BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of: DOCKET NO. 20170215-EU

REVIEW OF ELECTRIC UTILITY
HURRICANE PREPAREDNESS AND
RESTORATION ACTIONS.

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PROCEEDINGS: ELECTRIC UTILITY HURRICANE WORKSHOP
COMMISSIONERS: CHAIRMAN ART GRAHAM
PARTICIPATING: COMMISSIONER JULIE I. BROWN
COMMISSIONER DONALD J. POLMANN
COMMISSIONER GARY F. CLARK
COMMISSIONER ANDREW G. FAY

DATE: Thursday, May 3, 2018
TIME: Commenced: 9:30 a.m.
Concluded: 12:40 p.m.

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

REPORTED BY: DEBRA R. KRICK
Court Reporter

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EXHIBITS

NUMBER:  ID  ADMITTED
COMMISSIONER BROWN: Good morning, everyone.

Today is day two of our Hurricane Preparedness and Restoration Workshop. The time is 9:30, and it's May 3rd, 2018.

Staff, can you please read the notice?

MS. GERVASI: Pursuant to notice, this time and place has been set for a Commission workshop in Docket No. 20170215-EU, Review of Electric Utility Hurricane Preparedness and Restoration Actions.

COMMISSIONER BROWN: Thank you.

And happy birthday to Laura King today. I love to embarrass her.

Today is day two of our two-day workshop to review the electric utility storm preparedness plans and restoration activities and their -- and their service to customers.

This review gives us an opportunity to explore the potential to further minimize infrastructure damage, resulting outages and recovery times to customers in the future. It also gives us the opportunity to critically assess the Commission's policies and procedures for improvements and
Yesterday, we heard from the utilities. In today's workshop, we will hear from a number of nonutility organizations who represent utility customers. And we look forward to engage in a very informal dialogue with you all in order to gain a better understanding of your hurricane experiences and identify future opportunities for Commission action.

At this time, we are opening up comment to the public. If there is anybody in the public that would like to address the Commission, now is your opportunity to do so.

Seeing none, we will go ahead now and move into the presentations by the nonutility organizations. We are going to -- this is the order that we will do it in: Office of Public Counsel; Florida Industrial Power Users Group; Florida Retail Federation; City of Dunedin; Rick Mauldin from the St. Johns County, as well as Council Member Troy Avera with the City of Monticello.

And welcome all. It's very informal.

Commissioners, again, as yesterday, please feel free to ask questions. Just let me know and we
will proceed.

So welcome, J.R.

MR. KELLY: Good morning, Madam Chair, Mr. Chair, and Commissioners.

I am J.R. Kelly with the Florida Office of Public Counsel, and I have very brief remarks to say this morning.

As we are all aware, the 2017 hurricane season caused billions of dollars of damage to Florida's utility ratepayers in the electrical system. And as you have heard, the investor-owned utilities worked hard to bring speedy restoration of power to those affected by those severe storms.

Since the mid-2000s utilities have spent billions of dollars attempting to improve and harden the electrical grid, and adapting procedures to meet new challenges post-storm. There is just a few things we would like to note for the record today regarding the money the utilities invested in hardening the grid, as well as tree trimming efforts.

Number one: Since the mid-2000s, money for storm hardening and tree trimming activities have been included in the utility's base rates; thus, ratepayers have paid, and are continuing to pay
today, for storm hardening activities. Whether the
IOUs spend that money prudently is going to be a
question for this Commission to resolve.

Number two: In the upcoming storm cost
recovery dockets, we believe it is absolutely
imperative for the Commission to review whether the
money included in base rates over the years for
storm hardening activities was spent on appropriate
hardening activities, or did the IOUs spend that
money elsewhere on non-storm related issues?

Three: Utility ratepayers and the Legislature
have a right to know how the ratepayers' money has
been spent.

Four: It is imperative for the Commission in
storm cost recovery dockets to review what
equipment failed and why it failed. Was the
equipment failure exacerbated due to lack -- to
action or lack thereof by the utility of the storm
hardening efforts.

Five: As you are also aware, each of the IOUs
has a storm reserve fund that provides them the
ability to pay for storm damage costs incremental
to costs already included in base rates.

It is important for the Commission, when
reviewing the reasonableness of Irma storm costs
charged against the storm reserves, that the IOUs include justification for all costs that have been charged against their storm reserve no matter which storm it was charged to.

Six: Operational failures by customer service in the communication systems that are paid for by customers needs to be explored by the Commission.

In conclusion, regardless of the storm hardening activities, many Floridians lost power, and many lost power for an excessive number of days, as evidenced by the hundreds of complaints and comments filed with the Commission. This number does not necessarily include the customers who complained directly to the utilities themselves.

We all know that as long as there are trees in Florida, and severe weather events, whether it's thunderstorms, tornadoes, hurricanes, ice storms, et cetera, there will be electrical outages. Given this fact of life in Florida, the IOUs should make reasonable target investments where the benefits exceed the cost in storm hardening investments and effective tree trimming activities, which are both already included in utility base rates through robust allowances previously allowed for recovery,
along with the flexibility afford by the settlement agreements.

Thank you for the opportunity to address you this morning to present our comments on behalf of the customers.

COMMISSIONER BROWN: Thank you, J.R.

Chairman Graham.

CHAIRMAN GRAHAM: Thank you. J.R., can you repeat your number six?

MR. KELLY: Yes, sir.

Operational failures by customer service and communication systems paid for by customers needs to be explored by the Commission.

CHAIRMAN GRAHAM: What do you mean by operational failures?

MR. KELLY: I think we heard yesterday, and there have been -- they were both complaints received in my office, I believe received by the Commission, where, post-storm, customers contacted the utilities and either received incorrect messages, or were unable to get through because of either the utility systems crashed.

I believe our office, and I believe it was also in the complaints filed with your office, there were some instances where customers were
told, yes, your power is back on. They checked out of their hotels, went back to their home, only to find their power had never been on. And at that point in time, they were stranded, because they couldn't go back to the hotels.

So those are the operational failures that I was referring to.

CHAIRMAN GRAHAM: Thank you.

MR. KELLY: Yes, sir.

COMMISSIONER BROWN: Thank you.

Commissioners, any other questions of Mr. Kelly?

Yes, Commissioner Polmann.

COMMISSIONER POLMANN: Thank you, Madam Chairman.

About morning, Mr. Kelly.

MR. KELLY: Good morning.

COMMISSIONER POLMANN: I'm not quite sure what number on your list. It may have been number two, but the phrase you had used, if I heard you correctly, was "over the years." And I think this was in regard to an annual review. This had to do with review of prudency of expenditures. I don't know if you can find in that phrasing there.

Could you look back at that and remind me
where you were? I am sorry, I didn't --

MR. KELLY: That's all right.

COMMISSIONER POLMANN: -- catch all the -- all the words there. I just wanted to go back to that item.

MR. KELLY: I'm not exactly sure which one you are referring to. I apologize, Commissioner. Are you talking about the charges against the storm reserve?

COMMISSIONER POLMANN: It could be. The point being that there is a -- and I think your point, maybe you can clarify it for me -- there is an ongoing charge to the customers, and we have an annual process of reviewing the request from the utilities. And if I understood your point, and maybe I didn't --

MR. KELLY: Sure.

COMMISSIONER POLMANN: -- was, you were asking the Commission to look at prior years and how they have used the money that customers have -- have contributed.

MR. KELLY: Yes. I think there are two points.

Well, first off, the annual review, unless I am mistaken, is not to review how much is being
paid in current rates. The -- I believe, and I
will let staff correct me, the annual reviews that
the Commission has done for storm hardening is for
the utilities, and the questions are changed from
year to year, to come in and explain what
activities they have engaged in over the past year,
where they are in their goal -- meeting their goals
for any -- for example, tree trimming, if they are
on a five-year goal, three-year -- excuse me,
five-year plan, three-year plan, whatever, there is
no review of the monies that have been spent
because the monies that are being paid in to rates,
that is reviewed when there is a rate case or a
docket that sets the rates for the utility.

So -- but what my point is, is included in the
rates that the -- that the ratepayers are paying --
and this has been true, I believe since -- well,
post 2004, 2005 hurricane season. Included in the
rates have been expenses that the utilities have
included for storm hardening activities.

And my point was, is that there need -- we
need to make sure how that money has been spent.
Was it spent prudently? Was it spent for storm
hardening activities? Or was it spent for norm
storm related events.
The second point that I was making is that each of the utilities have what they call the storm reserve fund.

COMMISSIONER POLMANN: Yes.

MR. KELLY: And you know what that is. It's to be used to pay for storm costs. Well, that's for extraordinary storm costs. That's -- that's not for the ongoing normal hardening events, because that money is being paid in the current base rates that ratepayers are paying.

So my point was, whenever you have a storm cost recovery docket, as we are going to have this year, we will have two or three in Irma, our point that we want to make sure of any monies that have been charged against the storm reserve, the utilities are going to come in and have a right to, under the settlement agreements, to replenish those storm reserves. We want to make sure that the money that was taken out of those reserves was spent prudently and reasonably only for the purposes of which the storm reserve fund was established.

COMMISSIONER POLMANN: Understood.

I think what I was trying to understand is if you had suggestions on how we might change a
process, or look differently at multiple years in
the past compared to year-by-year. And I was -- I
was focusing on your use of the term "over the
years." And I am not sure that we can do that, or
how we might do that. And I understand that, you
know, there are certain things we look at every
year --

MR. KELLY: Yes, sir.

COMMISSIONER POLMANN: -- certain things we
look at on a three- to five-year periods, and so
forth. And some of that is planning. Some of that
is actual review of expenditures. Some is
auditing. Some is surveillance, and so forth. I
may not be using exactly the right words for each
and every process --

MR. KELLY: Yes, sir.

COMMISSIONER POLMANN: -- but if you have
specific suggestions that -- that can be reviewed
with staff, and counsel, and so forth, I think that
would be helpful to us. I understand we are just
here in a dialogue workshop.

MR. KELLY: Yes, sir, and I understand your
question now. I apologize earlier.

I don't have a specific suggestion today. I
will give it some thought, and I can --
COMMISSIONER POLMANN: Not sitting here at the moment, but that's what I am hearing, is I am wondering if you can think something specific that would be helpful to our going forward.

MR. KELLY: Yes, sir. No, I got you.

Bottom line is what you are getting at is a review of the -- the amount of rates applicable to storm hardening activities, how it was spent, and is there a way to review that on a yearly basis, or some other mechanism? And I -- right now, I don't have a specific suggestion, but, yes, sir, I will give it some thought.

COMMISSIONER POLMANN: And it may well be the hardening -- there was a lot of discussion yesterday about vegetation management, and, you know, there is all of these things that are mentioned, and I am trying to distinguish between funds here, in the base rate, and annual costs, and this, that and the other thing.

And if you have any thoughts on -- of course you have thoughts on all of those, share them with staff.

MR. KELLY: Yes, sir. I got you.

COMMISSIONER POLMANN: I just want to make sure that we are all on the same page about how we
do things, and if you have a suggestion on an improvement on process.

MR. KELLY: Yes, sir.

COMMISSIONER POLMANN: Thank you, sir.

MR. KELLY: Yes, sir.

COMMISSIONER BROWN: Thank you, Commissioner Polmann.

Commissioner Clark.

COMMISSIONER CLARK: Thank you.

Mr. Kelly, just kind of following on to Mr. Polmann's line of questions. Specifically, when we look at prudence in terms of going back and looking at the costs that are recovered for hardening, hardening costs, are there specific things that you think this Commission should be looking out for that would not be considered hardening activities that would be normal utility operations?

One of the things we mentioned yesterday was enhanced sectionalizing for the utility companies. That's something that could normally be considered a regular utility expenditure. Sectionalizing is not necessarily in the utility's advantage, but it is to the customers advantage.

Are those the kind of things that you are suggesting that we look for in terms of what are
allocated to storm hardening costs versus what's kept in the base rates?

MR. KELLY: I am not exactly sure, because I don't know exactly what would go into the type of expense that you have just referenced.

You know, when the -- when the utilities file their rate cases, they identify certain amounts specifically for -- with tree trimming, whatever for storm hardening, pole inspections, et cetera.

My point is that if a utility is -- is -- you know, they file a rate case, and they are identifying certain amounts that go into their rates that the ratepayers are responsible for paying, we want to ensure that those monies are being spent in that fashion.

Does that mean to the exact penny? No. I mean, we understand it could be some fluctuations, you know, from year to year; but by and large, are the monies being spent the way they should?

It's hard for me to answer the question you are talking about because you are right. I mean, there is different ways to classify different expenses. Accountants do it all the time, but -- I mean -- and I think that that would be part of the process that you would go through as a panel in
deciding, okay, Kelly Utilities spent X number of dollars on these activities. Are they truly some type of storm hardening, you know, activity, or is it something that is absolutely not?

COMMISSIONER CLARK: And I think, Mr. Kelly, that's exactly the point, is we are trying to -- we are trying to come up with exactly where you approach the balance line between reliability and cost. I mean, that's what we are trying to get to.

There are certain things I think we are all aware that we could do, but it's not a prudent expenditure. I mean, as we -- as we put lines underground, we could bury them in concrete. Maybe that would be a storm hardening process as well, but it's not cost-effective.

