BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO.: UNDOCKETED

2013 HURRICANE SEASON
PREPARATION BRIEFING BY
ELECTRIC UTILITIES AND THE
THREE MAJOR INCUMBENT LOCAL
EXCHANGE CARRIERS.
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PROCEEDINGS:	STAFF WORKSHOP
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
DATE:	Wednesday, April 3, 2013
TIME:	Commenced at 9:00 a.m. Concluded at 10:57 a.m.
PLACE:	Betty Easley Conference Center Hearing Room 148 4075 Esplanade Way Tallahassee, Florida
REPORTED BY:	LINDA BOLES, CRR, RPR Official FPSC Reporter (850) 413-6734

IN APPEARANCES:

FOR THE FPSC:

MELISSA L'AMOREAUX, MICHAEL LAWSON, CLAYTON LEWIS, PAUL VICKERY, and TOM BALLINGER.

OTHER APPEARANCES:

SAM MOORE, Florida Power & Light Corporation.

JASON CUTLIFFE, Progress Energy Florida.

DAVID SWEAT, Tampa Electric Company.

EDWARD BATTAGLIA, Gulf Power Company.

MARK CUTSHAW, Florida Public Utilities Company.

BARRY MOLINE, Florida Municipal Electric Association.

HOWARD PRIM and JOE MARINA, Withlacoochee River Electric.

P R O C E E D I N G S

MR. LAWSON: On behalf of the Commission we'll go ahead and get started. I will now read the notice.

Notice is hereby given that the Florida Public Service Commission will conduct an informal staff workshop on the 2013 hurricane season preparation by Florida electric utilities and three major incumbent local exchange carriers to which all persons are invited. The time and the place -- time and place of this event is noticed herein.

And with that, let's, if we could, we'll move on. And I presume we'll take appearances?

MS. L'AMOREAUX: Yes. If we can go in the order that the presenters are presenting and get your names and make sure you're here. So --

MR. MOORE: Florida Power & Light, Sam Moore.

MR. BATTAGLIA: I was going to wait for the other couple of utilities. I'm with Gulf Power. You said present in order?

MR. LAWSON: Yeah. Feel free to go ahead and come up to the firing line.

MR. CUTLIFFE: Progress Energy Florida, Jason Cutliffe.

MR. SWEAT: David Sweat, Tampa Electric.

MR. BATTAGLIA: Edward Battaglia from Gulf

Power.

MR. CUTSHAW: Mark Cutshaw, Florida Public Utilities Company.

MS. L'AMOREAUX: Do we have the muni and co-ops?

MR. PRIM: Howard Prim, Withlacoochee River Electric.

MR. MARINA: Joe Marina, Withlacoochee Electric.

MS. L'AMOREAUX: All right. In 2006 the Florida Public Service Commission adopted a multifaceted approach and a response to ensure all utility infrastructures will be better able to withstand the impact of hurricanes and implement lessons learned from the 2004/2005 seasons. The Commission adopted ten storm hardening initiatives and required investor-owned utilities to file formal storm hardening plans subject to the Commission's approval.

In our July 2007 report to the Legislature the Commission cited our most critical recommendation that Florida maintain a high level of storm preparation. The annual hurricane season preparation workshop provides utility and local exchange companies a forum to advise us of their individual hurricane season preparation activities. This is, this is the eighth year we have

conducted such a workshop.

After years with no hurricanes visiting Florida, fading memories can lead towards complacency. We, however, should view the hurricane season of 2013 with caution and recognize that preparation is the key to minimizing storm impacts. The forecasters remind us that only one hurricane making landfall in our area will make it an active season for us.

We ask that each presenter is candidly -- candidly addresses the status of the company's preparation for the 2013 hurricane season. Please include the status of work achieved to protect facilities to date, work in progress, work to be accomplished in the near future, and the additional questions in the notice.

Finally, we ask that you address areas of vulnerability in your service area and let us know if there's anything that the Public Service Commission can do to help.

And with that, we'll start with our first presenter from Florida Power & Light, Sam Moore.

MR. MOORE: Good morning, staff. My name is Sam Moore. I am FPL's General Manager of Distribution Operations for the Miami-Dade/Broward County region.

Included in my responsibilities is being part

of a team that oversees FPL's storm restoration and storm activities. Thank you for providing us this opportunity to review FPL's hurricane preparedness plans for the 2013 storm season. My presentation will address activities and results for our distribution and transmission systems.

Let me start off by saying FPL is well prepared and we are ready to respond should our communities be faced with hurricane activity this year. And even though we have been fortunate in avoiding a major hurricane since 2005, we have maintained our focus and continued our efforts to improve our systems and processes as well as strengthen our infrastructure to be better prepared for this and future storm seasons.

FPL's hurricane preparedness plan focuses on four key elements. First, we continue to strengthen our distribution and transmission infrastructure. This is being accomplished through our hardening plans, our pole inspection program, and our vegetation management programs, all of which have been reviewed and approved by the Commission.

Second, as we do every year, we continue to prepare our storm organization, ensuring we have the right people in the right roles with the necessary training and knowledge so that they can respond quickly

and safely.

Third, we continue to improve our already well-tested restoration plan by incorporating lessons learned and utilizing technology.

Finally, we continue to look for ways to provide more and better communication and information to our customers.

Now I'll review each of these in a little more review. For our distribution hardening, hardening is a key component of our plan to strengthen our infrastructure. For our distribution system FPL continues to implement a three-prong approach.

We're hardening our critical infrastructure facilities, or CIFs -- for example, these are hospitals, 911 centers, police and fire stations -- and we are hardening those circuits to the National Electric Safety Code extreme wind loading criteria.

Second, we're incrementally hardening up to and including our extreme wind loading design what we refer to as our community projects. These are major thoroughfares where key community needs like grocery stores, gas stations, and pharmacies are located. And we're also utilizing our extreme wind loading design criteria to construct all new overhead facilities, major planned work and relocation projects, as well as our

daily work activities.

For our CIFs we've now completed 269 projects, including hardening all major hospitals and acute care facilities and essentially all 911 and emergency operation centers throughout our system. Since 2006, we've hardened 1,253 miles and 361 feeders, serving 385 CIF customers, as well as other community needs.

Now FPL is still finalizing its 2013 through 2015 hardening plans. While the focus on the type of CIF projects will remain the same as in previous years, our hospitals, 911 centers, emergency and operational centers, we have not yet finalized the specific CIF projects that will be implemented in 2013 through 2015.

As part of the process of identifying the appropriate CIF projects for the 2013 through 2015 hardening plan, we are evaluating a return to the higher annual levels of CIF hardening that were submitted and approved in our first hardening plan back in 2007.

We've undertaken this review in light of recent weather events inside and outside of Florida, consistent with our philosophy of continuous improvement.

Our transmission hardening. While FPL's transmission system is already constructed to extreme wind loading criteria, we continue to improve the

strength and resilience of the transmission system by replacing all wood poles and structures with concrete and replacing ceramic post insulators on concrete poles with more reliable power and post insulators.

Since 2006, FPL has replaced more than 11,000 wood transmission structures. Additionally, we have replaced ceramic post insulators on more than 3,900 structures.

In light of recent weather events inside and out of Florida and consistent with our philosophy of continuous improvement, FPL is currently evaluating and considering changing two of the ten storm preparedness initiatives. While FPL has not yet finalized its 2013 through 2015 plans for transmission hardening, which is initiative number four, FPL is evaluating an increase in its annual level of transmission hardening replacing CLPs and wood structures.

Additionally, FPL is evaluating the appropriate inspection cycle for its steel and concrete transmission structures, which is initiative number three.

As far as distribution pole inspections, FPL began to implement implementation of its systemwide eight-year distribution pole inspection program in May of 2006, ensuring that each pole meets strength and

loading requirements. And FPL is on schedule to complete its first eight-year pole inspection cycle target by the end of this year.

Pole inspections for our transmission system. All of our approximately 66,000 wood, concrete, and steel transmission structures are on a six-year inspection cycle. In 2012 FPL began its second six-year inspection cycle, and in 2013 plans to inspect one-sixth of its transmission structures.

Additionally, we plan to complete inspections on all 500 kV lines and transmission facilities serving critical infrastructure facilities prior to the 2013 storm season.

Our distribution vegetation management activities. Like hardening, vegetation management is a key component in our plan to strengthen the infrastructure and prepare for storms. We continue to maintain our feeders on a three-year average trim cycle, and in 2012 we completed our approved implementation plan to achieve a six-year average trim cycle for laterals by the end of 2012.

In 2013 we plan to trim approximately one-third of our system feeder miles and one-sixth of our lateral system miles. Also, we're on schedule to complete the trimming of all lines serving our top

critical infrastructure facilities prior to the height of the 2013 storm season.

Finally, we continue to proactively promote our "Right Tree - Right Place" program with our community leaders to ensure that future planting of trees will avoid conflicts with our overhead lines.

Vegetation management for transmission. Twice a year we inspect our transmission right-of-way and perform all necessary trimming to make sure that the required NERC standard clearances are maintained.

