of
23 discussion with them and there is an indication that they, they
24 will join as we get closer to implementation.

25 We've also had some interest from some utilities

1 outside of the state, you know, kind of watching very closely
2 how this works, especially in the southeast. Because, you
3 know, the whole, the entire southeast is not part of an RTO,
4 but, you know, everybody is looking at, you know, how can we do
5 things better or does this make sense to potentially
6 participate or expand this further?

7 Our board and project leadership is supported by a
8 number of us. I was elected as the Chair and I'm part of the,
9 obviously the IOU sector. But our Vice Chair is one of the
10 municipalities and our administration or Administrative
11 Committee, which actually owns the implementation of the
12 system, that's being led by Mace Hunter, who is with Lakeland
13 Electric.

14 Each year the bylaws require us to reelect new
15 officers, and our plan is to, you know, rotate that leadership
16 among all the sectors so that, you know, we're all kind of
17 leading and involved in the effort going forward.

18 Now I want to talk a little bit about the benefits.
19 I bucketed them really in three, three buckets. One is just
20 efficiency improvements. You know, if you think about how the
21 market has evolved for us, you know, it used to be all of our
22 interaction with each other was done by telephone calls. So if
23 you had, you know, 20 participants in the market, you made 20
24 phone calls to each participant, and that takes time and it's
25 inefficient, you know, trying to, trying to find the

1 opportunities. You know, we've evolved since those days to
2 using more of an instant messaging process, you know, so we're
3 somewhat evolving with technology. But instant messaging, all
4 it does is kind of enhance the communication. You've still got
5 to identify, you know, where is the best opportunity.

6 You know, the beauty of this system is it will
7 automatically match what we refer to as bids and offers. You
8 know, bids are, are prices that somebody is willing to buy and
9 offers are a price where somebody is willing to sell. So each
10 of us will be required every hour of every day to, you know,
11 provide cost information in the system on whether we'll buy or
12 sell. And the system will match those transactions in a, kind
13 of a methodology where you take the, the lowest cost, highest
14 cost, you know, bids and offers and match those and that
15 creates the biggest savings. And then you kind of iterate down
16 and try and get as many transactions matched up as we can.

17 You know, the beauty of this is that, you know, once
18 the bids and offers are in the system, it will automatically
19 create the tags and notify, you know, the entities that, you
20 know, that they've been matched. And this will be loaded into
21 the tagging system, which, you know, kind of tracks
22 transmission usage. So there's a real opportunity here to
23 improve our overall efficiency of the market.

24 The second point is, you know, kind of the, the real
25 benefit of what we're trying to accomplish, which is maximizing

1 energy interchange. You know, through interchange you are, you
2 know, trying to, you know, lower the cost to the entire state
3 by, you know, exchanging, you know, energy back and forth. One
4 of the, one of the neat things going forward is kind of
5 concurrent with this effort is an effort going on in the
6 transmission side where we're moving towards a, kind of a
7 regional trans, I'll call it a regional transmission
8 availability model where the entire transmission system will,
9 will kind of look as a, you know, kind of a combined system.

10 The other benefit with that is generally transmission
11 availability is, is modeled, and any time you model something
12 there's a lot of conservatism built into your assumptions.
13 With this new system that they're developing, they will look at
14 real-time transmission flows, you know, within the hour and
15 look at transmission or transactions that are going to occur in
16 the next hour. And the belief there is if you can move from
17 modeling to more, you know, real-time kind of flow analysis,
18 you can reduce or, you know, reduce significantly the amount of
19 conservatism you've got, you know, in your modeling. So, you
20 know, there's a belief or we believe that this is going to free
21 up transmission capacity so that we can accomplish more energy
22 interchange between entities.

23 The third point here is that we, we should be able to
24 accomplish this for a fairly minimal amount of money. I
25 mentioned earlier that OATI had this system sitting on the

1 shelf. You know, they've offered to modify that system for our
2 use for about \$350,000. So, you know, compared to the other
3 vendor offers that were out there, this is a significantly
4 lower cost. So it's really a win for us. It's a win for them
5 because, you know, this thing was sitting on the shelf, you
6 know, and essentially collecting dust.

7 We feel like our annual operating expenses will be
8 roughly in the \$150,000 range. This is really tied to two
9 things: The vendor will charge us an annual operating and
10 maintenance fee of a little less than \$100,000, and then we've
11 got, you know, accounting activities, administrative activities
12 that account for the remainder of that expense.