And I am looking for, are there any specific things that you have identified that the utilities have spent on storm hardening that this Commission needs to be more cognizant of, or take a firmer look at?

MR. KELLY: Got you.

Not today. As you know, we've been conducting discovery and we will continue to conduct discovery, and a lot of these things hopefully will come to light in the storm cost recovery dockets.
I don't have any specific examples or activities that I could identify to you today. No, sir.

COMMISSIONER CLARK: I am going to put you on the spot on this last one in regards to our position with revising or encouraging the revision of right-of-way maintenance policies through the state. How does OPC feel about supporting an initiative that would give enhanced powers to the utilities to maintain right-of-way?

MR. KELLY: It's an easy answer for me. I do not get involved in lobbying legislation. I was told -- I was told when --

COMMISSIONER CLARK: I tried.

MR. KELLY: -- I was appointed to this position. The question was asked of me by a Senator, said, Mr. Kelly, do you see your office is, you're supposed to lobby the Legislature since you work for all of us? And I said, no, ma'am. I said, I work for you, and my job is to provide you information, and answer any of your questions, but I was told in no uncertain terms, you are not to lobby. So it -- it's actually an easy answer for me.

COMMISSIONER CLARK: Thank you.

MR. KELLY: Yes, sir.
COMMISSIONER BROWN: Thank you, Commissioner Clark.

Mr. Kelly, focusing solely on Irma, and not the overall storm hardening mechanism that it is in place for the different utilities, what is your office -- the primary amount of complaints that your office received post Irma regarding restoration efforts?

MR. KELLY: Well, most of them went to the Public Service Commission, because we -- we directed consumers to file here. A lot of them dealt with communication, non-communication or incorrect communication.

Obviously, we got a lot of complaints about my power has been off for X number of days, and so forth. And, you know -- and I tried to explain -- I will tell you, in my office, I take the calls. I don't -- I answer the customers when they call my office. I don't put it off to the attorneys and staff. I take them all.

And I tried to explain to many customers is that it may not be the fault of the utility that their power is off for extended number -- or what the consumer believes is an extended number of days, because there are things that obviously I did
not have at my disposal. Some of the things that were talked about yesterday, trees being down and crews not being able to get across a bridge, get to a neighborhood. Also, the critical structures, I mean, you know, it all -- at the answer of, is it more important to get a hospital up or so and so's house up? It depends on who you ask.

COMMISSIONER BROWN: I mean, so much of it is education and public awareness.

MR. KELLY: Absolutely.

COMMISSIONER BROWN: And so with that regard, explaining those on behalf of all Floridians is helpful from our perspective, from my perspective.

So do you have -- we heard some suggestions and some mechanisms that utilities are putting in place to address communication yesterday. Is there something that you suggest would be helpful for us to consider moving forward?

MR. KELLY: I do not have any specifics today, Madam Chair. Those are things that we are going to have to look at. And you know, I mean, as I mention in my remarks, we obviously have to keep focusing on storm hardening activities, but we also have to keep focus on do the benefits exceed the cost? I mean, that's key.
I mean, as Commissioner Clark said, we could go and underground every line and encase it in concrete, but that might cost $20 billion. Well, then you would have to decide, is that benefit exceeding the cost?

So I don't have specifics today. And I think, you know, unfortunately, a lot of times when you -- when you are looking at storm related events, we are looking at it post-storm, because we don't know what will fail. And I think the utilities will tell you the same thing. They hope everything works as it's supposed to work, but as we've -- we heard some yesterday, and I have read the newspaper accounts, I don't have the evidence yet, that some of the databases crashed, or where people were trying to call in and they couldn't.

And the utilities, I think, indicated yesterday that they've addressed those. I believe it was Florida Power & Light stated that they've now upgraded, or whatever the right word is, their IT system where they can handle way more than just the volume they received during Irma.

And -- I mean, I think that that's -- those are the things that we are going to have to look at. But you are not going to know if it works
until it's -- until the system is challenged.

COMMISSIONER BROWN: Well, and listening to
some of your comments that you made, and your
dialogue with Commissioner Polmann regarding an
annual review of hardening costs, you know, and
some of these utility settlement agreements that
Office of Public Counsel was a signatory, there
isn't a storm accrual, OPC argued to discontinue
the storm accrual. And we will address that, of
course, when we get to the different docket
addressing cost recovery.

Is your opinion, though, still that the storm
accruals for the utilities should not be increased?

MR. KELLY: We did not, in all cases, argue
that a storm reserve should be discontinued. As a
result of some of the settlements reached, which as
y'all know is a give and take, some of the
utilities agreed not to continue with any storm
cost accrual out of the current rates. That did
not mean they didn't already have a storm reserve.

In addition, from the customer's standpoint,
we agreed, and I think we started in 2009 or 2010
with a settlement, and I can't remember if it was
with Progress Energy at that time, or Florida Power
& Light, we put together a mechanism that has been
carried forward to the current settlements to give
the utilities the ability to come in, and within 60
days of filing, to start a surcharge, okay. That
was -- that's a give.

COMMISSIONER BROWN: Do you think that's -- do
you think that is a better way to address storm
cost recovery?

MR. KELLY: I will certainly say,
Commissioner, that I signed the agreement; and in
the give and take of all the agreement, yes, ma'am,
I agreed to that, and I stand behind every term in
the settlement agreement. I am not going to pick
any apart. That's -- you know, I agreed to the
settlements, and I stand behind every one of them
that have my signature today.

But the mechanism there was put in place to
give the utilities the ability to go and start a
surcharge within 60 days. And the quid pro quo of
that was a couple of things:

One, they didn't have to go out and borrow
emergency funds -- or excuse me, funds on an
emergency basis, which normally means a higher
interest rates that they are being charged, which
where they flow down to the ratepayer. So that was
one quid pro quo.
And the other one is, the utilities agreed that they would then have a filing, and we would have the opportunity, the intervenors would have the opportunity to review and challenge any of those areas that we thought were not reasonable or prudent.

I -- I -- I don't -- I see no fault in that process.

COMMISSIONER BROWN: Okay. All right. Thank you. And we will get into more of that during the cost recovery dockets coming up.

MR. KELLY: Yes, ma'am.

COMMISSIONER BROWN: Commissioners, any other questions?

Thank you, Mr. Kelly.

MR. KELLY: Thank you.

COMMISSIONER BROWN: Mr. Moyle, good morning.

MR. MOYLE: Good morning. And thank you for the opportunity to share some thoughts and comments with y'all today.

I would like to -- I would like to start by, on behalf of the Florida Industrial Power Users Group, FIPUG, my client, thank the utilities for the effort that they showed post-storm, post Irma. It's a stressful environment. It -- it -- I, many
years ago, was involved with Hurricane Andrew recovery reliefs when I was working in state government, and it's a -- it's a tough situation when a big storm comes in and the -- the utilities, on behalf of FIPUG members, were responsive.

I hear anecdotal information, but that, for the most part, the FIPUG members were pleased with the communication. They have customer service reps, and a lot of them are very big businesses with a lot of employees, and obviously hospitals, nursing homes, things like that need first and foremost attention; but that the information flow, the communication flow, based on what I am being told, was -- was positive, and efforts to restore power were positive.

So -- so a tough situation, I wanted to start by -- by thanking the utilities for their efforts to restore power to -- to the FIPUG members.

Also, Madam Chair, I wanted to -- wanted to thank the Commission for having -- having this workshop. You know, it's two days. And yesterday I thought was -- was very useful information being shared, a lot of good questions and answers. And today, I hope, will continue along that path.

Obviously, the people speaking today have a
slightly different role in this -- in this process.
And I want to note there's been discussion about,
well, really -- really this is a cost benefit
analysis the example of putting concrete and
undergrounding poles through concrete, and that's a
clear one; like, that cost is way in excess of
any -- of any benefit.

Yesterday you heard quite a bit about -- about
the benefits, and there was not much about the
cost. And -- and -- and I think the costs are an
important component.

We've heard -- and I saw a news report that
said billions and billions of dollars have been
spent on storm hardening in the past decades.
And -- and one of the things, in my mind anyway,
that I thought was important and I hope -- I hope
will -- will get addressed either in subsequent
discussions is shortly after the storms, the
Legislature had a -- had a session, as you know,
that started this year in January, and they had
committee meetings.

But in the Senate committee, Senator Bean, I
think Mark Futrell and some other staff members
were -- were asked to make a presentation on -- on
hurricanes, and the cost recovery and Senator Bean
framed, I think, a very good question, which he
said, did the -- did the consumers get their
money's worth from storm hardening? And the
response was that -- that's a good question, but
it's not an easy question to answer; and we are in
the process of getting that data, collecting data,
we are going to analyze that data, and we will
presumably get back to Senator Bean at some point
to be able to say, yes, no, it's more complicated
than yes, no.

But -- but I think that question, I would be
surprised if he did not ask it again when -- when
the Legislature convenes. And it's -- it's an
important question because my clients, and other
customers, we are the -- we are the payors. You
know, we are the ones who pay for this.

And that -- that question, I think, is one
that I would encourage the Commission to dig into a
little bit -- a little bit harder to ask the
utilities and staff to spend some time looking at
the cost part of the equation with respect to cost
benefit.

And obviously there is going to be some
judgment calls that, you know, that have to be made
in there. I was sharing an anecdotal story
yesterday with staff that, you know, Tallahassee has a lot of trees. The trees come down, sometimes you are without power. I know some people who have said, you know, I am tired of not having power for two or three days, and they go out and get these fancy generator systems that come on, like, in 15 seconds, and off you go. And that -- that's a personal choice. The Moyle family is parsimonious, and we said, we will be okay without electricity for a few days, and we don't need that generator.

But -- but that's a bit of a microcosm, in my judgment, as to decisions that you all have to make collectively for the state, to say -- I heard yesterday FPL said that they are -- are -- for the poles they are putting in, every -- every pole is, I forget the exact term, but it was the top level wind resistant pole. And I suspect that they are, you know, good, average, best on those poles.

And, you know, that may be a judgment, but that's something if -- if you look at it, and the top level pole withstands winds of 150 and costs twice as much as the medium level pole, and the medium level pole withstands winds of 130, you know, you may say, well how many -- how many storms have we had that have been over 130, and it's,
like, you know, one or two. You may say, well, maybe we go with the medium level pole as compared to not.

And I am not an expert on this. I am -- I am just throwing that out. But those are the types of issues and questions that I think that, you know, this Commission will -- will need to look at and make judgments about as to, okay, what -- what -- what is the cost benefit analysis?

And again, I think that -- that -- that we are -- that more can be done, you know, on cost. And I think, you know, this Commission is -- is -- is a body that has the resources to look at that. I suspect that -- that Senator Bean and in the House and others, they may look at it.

And interestingly, I saw a news report the other day that said that there is a class action that has been filed against a utility that is alleging that the cost -- hurricane costs were collected but then not spent on hurricane expenditures, and that class action survived a motion to dismiss. So, at least at this point, it looks like there may be some more questions asked and some discovery.

So I think the Senator Bean question is an
important one; you know, did ratepayers get their
money's worth? And I think that that warrants
further consideration in a -- in a response, and
that would be one of my -- one of my
recommendations.

With -- with respect to, you know, making a
cost-effectiveness determination, I have been
fortunate to have been in a lot of proceedings
where cost-effectiveness is something that this
Commission considers. When utilities are in for a
new power plant, they show that it needs to be
cost-effective. When they are considering buying
out purchase power contracts, you know, you all are
presented with information, is it cost-effective?
The solar projects that are part of some of these
settlement agreements, you know, there is
cost-effectiveness.

So cost-effectiveness is -- you know, is right
in your sweet spot, and I would recommend that when
looking at these hurricane expenditures, that you
don't just look at the utility benefits, you know,
it's almost a tautology; if you -- if you put more
into hardening, that's going to be better than
less -- less hard stuff. And that's what we heard
yesterday. Yeah, storm hardening has worked -- is
working.

But Mr. Ballinger had a quote from one of his presentations yesterday, and I wrote it down, and if I could, I just wanted to read it to you.

He said: On a macro level, hardened structures outperform non-hardened structures, paren, i.e., fewer poles replaced than Wilma restoration, but granular quantitative data is somewhat lacking.

So as mentioned, yes, if you harden, you would think it would do better than not hardening. And I know, Commissioner Polmann, you had a question as to exactly what is hardening. And I don't know that there is a clear bright line as to what it is.

But you all make decisions, and I think should make them with good -- good data, and you know, staff is saying that -- that quantitative data is somewhat lacking. I don't know why that is. Utilities are pretty good about -- about measuring things and having data, so I don't know if that was -- you know, why that was. In my mind, anyway, that's a question. Why -- why is that data lacking?

Another point he made was, yes, let's improve reliability, but, you know, but minimize the rate
impact. And I would underscore that on behalf of FIPUG members. You know, my clients are involved in businesses that oftentimes are competing in markets, state markets, national markets, international markets, so, you know, so the rate impact is very significant.

We -- we -- we surely are not seeking concrete buried undergrounding; or if that is the case, the person who is asking for that should -- should pay for it, right.

So a couple of recommendations, and I wanted to give you, two, Commissioner Clark, because you asked for -- asked for two, and one I have spent some time talking about.

But the first one would be seek and oversee information related to the cost side of the equation. You know, namely are ratepayers getting their money's worth from storm hardening? And I think that more work should be -- should be done on that critical question.

