

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the matter of:

DOCKET NO. 20180144-EI

REVIEW OF 2019-2021 STORM
HARDENING PLAN, FLORIDA POWER
& LIGHT COMPANY.

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DOCKET NO. 20180145-EI

REVIEW OF 2019-2021 STORM
HARDENING PLAN, TAMPA ELECTRIC
COMPANY.

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DOCKET NO. 20180146-EI

REVIEW OF 2019-2021 STORM
HARDENING PLAN, DUKE ENERGY
FLORIDA, LLC.

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DOCKET NO. 20180147-EI

REVIEW OF 2019-2021 STORM
HARDENING PLAN, GULF POWER
COMPANY.

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DOCKET NO. 20180148-EI

REVIEW OF 2019-2021 STORM
HARDENING PLAN, FLORIDA PUBLIC
UTILITIES COMPANY.

_____ /

1 PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 6

2

3 COMMISSIONERS
PARTICIPATING: CHAIRMAN ART GRAHAM
COMMISSIONER JULIE I. BROWN
4 COMMISSIONER DONALD J. POLMANN
COMMISSIONER GARY F. CLARK
5 COMMISSIONER ANDREW GILES FAY

6 DATE: Tuesday, July 9, 2019

7 PLACE: Betty Easley Conference Center
Room 148
8 4075 Esplanade Way
Tallahassee, Florida

9

10 REPORTED BY: DEBRA R. KRICK
Court Reporter and
11 Notary Public in and for
the State of Florida at Large

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

2 CHAIRMAN GRAHAM: Okay. On to Item No. 6.

3 Okay, staff.

4 MS. BUYS: Good morning, Commissioners. I am
5 Penelope Buys with Commission staff.

6 Item 6 addresses the review of the 2019-2021
7 storm hardening plans filed by Florida Power &
8 Light, Tampa Electric, Duke Energy Florida, Gulf
9 Power Company and Florida Public Utilities Company.
10 The updated plans are largely a continuation of the
11 current Commission approved plans for each of the
12 five utilities.

13 Staff recommends approval of the updated storm
14 hardening plans and notes that approval of the plan
15 does not mean approval for cost recovery.

16 In addition, the storm hardening plans in
17 these dockets were filed prior to the enactment of
18 Senate Bill 796, which requires the five
19 investor-owned utilities to file a storm protection
20 plan.

21 Staff opened a docket to develop rules to
22 implement the new storm protection statute. The
23 impact of the storm protection statute on existing
24 rules, including the storm hardening plan rule,
25 will be explored in that docket.

1 There have been two customer comments, one for
2 FPL and one for Duke.

3 Parties are present to answer questions the
4 Commission may have. OPC would like to make a
5 statement, and staff is available for questions.

6 Thank you.

7 CHAIRMAN GRAHAM: Thank you, staff.

8 OPC.

9 MS. CHRISTENSEN: Good morning, Commissioners.
10 Patty Christensen with the Office of Public
11 Counsel.

12 Rule 25-6.0342 Florida Administrative Code
13 requires that the IOUs file an electronic
14 infrastructure storm hardening plan which is what
15 the Commission is here today to address.

16 Let me begin by saying that OPC is supportive
17 of the staff recommendation. The IOUs' storm
18 hardening plans that have been filed by the
19 companies are essentially a continuation of the
20 storm hardening plans that the companies have
21 previously filed.

22 We firmly agree with the recommendation that
23 the Commission's approval of the storm hardening
24 plans does not mean approval for cost recovery.

25 Regardless, the plans can be seen as representing

1 the types of projects that reflect the level of
2 storm hardening costs included in current base
3 rates at least on a functional basis. However, we
4 note that the Commission is in a process for the
5 rule development for the new legislation regarding
6 storm protection, which includes undergrounding to
7 improve storm restoration via approved storm
8 improvement plans.

9 In these dockets being considered today, we
10 note that several companies have specific
11 undergrounding projects included in their electric
12 infrastructure storm hardening plans. We just
13 wanted to make sure that it was noted and clear
14 that approval of these electric infrastructure
15 storm hardening plans do not imply pre-approval of
16 any future projects that may be submitted under the
17 new rule that is currently under development or
18 under those plans.

19 Thank you.

20 CHAIRMAN GRAHAM: Thank you.

21 The utilities here to answer questions -- you
22 have something to say.

23 MR. RUBIN: I just, if I have just the
24 opportunity to respond briefly to Public Counsel's
25 comments.

1 CHAIRMAN GRAHAM: Sure.

2 MR. RUBIN: FPL also supports the staff
3 recommendation. I just want to, I think, to
4 respond a bit to Ms. Christensen.

5 We have engaged in a very productive workshop
6 with your staff. We will be filing comments on the
7 new proposed rules next week. How the costs will
8 be recovered under the new rule is yet to be
9 determined. I just wanted to make that clear for
10 the record. We do intend to continue our
11 undergrounding projects, but obviously, this is
12 something that we, you know, we will have to
13 address in the future as we get to that point.