Our annual preparations. Each year we ensure that all storm roles are identified and staffed with the right personnel. We conduct extensive training, including our annual company-wide hurricane dry run exercise that includes our field as well as support personnel. During this two-day event we simulate the preparations and processes that would occur leading up to impact from a major storm with 72-, 48- and 24-hour pre-landfall exercises in order to test our system and processes to ensure they're ready. This year's exercise will be conducted on May 2nd and 3rd and, for the second year, will be directed from FPL's Category 5-rated command center in Palm Beach County.

Also, FPL's storm organization includes forensic teams that are responsible for observations and

the collection of data associated with damaged infrastructure. Forensic information will allow us to better understand how our infrastructure performed and provide valuable lessons for future evaluation and actions.

Our restoration plans. Our restoration plan has one clear objective: To safely restore electric service to our communities' electrical infrastructure functions and needs, along with the greatest number of customers in the shortest time possible.

For the 2013 storm season all of our resource plans are in place. For example, we have the necessary arrangements for catering, housing, water, staging sites throughout our system, equipment for these sites, arrangements with foreign utilities through mutual assistance agreements, agreements with contract crews, and increased material and fuel inventories.

Also in 2013 FPL plans to continue to explore opportunities to further its implementation of the Incident Command Structure, which correlates with the National Incident Management System. Integrating the key features of ICS into FPL's plans should further enhance communications with external agencies in standardized key roles.

As far as communications, experience during

the 2004 and 2005 storm seasons taught us that communicating with our customers and communities can be just as important as the restoration efforts itself. Each year before the start of the storm season we work with the media to communicate our storm plan and restoration process. After an event we provide system level, county level, and sub-county ETRs throughout our media channels. We also support each of the 27 county and eight satellite emergency operation centers located throughout our service territory.

And finally, FPL continues to actively participate in the National Hurricane Conference, discussing with government and community leaders how best to bring communities back to normal after severe storm events. We also continue to participate in and support the Governor's Hurricane Conference.

Our support to Hurricane Sandy in the northeast. FPL fully understands the challenges of responding to major weather events, and the company has benefited from the support of its mutual assistance allies after previous storms in Florida. Through the industry's mutual assistance network FPL quickly responded by deploying nearly 1,000 workers and additional resources to assist the 11 utilities to restore power and rebuild their electrical systems after

the impact of Hurricane Sandy. Supporting the northeast utility hurricane -- utilities after Hurricane Sandy provided a great opportunity to identify best practices and compare to FPL's.

One takeaway was that Consolidated Edison did a remarkable job restoring the network system in Manhattan following the extensive flooding. As a result, FPL is reviewing its network system in downtown Miami and plans to modify some of its aboveground vaults to help mitigate the potential for equipment damage due to storm surge and flooding. FPL was honored to support its fellow utilities throughout the northeast and helping them recover from one of the worst storms in the region's history.

Areas of concern and some vulnerability for us. These have not changed for us as in past years. The first one, being affected by multiple storms over a short period of time similar to what we had in 2004 and 2005. The second one, being impacted by catastrophic storms like Hurricane Andrew or Hurricane Katrina, which can destroy everything in their path. The third is experiencing a short -- a shortage of sufficient resources, whether it be material, equipment, or personnel. And last, although we've made great progress to date, our service territory may be affected by a

storm or storms before we're able to complete all of our hardening efforts. While some of these are beyond our control and means, we will still do all we can to reasonably mitigate the occurrences.

In summary, FPL is confident that it is well prepared for the 2013 season. Our hardening, vegetation management, and pole inspection initiatives are strengthening our system. Our storm organization is in place, well trained, and ready. We've refined our already well-tested restoration plan. And lastly, we're in position to better communicate with our customers. We, like you, are all hoping for an inactive hurricane season. However, if hurricanes affect our communities in 2013, FPL is ready to respond. Thank you.

MS. L'AMOREAUX: Thank you, Mr. Moore, for your presentation. I have no questions to you.

Anybody else? All right. Thank you.

And I guess we'll move on to Progress Energy, Jason Cutliffe.

MR. CUTLIFFE: Good morning, staff. Thank you for the opportunity to speak today. What I would like to do -- you have our presentation material. We prepared some, some text to go with it to communicate all the facts and figures. So what I'd like to do this morning is review our overall readiness, I'd like to

address a couple of the staff questions directly, and then speak about our lessons learned from the Sandy, the Sandy deployment last fall.

So let me begin with really an overall summary of what's contained in the material we provided a couple of weeks ago. The Progress Energy Florida organization is, is, is prepared for the 2013 hurricane season. We're in the process of conducting drills and internal assessments right now to, to line up with the June 1st start of the season. We're in full compliance with the storm hardening rule, the vegetation management plan, the pole inspection and replacements. And really evidence of that -- it came through last year -- 2012 was our best reliability year since we've been keeping records.

So all those things point to continued readiness, continuous improvement on the system. And in addition to that, what I'm happy to share this year is as part of our merger with Duke Energy, Progress Energy Florida is now part of a much larger organization. And we're in the process, as part of our normal preparation, in ensuring that we're taking full advantage of that larger organization, the new partnership. That was evidenced in our response to Sandy. And what, what it gives us primarily is in addition to our mutual

assistance access to resources, we've now got an organization roughly five times the size of our Progress Energy Florida organization.

We've got, we've got an employee base and a contractor base about five times that size that we can take advantage of and marshal resources prior to a hurricane event. So those are logistics that we're working out now to be able to efficiently move those folks, but that will make a significant difference in any kind of event that threatens us.

In particular, a couple of the questions I wanted to comment on that were in the package that staff shared this year. The first one is reference to the vegetation management plan. So going back to 2006 when our storm hardening, our formal storm hardening efforts first began, Progress Energy Florida is on a 3/5 vegetation cycle. It's three years for backbones, five years for laterals. And since the program began, we've hit anniversaries on the backbone portion of our system in 2008 and 2011, and our next one is in 2014. We hit our complete mileage in each of those prior two years, '08 and '011, and we're on track to make the anniversary year in 2014 as well.

On our lateral miles we hit our first anniversary in 2010 and our next will come up in 2015.

So we made it in 2010 and we're on track to make the same mileage and complete the system in 2015 as well.

In addition to that, we're conducting, starting this week, over a six-week period a process to patrol all of the backbone miles on our system. We send people out to do foot patrols, and any vegetation conditions that have come up since the last trim are identified. And in the, in the final three weeks of that period we'll do the trimming that's been identified that would jeopardize any of those, those backbones in hurricane season.

The other item I wanted to comment on was the wood pole replacement plan; again, a part of the hardening program. And these numbers are in the package. But we're on track to finish our entire wood pole -- on the distribution system, our entire wood pole fleet around the middle of 2014. So this goes back to May of 2006 when the eight-year cycle began. So we're on track to finish the complete system the middle of next year. And to date we've replaced somewhere around 17,800 poles that have been identified through these, these inspections. Did about 4,600 of those last year alone. And what we're seeing is a significant ramping up of those efforts to reflect what we're finding on the inspections and the accumulation of that data and

information. So significant improvements coming in that arena as well.

The items in the storm hardening, the 10-point plan and other areas are itemized in the material we've provided, so I won't go into that.

But I did want to comment on some lessons from the Superstorm Sandy deployment last fall. We were, we were very, very much involved from our Florida organization. We sent around 600 employees and contractors. That was, that was right around 20% of our entire workforce in Florida. So it was the largest off-system deployment we have made since we've been keeping records.

We, we had people there for two and a half weeks. We supported a utility outside of Philadelphia and a utility in New Jersey. What we saw in the course of that deployment were great examples of things done very well, which we've adopted, and some examples of gaps that we don't intend to be caught with.

So I'll summarize for you -- and, again, this is in the package -- but some things that we took away from that deployment.

Number one, were -- to be -- to eliminate some of the travel, the impediments to travel that off-system resources face when they come to Florida to help us.

Things as simple as tolls and travel waivers through weigh stations. Traveling through multiple states, these can be significant and can cause substantial delays in people getting on the ground and being productive and doing work. So we're working through EEI to get toll waivers, to get travel waivers to streamline that process so when we make the call for off-system resources, we get them here in Florida quicker.

We sent damage assessment crews along with our restoration crews, and those proved to be invaluable; not just in the beginning of the event, but in the end when we were sending trucks into backlots and into neighborhoods and our instructions were to repair all remaining damage down to the service level. When it got to that point, having those extra people to run ahead to assess damage, to identify work locations and take care of logistics made our craft resources, our employees, far more effective. And so we've incorporated that into our plan when we bring resources in is to have that type of support with the crews.

And then lastly -- and this falls under staging site management. When we bring large, large numbers of resources into Florida, we rely heavily on staging sites. We have a number of them across the state. We have them located close to where we believe

the damage is going to be. But what we learned through Sandy is that there are a number of details that can get in the way of people getting into the staging site, getting fed, getting their material, getting a work package, and getting out to the field where they do their work.

So we have incorporated a level of operational leadership in our staging site management this year that we believe is going to significantly improve that efficiency, and it all goes to getting, getting crews fed and to their work locations ready to work when the sun comes up and not losing time in that exchange. It also includes work packages consistently being delivered to those staging sites where the bulk of our resources start their day.