And the second one is, if hardening is working well, which I think the evidence is that it is working well based on what the utilities presented, when the time is right, and that may be in a rate case, or whenever the time is right, give
consideration to making a downward adjustment in money that is in the hurricane reserves.

And, Commissioner Brown, you had asked Mr. Kelly kind of a question about that. And we also have signed some settlement agreements, not all of them, but we support what we agreed to, and aren't asking to change that; but I thought your question was more on a broader policy basis to say, what do you think?

And unlike Mr. Kelly, I am able to express views and opinions on behalf of my client, and can lobby the Legislature, so I will wade in on that and say that I think that the premise of hardening is you're making improvements so that when a storm does hit, you won't have as much damage; you won't have as much work to do, and the system will be restored sooner, quicker and presumably with less expenditures. And it -- that -- that, I believe, is the case. I think in dockets, we've had hurricane experts suggest that. Yeah, you harden it. You build it, if it's at 90 miles an hour now and you build it to 120, you are going to be better.

And so I think there is probably a good case that with the increased expenditures on storm
hardening, the need for the reserve dollars should be diminished. Now, to what degree, that's probably a subject of discussion. But -- but I surely don't think that, with the storm hardening and the expected improvements, that you should spend more money necessarily on -- on the storm reserve fund.

A few recommendations, and some of this was just based on -- on listening yesterday; but, Commissioner Graham, your -- your -- your team Florida comment, I thought -- I thought was a good one. You know, Florida first should be something that I would suggest you all consider with respect to mutual aid.

When a storm hits, it seems to me that utilities in Florida should, first and foremost, look to help each other before, you know, going and pulling in crews from Oklahoma, or wherever, just because they happen to be part of a, you know, of an organization.

I know one of the utilities said there is a southeast organization that goes all the way to Texas. I was thinking, from a reliability standpoint, we have the Florida Reliability Council that broke apart from the southeastern group and
said, you know, we are going to look at reliability as a Florida only item; logically it follows, in my mind, that we should -- we should also say, well, for storm mutual aid, we should first look to Florida utility companies to provide assistance.

I understand some storms may impact them all, and that might not work, but sometimes that doesn't happen. You know, Gulf didn't have anything with Irma. But I would think that, as a recommendation, you all should consider nudging forward a Florida -- a Florida first arrangement, where utilities -- and I heard the discussion about munis and coops, but I would think all utilities should -- should try to work together and say, we are going to help each other first. We are going to help our neighbors first and foremost before you're going out and pulling in crews from outside of the state.

And ultimately, one of the commentators yesterday said, yeah, it costs more money to bring in crews from Oklahoma, because the hotels, and the transportation, and all of that ultimately is moneys that my clients, and other customers, will have to pay. So you know, not only, in my judgment, is it the right thing to do as a good
neighbor policy, but it would save -- save money.

So that's a recommendation in a team Florida, Florida first with respect to mutual aid.

Secondly, the mutual aid agreements, someone used the phrase yesterday that now is the time to do it. It's peacetime. We don't have a storm bearing down on us. Let's -- let's get those agreements in place. And I think the Commission could facilitate that.

You all have, I would argue, broad powers with respect to providing a reliable grid, and -- and I think if you said, we would like to see mutual aid agreements developed and reviewed, you know, the utilities, I would be very surprised if they said, well, we don't think you have the authority to do that. I think they want to work with you, and the question of jurisdiction, I would be surprised if it were raised, if you all, in your good offices, raised that question and said, let's really try to focus on that, can you put together some mutual aid agreements.

I understand there is lawyers that need to get involved and it's not the easiest thing, but I would recommend that -- that you send a signal about let's get these mutual aid agreements in
place.

Undergrounding versus overhead. I -- I think that the -- that's something that needs to be looked at very closely. Thinking long-term, on behalf of FIPUG members, 20 years from now, when I am -- when I'm probably not so fortunate to be representing them, but someone else is, it would be very disheartening if we now were saying, well, this rumor turned out to be true, and we are going to have to take all the stuff that we put underground, because of the rising sea levels, and pull it out from underground. We are going to have to put it overhead, and here's the cost of that and it's a big number.

And I think the forward-thinking needs to be, let's take a serious look at this, and before we start undergrounding everything, see what the projected sea levels are, and there are scientists that have that information, but I think that point was discussed yesterday.

And, Commissioner Polmann, I used to live in Miami, and went back many years ago. And I can tell you, Miami Beach had saltwater in the streets the last time I was -- I was there, so maybe dispel that rumor a little bit with respect to Miami
Beach. Yeah.

The tree trimming issue. To me, there was a lot of discussion on tree trimming. It seems there was a pretty good level of variability between what the utilities are doing with respect to tree trimming. And -- and that -- yesterday, people said, yeah, trees are a problem. Trees are a problem. But then also there was a note that the tree trimming cycle is between three and six years.

Well, that's a pretty big gap. I mean, if you do it every three years, then, obviously, you are going to have a lot better management of your -- of your vegetative risk than if you do it every six years. And I don't know if that's something that might make some sense for the Commission to look at in a rule-making proceeding, or -- or however is best; but that seems to me, given the testimony and the comments about -- about trees being a problem, to be a pretty big -- pretty big gap.

There was -- there was some discussion, and FIPUG has made this point before yesterday about the cooperatives said, well, we get reimbursed by FEMA, so sometimes when we are asking IOUs to help, there is some paperwork issues because we want -- we want to get reimbursed by FEMA.
FIPUG has maintained that the current system with respect to paying for storm damage is something that warrants review. You all probably don't have jurisdiction with it, but -- but could consider sending a message to our friends from Florida who serve in Congress that -- that it really doesn't make a lot of sense for a ratepayer who resides in the City of Lakeworth, which is a muni. The City of Lakeworth gets hammered by a storm. There is a lot of cost involved, and that ratepayer does not have to pay for those costs because FEMA is coming in and reimbursing that municipality, because a municipality has the ability to get reimbursed by FEMA. But a municipality, or a co-op, they don't pay federal taxes.

But if you live in West Palm Beach, you are an FPL customer, and that storm hits, and you have a lot of damage, and then FPL comes in and asks this Commission to approve -- approve the cost. Well, FPL is paying a lot of taxes. If I live in West Palm, I am paying my income taxes, and all of a sudden I -- I am getting hit with -- with the cost for a storm. It seems that there is a pretty disparate treatment there. And I have heard people
say, well, the difference is because one is a
dprivate company and one is a governmental entity.
But when you think about the flow of dollars, the
private companies pay taxes and are contributing,
and the others are not.

So that's something that I know that's a
big -- a big issue, and a big ask; but when
Congress is looking at this, or there is a storm
event, I think that's something that warrants some
further consideration.

And then -- and then I am going to get into a
detail here, but a recommendation, it seems to me
that -- that there should be a focus on -- on
transmission hardening as a priority compared to
hardening distribution. And I would refer you to
two -- two documents that I think support this
point.

In the TECO presentation, on page 15, they --
it's entitled Preparation and Restoration, Irma
Performance of Hardened Versus Non-Hardened
Facilities. And then the first bullet point is
transmission, and -- and it says: Over 25,000
transmission structures, approximately 40 percent
steel, 40 percent concrete and 20 percent wood.
And then at the next bullet point, it says: 10
structures failed, all non-hardened wood.

So with -- with the transmission, even though it is -- the wood is only 20 percent of the system, that's where TECO, if I am reading this correctly, had all the problems, on the wooden transmission poles.

And transmission, when transmission goes down, as I understand it, that's a big deal, because, you know, that is feeding into stuff and can have some serious ramifications.

And then if you -- if you take -- take a look at FPL's presentation on page seven, they talk about infrastructure hardening transmission, and they are saying --

COMMISSIONER BROWN: Which bullet point is that?

MR. MOYLE: This is on page seven, and I am focusing on the middle bullet point, replacing all wood structures.

COMMISSIONER BROWN: Okay.

MR. MOYLE: So I think -- I think FPL is saying, yeah, we got to get rid of these wood structures given what -- what happened in TECO, or probably what they've experienced; but the thing that caught my eye was, 90 percent of the
structures are now steel and concrete, so they have
10 percent remaining to be replaced, but it doesn't
look like those are going to be replaced until
2022, which seems to me to be like a long time
frame to replace 10 percent of the transmission.

And I don't know the numbers. They may have a
whole lot of an answer, and there is a ton of
transmission wooden poles. But -- but given, you
know, the risk and the storms, it seems to me
that's a long period of time to go to 2022 to
replace 10 percent of wooden poles that TECO has
identified is the only transmission structures
that -- that failed.

So as a recommendation, we would recommend
that you look at setting the priority on replacing
wooden transmission poles sooner than later.

And again, the -- the -- Commissioner Fay, I
think the drones are saving money rather than
flying helicopters, so we are onboard with the
drones on that.

But thank you all -- thank you all for letting
me share some comments. I probably went over my 10
minutes, but I think it was --

COMMISSIONER BROWN: Just a little bit. Just
a little.
MR. MOYLE: I appreciate the informal nature of it, and -- and letting me share some thoughts.

COMMISSIONER BROWN: Thank you, Mr. Moyle.

Excellent presentation. I appreciate the recommendations. You made some really cogent points, and especially the FEMA one, which I full wholeheartedly support and share the same sentiment as you do.

Commissioners have a few comments and questions.

Commissioner Clark.

COMMISSIONER CLARK: Yeah. Thank you, Mr. Moyle. Appreciate the comments as well. A couple of questions in terms of specifically your clients. Do -- how did they -- how did your clients fair in terms of reliability during the storm?

MR. MOYLE: Yeah, so -- so it kind of varies. I mean, we have a wide group of clients, and they are located throughout the state. So you know, ones in the Panhandle didn't really have much to -- much to worry about. Ones -- ones in South Florida had -- had a little more of a challenge. Some are in Miami, and Miami was more severely hit.

Some of the clients are involved in phosphate operations, and they have the ability to produce
some of their own power, but they need power from
electric companies. And so that line of
communication, I think, was solid.

And, you know, people recognize, a storm hits
and you are down, you are going to have -- you are
going to have a period of time where you are not
operational, and -- and -- but I -- I didn't hear
any -- anybody yelling and screaming saying, you
know, we are at a week, we are at two weeks. I
think the restoration efforts were pretty --

COMMISSIONER CLARK: Do your clients mostly
take transmission level voltage for service as
industrial users, their transmission --

MR. MOYLE: A lot of them do; not all of them,
but a lot of them do.

COMMISSIONER CLARK: You are more affected by
the transmission --

MR. MOYLE: That's right.

COMMISSIONER CLARK: -- challenges than the
distribution?

MR. MOYLE: That's right. That's right,
because a lot of them take it at transmission.

COMMISSIONER CLARK: And so that was kind of
where my question was going. Do you think the
utility companies -- and your last point was we
should be focusing on the transmission side. I don't disagree with you at all. But do you think that enough investment has been made on that side? Have we done some of the improvements that need to be done on that, or have we focused too much on the distribution on the substation downside?

MR. MOYLE: That's a good question. I don't know -- I don't know that other than some anecdotal information, that I would be able to give you a good cogent answer on that.

You know, I do think, from the pieces of information, that if I understand transmission, it's kind of the backbone, and the feeder, and that that's important. You know, my clients do pull off of that, and a lot of them pull off of that directly.

So, you know, again, I saw the FPL and the TECO stuff, it just kind of caught my eye with respect to the wooden transmission and the failures.

I did hear that -- that there were more transmission failures than maybe expected in certain utilities. And -- and so I think -- I think there may be variability with respect to your question, if all of them were to answer, what have
you done on transmission, I am not sure you would
get the same answer.

COMMISSIONER BROWN: Chairman Graham.

CHAIRMAN GRAHAM: Thank you.

This is not what my question was, but it goes
right back to what Commissioner Clark was just
saying about transmission.

I am looking at a chart from all the data
requests that came in, and it says: Top outage
causes for Hurricane Irma. And if you look at the
IOUs, they have no loss in transmission service.

Now, granted here, TECO lost a pole, but that
doesn't mean that they lost the service. And so we
need to make sure we are talking apples and apples.

And it said -- it has the coops and then
munis, and it says there is a couple of
transmission service lost there, but the IOUs, all
five of them responded, and they said there was no
loss of transmission service.

Anyway, but that wasn't my concern.

MR. MOYLE: Okay. Yeah, and that's a fair
point. And I am -- I am giving you information, I
am not -- I haven't dug in in terms of that, but
that's -- that may be a fair point. But I would
assume, you know, given the report about the
structures failing, that even if you don't lose the
transmission, that's probably not a -- not a good
thing.

CHAIRMAN GRAHAM: Well, to walk you through
kind of what your conversation, it becomes a little
problematic.

Let's just say, after the storms went through
in '05, and we do a great job of vegetation
management; and then a year goes by, two years go
by, and the conversation is, well, we did
vegetation management two years ago, do we have do
it every two years? Can we go to every three years
because we haven't had a storm? So then, you know,
maybe it goes to every three years, and then, well,
you know, we haven't had a storm now, we did it
three years ago, can we go to four years?