13 So where are we going next? Like I said earlier, we
14 signed our contract with our vendor. The first point here is
15 we've been negotiating a contract with the FRCC under their FCG
16 or Florida Coordinating Group to provide these administrative
17 and accounting services for us. We feel like this makes sense
18 because we've got a good relationship with them, they've got
19 staff in place. And, you know, the costs to do this will be,
20 you know, incremental on their part and very minimal for us.

21 Second, our administrative committee is working with
22 the vendor currently to, you know, ensure that the vendor, you
23 know, gets this system implemented here as quickly as we can.

24 We expect completion in late 2008, early 2009. A lot
25 of that is going to depend on this last point here, which is

1 the interface to our transmission providers in this regional
2 transmission engine. I understand they are close to contract
3 with the vendor that's going to provide that service for them.
4 Depending on who that is, you know, there will be an interface
5 requirement between the two systems. That may slow us down
6 slightly or potentially even speed us up. But we're trying our
7 best to hold our vendor accountable for delivery at the end of
8 the year, but we're trying to allow a little bit of flexibility
9 in that delivery.

10 So I want to close just with my starting message,
11 which is we feel like the project is progressing well. You
12 know, we've been at this now for a while but we can see the
13 light at the end of the tunnel. You know, the collaboration
14 support, the enthusiasm in the market is high, and we're all
15 engaged, encouraged and committed to try and, you know, get
16 benefits out of the system.

17 And I'll close with one other, one other thought.
18 You know, our plan is to put this system in place. You know,
19 it's going to take a year or two to see, you know, how well
20 this goes. I think there are some next steps after that to get
21 at some more savings, but, you know, I think this is a good
22 start for us. So thank you for your time. I will entertain
23 any questions that you have.

24 CHAIRMAN CARTER: Okay. Commissioners?

25 I was going to kind of mess with him a little bit.

1 On your bylaws, is that bilateral bylaws or --

2 MR. FREEMAN: Well, it's --

3 CHAIRMAN CARTER: You got it right.

4 MR. FREEMAN: I guess it's bilateral in that we all
5 had a chance to, you know, participate in the, in the
6 development of the bylaws and we all voted on them. So, yeah,
7 I guess it's bilateral.

8 (Laughter.)

9 CHAIRMAN CARTER: Staff, any questions?

10 Thank you, Gary. Appreciate that.

11 MR. FREEMAN: Thank you.

12 CHAIRMAN CARTER: Staff, we are, we're now on other
13 related issues. You are recognized.

14 MR. GRAVES: At this time we're not aware of any
15 other related issues.

16 CHAIRMAN CARTER: Let's open up now, Commissioners,
17 for -- we can open up for public input or we can take a break.
18 I say we press on. What do you guys say?

19 COMMISSIONER SKOP: Let's press on.

20 CHAIRMAN CARTER: Let's press on. We're now open for
21 public input. Anyone wishing to speak on the issues before us
22 today? We haven't bitten anyone yet.

23 COMMISSIONER MCMURRIAN: No one wants to be first.

24 CHAIRMAN CARTER: Okay. Nobody wants to be first.

25 Okay.

1 Staff, anything further? Hearing no requests for
2 public input, anything further from staff?

3 MR. GRAVES: No, sir.

4 CHAIRMAN CARTER: Commissioners? Commissioner Edgar,
5 you're recognized.

6 COMMISSIONER EDGAR: Just to say thank you, Sarah.
7 As always, an excellent presentation, very informative and
8 concise the way I like them. But, you know, obviously things
9 are going well in Florida and we're also obviously continuing
10 to improve and take the information that we have and use it to
11 move forward, and I'm very pleased.

12 CHAIRMAN CARTER: Thank you to staff. Gary, you guys
13 did a great job. Interesting to see -- I notice you said that
14 the nongenerators are still in the, you're still maintaining
15 communication with them. That's a very good thing to do. And,
16 of course, you knew I was going to pull your leg about the
17 bylaws; right? But we do thank you for that. And we thank our
18 staff. And with that, Commissioners, we are adjourned.

19 (Workshop adjourned at 10:41 a.m.)
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STATE OF FLORIDA)
 : CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, LINDA BOLES, RPR, CRR, Official Commission Reporter, 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' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 19th day of August, 2008.


LINDA BOLES, RPR, CRR
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