We learned firsthand the frustration and the delays that can result when our crew leads have to go to either local operating centers or other locations to pick up work packages and we wind up with a lot of people sitting idle unnecessarily.

So we've incorporated many of those staging site efficiency and leadership aspects of the Sandy deployment into our own plan, and it will be in our drills which begin this month as well as we work through our own plan.

So those were the major points I wanted to share. I just would summarize that our, our drill process, which we've used since 2005 when our last direct hurricane impact occurred, continues. You know, we've got new people to train every year, so we're focused on that. But what I wanted to share with you this morning, we're also very aware of what goes on elsewhere in the country, and the value of sending people out of state is, is -- we reap benefits in a number of ways. Of course, we build goodwill so that people will come help us in Florida when we have a need, but we're also very tuned in to what we see firsthand, learning lessons -- we've done it with Sandy, we've done it with other deployments -- and we bring those lessons back and incorporate it into our plan.

So I'll take any questions at this time.

MR. LEWIS: Hello. My name is Clayton Lewis, a staff engineer.

Mr. Cutliffe, I had a question concerning your last aspect there concerning the site management staging. Could you give us a picture of how that was managed during Sandy, what led you to that, that observation? I'm trying to get an idea of what was the level of liaison support for the, you know, emergency operation centers via the utility because we're also

involved in emergency operations here in the State of Florida.

MR. CUTLIFFE: We saw two -- there were two facets of, of inefficiency, I guess I'd categorize them, that we experienced. One was the logistics of feeding crews and getting material to them. So that was more of the movement of the trucks and getting people, getting people situated to work. And the second was in providing the work packages that, that allowed them to plan their day and to, and to know what kind of material and what sort of construction requirements they were going to face.

The two things we ran into were delays in getting work packages to the crew leaders. And what our folks ultimately wound up doing is making, making arrangements to meet their contacts away from the staging sites at a hotel, at a restaurant, someplace where they could go through the work and organize their day as best they could at the start of the day with their utility contact as part of that conversation.

The staging sites themselves can be very hectic. You're talking about thousands of, of people, hundreds of trucks coming and going every night and every morning. And what our folks ran into is things as simple as getting out of the parking area because they

were boxed in by vehicles in front of them, getting, getting fed and out of the staging area on time with their schedule. There were waves of people coming in and there were wait times associated with those waves.

So what, what our, what our leadership worked out were specific feeding times to avoid some of those, some of those, some of those peaks, if you will, for the resources.

And then material. There were different efforts to provide particularly poles. One utility made an effort to deliver poles to sites. And that worked well when they were on time. It did not work well when we had crews waiting on poles ready to go. So our folks were able to work around that after a number of days, and pre, you know, prearranged the need for poles and the locations, get some commitments on time. But precious time was lost in the time it took to work those arrangements out. And so what we've done with our own plan is look at how we're going to issue poles within the staging sites and how we're going to deliver the work packages to the crew leads who will be at those sites, and feeding people in waves, bringing trucks in, bringing trucks out in waves, and doing it in a way that doesn't overtax the site.

MR. LEWIS: Thank you.

MS. L'AMOREAUX: I have a question. I didn't really see it in the packet, but can you kind of go over your critical infrastructure improvements that you've done and plan to complete?

MR. CUTLIFFE: We have a list of projects. We had 57 from our 2010 storm hardening plan. We've, we've completed all of those. And we're currently developing our list for the 2013 hardening plan. It's just about there. We're ready to file that in May.

But in addition to those specific projects which are itemized, we're continuing with the replacement of all wood transmission structures with steel and concrete, which brings them up to extreme wind condition.

And as it relates to the entire system, our replacement of distribution wood poles is, is significant because we're getting all of the, the poles that don't meet our standards from the inspections moved into the construction process. And our material shows, shows progress there as well.

MS. L'AMOREAUX: Thank you. You're excused. Thank you so much.

We'll start with our next presenter. From Tampa Electric, David Sweat.

MR. SWEAT: Thank you. Good morning, staff. Thank you for the opportunity to review our Tampa Electric hurricane preparedness for 2013 and to discuss some of the lessons learned from the 2012 season.

I'll cover three major areas, starting with the system infrastructure, the pre-storm prep and coordination, and finish up with some of the areas of concern.

Beginning with the system infrastructure, we will go with the wood pole inspections. In 2012 Tampa Electric completed nearly 54,000 pole inspections. In 2013 we plan to inspect over 49,000, and we're on track to meet our eight-year cycle.

For the pole loading analysis, our practice -- any pole, excuse me, that is determined to be overloaded will be corrected. Our practice is to repair it, reinforce it, and replace it, if necessary, with new wood -- with non-wood poles.

Distribution poles are designed to our Grade B standard. Excuse me. Distribution poles are designed to Grade B, which is the highest NESC standard, versus the Grade C, and replaced with the appropriate wood poles when necessary to meet the particular design need.

Vegetation management. Tampa Electric is presently on a four-year tree trim cycle as we move from

a three-year to the four-year cycle as approved by the Commission in June of 2012 in Docket Number 120038-EI.

In 2012 we trimmed over a quarter of our system. And as part of our vegetation management program we too employ and promote the "Right Tree - Right Place" program, which will encourage the customers to plant trees that will not interfere with electrical facilities.

We provide educational presentations to the community. And we have received our fifth consecutive National Arbor Day Foundation Tree Line USA program designation, which we thought was, was very important.

For joint use attachers we have streamlined our processes and -- for the request. We've reviewed all the attachment records and verified the joint use agreements with the attaching entities. We presently have 37 joint use attachments, agreements in place.

Transmission inspections are accomplished through a multipronged approach of one-, six-, and eight-year cycles.

First would be the ground patrol is performed annually as a visual inspection for any deficiencies. This includes all 230, 138, and 69 critical circuits which are being patrolled prior to the hurricane season.

Aboveground inspections are on a six-year

cycle and provide a greater detailed review of the transmission structures. 2012 was the beginning of Tampa Electric's second six-year cycle. And ground line inspections are on an eight-year cycle and focus on the integrity of the poles. Tampa Electric inspected nearly 4,800 transmission poles in 2012. Issues found during any inspection cycle will be addressed.

Tampa Electric is hardening its transmission system in a prudent, cost-effective manner by utilizing its inspection and maintenance program to systematically replace wood structures with non-wood structures. In 2012 Tampa Electric hardened nearly 900 structures, 700 structure replacements, and 200 sets of insulators; and in 2013 the plans are to harden nearly a thousand structures.

Tampa Electric continues our relationship with an outside consultant for forensic analysis, and we are presently renewing our contract with that entity. We have a process in place to gather the necessary data to be used in determining the root cause of damage following a significant storm event. Fortunately in 2012 we did not have to use any of the forensic analysis because we did not have one.

Underground and overhead performance data collection. We were minimally impacted by two weather

events. Based on the lack of severity, meaningful performance data of the underground and overhead systems were not available.

As a point of reference too, the number of poles that have been replaced since the beginning of the program -- for distribution we've replaced approximately 17,000; and transmission poles, approximately 4,600.

In 2012 Tampa Electric focused on maintaining vital government contacts and participation on standing disaster recovery planning committees such as a storm workshop between Hillsborough County and Polk County emergency management teams. We also participated in the post-disaster redevelopment plan project involving both government and businesses.

And we were part of the emergency ops center for the City of Tampa and Hillsborough County, which was activated three times and which we were a part of. Also, we've taken participation in a new vulnerable population task force to improve the recovery plans. This entails working with the Hillsborough County Emergency Management, City of Tampa Emergency Management, Red Cross, Department of Health, and others.

For 2013 these efforts have continued and will help to streamline the flow of information to both the companies and local governments' efforts to restore all

services as quickly as possible.

Tampa Electric's emergency management plans address all hazards, including extreme weather conditions. In 2012 we continued to participate in internal and external preparedness exercises and collaborated with government emergency management agencies at local, state, and federal levels.

Prior to June of 2012 all emergency support functions were reviewed, personnel were trained, and ICS logistics and planning section plans were tested. This will also be the case for 2013.

For 2013 Tampa Electric will continue in a leadership role in county and national preparedness groups such as Hillsborough County Post-Disaster Redevelopment Plan, Hillsborough County Local Mitigation Strategy Group, Tampa Bay Regional Planning Council, and the Edison Electric Institute, to name but a few.

In January of 2013 Tampa Electric's contingency response and business continuity plan were reviewed and updated.

The 2010 to 2012 storm hardening plan has been followed, and the 2013 to 2015 plan is being developed and will be filed in May. Elements of both plans include Tampa Electric builds to Grade B construction for the distribution and extreme wind for transmission,

non-wood construction for the transmission, and we build to extreme wind for the 230kV system.

Conversion of the overhead distribution interstate crossings to underground are complete, and any additional crossings will be converted to underground as construction and maintenance activities are identified. The network protectors have been inspected for the downtown area of Tampa and have been tested and repaired or replaced as needed.

And the underground construction -- the stainless steel transformers are now the new standard for us, which aligns very nicely with our standard of stainless steel switchgear.