And the problem that runs into, well, when
that storm comes through, you know, did -- now, the
question comes down, did you do your job, you're
supposed to do your vegetation management or did
you over-perform, going back to the Aaron Bean
question, are you getting your money's worth? You
know, at some point, do you start to scale it down?
And at what point do you start to scale it back up
again?
And so it becomes a very difficult question to answer. I mean, maybe this is unfair, but you know, I have been at different conferences, and you get to see pictures of Puerto Rico, you know, fellow Americans over there and you see the damage that happens there. I can show you what zero vegetation management looks like, and, you know, you can see how long those guys were out for. And so now you are trying to figure out, are you getting your costs worth?

Well, if you are out -- if your company, and you have got large industrial customers, if they are out for a week, you know, did you get your money's worth? Or they are out for two months, did you get your money's worth? And, you know, where do you draw that line? It's very complicated to get your hands around this.

MR. MOYLE: No, I -- I agree. I think -- I -- my point -- my point is, and I have -- it seems like tree trimming may be a variable expense that there is a lot of latitude as to when and how you do it, and so there may be factors -- a variety of factors that play into the decision as to when to trim trees.

And, you know, I have heard somebody say,
yeah, well, you know, tree trimming, you can push it off, I mean, there is variability in there. And I don't -- I don't know if that's the right -- the right answer to say three to six. I do know looking at it, to say, well, you know, if a storm comes, you are go to be better off if you trimmed every three years as compared to if you trimmed every -- every six years.

And I don't know the relative cost, but to J.R. Kelly's point, if -- if tree trimming is built into rates, you know, it seems to me that the question should be, well, how often are you going to, you know, trim trees? What's the cost to trim trees? And it should be tied down firmly to say, if the judgment is, it's okay to trim trees every six years, then that's a lesser dollar amount as compared to saying, we are going to trim trees every three years.

But -- but, you know, given the variability in there, I think that has some impact on -- on what you see after a storm, because, again, we heard a lot about trees yesterday, and, you know, you got to make a judgment. But if -- if you make a judgment to say, we want utilities to trim every four years, okay, you are on a four-year cycle,
that's what you want to do. There is certainty in there. There is cost, and then you can -- you can look at it when you're auditing it, or reviewing it. And you're, like, okay, let's look at your tree trimming. Have you done the four-year cycle as compared to, you know, three -- three to six, and you are, you know, it just seems a little loose to me.

CHAIRMAN GRAHAM: Well, and give a little thought to this: If -- if we didn't have Hermine and Matthew before Irma went through, and sit back and think about some of those trees that got trimmed that fell down because of Hermine and Matthew, and the ones that got trimmed immediately after; and then imagine none of that had happened and then Irma went through, as big and as powerful that was, how much more damage we would have had if not for those two hurricanes that came prior to that.

I mean, so it's just -- I understand where you are coming from, and I agree with you. We need to look at that stuff. But it's -- it's difficult to -- to put a number to that. It's difficult to -- to say, you have done too much, or you haven't done enough.
I mean, like I said, we can go back to the
Puerto Rico example where you sit back and you say,
well, you know, did they do enough or did they not
do enough? You know, and there is a balance there.
And, you know -- and I think we are all here, and
this is why we are all given, you know, the last,
this day and yesterday, to try and figure out where
that balance is.

And, you know, and I agree with you, and I
appreciate Chairman Brown, that she put all of this
together so we can have this open dialogue and kind
of figure out where that balance is.

MR. MOYLE: Yeah. I guess to me, as a matter
of policy, it really boils down to -- to do you --
do you collectively believe it's the role of the
Commission to, through rule-making or otherwise,
say, for tree trimming, we've looked at all of the
practices throughout the country, or we've looked
at similar areas that have -- have, you know,
Mississippi, Alabama, that have growth patterns
similar to ours, and we think the best practice,
based on staff's review and everything, is to trim
every blank number of years, and that you all set
that as a matter of policy, and that's a judgment
that the Commission makes.
Or do you say, we aren't -- we don't want to get into the utility's business to that degree. We are going to let them make a decision, and we are going to suggest -- I mean, they are saying it's between three and six, and that's what they present, and we are okay with that.

So -- so, you know, I think it can go either -- either way, but, you know, you all are the Commission, and are charged with certain things, so I think it's a jump off question for y'all to consider in my judgment.

COMMISSIONER BROWN: Commissioner Fay, followed by Commissioner Polmann, followed by Commissioner Clark.

COMMISSIONER FAY: Thank you.

Thank you, Jon. I appreciate the feedback.

Can you talk a little bit -- my question goes off of Chairman Graham's comments, right. Can you talk a little bit about the expectation of your members when these storms are hitting, and the response from the utilities?

When I -- when I sift through all this data, and see, in a fairly short time, significant improvement in the ability to respond to these lines, or service that's down, I am curious how
your -- how this -- how the improvements are communicated to your membership, and then how they -- what their expectation is as far as, you know, in the next few years, what this will look like.

And I understand that it sounds like a day off the -- a day out of service is too much for them because it's -- it's part of their livelihood, but I think there does have to be some sort of expectations set, and I don't know how you communicate that.

MR. MOYLE: Sure. Sure. And a day out of service, I mean, we are not saying, oh, we got to go all the time because events happen, you know, Hurricane Andrew, they happen. So I think there is a reasonable expectation, given the facts and circumstances, that, you know, you may not have power for some period of time.

I think the expectation is, is that they receive timely information; because, again, you know, they have a lot of employees that they have to say, after you have taken care of your family, when is expected that we will be back in production, when we will come back to work.

And as I said I think in the beginning of my
remarks, when I was thanking the utilities, I think those lines of communication worked -- worked well. They have customer reps, and they said, here's what we got. We got, you know, a substation over here that -- you know, and this is a hypothetical, but I was told, yes, good communication. They told us where the problems were; when to expect to be back on line. That information helped us to communicate to our workforce when we expected to be back on line.

And my point with respect to some of them do have the ability to, you know, self-generate, and so there -- that's another factor in there, but again, they need -- they need electricity from the state's utilities, but I think the communication was good.

In terms of -- in terms of expectation is going, you know, going forward, I think -- I think to the point Mr. Kelly made is, you know, having -- having transparency, having a good understanding about what has money been spent on to date, and again, to the cost side of the equation, understanding that; and then that helps them, you know, make -- make a good judgment.

I mean, it's the Aaron Bean question, have
ratepayers, consumers been getting their money --
money's worth? And it's a hard question to answer,
but I think the more data and information that is
there will help with that judgment.

COMMISSIONER FAY: And do you think -- you
said the communication was good. Do you think
there are areas that you have recommendations for
improvement?

MR. MOYLE: Not at -- not at this time. We
are having our annual meeting coming up later this
summer, and this will be a topic on the -- on the
agenda, and I will ask the question; because again,
what I got was -- was this company, that company,
you know, that were, and when I was asking them,
how was it? And generally, the reports were
positive and favorable, that the utilities were in
touch, and having good communication.

And, you know, they understand if there is
something that's flooded, and it's not going to be
there, and you got it rework it, it's going to
take, you know, two days to rework it, okay, that's
good information. Then you can plan accordingly
and let, you know, let your workforce know, take
care of your family and your property, but we are
not expecting to be back on line until X or Y.
COMMISSIONER FAY: Okay. Great. Thank you.

COMMISSIONER BROWN: Commissioner Polmann.

COMMISSIONER POLMANN: Thank you, Madam Chairman.

Mr. Moyle, I am really impressed with all the information you brought forth. I have got more notes here than I know what to do with, so I really thank you.

MR. MOYLE: Thank you.

COMMISSIONER POLMANN: Madam Chairman, I have more questions than you are going to allow me.

COMMISSIONER BROWN: It's a free-for-all today.

COMMISSIONER POLMANN: So I am going to do my best to be brief. But I am intrigued -- and this is truly a question that I have, that everyone has, is did the consumers get their money's worth?

It's such an incredibly difficult question, and I will make the quick analogy, do you keep repairing that old car and keep it or do you buy a new one? And when you put the money in the old car and then it breaks, something else breaks, did you get your money's worth?

CHAIRMAN GRAHAM: He got to use your analogy.

COMMISSIONER POLMANN: And I make the analogy
because I keep putting money into that old car, so
now that car is worth what it cost to buy the new
car, which I refuse to do.

So that is truly an answer on its face that
any reasonable person wants to know, so everybody
wants to know that answer, and I appreciate what
the Senator is asking.

But it begs the question of, you know, what
would the customer costs have been if you had taken
a different course of action, which, of course, you
can't do. You can't go back and do something
different. So we don't have that information.

So the only way to answer that question is to
create a hypothetical, and you could create many,
many different hypotheticals, so which one do we
want to analyze?

So we are sitting here with a problem for
which we cannot get an answer, so we are stuck with
a conundrum of something took place for each of the
utilities for every place across the state, and
what if we had done something else, is the only way
to answer the question of did you get your money's
worth.

So a way to go forward is to look at the
situation, and then do an analysis of an
alternative, then the question is, how much time
and effort and expense do we want to put into that
to make an estimate of the alternative, recognizing
that it's just an estimate and that's a wrong
answer anyway.

So I really appreciate the question, because I
want to know that myself. And I know everyone, and
the consumers, and there is many people are saying,
I contributed to all of this and I didn't get my
money's worth because I was out of power for X
number of days.

It's a -- it's a real problem. I appreciate
you bringing it forward. You have cus-- you know,
you have clients that made huge contributions to
this based on their power use, so we are struggling
with that.

I want everyone to know that it's a very
difficult thing, and we are working hard and to try
to figure out what to do with that. I thank you
for putting it out there very squarely.

MR. MOYLE: Sure, and if I could just comment.

COMMISSIONER POLMANN: Yeah, please. Please.

MR. MOYLE: I recognize that what you stated
is the case. There are so many independent
variables that -- that result from a storm that
it's hard, it's not -- it's not a mathematical
equation. There is a lot of different things that,
you know, that go into it.

But my thinking is, is that that's not unlike
a whole lot of other decisions that you're asked to
make on a regular basis, where you have people
saying, I am an expert in this, here's what I think
natural gas prices are going to be. That's not
going to be --

COMMISSIONER POLMANN: Well, that's a
different question.

MR. MOYLE: You know, yeah, right.

But the point is, is that you have experts who
will come in and say, here's my best thinking on
that --

COMMISSIONER POLMANN: Of course.

MR. MOYLE: -- and then -- and then that gives
you some basis for making judgments.

And I remember, and I can't remember exactly
what utility it was, but in one of the rate cases,
there was an expert in storm damage and hurricanes,
and I think he was from California, and he came
over and he had a report, and part of the analysis,
which I think -- I think hangs together, in my
mind, is -- is just it's almost like a building
code analysis, to say if you design something at
90 miles an hour, here's what happens, if you
design at 120, here's --

COMMISSIONER POLMANN: Right.

MR. MOYLE: -- and that was used for the basis
of seeking some -- some dollars. So I think there
is a way to get informed information to try to
answer the question. Will it be right? No, but it
will be better than -- than not having the
information --

COMMISSIONER POLMANN: Understood.

MR. MOYLE: -- and, you know, I think it's
this or that.

COMMISSIONER POLMANN: And in that regard, I
think one of the things that -- that we can do, and
I would advocate for, is going through the type of
analysis that we are discussing and putting in an
effort to the point where the real value coming out
of that is how do we make the decisions about the
level of effort and the expenditures for hardening?
What is the decision process to decide, well, this
is a reasonable expense, and beyond that would be
unreasonable. And I think that's what you're
saying.

MR. MOYLE: That's right.
COMMISSIONER POLMANN: And I think it's to your point of, your words were good, better and best as to the poles for example, so --

And part of that is -- what we try to do is look at best value in the reasonableness determination. So there, it really does go beyond the data of this pole is 120 miles an hour, and this is 150, and so forth, because different people are going to look at that different ways, and say I want the best pole. It doesn't matter what it costs. And someone else is going to say, well, that's too expensive. Well, to me, too expensive might be different from you too expensive. And who decides that? Well, in principle, the Commission does; which is, in fact, what makes this job interesting and very challenging.

So the difficulty here is that the Commission changes over time; circumstances change over time; the information that we have changes over time. And again, that's truly not something that we can go back and look five years ago and say, well, did the Commission make the right decision? That -- it doesn't work that way. This is a going-forward process.

So back to the point of did the consumers get
their money's worth? Necessarily they did, because the decision was made 10 years ago, or five years ago, and that's a very, very difficult thing for the customers to understand. We can't go back and change that decision that's already been made. So -- so again, here the purpose of this workshop is, forward looking, how do we change a process? How do we change a decision-making process? What information would be more helpful to have going forward? And that's why this process is so helpful, and what you're bringing forward to us is really valuable. So I think this is a great -- a great process of input.

To the point of what selection is made, I think of it as a marginal cost analysis. If you are looking at a capital expense, or an O&M expense, what's the value of that next dollar? You're going to do something, so there is a base cost, and I would appreciate any of you having thoughts. For example, in your the industry the clients, they are always doing that analysis. We are going to invest in our equipment and machinery, and whatever the case may be. We know we need an XYZ -- I am sorry -- piece of equipment, but we can get a better one for an incremental cost. That's a
marginal cost analysis in terms of efficiency, or whatever. I am sure there is all the analogies in the utility.

So anything that can cross over from your clients operations on that marginal cost, that's the kind of thing that would be helpful to our staff is that comes back to the best value. I think that's where we can make a difference.