14 Thank you.

15 CHAIRMAN GRAHAM: Everybody else good? All
16 right.

17 Okay. Commissioners? Commissioner Clark.

18 COMMISSIONER CLARK: Thank you, Mr. Chairman.

19 I just wanted to take a moment to make a
20 couple of brief comments.

21 First of all, I don't think the plans
22 adequately reflect the amount of planning and work
23 that goes into storm hardening first of all. This
24 is a very, very condensed version of what actually
25 goes on in the real world, but I do want to

1 compliment the utilities for taking into
2 consideration a couple of things. And one of the
3 specific ones that I noted in each of the plans I
4 was very please to see is your continued commitment
5 to working with the local EOCs.

6 Of all of the things that are, quote,
7 nontraditional what utility companies do, in my
8 opinion, that's probably the best effort that each
9 of the utility companies can put forward, making
10 sure that those loyal EOCs are staffed during these
11 emergencies, that contact in that relationship is
12 critically important. And also -- and each one of
13 you noted in here your relationship with the State
14 EOC as well, and making certain that there is
15 adequate staff done there.

16 Looking through the remainder of the plans, I
17 think it's just, like I said, a continuation of
18 everything else that has been going on for the past
19 couple of years. And it's going to be interesting
20 to watch this rule development as we go through it
21 and transitioning into the actual storm protective
22 plan.

23 And, Ms. Christensen, great points. It
24 doesn't mean everything is approved here, and it
25 doesn't mean everything is a good idea either. So

1 some of these things we vetted out through the next
2 process. But all in all, just a compliment to the
3 staff and the utilities and OPC for the work
4 they've done in getting us to this point right now.

5 Mr. Chairman. Thank you.

6 CHAIRMAN GRAHAM: Thank you.

7 Commissioner Polmann.

8 COMMISSIONER POLMANN: Thank you, Mr.
9 Chairman.

10 I want to follow on Commissioner Clark's
11 comments and, again, acknowledge the utilities'
12 efforts as well as the staff's review process, and
13 also appreciate Public Counsel's remarks.

14 Upon first reading and the staff's comments
15 that these plans are largely a continuation of the
16 prior plans, one might think that this is more of
17 the same -- kind of the same ole same ole, let's
18 just keep doing what we are doing. And, in fact, I
19 would reflect on that and say, no, that's not what
20 this is.

21 This is a continuous-improvement effort, and
22 let's consider that these utilities are, in fact,
23 doing a good job, and let's continue doing a good
24 job. And this is a three-year effort. And as
25 Commissioner Clark indicated, this is a planning

1 effort. We are implementing projects year by year,
2 and continue the review process in the field.

3 The real work is done out in the field. The
4 hardening process, implementing projects one at a
5 time. The cost recovery is a separate issue, as
6 was clearly identified, and the Commission is
7 reviewing that every step of the way.

8 Again, this is the existing process. We are
9 developing a new rule according to a legislative
10 direction that will be a more extensive process,
11 perhaps another opportunity to improve. Just
12 continually reviewing and improving great progress
13 has been made over the past decade, and I look
14 forward to working with all the utilities and
15 Public Counsel going forward with the new rule
16 development.

17 But again, this is not just business as usual
18 acknowledging everybody's efforts so far, and we
19 will continue moving forward with further
20 improvement.

21 So thank you for this effort. I know there is
22 a lot behind this, so I just want to acknowledge
23 that.

24 Thank you, Mr. Chairman.

25 CHAIRMAN GRAHAM: Thank you.

1 Commissioner Brown.

2 COMMISSIONER BROWN: Thank you.

3 I obviously echo both of your comments,
4 Commissioner Clark and Commissioner Polmann. And
5 this has been a long process. We had a hurricane
6 docket that produced forensic data that got us to
7 the rule eventually and the updated rule that we
8 will look into. But this -- these new storm
9 hardening plans I think are excellent. I love the
10 detail that some of the initiatives and some of the
11 utilities covered on the different infrastructure
12 projects that are going to be conducted and
13 improved upon.

14 One thing in the hurricane docket we talked
15 about, I think Florida Power & Light brought it up,
16 it was the right tree, right place. Duke mentioned
17 it in their plans on how they are going to have
18 discussions with local governments.

19 Would you all like to elaborate on what you
20 all are doing on this type of initiative? Because
21 I think it's a good one in terms of it addresses
22 also your ability to tree trim, and I think it will
23 be productive as we move forward in the future.

24 MR. RUBIN: Thank you, Commissioner Brown.

25 From FPL's perspective, the right tree, right

1 place program is a program that we have
2 communicated with local governments for a number of
3 years. We've really kind of stepped up our efforts
4 on that. We recognize that during the most recent
5 storms, a lot of the problems arose from trees
6 outside of the area that we are normally allowed to
7 trim. So we have been working with communities,
8 with neighborhood groups to try impress upon them
9 to the importance of planting the right tree in the
10 right place so that we can avoid problems in the
11 future.