Although Tampa Electric's standard distribution construction is already to the highest level of the Grade B, as part of the hardening initiative TECO chose to do these two projects due to their importance to the region and to the state as well: St. Joe's being a major trauma center; and the Port of Tampa, which has the ability to deliver 40% of Florida's gas supply. These projects are completed. The performance will be evaluated when and if a major storm occurs, and hopefully that will not be the case.

Next we'll quickly address the pre-storm prep and coordination. In May of 2012 a mock storm provided

a functional exercise to key employees from several levels and departments throughout Tampa Electric. This resulted in 65 action items that were identified and which have now been addressed. A few include what are we going to do to accommodate foreign crews versus our local contractors, which became an issue during the RNC; review the policy for load shedding prior, during, and after the storm; streamlining information flow with our new SAP system; and to evaluate lineman-to-damage-assessor and tree-trim-to-lineman ratios. These were some -- a few of those.

In 2013 this -- in May we'll be doing our next mock storm exercise, and it will simulate an impact to the Tampa Bay area with a direct hit.

In addition to mock storms, lessons learned. From more actual relief efforts we found some things that were beneficial to us as well. We're going to look now at our estimated time of restoration, the ETRs. So we're putting together a more targeted ETR response. In prior years a general ETR was communicated to the media and was more of a global estimate for restoration of the entire system. Response will now be done by a more geographic region, by circuit, or some other more targeted method.

Tampa Electric is presently working on a

preference page where customers can be contacted by their preferred method, whether that be home phone, cell, Facebook, or Twitter.

Tampa Electric will be incorporating Peoples' Gas employees to serve as drivers for assessments, thereby increasing the number of assessment teams.

Also, we're a part of the AEIC Storm Practices Subcommittee. We're giving consideration to adding someone at each incident base to collect the ETRs and report them centrally and maintain updates, and modify our method for keeping outage management systems up-to-date in the initial stages of storm restoration. In 2012 we helped with restoration for Baltimore Gas & Electric, Florida Power & Light, and Jersey Central Power & Light.

One modification that we've noted with one of our programs to be considered as our damage forecaster, it's our model to help predict the system damage based on the strength and path of an event. It was recognized that due to the hardening efforts that we put in place and the shorter tree trimming cycles that we have have contributed to Tampa Electric's system being less success -- susceptible, excuse me, to extensive damage, and that needs to be considered in our damage forecaster model.

The incident base. Tampa Electric has worked with local business owners and officials to verify existing incident bases were still available. The company renewed existing agreements for primary sites and secured backup locations as additional contingencies.

In order to maximize our team members' role in the restoration effort, they will participate in the mock storm exercise to come. They will review their emergency role assignment, which will ensure that each team member understands their emergency tasks, and review their personnel preparation through information provided to team members and family members on how to prepare for the storm season.

In 2012 and prior to the 2013 hurricane season Tampa Electric reviewed and increased its storm inventory by securing a four-day supply of overhead distribution materials. Procurement contracts are in place to provide additional supplies within four days of landfall and will replenish them throughout the restoration event.

For the restoration providers we look to Southeastern Electric Exchange and contractors to assist us with restoration efforts, if necessary.

Local government coordination. Tampa Electric

participated in several Hillsborough County led initiatives focusing on joint efforts to rebuild and revive the area after a storm. Also participated in joint mock exercises with Hillsborough County emergency management personnel. And we've met with various government agencies to enhance our communication and coordination of emergency management.

Public communication. Tampa Electric provides public service information at the beginning of every storm season through the local news media and anything else that is needed to effectively communicate with the public, such as, such as the other -- like a Twitter and Facebook and the like.

Hurricane season news releases are used to all major media outlets in the service area and posted on our website, and hurricane guides are published in major newspapers. As mentioned, we also use the social media like Facebook and Twitter. And as an industry best practice, we found that social media has provided a great way to communicate to customers when their power is out because so many people have smart phones. This would be in addition to our usual methods of news releases and providing our own website information and media interviews.

In closing, we'll look at the areas of

concern. We share other utilities' concerns regarding availability of resources. Should we have multiple storms, our resources would be taxed. Also, if a major storm were to deliver a catastrophic blow to our service area, we'd be challenged to maintain enough people, material, and equipment, which would depend on the impact to Florida as a whole.

In a severe event utilities share resources through the Southeastern Electric Exchange Mutual Assistance Program. If Tampa Electric is severely impacted, most likely our neighbors would be also and there may not be enough resources to go around. Any limitation of resources will impact our ability to restore our service.

In summary, our transmission and distribution systems are stronger and we've hardened our sources to our critical facilities. Our people are trained and they are ready. Our storm plan has been reviewed. We've coordinated efforts with our external relationships, reviewed and updated our contracts, and are prepared for the 2013 storm season. Thank you.

MS. L'AMOREAUX: Thank you.

MR. BALLINGER: I have a question, Melissa, if I can. And actually this is probably for the other utilities, if you want to pipe up too.

In your customer notification, do you ask people to try to prepare themselves to be self-sufficient for a day or two after a storm to at least have that kind of readiness?

MR. SWEAT: Yes.

MR. BALLINGER: To not expect assistance right away. Is that message getting out still?

MR. SWEAT: That is the message, that they need to be prepared to take care of themselves for a short duration until -- it could be days, it could be weeks depending on the severity of the storm.

MR. BALLINGER: All right. I see some nodding heads. I guess everybody is on board with that? Okay. Thank you.

MR. LEWIS: Yes, sir. I had a question.

You mentioned your involvement with the vulnerable population task force.

MR. SWEAT: Yes.

MR. LEWIS: Can you elaborate on some of the input and your criteria as far as established priorities?

MR. SWEAT: For that particular -- that is, that's brand new. That just actually came in. So I can get you the details to that, but that was one that just came in this morning. I thought it might be helpful to

pass that along.

MR. LEWIS: Okay. Thank you.

MR. SWEAT: Yes.

MS. L'AMOREAUX: Anymore questions?

All right. Thank you.

MR. SWEAT: Thank you.

MS. L'AMOREAUX: All right. Our next presenter, from Gulf Power, Edward Battaglia.

MR. BATTAGLIA: Good morning, staff. As you've already surmised, I'm not Sharon Pinkerton. Unfortunately Sharon had a family member pass away over the weekend and could not be here today.

My name is Ed Battaglia. I'm Technical Services Manager at Gulf Power Company, and I'll be presenting Gulf's 2013 storm preparedness briefing. And as I present each slide, I will also cover the questions that staff provided with the workshop notification.

Preparedness activities. All of these distribution and transmission activities I will cover today are part of our culture of preparedness. Storm readiness never stops. It's a year-round process of refinement with every storm we participate in, whether it is on system or assisting others. At this time Gulf has no plans for modifying any of our storm preparedness programs.

Distribution inspections, vegetation management. Each year one-third of the mainline feeders will be systematically pruned, while the remaining two-thirds will be inspected and trimmed to correct any deficiencies that could pose a reliability problem for the distribution system over the next 12 months.

Each year lateral circuits, reliability performance, date of last trim, and field conditions are used to evaluate and schedule lateral circuits for maintenance trim, while ensuring each lateral circuit is trimmed within an effective four-year cycle. In addition, Gulf's vegetation program addresses vegetation overhang and removal of hazard trees located outside the normally maintained pruning zone off right-of-way.

The 1,294 lateral circuit miles, a quarter of the system laterals, scheduled for maintenance trim in 2013 are on target to be completed as planned.

Tree removals off the right-of-way have diminished the further out we get from Ivan and Dennis. In Gulf Power's initial storm hardening plan filing we did have a danger tree program -- danger tree removal program. There is still a tree replacement program that is used in isolated cases where a customer allows us to remove a tree that otherwise could have posed potential problems in the future. In working with our customers

on that, a gift card is usually offered to purchase an approved replacement tree. No dollars were spent in 2012 on that program.

We have also -- we have always removed trees from the right-of-way, but we do not track removal costs separately. It is just part of our vegetation management daily work.

Pole inspections. 2012 was the sixth year of our eight-year inspection program. We remain on schedule. Gulf has 208,171 distribution poles, and have replaced a total of 4,049 poles since 2007 as a result of our Osmose pole inspection program.

In respect to infrared inspections, infrared looks for hot spots such as connectors, insulators overheating, lightning arrestors that were hit but not blown. We have already completed our inspections and are on track to complete our corrective measures by June 1st.

Additional storm hardening measures. We have already talked about the distribution vegetation management program and our pole inspections. In respect to extreme wind loading projects, as a part of its 2010 to 2012 storm hardening plan, Gulf targeted critical pole lines with multiple feeders on them and converted them, excuse me, to Grade B construction. In addition,

the existing wooden poles were replaced with concrete poles from the substations to strategic operational points on the feeders. Using concrete poles provides both uniform pole strength for the entire pole height and will extend the life of the installation by minimizing the impact of salt spray tracking.

Gulf spent a total of 1.3 million on critical infrastructure projects in 2012 consisting of, in our eastern district, Panama City area: Long Beach substation feeders, approximately a quarter of a mile; Hathaway substation feeders, approximately 1.2 miles. In our central district, Destin area, at our Miramar substation feeders we converted approximately one mile.