And to the tree trimming, it's the same thing. You know, my landscape, if I put a plant out there and it gets cold and that plant dies, that's the wrong plant. Don't come back and put that same one there. I should put something else there.

So to the tree trimming, you know, whether it's one year, or three years, or five years, I am not sure that we can take a position that everybody should be doing three years.

Do you think it would be more helpful if all the utilities came in with a plan and said, in this region, we have a specific plan there, and then, you know, we have utilities that cover 37 counties, I wouldn't want to see them have a three-year plan for everywhere.

COMMISSIONER BROWN: Commissioner Polmann, just to stop you briefly. I know that Commissioner
Clark has some questions, some follow-up questions --

COMMISSIONER POLMANN: Yeah, I knew you were going to --

COMMISSIONER BROWN: I don't want him to lose track in your diatribe, but are you -- are you wrapping it up?

COMMISSIONER POLMANN: Am I wrapping it up? I am done.

COMMISSIONER BROWN: Okay. Thank you.

Commissioner Clark. Thanks.

COMMISSIONER POLMANN: He had a point.

MR. MOYLE: I do want to comment, though.

COMMISSIONER POLMANN: I was asking him a question.

COMMISSIONER CLARK: Yeah, and in light of that, I am going to forego my line of questions. I want us to be cautious on the right-of-way issues, and we keep using tree trimming. It's bigger than tree trimming. It's a right-of-way maintenance issue. It's a direct cost. It's a variable cost that hits directly to the bottom line of the utility company.

There are a lot of -- a lot of factors that go into making right-of-way decisions, and whether
that's trimming, or spraying, and whether you are
in a one-year, or three-year, or five-year cycle,
that is usually dictated by the topography. It's
dictated by the type of vegetation that you're
trying to maintain.

So I am with you, I don't think we need to
specifically look at asking for a certain cycle by,
you know, a minimum amount of years in each cycle.
You know, you get into a drought year, we've
actually had drought years where you can skip your
tree trimming for two years. There is no growth.
There is no need to trim. You can postpone that
direct expense. So I have seen, you know,
situations that dictate, mandate other terms and
other behaviors.

I would encourage us to let's take a look at
it, and kind of tag on to Mr. Polmann's thought
process, there is, you know, maybe each of our
utilities come in and give us an IA presentation in
terms of what they are doing in terms of vegetation
maintenance, and give us a little better
understanding so we can look and see are there ways
specifically that we can help those individual
utilities do a better job and control those costs.

From a cost perspective, Mr. Moyle, you know,
you guys have got to love it when they don't trim, when they don't have to trim that year. That's just something that doesn't go -- doesn't get passed on to the consumers at that particular time.

So I would encourage us to take a really close look at right-of-way maintenance in general, and maybe get a presentation from the utilities on what their independent individual cycles are.

MR. MOYLE: So, if I could just comment on that.

If I am a utility -- if I'm a utility, and I have a wide degree of variability with respect to expenditures, I mean, there are a lot of things that I have to look at. I want to -- I want to make an earnings number, and if I can say, well, you know what, I can -- I can defer tree trimming for this year, that will help me with my earnings. I mean, not unlike owning a piece of property, you defer maintenance, you know, you have a better, you know, a better result from your piece of property.

You know, those are -- those are decisions that -- that get made, and, you know, I -- there is no requirement you got to do it here and you got do it there. So if decisions are being made, you know, that factor in earnings and things like that.
You know, somebody one time said, you know, tree trimming is a pretty big variable that lets you move -- move some things around that -- that may be -- may be out there.

So, and I guess, Commissioner Polmann, to your point is, the way -- the way I understand this process is supposed to work with respect to decision-making is on things like this. I mean, the Commission is subject to rule-making, 120. And to the extent that there are policy issues that you would say we want -- we want the Ford -- the Ford with 200,000 miles on it compared to the Tesla, you know, you would put that -- put that in a rule. And then another Commission could say, you know, they got it wrong because, you know, it's not -- not a good investment, you keep -- every month, you are having to do something else to the Ford. We think the Tesla is the better decision. They could change that.

But -- but I think my -- my view is is that that is incumbent, really, on the Commission to look at those issues and set policy, and give direction to the utilities as to -- not every issue. I mean, you are not going to micromanagement, but -- but key issues that -- that
have an impact; because people are going to look to you. I mean, Senator Bean, and the other members of the Legislature, they are -- they are asking you all, for, okay, please give us information. Please tell us. You're the experts in the state.

So I think that the right balance is important for -- for you all as you wrestle with these issues.

COMMISSIONER BROWN: Thank you, Mr. Moyle. We appreciate your participation. You did raise some excellent points.

Commissioners, any last questions of Mr. Moyle?

COMMISSIONER POLMANN: Nothing else.

COMMISSIONER BROWN: All right. We are going to move along to Retail Federation.

And just to give everyone a -- we will stop in about an hour to take a little break, and then seeing where we are at, we will take a lunch break at a nice stopping point for about an hour.

So with that, Mr. Schef -- Mr. Wright.

MR. WRIGHT: Thank you, Commissioner Brown, Mr. Chairman, Commissioners.

I am Schef Wright, and as you know, I represent the Florida Retail Federation. I also
represent other -- a number of other entities with keen interest in the issues posed by this workshop.

Before I go on, I want to thank you for the opportunity to speak to you today, and I want to add my thanks, and the thanks of the Retail Federation, and the thanks of all the other customers and folks that -- that I work with to the utilities for doing the very best that they can in preparation for and restoring service following the storms.

They are truly faced with a Herculean task in keeping the grid running reliably any time. And I think if you throw Irma on top of that, it's kind of like the Aegean stables cubed. It's -- it's an incredible job, and we deeply appreciate the work that they do.

The Retail Federation is a statewide organization of about 8,500 members served by probably every retail serving utility in the state. There might be -- might be one of the teeny coops that doesn't have a Retail Federation member, but I kind of doubt that, too.

We, the Retail Federation's members, want and need reliable electric service to keep our businesses going. And we believe that we are
entitled to that service at the lowest possible cost, or the lowest feasible cost from our regulated monopoly providers. It's the regulatory compact. They get the monopoly, we get the protection of the end served at the lowest feasible cost.

In the context of storm preparation and restoration, lowest feasible cost, lowest possible cost -- and this is a difficult issue, and I am going to talk about the questions raised by Commissioner -- Commissioners Polmann and Graham specifically later on. This means seeking optimal outcomes.

Now, I did used to be an economist, and we talk a lot about optimization, but optimization is really, really important, because if you don't optimize, you're not being maximally efficient, and that means there is waste. There is room for improvement. That's what optimizing means.

In this context, it means making decisions that tend toward optimizing the use of all resources, and tend toward maximizing values for customers. These decisions are important for all spending on storm hardening, storm preparation and storm restoration.
I think we would all agree that fewer outages, and shorter outages, and less storm damage, and less storm restoration costs are better than any alternative. They are better in a traditional utility cost in rate context. And the associated result, which is maintaining service, which keeps the meters spinning, keeps the lights on, provides even more value to the utilities, to the customers and to the whole state.

There is tremendous economic value that is realized by folks being able to continue to go to work, keep their homes going, run their businesses. This value should also be considered in all of these decisions.

Now, I also represent municipal utilities, municipal electric utilities, I have represented a couple, and I still represent a couple. And I represent a number -- have represented a large number, and currently represent a small number, of municipalities that want their overhead facilities to converted to underground.

Two of my clients have completed their town-wide undergrounding projects. They have undergrounded their whole towns. Two more have recently voted to authorize the issuance of bonds
to finance whole-town undergrounding projects.

Other cities, that just unfortunately for me are not my clients, have extensive undergrounding projects under way as well. Winter Park, which established its municipal electric utility in 2005, continues on its long-term -- are we good?

COMMISSIONER BROWN: No, we are good.

MR. WRIGHT: Okay. Winter Park --

COMMISSIONER BROWN: We are good.

MR. WRIGHT: I wondered if the court reporter needed a break.

COMMISSIONER BROWN: We are going to give her a break in 30 minutes.

MR. WRIGHT: That's great.

COMMISSIONER BROWN: That's what we were talking about.

MR. WRIGHT: Thanks.

Winter Park established its municipal utility in 2005 largely because of concerns over reliability. They continue on their long-term plan, which is probably going to take them another 10, 15 years in that order of magnitude, but they continue undergrounding sections of their town on a methodical disciplined basis, and they are keeping after it, and they are doing it with rates less
than those of their predecessor total over the last 13 years, and today. And when Irma came through Orange County, Winter Park had its system fully restored before Winter Park's predecessor utility's facilities in Orange County were fully restored.

Now, I will tell you -- I agree, you know, undergrounding definitely involves balancing, but that's what optimization is about any time. Every optimization question is balancing cost in benefits. Undergrounding is not a completely problem free panacea. It's not appropriate for every context. It's not appropriate for my 17-acre farm on Bassett Road in Gadsden County, where I got a house across the street and one house a quarter mile in either direction, we ain't going to underground that circuit any time soon. But it is clear that undergrounding is significantly more reliable than overhead facilities, whether hardened or not hardened.

For all practical purposes -- and this has been true for 20 years. For all practical purposes, underground service is the standard for new construction, and it is generally done with very low contributions in native construction, or CIACs, required of customers who want their new...
subdivisions put underground; frequently, in many cases, zero CIAC. This reflects that undergrounding, as a general proposition, in the greenfield situation is very, very cost competitive with overhead.

As I said, I mean, I don't know what the percentage is these days, but it's probably north of 95 percent of all new subdivisions are going in underground.

With the goal of maximizing reliability and maximizing value to everybody, it is critical to recognize all the benefits to the utility and the utility's general body of customers in calculating the CIACs that customers are asked to pay.

And I am really talking about conversion projects now. New construction is easy. You got regulated CIACs. The coops and the munis have their CIACs policies, which the ones I am familiar with are generally very favorable, low or no CIAC for new underground. So we are really talking about conversions. But it's critical to recognize all the costs and all the benefits, including at least the avoided storm restoration costs, that are sometimes called ASRCs, and differential O&M costs.

You don't -- you might want to take out a tree
if you're afraid the roots are growing into the transformer box; but generally speaking, you don't have any tree trimming costs where you have undergrounding facilities -- underground facilities.

    I want to -- I want to pause here, because I -- I have been -- I worked on light extension CIACs doing the economic impact statement for the rule when I was on the Commission staff in the mid-1980s. I have been working on undergrounding since 1989, when I was a law student and my law firm was hired by the town of Golden Beach to have a proceeding against FPL, we wanted them to give us a better deal on the CIAC. It didn't work out then, but I understand they are going forward with their -- with their undergrounding project.

    But I want to say -- I want to say this; I personally -- and like I said, I have been doing this for 29 years now on undergrounding -- and my clients, Jupiter Island, Jupiter Inlet Colony, Golden Beach, others, we don't always agree, and we have not always agreed with FPL on every point involved in the undergrounding process and CIACs, but I want to say this; we genuinely and deeply appreciate FPL's proactivity in adopting its
25 percent storm restoration cost credit in its underground conversion CIAC, and we genuinely appreciate FPL's continuing willingness to work with us to refine CIAC and to make sure projects go as smoothly as they can.

In particular point here, 14 months or so ago, Palm Beach asked FPL to please consider changing the application of the CIAC formula to reflect -- to zero out removal cost and compensation for net book values when the facilities would otherwise be replaced because they were going to be hardened pursuant to the hardening plan. That was not FPL's policy up to that point in time. And we sent them a nice letter, and they sent us back a nice letter saying, we agree, and this --

COMMISSIONER BROWN: Mr. Wright, can I get you to focus on this current generic proceeding please?

MR. WRIGHT: Yes, ma'am.

COMMISSIONER BROWN: Thank you.

MR. WRIGHT: We are grateful to FPL. It's important to recognize, in addition to the direct cost savings, storm restoration costs and O&M costs, that fewer and shorter outages not only mean less utility cost and, thus, lower storm surcharges, they also mean more electricity being
delivered and used.

This creates value for all customers, both for those whose outages are avoided and/or reduced, and for other customers, there is more restoration resources available for faster restoration. There is more base rate revenue, which suppresses any possible need, you know, future needs for rate increases. There is less storm restoration cost, and it there is more real economic value to everybody affected, including their communities.

In summary, it's critical to optimize everything, or at least try hard to optimize everything; because as Commissioner Polmann noted correctly a few minutes ago, we can only make incremental forward looking prospective decisions.

The utilities face very difficult optimization problems in planning and mobilization for impending storms. They try very hard. They generally do a very good job. It is our job, as customers, to rigorously test their claims for cost recovery.

Finally, I would like to tell you, my wish lists are these, and I have a couple of additional comments beyond these:

Optimize everything. Try to get it the best. That's what I think we really ought to be doing,
whether it's storm hardening, transmission
planning, generation planning or anything else.

Recognize all the values that undergrounding
provides relative to everything else, and make sure
that those values are reflected in CIACs.

And I would suggest that if it's a close call,
it would be appropriate to err on the side of
reliability. In that regard, I think it would be
very interesting, as we go forward through
processes evaluating storm hardening plans and
everything else over the next years, to look at
distribution the same way that you would look at
transmission and generation.