12 COMMISSIONER BROWN: Any of the other
13 utilities?

14 MR. BERNIER: I would agree what we just
15 heard, and just stress it's an education program,
16 you know, and it goes with what Commissioner Clark
17 was saying about a collaboration and working
18 together to get the best outcome.

19 COMMISSIONER BROWN: Same.

20 MR. BADDERS: And Gulf has the same type
21 of program. We've had a lot of focus the last
22 three years on some of the off right-of-way trees
23 and areas that have a lot of impact potentially
24 during a storm, which we can't go in and just, you
25 know, on our own trim. So we've had a lot of

1 success with that, and we are going to continue
2 that effort.

3 MR. BEASLEY: As will Tampa Electric Company,
4 we think it's a great initiative. We look forward
5 to moving it forward.

6 COMMISSIONER BROWN: And one more question.
7 We talked -- after Hurricane Irma hit, we were
8 talking in our hurricane docket about third-party
9 pole attachments. And in our Internal Affairs
10 docket -- pardon me -- meeting, that we will have
11 after this meeting, we talk about the FCC's actions
12 following Hurricane Michael.

13 Have you had any discussions with
14 telecommunication companies regarding these
15 third-party pole attachments and their
16 infrastructure improvements or collaborative
17 efforts as the FCC has directed the industry to
18 conduct?

19 MR. RUBIN: I apologize, but I am just not
20 familiar with that if it's happened.

21 MR. BERNIER: I would have to be honest and
22 give the same answer. I am sure that those will be
23 discussions that will go forward as the FCC has
24 requested. We look forward to those discussions.

25 COMMISSIONER BROWN: Specifically Gulf Power,

1 because it was following Hurricane Michael.

2 MR. BADDERS: Right. Yeah, we have not had
3 formal conversations with them to address that. I
4 think they are still trying to figure out what they
5 need to do. But we do have constant contact with
6 them with our third-party attachments and all that,
7 so that is something that we are looking at, but I
8 don't believe we have reached any kind of
9 agreement, or really had the opportunity to sit
10 down and vet that.

11 COMMISSIONER BROWN: Thank you.

12 CHAIRMAN GRAHAM: Commissioner Fay.

13 COMMISSIONER FAY: Thank you, Mr. Chairman. I
14 will be brief.

15 I am echoing CFO Patronis and the Chair a
16 little bit today. I asked a question specifically
17 on the information related to these plans, and
18 answer was somewhere in a 100-page document, right.
19 So there is a lot of preparation and work that goes
20 on to getting these done, and I know that the
21 Office of Public Counsel, the utilities and the
22 agency staff work really hard to get that
23 information to a digestible format into these
24 plans, which I think is very beneficial. I think
25 also the tables that are provided to look at the

1 previous plans and what has changed going forward
2 is extremely beneficial for me.

3 And then I will just add, I never miss an
4 opportunity to jab UF. So in initiative nine in
5 the plan, I noticed there is an agreement with the
6 University of Florida and PERC to continue doing
7 some research. In all seriousness, I am really
8 pleased to see that, because I think, in the
9 utility sector, there is a lot of different
10 academic and research institutions nationally that
11 are involved in looking at different issues. And
12 my experience with PERC is that they are extremely
13 informed and they are an extremely good entity
14 within the University of Florida.

15 Every once in a while, there is something that
16 pops out, and so I think that deserves recognition.
17 But I am pleased to see the extension of that
18 research and the memorandum extension for another
19 two years, because I think Florida, as much as we
20 all spend time around the country meeting with
21 different commissioners and hearing about different
22 issues, Florida is very Florida specific, and so it
23 helps to have a research institution that's in the
24 middle of our state looking at some of these things
25 to provide some feedback. So thank for you

1 continuing to do that, and hopefully we will see it
2 continued in the future.

3 CHAIRMAN GRAHAM: Commissioners, I think I
4 will entertain a motion on Item No. 6.
5 Commissioner Brown.

6 COMMISSIONER BROWN: Mr. Chairman, I would
7 move approval of all items under Issue 6 -- Item 6.

8 COMMISSIONER POLMANN: Second.

9 CHAIRMAN GRAHAM: It's been moved and second
10 staff recommendation on all issues on Item 6.

11 Any further discussion?

12 Seeing none. All favor, say aye.

13 (Chorus of ayes.)

14 CHAIRMAN GRAHAM: Any opposed?

15 (No response.)

16 CHAIRMAN GRAHAM: By your action, you have
17 approved the staff recommendation on this item.

18 Thank you all for coming down and for your
19 input.

20 (Agenda item concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court 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' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 16th day of July, 2019.



DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #GG015952
EXPIRES JULY 27, 2020