The 2013 to 2015 storm hardening plan is currently being developed, which will be filed May 1st. It continues to focus starting with our 2010 to 2012 plan on ramping up on our conversion to Grade B construction.

Gulf has already targeted its 2013 projects. In our central district Destin area we'll be converting approximately one mile with double circuit pole line along Highway 98 consisting of three phases. And in our western district, Pensacola area, specifically Gulf Breeze, we'll be doing a storm hardening project along 98 and where there's a major overpass to Pensacola

Beach.

The exact locations of the 2014 and 2015 projects are still to be determined by engineering. In general, they will be in our coastal areas that have the highest storm risks and will be sections of mainline feeders with the highest customer exposure. Our total extreme wind loading budget for '13 to '15 is $3.7 million.

Forensic data collection. Gulf will collect forensic data in predetermined areas that have both overhead and underground distribution lines adjacent to each other. The extreme wind loading projects will also be included in our data collection process. Both coastal and inland areas will be evaluated. Handheld computers downloaded with Gulf's infrastructure database are used to collect the information, and restoration will not be slowed down due to these data collections.

KEMA is our consulting group that will analyze the data. And as others have already said, we have been fortunate that we have not had to pull the trigger on forensic evaluation to date, but we are prepared to do so if the event warrants it. We continue to do annual refresher training to ensure we are prepared.

Additional coordination efforts. Gulf has a strong presence with the local EOCs during an actual

event. We also participate in both EOC and state drill events. Gulf personnel assigned to the EOCs have certifications through FEMA's Emergency Management Institute. District and local managers continue to interact with city and county personnel on a regular basis.

Concerning outreach programs, beginning June 1st one of the major tiles in the company's main web page will focus on storm preparedness throughout the hurricane season. If a storm enters the Gulf, the entire focus of our web page is devoted to the storm event. There are constant updates provided through this medium, as well as Facebook and Twitter. Storm information is provided to our customers in the May -- in the May/June time frame in customer newsletters as well.

BRACE, Be Ready Alliance for Coordinating Emergencies, is an Escambia County organization unique to Florida, but part of a federal government directive that encourages communities to develop more effective preparedness programs for various types of disasters. If requested, storm presentations are always available to civic groups. Requests are fewer than they were immediately after Ivan and Dennis.

Additional coordination efforts. Third party

meetings are designed to enhance communications among Gulf's field personnel and their counterparts at the telephone and cable companies, as well as all other attachers. We have two sets of meetings, one in the first quarter, with the second one in the third quarter. These meetings are important for storm hardening because detailed information on actual or proposed detachments is provided, which is needed for computer modeling of our facilities to Grade B standards.

Additionally there is a designated employee assigned to help out with the flow of communications to third party attachers in the event of a storm.

Our seven certified arborists maintain effective communications within the communities we serve on vegetation management projects, right-of-way maintenance, and new construction projects.

Transmission inspections, vegetation management, Gulf is in compliance with NERC, National Electric Reliability Council, standard FAC 003-1 and on schedule with transmission vegetation management initiatives.

Concerning transmission pole inspections, Gulf will complete all 2013 scheduled transmission inspections by year-end. We have different programs which run simultaneously such that, such that every pole

is visited at least every six years. And that's a combination of ground line inspections, comprehensive walking, climbing inspections, the use of helicopters at times on some of the steel structures, and typically we do an aerial patrol every quarter by fixed-wing aircraft.

Some specific storm, transmission storm hardening measures. Gulf completed the five-year guy installation program last year. There were 1,721 structures which were unguyed. We are in year six of a ten-year arm replacement program. There were 2,191 structures with wood crossarms. Beginning in 2013 there are 913 remaining. 200 of these are scheduled for replacement this year.

Post-storm recovery plans. Gulf is currently updating, reviewing, and revising our 2013 procedures which can apply to any natural disaster. We enhance our plans based on lessons learned, which most recently have been from off-system efforts. Best practices are noted and brought back home.

We ensure contracts and arrangements are in place for logistics and materials. The lead time for some equipment is significant: Months. Arrangements are in place for fuel as well. We rely on assistance from the SEE, our Southern Company sister companies, and

independent contractors.

Drills and training. Last year's storm drill reenacted the April 2011 Tuscaloosa tornadoes. We realized that a natural disaster event may occur with minimal notice as opposed to days and weeks with a hurricane. There were fewer personnel available to respond immediately and it took time to account for everyone's well-being.

The storm drill this year will be held at the Okaloosa County EOC in our central district. Our drill this year focuses on the customer's perspective and also looks at storm restoration from the point of view of one of our EOCs, what information they need from us, and how the decisions they make affect us.

We make sure our employees understand their role through numerous refresher training classes. And to let you know how serious storm restoration is at Gulf, storm duty is a condition of employment at Gulf Power. New employee orientation covers storm responsibilities, expectations, and preparedness for your home and family.

Last year Gulf implemented a check-in process, which included safety briefings, with Isaac on a small scale, which provided the opportunity to test our procedures. We critiqued the process and we are making

improvements: Items such as the physical layout, communication enhancements, revised forms, and so on. We have also tested our employee emergency notification system several times.

Gulf's response to Hurricane Sandy. Gulf sent 29% of our line workers to assist with Sandy. Gulf personnel worked safely in West Virginia, Pennsylvania, and New Jersey. During restoration efforts the movement of our trucks and work team was impeded with the numerous stops at toll booths and weigh stations, as others have already mentioned. During a declaration of emergency it would be helpful to waive such requirements.

Areas of concern. In respect to multiple events where you can have the situation for -- where restoration from one event is not completed before those resources are needed for another event. Competition is high for qualified electrical workers. And even though we beef up our inventory levels during storm season, some equipment has a long lead time, as I mentioned before, months. We do have established vendor relationships and we can call on our sister companies and other IOUs as well.

Social media is something we have to prepare for in order to effectively communicate information with

our customers. There are changing demands and expectations of providing restoration information in real time. Meeting their expectations is vital to our communities. The nature of storms, however, requires field evaluation to determine the magnitude of the damage, which can sometimes delay the time it takes to report back to our customers. Gulf has several initiatives in place already regarding social media. We do have the Facebook and Twitter accounts.

In summary, Gulf Power is fully prepared for the 2013 storm season through our transmission and distribution storm hardening initiatives, our communication efforts, and with our past storm experience both on system and off.

Plans, programs, and initiatives will be tested with a major landfall. But, for example, after Ivan and Dennis, many of us have new and stronger roofs, storm shutters and so on, but we'll only know how effective those changes are when the next storm hits.

That concludes my presentation. Thank you for your time, and I will answer any questions.

MR. VICKERY: Yes, sir. I have one question. In your coordination efforts you talked about a new outreach program called BRACE. Is that relatively new or --

MR. BATTAGLIA: No, sir. That's been in place for several years now. And I believe we mentioned it in our, some of our previous storm briefings. So it has been out there for a while in our Pensacola area.

MR. VICKERY: So what was the acronym for again? Be Ready Alliance --

MR. BATTAGLIA: Let me flip back and get that for you. Be Ready Alliance for Coordinating Emergencies. And we can get you some more information on that, if you would like it.

MR. VICKERY: No. That's fine, sir. Thank you very much.

MR. BATTAGLIA: Okay. Yes, sir.

MR. LEWIS: Yes, sir. On one of your bullet points on -- in your assistance you provided to First Energy and I think PECO, under lessons learned, I'm thinking kind of like in reverse, you state -- or the bullet states "need help with declarations."

I'm asking a question what, you know, what did you run into and how can we mitigate that in response to Florida needing assistance?

MR. BATTAGLIA: Well, and what we were really, I mean, were initially referring to, which was pretty major at least for us, and I think a few others mentioned it when we helped out with Sandy as far as the

number of tolls, weigh stations involved. And when we head to South Florida to assist, you can run into some similar conditions.

So again with our, with the declaration of emergency and all, if somehow, some way there was a way to prepave the way for utilities that basically are headed down that way to be able to show perhaps some documentation that does not slow them down as much as the typical inspection process does.

MR. LEWIS: Okay. So this is like, more like a transportation issue, getting personnel --

MR. BATTAGLIA: Yes. It's, it's, it's moving vehicles predominantly. It's moving vehicles with personnel, bringing supplies in, material supplies that may be needed that are not readily on hand. Those type of things.

MR. LEWIS: All right. Thank you.

MS. L'AMOREAUX: Thank you. Before we go to our next presenter, I just wanted everyone to know there's more copies of the presentations on either side of the room.

Now we move on to Florida Public Utilities, Mark Cutshaw.

MR. CUTSHAW: Good morning, staff. I am Mark Cutshaw and serve as the General Manager for our

Northeast Florida division of Florida Public Utilities Company. We appreciate the opportunity to update you regarding our hurricane season preparedness for Florida Public Utilities Company.

Today's presentation includes some brief information regarding FPU, the status of our wood pole and facility inspection, and areas of focus regarding our system maintenance and reliability improvements. I will also discuss some of our storm hardening projects and impacts on the critical infrastructure. In addition, I'll give an overview of our coordination with utility, government, and community groups, storm recovery plans, and forensic analysis plans.