I think a really interesting set of facts to
know, and I haven't seen them yet, and they may or
may not exist, but I will be asking for them, and
that is this: How much load or energy was not
served during the outages experienced after
Hurricane Irma, Nate, any others, Irma in
particular, due to transmission outages?

Apparently none in Irma. Due to substation
outages? Some. And due to distribution outages?

Get a handle on -- on the thousands, probably
hundreds of thousands of megawatt hours that aren't
served by -- because of outages on the different
components of the system, and consider that in
making -- making your decisions.

I do -- I do want to talk very briefly about
the -- to the questions raised by, I guess, Senator
Bean and Commissioner Graham and Commissioner
Polmann. Are you getting your money's worth?

And the problem is, we, customers,
Commissioners, the utilities, can only make
prospective decisions. In other words, you don't
know whether you are getting your money's worth
until you go down the road and see what happens.

In the car context, you might fix your
transmission today and have the engine below next
week, and you are done. In the storm context, you
might -- you might make a decision not to
underground a large portion of the system and you
get hit by two storms, and at that it's, you know,
I could have had a V8 because if you have two -- if
you have two Cat 3s, you have probably paid for the
whole conversion project. That's really close to
how it is.

On the other hand, if you do something like --
it's going to cost, you know, say a few billion
dollars, whatever, maybe more than that, and I am
not talking -- we are not going to this overnight
or next year or anything like that. All of these projects are lengthy projects. But you might do it, and you might undertake a project and not get hit by a storm for 40 years.

Palm Beach is on the threshold that they've actually started construction on their project. The others are done. They did do Jupiter Island and Jupiter Inlet Colony did real well in the storms. But, you know, you might spend the money and never get hit and look back and say, oh, you know, I bought that insurance policy and never had a claim. It's a very difficult -- it's a very difficult question.

My wish list is optimize everything and consider all values in all aspects of all decisions.

Thank you very much.

COMMISSIONER BROWN: Thank you, Mr. Wright.

Commissioners, any questions?

Commissioner Clark.

COMMISSIONER CLARK: I will take one. Thank you, Mr. Wright. I appreciate it.

In listening to your advocating for underground, would you advocate for eliminating CIAC costs for new underground completely?
MR. WRIGHT: No. I would advocate for considering all values and ben -- all beneficial values, so all avoided storm restoration costs and appropriately considering all avoided O&M costs in those calculations.

COMMISSIONER CLARK: Do you have any idea of what that formula would look like? I am interested to see what value we place. I think that's where we are all trying to get. Any idea what value we place on the storm hardening value?

MR. WRIGHT: The storm hardening -- well, in this context, the -- just that question specifically; in the context of the new construction CIACs, the underground residential distribution, underground commercial distribution CIACs, the right way to incorporate that is to include the cost of the hardened overhead facilities that would otherwise be installed as the equivalent cost of new overhead in the formula.

I mean, the formula -- for all practical purposes, the formula for new construction is the same as the formula for conversions.

COMMISSIONER CLARK: Right.

MR. WRIGHT: Which is set forth in your rule 25-6.115, except that you don't have net book
value, salvage value and removal cost as components. They are all zero in the new construction.

So it's new overhead -- cost of new overhead, minus cost of new underground, minus storm restoration cost savings, minus other O&M cost savings. So in this case -- in the context -- to answer your question, in that formula, it ought to be accounted -- the hardening cost should be accounted for in a higher cost for overhead facilities that would otherwise be installed, assuming that the utility would otherwise install hardened facilities, which is probably a pretty good assumption.

COMMISSIONER CLARK: That was a good answer. I am still not sure how we determine exactly what that additional hardened cost would be. Is that what we are going to take out of the utility's load forecast under a 10-year plan? How -- how would they have planned to harden it or not to harden it?

MR. WRIGHT: The utilities file storm hardening plans every three years. And they -- they are fully capable of identifying what -- what -- well, they would have to. In their plans,
they identify what will be hardened. And they are fully capable of calculating, or at least estimating, with reasonable precision, the cost of hardened facilities.

They do it in calculating the CIACs for the conversion projects. If there is going to be -- if there is going to be a conversion project, when they calculate in CIAC, they give a credit -- well, FPL does, and everybody is supposed to, give us credit for the hardened overhead facilities that go into that formula if they would -- if they would be hardened pursuant to their hardening plan.

COMMISSIONER CLARK: And I can appreciate the position. I am wondering if the two guys to your right would agree that we should just take that number, whatever it is, and whatever the plan is, and say, you know, we are going to calculate and apply that against the underground CIAC costs. I don't see them over there going, yes, you are right.

So I think it's an issue of coming back again to balancing the cost and reliability matter --

MR. WRIGHT: Sure.

COMMISSIONER CLARK: -- and it's a tough one.

MR. WRIGHT: And my point is that, you know,
that recognizing those costs properly reflects value to all customers. It reflects value some.

COMMISSIONER CLARK: Yes.

MR. WRIGHT: Well, not transmission voltage customers.

COMMISSIONER CLARK: Yeah. But they get a lot of the --

MR. WRIGHT: But they are not allocated distribution cost in the cost of service study.

COMMISSIONER CLARK: True.

I would also -- you know, when you look at the difference in the municipals, and the -- when you are looking at it from a municipal system perspective versus a retail customer, I see some very big differences in terms of cost allocation and how those are shared in terms of rates in classes of customers. When you look at commercial classes of customers, you look at industrial classes versus residential classes, you know, some of those customers are going to be taking on a bigger share of that -- of that load, too.

Thank you very much. I appreciate it.

COMMISSIONER BROWN: Thank you, Commissioner Clark.

Commissioner Fay.
COMMISSIONER FAY: Thank you.

So my question, it's based a little off of personal experience. So when Hermine hit Tallahassee here, I think we were out for about four days. And about the second day, we were driving down the road and there was this beautiful light, and it was Publix, right. And the lights were on, and they had -- they were open for business, and it made a huge difference, at least from a morale perspective to see, you know, somebody opening and still operating.

Are some of your -- is some of your membership in the folks that you have, are they -- are they reliant on their own sort of structure to ensure that business is never interrupted so the reliability analysis, I think, can only be -- and nothing can be guaranteed based on the structure no matter what the improvements are. And so do you have, within your membership folks, who just have to make the decision internally that they have to have a structure in place to where they can't go down for even a few hours?

MR. WRIGHT: Yes. And Publix is a perfect case in point.

I think that -- I think the following is true,
all but four or maybe five Publix stores in the state of Florida have their own backup generation. That was a corporate decision that, obviously, works out well.

In those circumstances, it does involve some nontrivial expense on the front end, and some maintenance expense to have fuel there. But they have.

Others, some have generators, some don't. Publix is -- some do not. Publix is the really good example that has essentially its entire fleet in Florida has backup generators.

COMMISSIONER FAY: Great. Thank you.

COMMISSIONER BROWN: All right. Commissioner Polmann.

COMMISSIONER POLMANN: I go here with great trepidation.

MR. WRIGHT: I can't imagine why, but great.

COMMISSIONER POLMANN: I will be brief, relatively speaking.

To follow on to Commissioner Clark's questioning. I think I understand what you are suggesting in the CIAC, as to the way I understand it. CIAC is generally a local cost --

MR. WRIGHT: Yes.
COMMISSIONER POLMANN: -- when we are dealing with installation of facilities, and are you suggesting that when we are looking at the value of everything and optimizing everything, do I understand that you are considering hardening, the cost of hardening in facilities in general, that CIAC, rather than being a local cost, be a cost assigned to all customers as a system cost.

MR. WRIGHT: Let me try to answer it this way --

COMMISSIONER POLMANN: Yeah, maybe just explain it to me.

MR. WRIGHT: What we are talking about is how to allocate the total cost of an underground conversion project, is that what we are talking about?

COMMISSIONER POLMANN: I understood the differential cost from --

MR. WRIGHT: Yeah, let's --

COMMISSIONER POLMANN: -- the overhead, and hardening the overhead compared to converting the overhead to underground. I got that part.

MR. WRIGHT: Let's say we are looking at -- let's say we are looking at Palm Beach, and the ballpark electric -- the ballpark total cost for
the conversion job in Palm Beach is on the order of
$40 million.

COMMISSIONER POLMANN: So who pays for that?

MR. WRIGHT: The people of Palm Beach will pay
part of it through their CIAC payment, which
probably is going to be, after the storm
restoration cost credit and the other credits that
we will get in the formula, probably be on the
record of 50 to maybe 55 or 60 percent of the total
cost. The rest of it --

So let's say it's $20 million. Palm Beach
writes checks to FPL for $20 million over --

COMMISSIONER POLMANN: Okay.

MR. WRIGHT: In simple terms, we pay $20
million, and FPL pays $20 million. They put it in
their rate base, and it is then paid as part of the
distribution system costs that are allocated to all
customers in, all but the transmission service
classes, in future rate cases.

Did that get it?

COMMISSIONER BROWN: One second.

COMMISSIONER CLARK: Let me ask you a quick
question. But it's allocated not to the customers
in Palm Beach. It's allocated to all of the
utility's customers all over the entire system?
MR. WRIGHT: That's right.

COMMISSIONER CLARK: I am making that as point. I think that's important to understand.

COMMISSIONER POLMANN: I am trying to understand what you're suggesting.

MR. WRIGHT: I tried to say that.

COMMISSIONER POLMANN: If you are trying to suggest -- if you are suggesting a change, or you are explaining how it is now. What is it that we are talking about here? You want it to be different?

MR. WRIGHT: I want to make sure that across the board across the state of Florida, all values of undergrounding get properly reflected because those are values that do accrue to all customers on the respective utility system.

If FPL's cust -- if FPL did not underground Palm Beach, or if Palm Beach and FPL cooperatively did not underground Palm Beach, FPL would come in and install more expensive hardened distribution facilities as part of its hardening plan.

Those costs can be spread to all customers, and therefore, when we determine how much the people of Palm Beach pay as a percentage of the total cost, we appropriately, pursuant to your rule
and FPL's tariffs, get credit for avoiding those hardened costs.

We also enable FPL to avoid some presently indeterminable amount of storm restoration costs that FPL has, as reflected in its tariff, assigned a credit value of 25 percent of the otherwise applicable CIAC to. Those are costs saved by all of their customers, and that's why, plus or minus, we are going to pay 20 million bucks --

COMMISSIONER POLMANN: Right.

MR. WRIGHT: -- and the other $20 million will be rate based.

COMMISSIONER POLMANN: Okay.

MR. WRIGHT: It's a little more complicated than that, but we don't need to go there today.

COMMISSIONER POLMANN: No, I understand the words you said, and I get the concept.

MR. WRIGHT: Okay.

COMMISSIONER POLMANN: The more complicated part I don't get, but I don't need to know right now.

Tom, do you understand what he said? Thank you.

COMMISSIONER BROWN: Okay.

COMMISSIONER POLMANN: That's it.
COMMISSIONER BROWN: Thank you.

Thank you, Commissioners. And thank you, Mr. Wright, for your participation.

MR. WRIGHT: Thank you.

COMMISSIONER BROWN: We are going to take a brief recess for about five minutes or so. We will come back here at 11:25.

Thank you.

(Brief recess.)

COMMISSIONER BROWN: Thank you. We are back on the record. And again, thank you all so much for your participation. It's been a really lively morning filled with great questions and discussion.

All right. So we are now on the City of Dunedin. Ms. Jennifer Bramley, who is the City Manager.

MS. BRAMLEY: Yes.

COMMISSIONER BROWN: Okay, welcome.

MS. BRAMLEY: Thank you very much. And good morning, and thank you so much for having us.

I am Jennifer Bramley. I am the City Manager of Dunedin. And I am here with Mayor Julie Ward Bujalski to talk about some of our experiences and our recommendations as they pertain to Hurricane Irma.
Our comments are really in the spirit of improving our power grid. Duke is our utility provider. They met the challenge with determination and commitment meeting Hurricane Irma, and we seek to develop a more meaningful partnership with Duke going forward. In fact, we feel that it's crucial that we develop a more meaningful partnership moving forward.

For those of who you don't know Dunedin. It is a small city, about 37,000 people, on the west coast of Florida, north of Clearwater and west of Tampa. And we understand now that Commissioner Polmann is very well aware of where Dunedin is.

It's an older city. It was incorporated in 1899, and it's known for its quaintness, its downtown and its huge oak trees, which pertains a lot of what I am going to talk about this morning.

So naturally, when considering our thoughts on the storm, our thoughts to trees and to vegetation management in particular, our professional staff has some recommendations that we have prepared for you, and the Mayor is going to chat a little bit about her experience in the neighborhood.

So it's kind of like the EOC perspective that I am going to bring to the table, and the
neighborhoods that the Mayor wants to talk about this morning.

So we recommend that all utilities implement ANSI A300 pruning standards. The local utilities should work with the arborists in cities, and there are arborists in counties and cities as well, to remove problem trees in lieu of topping the trees, and in lieu of one-sided trees, which leads to instability in the trees.

And I have actually worked for two cities prior to coming to the City of Dunedin, and it is a common practice to have rat trees within the right-of-way, and especially in the transmission lines. And that leads to instability. Those trees go out immediately and take the larger kV lines down with them. So we are recommending that we implement the ANSI A300.

We recommend that we provide adequate notice, the utilities do, and detail to cities on locations where they are going to be trimming trees, and schedule -- and provide us with a schedule and a scope before the work arrives.

I mean, our residents -- many, many times, we will have the utilities in back yards with two or three trucks, our residents have no idea what they
are doing or why they are there. And we get the phone calls, the debris is then left behind, resulting in telephone complaints. And oftentimes, our crews have to go and pick up that debris.

COMMISSIONER BROWN: Ms. Bramley, I just want -- a clarification question. Are you suggesting these recommendations for all IOUs, or just Duke, your provider?

MS. BRAMLEY: For all utilities.

COMMISSIONER BROWN: Okay.

MS. BRAMLEY: We need a realtime contact person as well.

And as I said, you know, before, I have worked for other cities as well, and this is common practice for all utilities. My most immediate experience is with Duke, and we do not receive notification when Duke is on site to trim trees. And oftentimes the debris is left behind.

And so it is germane to Duke, but I am recommending for all utilities, you know, as a recommendation for the Commission moving forward.

I think that the utilities, and in particular Duke, needs to use cities better to help communicate their message. We have the social media. We have the social networks to communicate
with our residents with -- just about all 37,000 of them are active in our social media. And we very rarely receive messages or request to pass information a long from Duke, whether it's, you know, during a standard workweek or with a impending storm.

We can provide educational brochures for distribution in utility bills, at harbor day events and nurseries on correct tree planting guidelines, Right Tree, Right Place. A lot of our residents will pick up a Royal Poinciana and put it right underneath the power line leading to their home, and that --

COMMISSIONER BROWN: It's beautiful.

MS. BRAMLEY: It's a beautiful tree, good shade canopy, but not the right tree for that power line.

We actually would like the utilities to consider a tree removal mandate for egregious property owners who cause recurring outages. There are -- and we could work through co-compliance to aid them.

There are property owners with very large trees or trees that are unstable that can take down a transmission line or distribution line. So we
would like to work with our utility. They have the
information available, and we can address the
situation together.

Relocate rear lot overhead systems for easier
access and vegetation management. There are plenty
of rear yard distribution lines. They are always
the last to be addressed when there is a power
outage because they are the most difficult to get
to. So I think that we should consider, as a
priority, that we address the rear yard.

We think that we should consider establishment
of a statewide tree bank to fund removal of
problematic vegetation. Many times the removal, as
you know, can go into the tens of thousands, even
understand of thousands, depending on the size of
the tree and the length of the nuisance. There
could be a small surcharge on utility bills of five
cents. There would be a state designated funding
program, or there could be special assessments as
well.

The -- you know, the advantage management you
have discussed, and you have heard a lot of
testimony in regards to the vegetation management.

As an older city -- and I was talking to the
Commissioner from Monticello as well. As an older
city, we have a tree canopy that is enormous, as
Commissioner Polmann knows. The it would appear
that the electrical utility in Dunedin does not
have the capability to address that, and whether it
be a surcharge on the bill, or whatever it is
moving forward, it needs to be addressed.

In regards to undergrounding; you know, there
has been a lot of discussion today and testimony in
regards to is the consumer getting -- do they know
what they are getting? And just after the storm,
we sat down with Duke Energy in a conference room
in City Hall. We provided them with our franchise
agreement. And in the franchise agreement is a
list of assets that were -- that were conveyed to
Duke when we entered into the agreement. We
requested a list of the improvements that they have
made to those assets, and we requested that they
inform us of their capital plan moving forward, and
we have not received any of that information to
date as we approach another hurricane season.

There are differing opinions, obviously, as it
pertains to undergrounding. We, as a municipality,
are obviously very supportive of undergrounding.
We think that we should develop a peer review
report -- and if one has been developed, we don't
know about it -- on undergrounding versus overhead infrastructure costs. There has been lots and lots of discussion about that, on the pros and the cons in hurricane prone areas for policy-maker decision-making. And I have a policy-maker decision-maker here beside me, and there are plenty in the room today.

But it's more than just your commission. It's, really, all commissions, county commissions, city commissions, the state legislature, as far as what are the pros and cons, what it costs moving forward.

I think we need to talk about initial outlays in life cycle costs when you consider undergrounding. I think we need to talk about repetitive tree trimming exercises and expenses as far as going into the tens of thousands of dollars. And, you know, not only that, but when you think about the cost of tree trimming for the homeowner.

We have within the City of Dunedin the third largest oak tree in Pinellas County, it's huge. The diameter at breast height is about three feet. And the cost of trimming that tree, or even removing it is way out of line for the property owner.
I think we should consider the business losses, the insurance claims, public safety and security for our residents as well when you think about the undergrounding versus overhead.

We should establish a metric or a threshold when exceeded requires outage prone areas to be under grounded. So if there is an area that is out of power quite a bit, as our neighborhood actually is in Dunedin, twice this last two weeks, then we should consider undergrounding in that area. It should be a priority.

Again underground --

COMMISSIONER BROWN: May I just stop you for a moment? And I appreciate your comments on undergrounding, and even talking about your own personal neighborhood.

What are your thoughts on cost allocation for undergrounding?

MS. BRAMLEY: Well, I think that cost allocation, I think I certainly, at least in our city, since the asset is owned by the utility, it should be assigned to the utility. I think that that said, though, I think that the residents would certainly have to pay a portion of that through their utility bills.
COMMISSIONER BROWN: Thank you.

Commissioner -- pardon me, Commissioner Clark has a question.

COMMISSIONER CLARK: You went to the heart of one of the questions I wanted to ask in your statement a moment ago. You do have a franchise agreement with Duke Energy, correct?

MS. BRAMLEY: We do.

COMMISSIONER CLARK: What is your franchise fee?

MS. BRAMLEY: What is our franchise fee? I'm not sure.

COMMISSIONER CLARK: Do you know what your gross -- what your revenues are, and how does the city use the funds in their franchise fee?

MS. BRAMLEY: Use the funds in the franchise fee in the general fund.

COMMISSIONER CLARK: In the general fund, okay.

When is your franchise up?

MS. BRAMLEY: Four years.

COMMISSIONER CLARK: In four years. Have you considered, as part of your renewal, some of -- discussing some of these options in terms of --

MS. BRAMLEY: We have, which is why we wanted
the capital plan, to find out how they improved the asset, and haven't had that information yet.

COMMISSIONER BROWN: If you could, take -- push the little button in front of you for the mic, please. Thank you.

MS. BUJALSKI: And if I could add, we have, over the years, spent our own money undergrounding. So I would say that, you know, those franchise fees have gone towards just that.

COMMISSIONER CLARK: You are paying for undergrounding of their facilities, or are you undergrounding your own facilities?

MS. BUJALSKI: No theirs.

MS. BRAMLEY: Their facility.

COMMISSIONER CLARK: You are paying for undergrounding --

MS. BUJALSKI: We have. We have. We have probably invested -- I am guessing here, I haven't thought about it, probably three or four million dollars in undergrounding, maybe more in certain areas, especially in our downtown area.

COMMISSIONER CLARK: Thanks.

COMMISSIONER BROWN: And if I may ask, is it because it's new developed areas, or is it those areas that are prone to excessive outages?
MS. BUJALSKI: Redevelopment.

COMMISSIONER BROWN: Redevelopment.

MS. BUJALSKI: Yeah, for, you know, appearance. Now, our downtown was extremely aged before -- 25, 30 years ago we started to revitalize it and redevelop it. So part of it was aesthetics, part of it was just really old.

COMMISSIONER BROWN: Thank you.

MS. BRAMLEY: We require new development underground. So any new development moving forward undergrounds. And we would recommend that we adopt a statewide model ordinance for undergrounding for new development.

I think most of the cities already require that, but if not, I think we should definitely adopt a statewide model in that team Florida atmosphere and spirit.

COMMISSIONER BROWN: Commissioner Clark just has a follow-up question Clark.

COMMISSIONER FAY: I wanted to just tag on to that, and I wanted to interrupt and complement you guys.

Your city is beautiful. I spent some time there in my time at DEP at the Florida Park Service managing that system, walking some of your trails
there, and you guys have done an outstanding job of managing that downtown area. It's absolutely beautiful.

MS. BRAMLEY: Thank you.

COMMISSIONER CLARK: My hat is off to you for that job.

MS. BRAMLEY: Thank you. A little Chamber of Commerce pitch there. Thank you very much.

COMMISSIONER BROWN: Well, Commissioner Polmann has to jump in right now, so hold on one second.

COMMISSIONER POLMANN: You had mentioned vegetation management --

MS. BRAMLEY: Yes.

COMMISSIONER POLMANN: -- and issues in the canopy for one thing, but also that you have some difficulty with customers, residents in not being notified, and so forth, the utilities coming -- coming to the property.

I am wondering, since you have communication protocol with the citizens -- with the citizens and a lot of involvement at the community, is there any possibility, or have you given thought that the City could work as a contractor or a contract manager through your public works department for
the utility?

I don't know how much of the vegetation management the utility does themselves, or if they have contractors do that within your -- within your jurisdiction. So for example, if the City were to become a contractor manager for the vegetation management, because you know your city and --

MS. BRAMLEY: Right.

COMMISSIONER POLMANN: -- you know your residents, and you have an existing communication with -- with them, would it make any sense in your mind that you would be involved in that? And then the bigger -- the bigger question, is that something that you think would work, for example, for League of Cities or Association of Counties that you could recommend a way, you know, that vegetation contractors --

MS. BRAMLEY: Right.

COMMISSIONER POLMANN: -- could maybe be facilitated through an organization like that.

MS. BRAMLEY: I think it's a very interesting idea. It's certainly not something we could do with existing resources. I mean, there would have to be some sort of partnership, you know, with Duke, and the City would have to be compensated for
those services, because it is a huge task. And I do know that the they use contractors right now in -- in -- in Dunedin.

And I think that that's one of the problems is, well, obviously they don't know the city that well; and to be honest, there is not as much care. Sometimes I worry about the maintenance of traffic plans that they have in place, and those types of things.

So I think it's an interesting proposition, but as I said, existing resources just would not permit that.

MS. BUJALSKI: And if I could add to that, there was a time where Duke, and I imagine other electric companies do the same thing, where they would train our staff to have the ability to work around power lines, which is really the safety issue. You know, our staff are not experts in that area, and if you are trimming vegetation, you are going to be around the distribution lines.

There was a time where there was some of that training going, but it was -- the training wasn't meant for us to do the ongoing maintenance. It was meant to, in emergency situations -- and I will tell you a story later -- where our people could go
in and remove a tree from a line and be -- be
trained on how do that in order to get the electric
back on with the -- with the contractor who comes
to fix it.

But as Jennifer said, you are talking about a
whole -- a whole lot of staff, and even though you
get paid, it's -- then you have to hire them and
it's taking away from other things, so.

MS. BRAMLEY: So the third topic then was
coordination and communication. Duke has been
responsive to the coordination and prioritization
of critical infrastructure restoration as an
advanced planning exercise to the storm.

We were in communication with Duke for a year
prior to the storm. They do have a government
liaison, and there was quite a bit of dialogue back
and forth. Concerns remain, though, about what
happened during the course of the outages. There
are public health and safety concerns,
environmental concerns, discharges of sanitary
sewer for, you know, when the power is down for a
long period of time. And we did, you know, a whole
exchange game with -- with all of our generators
and our utilities.

Concern remains on communication during power
outages, specifically with our utility. Duke's
outage software was overwhelmed, and the Mayor will
talk a little bit more about that. And the mutual
aid responders had a difficult time communicating
with Duke Energy. And mutual aid, meaning our
first responders from the field were relaying all
clear notifications, which was really, really
important for everybody's safety moving forward.

Pre-event communication, we need to
identify -- and this pertains to all utilities
then -- the contacts for the elected officials and
the upper management within the municipalities and
the county as well. Opportunities are offered from
beddings -- and this pertains Duke now.
Specifically staff within our EOC, our emergency
operation center, I know that some of the utilities
do and that some don't, but I recommend that all --
if there is an EOC in existence, that staff is
embedded within those EOCs.

You know, we communicated directly with our
utility provider at the county EOC during the
storm, but after the storm, that communication
stopped, and the Mayor will talk a little bit about
that.

And then we need to develop a pre-storm
package or public service announcements for use by
the municipal communications outlets that we can
send out and deploy to our residents through our
social media networks.

And then the Mayor, I think, is going to talk
a little bit about our experience in communication
and other things.

MS. BUJALSKI: Thank you, Jennifer. And thank
you again for having us here today.

So I think Jennifer talked a lot about the
technical recommendations and things that you were
looking for. My purpose of speaking is to bring
our residents' voice to you. And some of the
things that I heard throughout the seven-day --
during and seven days after Irma.

So, you know, as a mayor of a small town,
everyone looks to me for -- for answers, but
because we had no electricity, we had to really
think of unique ways to communicate with our
residents, especially our seniors, and this is
something I think really needs to be thought about.

Many of our seniors do not use smart phones.
They don't text, email or use social media. With
no electricity, they had no landlines or
televisions, and they were left very vulnerable.
If you don't know this, Dunedin has the largest saturation of 55 and older residents, and, of course, the most densely populated county in the state, so this is an obvious concern to us.

With no easy way of getting them information, we turned around and hand-delivered fliers to 55 and older communities, but the information we were giving them wasn't from us, it was on Duke's behalf; and not because we were asked to, but we wanted to make sure that they knew that there had been a deadline put out there, and so that they could have some piece of information and not be sitting in a black hole of their mobile home or a condo.