Florida Public Utilities is a subsidiary of Chesapeake Utilities Corporation and is headquartered in Dover, Delaware. Chesapeake is an investor-owned natural gas, electric utility which also includes nonregulated business units in propane gas and business software development.

Electric business units include operations in Nassau, Jackson, Calhoun, and Liberty counties in Florida, and provide service to approximately 29,000 customers.

Natural gas and propane business units include operations in Florida, Delaware, and Maryland, and

provide service to approximately 122,000 natural gas customers and approximately 49,000 propane gas customers.

FPU electric, natural gas, and propane business units have a presence in many counties throughout Florida, with a major focus on the central part of Florida.

During 2012 FPU completed the fifth year of our eight-year cycle for wood pole inspections. To date approximately 66% of our 26,000 poles have been inspected. During this period approximately 1,268, or 7.3% of our wood poles failed the inspection criteria established. Poles that fail the inspection process are then prioritized and replaced based on the worst poles first. This process considers the remaining strength of the pole and prioritizes replacement based on this criteria.

To date, pole replacements completed represent 2.9% of our pole population. A total of 753 poles have been replaced since the plan inception, which includes replacement of 215 poles in 2011 and 242 poles in 2012. New poles are installed based on the existing storm hardening standards which are outlined in our storm hardening plan.

FPU completed the six-year transmission line

inspection during 2012, which included all 138 and 69 kV poles and structures. A separate infrared inspection of the transmission system was also completed. The infrared inspection was expanded to include the inspection of certain substation and distribution facilities. The inspections assisted in the identification of several transmission and substation issues that are being addressed in 2013 prior to the hurricane season. A variety of other routine inspections were conducted during 2012 which -- with frequency ranges from weekly to annual.

The ongoing distribution system vegetation management program includes a three-year main feeder and six-year lateral circuit trim cycle. This program also includes a three-year trim cycle on transmission lines. Information regarding tree safety and tree placement options are provided to customers using various types of printed materials in an effort to prevent future safety and reliability issues.

FPU also routinely cooperates with local governments to address local tree conflicts. Tree replacement programs have been discussed but are not currently used by FPU or any of the local governments in our service territory.

Removal of danger trees. Annual distribution

feeder hot spot inspections and annual transmission line hot spot inspections are included on an as-needed basis within the vegetation management program.

As previously mentioned, the six-year transmission line inspection and an infrared substation inspection identified various issues to address. The transmission line inspection identified 31 wooden 69 kV transmission poles that were, that required replacement mainly due to woodpecker damage. The engineer for the replacement for the wood poles with concrete poles and the material acquisition began in 2012, with completion anticipated prior to the hurricane season in 2013.

The infrared inspection also identified the need to replace a certain portion of the internal bus work at our Amelia Island Plantation substation. This work, which required coordination with several contractors and required the entire substation to be energized for several weeks, was completed earlier this year. Other maintenance and reliability projects include replacement of underground cable on Amelia Island, installation of distribution feeders along the coastal highway, and replacement of porcelain underground terminators that have performed poorly.

During 2012 two storm hardening projects were completed. The Highway 90 West feeder in Marianna was

relocated from an inaccessible location along Highway 90 from Nolen Street to St. Clair Street to an accessible area which was, which was constructed using storm hardening standards. A similar project was completed along 14th Street in Fernandina Beach, which was in accordance with the Department of Transportation road widening project.

As previously mentioned, the project to replace 31 69 kV transmission poles with concrete poles was also began in 2012 and will be completed in 2013.

Several projects are underway which will address critical infrastructure requirements, with particular emphasis on Amelia Island due to the vulnerability from hurricanes. Storm hardening of two distribution feeders to Baptist Hospital in Nassau, an additional underground feeder to provide backup service to the south end of Amelia Island, and the replacement of transmission poles with concrete poles are all underway and will provide additional reliability should the area be impacted by a hurricane.

Construction of a new operation center on Amelia Island capable of surviving a hurricane strike has also begun. The facility we're replacing, an existing 70-year-old operations facility that previously housed diesel generators used to provide electrical

service to Amelia Island as early as the 1940s. Electrical service to Amelia Island is currently provided using a radial of 138 kV line and as-available energy from two paper mills located on the island.

During 2012 Rayonier Performance Fibers completed the construction of a 22-megawatt renewable energy turbine generator for their mill located on Amelia Island. This project added to the, to the existing as-available intergeneration capabilities of Rayonier and RockTenn, which are located on the island.

In an, in an effort to address service requirements should the 138 kV transmission line be severely damaged during a hurricane or unavailable for an extended period of time, additional generation capabilities needed to provide increased self-sufficiency for Amelia Island are currently in the planning stages.

FPU actively participates in activities coordinated by the Southeastern Electric Exchange, including the mutual assistance process. Through the SEE we provided crews to assist with post-restoration efforts on five occasions during 2012. In addition to participation with the SEE, we also participate with the Public Utility Research Center, North American Electric Reliability Corporation, Florida Reliability

Coordinating Council, and the Southeastern Reliability Corporation. Both electric divisions actively participate in emergency operation activities in the counties served and provide personnel to assist the EOCs as needed.

Safety of our employees, contractors, and the public we serve is always given the high priority, whether performing routine work or post-storm recovery activities. FPU has a customer outreach program in place that provides information to customers year-round. Information is in the form of brochures, website articles, bill inserts, and radio broadcasts. This information can be used year-round and can be tailored to up-to-the-minute information specifically addressing the most current storm.

Each year well in advance of the storm we update our emergency restoration plan and refresh, train, and drill FPU employees on the procedures. These interactive drills not only provide refresher training, but also provide an opportunity to review and improve the process based on previous experience and lessons learned from other utilities.

The FPU storm recovery plan includes as a major focus the communications with employees and customers during the process. Employees are provided

with up-to-date information while emergency response control rooms are being activated, logistics activities are underway, and requests for emergency restoration assistance is being communicated to outside groups. Timed and focused media messages are sent to customers while company personnel work with the local EOC and other local government agencies to ensure everyone is ready.

Should FPU be significantly impacted by a hurricane, a contractor will be mobilized to collect relevant electric system forensic data after the storm has passed. FPU has been fortunate in the past few years that storm impacts have been minimal. Hopefully this will continue.

As a smaller company we're primarily concerned with limited resources. If we are directly impacted by a major storm, endure several storms in a short period of time, or have a storm that impacts several other companies, the ability to gather sufficient storm forces and secure large quantities of materials is a significant concern. With the much larger companies engaged in their restoration efforts, resources available to FPU may be very limited. However, our continued active involvement in industry groups will help to ensure our needs are effectively communicated

during restoration efforts and that resources will be available.

I'd like to thank the staff for, for letting us give you our hurricane preparation preparedness statement. And I'll be available for any questions, if you have them.

MS. L'AMOREAUX: I don't think we have any questions. Thank you.

MR. CUTSHAW: Thank you.

MS. L'AMOREAUX: And now we'll move on to the Florida Municipal Electric Association, and I believe Barry Moline will be presenting.

MR. MOLINE: Thank you, Melissa. Thank you, staff.

I'm Barry Moline with the Florida Municipal Electric Association. The first few slides I'm going to go through very quickly just to give you a background of, of the municipal electric utilities.

There's 34 municipal electric utilities in Florida serving 1.3 million meters. We're characterized by some very large utilities, JEA in Jacksonville, Orlando Utilities Commission; some very small utilities, City of Bushnell, City of Moore Haven with around a thousand electric meters. Combined we would be the third largest utility behind FPL, Progress-Duke, and

then would be us. This is the market share of utilities across Florida and shows where everyone sits. And this is where the municipal utilities are statewide from Blountstown in the Panhandle down to Key West.

A question that's sometimes asked is about our power supply, how do you generate power, and that is the small utilities do not generate power. Only 12 out of the 34 generate electricity. The 14 purchase their electricity through the Florida Municipal Power Agency, and then others have power supply contracts with, with the utilities listed there, Progress Energy, TECO, FPL, Gulf, and Glades Co-op. So it's, it's an eclectic mix of power supply that, that serves us.

For mutual aid we have many options. We, we generally work in concentric rings though. First we depend on each other across Florida. Because we're spread out geographically, if a storm hits in the south, we can get crews from the north and, and vice versa. If a storm is overwhelming, we can get crews from outside the region. So first we start with Florida, then we go to Southeastern Mutual Aid, and then, if necessary, we can work with our natural -- national mutual aid partners. We all have a mutual aid agreement that we sign, and in the past we've gotten support from, from all over the country.

To, to begin to respond to some of the questions that, that you listed in the meeting announcement, the, we conduct preseason preparation briefings with our members, and in addition individual utilities hold meetings with their staff and conduct exercises. It varies across the board. Larger utilities have, have full staff exercises. The smaller ones just have, have meetings with all staff to discuss their responsibilities during a storm.

But one key feature of municipal electric utilities is that we are integrated into our city government. So when we talk about electric responsiveness, we're really talking about city responsiveness. And, and all of the things that we do, we are generally a department of the city, so we coordinate, coordinate heavily with the other departments directly.

I would say that it tends to be an advantage. If we need to work directly with law enforcement or, or with the fire department, it's just a, a call over to someone in another department to get those resources going.

Pole replacement, you had questions about pole replacement, and most of our utilities are completed with their eight-year, the first cycle of their

eight-year inspection cycle. And since 2007 we've replaced -- the pole replacement has been in the range of, I say 2% to 10%. I'll tell you about the 10% in a few slides. Generally it's been in the range of 2%, but there will be a couple of cases where I'll tell you about the range in 10%.

Regarding vegetation management, the vast majority of our members are on a three-year trim cycle for feeders and for laterals, and that's a reflection of our local policymakers and governing boards prefer the improved esthetics from a three-year cycle and the improved reliability you get from a three-year cycle on the laterals.

We did provide 150 line workers to travel to provide assistance for Hurricane Sandy. But we found -- I'll echo some of the things that Jason said, you know, about what I'd call poor on-site management, poor on-site logistics. We did see some things that we liked. We really thought that, that the emphasis on safety was, was, was beneficial and we took back some lessons there.

We believe that our disaster management, and I think everything that Florida does really, is at a more advanced stage. The -- we saw a, a significant time lag between where crews were housed and where the work sites

were. We don't see that issue as being a problem here in Florida, and, and we also saw time delays between jobs. Crews would get jobs or they'd finish with a job at midday and couldn't get another assignment until the next day. So they were -- it was difficult, difficult logistics.

The -- but again we don't see those issues that we would have to address here because, mostly because at least the municipal utilities, their systems are fairly compact and we don't have significant travel times in our utilities.

Those are the utilities listed that traveled to the northeast. We did go to Pennsylvania, New York, and Virginia. And at this time, because of that experience, we don't have plans to modify our storm preparedness.

We do provide public outreach in the May/June time frame. Many of our members have hurricane guides that they issue and make available to their customers both in grocery stores and available in public places. So it's available in print. It's also available on their website, and they send out materials in their bill stuffers and so on.

We also make pre-storm presentations to community groups, Kiwanis clubs, Rotary clubs and so on,

and we emphasize personal responsibility. We focus on a three-day disaster plan for individuals to try to have enough food and water to live without power for three days, if necessary.

We don't have any critical infrastructure areas that we would identify at this time as needing improvement. What I alluded to earlier about the 10% pole replacement is that in three of our cities, Starke, Green Cove Springs, and Blountstown, within the past five years they've completed a full system upgrade. They reviewed their system. I mean, these are utilities with about 5,000 customers, and they've undergone a complete reengineering of their utilities and then a complete full system replacement of, of poles and wires, conductors, transformers that, that need to be replaced. So they've -- the -- there are several benefits. One clearly is storm hardening, but the other too is that they've reduced system losses significantly. So they're seeing financial savings as well. Our plans clearly are for continuous improvement.

We do have two communities that are, that are making regular advancements on overhead to underground conversions. Winter Park is, is converting its entire system from overhead to underground, and that plan originally was to take place before 2020. It looks like

they're ahead of schedule now and they may be completing that by 2018. And I hadn't really thought about it until preparing the slides for this presentation and this is the first time I've said it out loud, but it, it may be an opportunity for us to examine or study the impact of overhead to underground, reliability changes and so on. We -- because we do have reliability data from overhead, from when they had the overhead system, for example, in Winter Park to what they will see as, you know, as underground. The -- but we haven't engaged with Winter Park to do that but it remains an opportunity.

Jacksonville Beach is, is in a more, a slower fashion. They're moving from the, from the ocean inland toward undergrounding streets more for storm hardening. They don't plan to do the entire town, but they are doing it at a more gradual pace. They don't -- there's no plan there to do 100% of their town, but they nevertheless are moving fairly steadily in that regard. So I make that suggestion. I'm happy to follow up and look at the opportunity to study that in the future.

So that concludes my presentation, and I look forward to your questions or comments.

MS. L'AMOREAUX: It doesn't look like we have any questions.

MR. MOLINE: Thank you.

MS. L'AMOREAUX: Thank you.

And last, but not least, the Florida Electric Co-ops. I think there's a couple of presenters.

MR. PRIM: Good morning. My name is Howard Prim from Withlacoochee River Electric Cooperative, and I'm Manager of Engineering and Technical Services. I appreciate the opportunity to speak with you on behalf of Withlacoochee as well as, in general, the co-ops across the state.

As you can see, that's basically our -- the co-ops in the State of Florida. We're located just north of Tampa, at that yellow one right there in the center of the state.

Just as a general overview, our system, we're a pretty good sized co-op. We're one of the largest -- we are the largest in the state, one of the largest in the nation. We've got -- while Progress Energy is our primary transmission provider, we do have 64 miles of transmission ourselves that we own and operate and maintain. Most of it's -- all of it's either 69 kV or 115 kV. Approximately a third of our system is underground, the remainder is overhead, and we've got a little over 200,000 customers.

Of course, like I said, we're located just

north of Tampa, primarily Pasco, Hernando, and Citrus County. We have also a few accounts in Polk and Sumter.

Of course, as an electric cooperative we've got a number of standards of construction that we abide by, of course the National Electric Safety Code being one of the largest. There's also numerous RUS bulletins, specifications, drawings, standards for material and such that we have to follow. We've also got -- using those documents we've created our own construction and operations manual as well as construction drawings for our crews as well.

We also use a software program called Pole Foreman, which we use to calculate pole strengths of individual poles for loading such as for joint use, guying, extreme wind, whatever we may need to. So it also forms clearances for vertical clearances.

Of course, one of the biggest, you know, for storm -- you've got two aspects of storm. For underground you've got primarily flooding and storm surges. We are on what is called the, I guess the Nature Coast or the Sun Coast area of Florida just north of Tampa. We do have quite a bit of facilities along the coastline there. Some of our more denser population is in that area.

This is in, I believe, the 2004 storms that

came through where we had a significant amount of rainfall and we had some localized flooding, of course. From lessons learned in past years we've -- for about 20 years now we've been using all stainless steel pad mount equipment. We also, since 1988, per RUS standards, we've been using jacketed strand-filled underground conductor.

We've got -- of course, back in the '60s and '70s, like many other utilities across the State of Florida, whenever a developer would come in, he'd say, well, we've got you a nice rear lot line easement we can put -- you can put your facilities in. Of course, it was completely clear, there was nothing there. It looked like the obvious thing to do. So we built many of our facilities on the rear lots back in those days. Of course, now we're regretting that. Much of that now, the trees have actually grown into those areas. Of course, there's sheds, there's fences, there's pools. You know, access to these facilities is near impossible. So for really the past 20, 25 years we've been in the process of moving those, a lot of those facilities, where we can and where it's feasible, out to the front. We've still got some to do but we're still working on it.

Of course, we've got joint use agreements that

meet, you know, National Electric Safety Code requirements and RUS requirements as well.

We do facility inspections, approximately 2,800 miles of line per year. We've got, like I said, there again we've got -- as part of our rear to front lot line relocation, we do a lot of inspections and conversion there. We've got -- the majority of our system we've got about -- 90% of our system now is operating at 25 kV. We've still got about a 10% operating at 12 kV, which we're in the process of converting. And as part of that conversion, we do a lot of maintenance as well when we do that.

And a lot of that area -- the remaining area is in the, along the 19 corridor, U.S. 19 corridor along the coastline, and a lot of that is where our higher density is and where -- that's where some of our rear lot line facilities are as well. So as part of our conversion process we're moving it from the back to the front.

We have a S.T.A.R. program, which we call our Strategic Targeted Area Repair. It's kind of a -- we analyze our system, you know, on a regular basis as far as outages, customer complaints, whatever, operations, and we choose the, you know, the circuits that seem to need the most attention. And we put crews out there to

inspect pole by pole, not only the pole itself but any equipment on the pole, insulators, arrestors, connections, whatever, and we replace whatever has to be replaced at that time. And, like I said, we do it for the whole circuit and we continue on. We've got, we've got crews in each one of our district offices that do that.

We do have, like I said, 62 miles of transmission line. We do annual inspections, both visual on the ground pole inspections as well as aerial inspections. We've got about -- the majority of our transmission line now is either steel or concrete facilities, and we do -- any new construction is steel or concrete. It is designed for, transmission is designed for hurricane 130-mile-an-hour winds. And we've got probably about 20 miles of wood pole line left that we are hoping we can replace the majority of that in the next few years. We're progressively trying to replace those. We do substation inspections on a monthly basis, inspect it for a variety of things.

We also have, like I said, pole inspections on an eight-year cycle and then other inspections as well as infrared inspections. We have, we have a dedicated person that basically rides the line, inspects our transmission, substation, as well as they tend to get

out in front of our S.T.A.R. program. Whenever we're doing the S.T.A.R. program they'll do a -- they'll ride the feeder and look for anything that, you know, appears to be heating up on a feeder as well. So we, so we have quite an extensive there.

We also are, are working on putting handheld infrared guns into the hands of our actual line crews so they can do inspections as well, as well as for the customer as well.

We have started, of course, vegetation management. It's probably one of our biggest enemies in a storm. In fact, the recent storm Sunday two weeks ago we had quite a few trees fall, and we are aggressively trying to do what we can, you know -- we're trying to work with the customer where we see trees that are outside our right-of-way that we, that we technically cannot go out and trim. But we'll work with the customer to see if, you know, if it's a tree that looks like it's either damaged or rotten or whatever, we'll go out and try to work with the customer to, to cut it or trim it or whatever we think we need to do.

We're currently on a three-year cycle for all our transmission and we inspect and trim annually our transmission. And then, of course, wherever we see we've got any, any crews, operations, engineering,

whatever, if they see hot spots that appears to be burning or trees are getting close and, you know, it's about to be a potential problem, we'll bring those up and, you know, consider those. We'll write service orders for those and work on those as well.

Okay. With that, I'd like to turn things over to my partner here, Joe Marina.

MR. MARINA: Thank you, Howard. Thank you to the staff for this opportunity to present.

My name is Joe Marina. I'm the District Manager for Withlacoochee Electric. We have an emergency response plan. And as a matter of fact, this coming week we've planned a meeting, all the key people in the company, to review and update that plan.

We'll have a roundtable discussion. We also company-wide and throughout the system participate in our county EOC. We actually staff the EOCs. We participate throughout the year in drills with them and also with Seminole Electric.

All of our internal resources, our personnel, we select people, we train them throughout the year. They're pre-assigned; they know their duties. So in the event, with the ongoing training, we can implement our plan. And it's worked well in the past and hopefully, as others have stated, we won't have to use any of that

this year.

Also, renewing our storm contract restorations, and we also participate in mutual aid agreements. We also increase our material and fuel inventory. That's ongoing right now in preparation for the upcoming storm season.

As we said before, we assign our key personnel to the EOCs. We just recently have sent those lists over. We have a web-based graphical outage map that can be accessed by our customers. We perform daily updates. We have a regular schedule to meet at certain times, very early. We inform our public relations manager of all this, and that word gets out through the entities mentioned there, including local media, our website, and social media.

Obviously, like everyone else, we have some concerns. Coastal flooding. I believe Howard mentioned we have gone to, and very happy we did, stainless steel pad mounted equipment. We have entered the storm restoration contracts that, you know, hopefully we won't experience any insufficient resources there.

This heavy right-of-way, of course, we serve a lot of dense areas, densely populated areas, but, in addition, some very rural areas. And we have moved several years ago to an aggressive vegetation management

program which increases our clearances, and we're about, on a four-year completion cycle now, about 80, 80% or so complete.

In addition to that, if we had multiple storms that affected a certain geographical area, one of our plans that we've been fairly successful at is increasing our feeder and substation capabilities so we can back feed from multiple substations.

That's a picture that I'm not sure none of us wants to see again.

Our emergency response plan, the primary, primary objective of the plan is to, first of all, is to ensure public safety. That's what we, we all strive to do. We will evacuate our employees and equipment from areas that are subject to storm surge, which we have experienced in the past, and we have learned some good lessons from enduring some storms.

Obviously to protect the public. And we will make the call to deenergize along coastal or flooded areas in advance of any safety concerns.

We'll also limit the damage to our property: Feeders, substations, et cetera. And we will ensure the orderly restoration and repair of our transmission and distribution system.

The objective of our restoration is to

establish a uniform method of as rapid a response to restoration, while obviously maintaining the highest level of safety.

We'll do damage assessments. Remember, one of the utilities previously mentioned assessments, ballpark assessments initially, get a general sense. Those are reported back to our control center, and the management team will make decisions on where to send resources and materials, where to have staging areas. And all of our teams that do this are pre-identified.

And in addition to our district offices where a lot of this goes on or headquarters, Howard's staff of engineers, they'll be assigned to us as additional resources. All of our district offices are full service. We do everything: Customer service, operations, maintenance repair, engineering, and obviously management.

All of our priority accounts are identified in advance by location, physical location, circuit, ownership of those, and you can see some of them up there, and they will take priority in restoration.

I mentioned earlier we will hold crew briefings. We have communication. We, we own and operate our own, of course, radio system. But we have our own fiber optic system throughout the counties we

serve and we have redundant systems for communication, which has really paid off in the past.

We'll hold crew briefings first thing in the morning. We will go over work hours, safety hazard, progression, all of the work assignments for the day, materials all set up in advance. And the slide says "Invite general foremen," but the general foremen are always at our crew meetings for the outside foreign crews, and this way we can all leave from the site and have a productive workday.

We also hold obviously safety meetings. A general one is held before everyone leaves and at the staging or the site of the work. An additional tailgate or safety meeting is held this way. We ensure all the crews on-site are aware of what each one's plans are, and we ensure that the line is safely handled, proper clearances and all are taken out.

Also provide circuit maps to all of our outside crews due to the unfamiliarity of our system. That's just an example of one of, one of the maps there. We'll provide circuit maps substation to substation. And then if they're assigned individual areas, they'll get more detailed maps showing feeders, open points, et cetera.

We -- our policy is any transmission

distribution, any line feeder will be thoroughly inspected, every, every square inch of it, before we energize it.

We incorporate and have for several -- I don't know how many years it is now, five, six, seven years. We have a new outage management system. It ties into the customer side. It can predict outages -- or excuse me -- predict the most likely, most likely area of restoration so we can identify and send crews to those spots early on. We -- staff operate and maintain a control center. They'll work throughout the night. And their primary objective is to update our outage management system for us and help with the planning and the prioritization for the next morning's assignments.

We also hold drills and we had a major storm recently. The system was tested. And the meeting we mentioned earlier will be held next week. We also identify problem trees or danger trees and remove them. And we have over 200,000 poles in the system and replaced 26,000 of those. And we are on goal to meet our storm hardening goals.

Sandy caused extreme flooding to some of our coastal service area. Those areas that, due to that that have experienced the flooding, consequent outages, and related issues, we've identified those areas and

made provisions to raise the equipment.

Also at that roundtable discussion we're going to make sure all of those concerns have been identified and will be answered, and plans will be made accordingly.

And our critical infrastructure improvements are identified in our work plan, and our work plan now goes through 2014. And we have a work plan meeting set up shortly, and we are well on our way to meeting all the goals in our work plan.

And once again, I would just like to thank you for the opportunity to present on the behalf of Withlacoochee and the co-ops.

MS. L'AMOREAUX: Thank you.

Do you have any questions?

MR. LEWIS: Sir, I have a question.

MR. MARINA: Sure.

MR. LEWIS: My name is Clayton Lewis. I'm from staff.

Under your bullet under vulnerability concerns you were talking about the, your pad mounted transformers and equipment.

MR. MARINA: Yes.

MR. LEWIS: Are you saying your problem, is it the actual, the elevation of your pads or is, or is the

elevation of the access to the pads or strengthening of the, I guess, the roadbeds to get, you know, to the pads?

MR. MARINA: Yes, sir. Some of it is elevation of the roads. It's actually a combination. Some of the areas we've seen, even in the same geographic area, some of the pad mounted equipment will be outside of any flooding, some will be in the flooding, some are access problems due to elevation of the roadways heading in.

The other concern was the soft or mild steel equipment that we had was rotted out, and those are safety concerns for access and all also.

MR. LEWIS: Okay. And my other question is also concerning access. In your partner's presentation of removing or relocating facilities from backyard lots, have you seen a lot of hurdles in moving that to the, I guess to the front of the properties and what did you have to do to mitigate that? Or -- and also in correlation, did you see a positive effect as far as your, your reliability as far as your, your access, you know, for your crews and everything?

MR. MARINA: Yes, sir. As far as reliability, absolutely. Our outage times have gone down. Reliability numbers have gone up. The -- there is a

challenge. The public is used to having those lines in the back. Those customers who have experienced prolonged outages welcome the move. They'll willingly work with us.

It depends on which county that we serve. Some -- one county requires us to actually have a vote of the customers and it has to be over 50%. And if there's the vote, then the county stands behind our move. If not, then we have to maintain the facilities where we're at.

But we've been pretty successful. We'll hold public meetings or actually knock on doors and remind customers of the prolonged outages during the storms due to our inability to access the facilities.

MR. LEWIS: Thank you.

MR. MARINA: Thank you.

MS. L'AMOREAUX: Thank you.

Before we conclude, I just want to thank everybody for their detailed presentations. And we at the Commission are pleased with the progress and your continued support with the hurricane preparation.

A summary of all the presentations will be addressed to all the Commissioners May 15th in Internal Affairs, and everybody is welcome to come, if you would like to.

Also, if you have any questions or concerns about today or the storm hardening plans that will be filed in May, please feel free to contact the Commission or our section.

MR. BALLINGER: Specifically I'd say contact Melissa.

MS. L'AMOREAUX: Yeah. I was trying to get away with that but it didn't work. But with that, our workshop is adjourned, and thank you.

(Workshop adjourned at 10:57 a.m.)

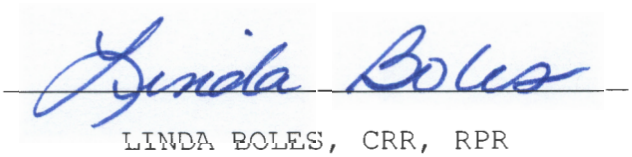
STATE OF FLORIDA)
: CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, LINDA BOLES, CRR, RPR, 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' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 12th day of April, 2013.



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