Through my Mayor's Facebook page, I communicated with thousands, literally thousands of residents for those first seven days after the storm, all day, all night and sometimes for hours at a time.

COMMISSIONER BROWN: Mayor -- Mayor, if I could just ask you a question. You said that you communicated on behalf of Duke. Did Duke give you materials about --

MS. BUJALSKI: No.

COMMISSIONER BROWN: Can you elaborate a
little bit? And how did you communicate with those -- those folks that say kind of disconnected from the social media platforms? And what -- I mean, those are very helpful for a great deal of customers, but for your -- some of your constituents, it's harder to reach out.

MS. BUJALSKI: We printed out fliers with the information that we -- that we had gained about the electrical system, and what was going on with it through our EOC. And then our staff that were down, if you will, like our library staff -- or the library was closed because there was no electricity, our city clerk's office, you know, those types of, maybe, Class B employees that -- that weren't on emergency duty, we had those folks literally walking through these communities and hand delivering the fliers.

COMMISSIONER BROWN: And how did you get information? You said at your EOC, the liaison, I guess the government liaison from the utility was no longer there after the storm.

MS. BRAMLEY: The government liaison was in the county EOC after the storm, and that's the only way that we got that information from them, and then deployed it and put in bullet points and sent
it out to 55 and older. The others, we communicated via Facebook.

MS. BUJALSKI: So in other words, during the State of Emergency, which was three or four days maybe, there were three phone calls a day that we would participate in with Pinellas County's EOC. And on each one of those phone calls, there would be updates, anything that they would know about any -- any number of things, but electricity as well.

So that's where we gained the information, was through the EOC director, not Duke, but the director giving us information.

COMMISSIONER BROWN: Got you.

MS. BUJALSKI: And we simply printed it up and delivered it to the 55 and older communities not knowing whether they did use social media or not, but we wanted to make sure we covered them.

COMMISSIONER BROWN: That's excellent.

MS. BUJALSKI: Again, we did that -- we did that, not the electric companies.

COMMISSIONER CLARK: But do you have anyone in the EO-- in the county EOC? Does the City have a -- you have a person in the county EOC?

MS. BUJALSKI: We do.
COMMISSIONER CLARK: So they do -- they are sitting there talking to the Duke representative?

MS. BUJALSKI: Yes.

COMMISSIONER BROWN: Just to get more clarification, though; your suggestion would be you would like to change the way that that business is done.

MS. BRAMLEY: Actually, the -- obviously the county EOC needs the Duke representative, because there are other cities involved as well. We would like to have a Duke representative in our EOC. And when I said that that communication broke down afterwards, after the storm, every -- all of the information we are getting was, you know, countywide information from Duke at the county EOC. We started phoning, you know, asking about particular areas of Dunedin, and were the lines live, were they not live, and when we would get that information. And that was when the voice mail boxes were full, and there was no communication back and forth.

COMMISSIONER BROWN: Commissioner Polmann has a question.

COMMISSIONER POLLMANN: Thank you, Madam Chairman.
I don't know what your knowledge is of how the county interacts with other municipalities in Pinellas. As you mentioned, Pinellas County is the most densely populated in the state. For those who don't know, Pinellas has 24 municipalities, and there is a long history of, shall we say, challenges in the communication between the county and cities.

MS. BRAMLEY: Uh-huh.

COMMISSIONER POLMANN: Not to characterize your communication with the county, but I think there may be issues in Pinellas, or in other counties, where there are some -- there are some mixed types of relationships.

So if you can give us some suggestions, not here today, but from whatever knowledge you have around the state how improvements could be made specifically to that point, during the emergency, the involvement of the cities, would the county EOC, and so forth, I think that would be helpful to our staff --

MS. BRAMLEY: Okay.

COMMISSIONER POLMANN: -- in getting back with the utilities on Best Practices.

MS. BRAMLEY: Right.
1 COMMISSIONER POLMANN: So what you are
describing is, I think, some good news, and then
some -- some places where some improvements really
could be made.

2 MS. BUJALSKI: And I would just add that the
three calls a day that we received, it was a
conference call. So all 24 cities were able to
join this call. So everybody was getting the same
information at the same time. It really ran
really, really smoothly. We were very informed.

3 I think the communication breakdown, once the
State of Emergency was lifted -- and, again, that
is a was three, four days in, I can't remember --
you know, I think Duke went on their way because
that's when the EOC starts to lessen with the
number of people that are there because they all
have jobs they have to go do. That's where --

4 So I don't think it was a function of the
county at all. I think if we had had better
contact with Duke in the beginning.

5 COMMISSIONER BROWN: Commissioner Polmann.

6 COMMISSIONER POLMANN: I think what happens in
that case is the State EOC continues with the
utilities, and I think what you are suggesting is
the local EOC communication breaks down, so --
MS. BUJALSKI: Yes. Yes.

COMMISSIONER POLMANN: So we can follow up on that --

ms. bul: Yes.

COMMISSIONER POLMANN: -- but I appreciate knowing that experience.

MS. BRAMLEY: If I may, to that point, we had, before the storm, a government liaison who we would speak to on a regular basis. Then the EOC State of Emergency is declared. The county EOC opens. We are on our conference calls. Duke is there, but thereafter, we have no communication, you know, from our city with Duke, and that was a problem. And that was a problem.

And our representative, I am sure, whereas he was very, very busy, no doubt about that, still we were one of the cities that he liaised with, and there was nothing.

So we would recommend improvements on that in particular in the City of Dunedin, but generally the having, you know, the electrical utility embedded in EOC -- not every city has an EOC, but embedded in that EOC will certainly help us facilitate the communication.

COMMISSIONER BROWN: Commissioner Polmann.
COMMISSIONER POLMANN: Thank you for that.

Your in a situation where you are juxtaposed with however many other cities, Clearwater and others --

MS. BRAMLEY: Yes.

COMMISSIONER POLMANN: -- what was your relationship with those other cities? And, again, you are in a unique situation. There are many counties that don't -- don't have that situation where your cities are right next to each other.

Just a quick comment on that, if you will.

MS. BRAMLEY: Yeah. I think that the mutual aid agreements that he we had with other cities, and just the spirit of mutual aid, we did very well with our neighboring cities.

Obviously, equipment needed to be kind of allocated to different areas. And given the scope of the -- of the storm, meaning the entire state of Florida, everybody was in the same boat. We didn't have any issues with our -- with our Sheriff's Department or with our, you know, adjacent municipalities.

COMMISSIONER BROWN: All right, Commissioner Clark.

COMMISSIONER CLARK: You have described the outages as seven days. Could you give me more
specifics in exactly how your outage was, what
presented of your customers came back on?

MS. BUJALSKI: And I think I can answer a lot
of your questions if I will just go through my
presentation real quick, I think you will get a lot
of these. That's okay, I'm not --

MS. BRAMLEY: She has it in the presentation.

MS. BUJALSKI: Yeah, so as I said through my
Facebook page, my Mayor's Facebook page, I
communicated with thousands of residents. In
addition, on the City's Facebook page, we did
something in our city that most cities didn't do,
and we did a lot of Facebook live reports. It gave
people a lot of comfort, but I did want to share
our residents' perspective.

So, you know, while everybody -- almost -- I
think there was maybe only a handful of people that
didn't lose power. So -- so virtually everybody
lost power in our city. 76 percent of them lost
power for the four- to seven-day range, okay. So
24 of them -- 24 percent loss either mostly under
or a few days past. But a majority of people lost
power for the four- to seven-day range. I was
seven days. I can tell you.

And ironically, in the end, Irma was
equivalent to a tropical storm versus a direct hit. That kind of tells you the condition -- now, granted it hit a lot of places, but that tells you the condition of the equipment that -- that's serving us.

62 percent of our population felt Duke's communication during that time was unresponsive. And while some communication was received, it was largely inaccurate. And again, I am speaking on behalf of the residents, not saying this is my opinion or not.

During the power outage, a big source of frustration was the inability to restore an entire street or a neighborhood. So for instance, one side of the street would get restored and the other side wouldn't, and they would be left without power for days past the other guys across the street with their lights on at night and air conditioning going with no communication. And of course, this was a great sense of frustration to them.

The folks that didn't have power, they would flag down crews that they would see and try to get answers. But because many -- many of these crews were from all over the country, they didn't have the same communication systems as Duke's crews did,
and they had very little ability to contact anyone while in the field. Our own representative later told us that all crews met for a morning meeting, and that was the last form of communication they had for the rest of the day.

So this was really problematic in allowing folks to quickly respond to a situation. And this -- these particular issues where one side of the street was restored and the other wasn't, or half the neighborhood was restored and the other half wasn't, as in our neighborhood, really caused anger, and actually pitted neighbor against neighbor. I mean, people were just mad.

Another communication frustration for many were the incorrect texts that were received by Duke, where texts were claiming power had been restored when it hadn't, and the automated system, texting system, could not understand the responses when this occurred. When there was no live person for our residents to speak to, this became very frustrating, and you could see it play out on Facebook all week long.

Of course, Duke put out a tentative blanket statement that most electricity would be restored by Friday evening of that week. This gave folks
something to look forward to. Where the obvious mistake was made was not updating this tentative restoration time the day before, rather than the day after this deadline when it was clearly apparent they were not going to meet it.

This caused so much frustration on everybody's part because everybody was just waiting for that minute, the end of Friday, hopes, thinking that their electricity was going to be restored. And you know, had they even come out Friday morning, or Thursday evening and said, it's going to be another couple of days, be patient with us. Being informed is power for people. Being disappointed is so much worse.

So one example of the great distress this caused was literally, and I am not kidding, a riot that we barely escaped in one of our neighborhoods. There was a really, really large tree, and I am telling you this thing was huge, in somebody's front yard next to power lines, and it had been knocked over, and it was all tangled up with power lines. You know, the neighborhood understood that this was likely the issue for their lack of power, and it was.

The City had reported it through the county
EOC, as we were asked by our EO -- our county EOC to do these kind of big, you know, big electric issues. And so we reported it, but when Friday rolled around and crews had not come, the neighborhood knew that Duke's proclaimed restoration deadline was not going to be met.

Over 30 residents came out with chainsaws threatening to remove the tree from the live power line. What made matters worse is that they were live streaming the situation on Facebook, which upset everybody else. The Sheriff had to be called to stop them from literally putting themselves in grave danger.

Ironically, all it took to solve the issue was to drive around an adjoining neighborhood to find a repair crew who subsequently came to disconnect the live wire, and luckily no one was hurt. But all of this is because they could not reach a live person at Duke.

Now, obviously these residents acted inappropriately, and out of sheer frustration; but this could have been avoided with a revised restoration time given in advance.

And then, of course, there was my own personal experience with attempting to communicate with
Duke. The City was instructed, as I have mentioned, to communicate with Duke through the EOC; and we did so for the first four days, as asked. But the things that we were communicating, we could see around the community, were not getting addressed, including the tree that I just mentioned.

When we reached out to our government liaison at Duke -- and we have phone and email, we were met with mailbox full messages and no return emails.

On day seven after the storm, I resorted to going on Duke's Facebook page requesting immediate response, telling them who I was, and putting my cell phone out there for the whole world, and asking -- you know, asking for someone to get back with me. And luckily, within several hours, someone did.

That's how I got our energy company to call the Mayor of the City of Dunedin. It was seven days after a storm through their Facebook page.

When I did speak to the gentleman, he was really helpful. He was a live person. He helped bring the rest of our neighborhoods back on line. He gave me information I could put out on Facebook, and I can't tell you how thankful I was. But what
I found really ironic was that there was no protocol in place for our government liaison to make contact with us during a storm event. I said, I have been trying to call you guys. No one has answered. I didn't know you needed me. There was no protocol.

Clearly, updated and frequent communication with local governments, with ratepayers and with their own repair crews must be a priority going forward.

The final issue our residents and business community wanted me to tell you about is undergrounding of utilities. 75 percent of them feel that undergrounding is the most obvious answer to being better prepared for future storm events. They do understand it's a costly undertaking, but their assumption, and I am not saying it's right or wrong, but this is the average, everyday resident, and I believe it's probably representative statewide. The average everyday resident assumes that cost savings from vegetation management, as well as all the costs in responding to wind and tree damage during storm events, would justify the capital outlay, and that rates shouldn't be dramatically increased because, in the end, it's
the life cycle cost.

Interesting, when speaking to Duke, we did have a meeting after, I don't know, maybe a month after the storm. In our post-storm meeting, they stated that because of the public -- this is their words, because of the Public Service Commission's edict of using the lowest cost method when making their capital plans, that undergrounding is not possible. That's what they told us.

While I don't know the ins and outs of all of that -- and I am not passing any judgment, I am just while telling you what they are telling us. I am here to tell you that our residents overwhelmingly support undergrounding, and believe it's a common sense thing to do. That we've had 100 some years of poles, and now it's time to move on. They've had a taste of long-term power outages, and they don't want to go through this again.

Obviously, I can't tell you how to go about doing that, but in listening to you all this morning, I can see that there is -- there is all of these different formulas and things you guys are trying to whittle it down, and I -- I get that. As a decision-maker, you try to find the justification, and I hear the sides of the other
folks that, you know, the cost and the benefit, and I get all of it, and I get all that it's difficult. But also as a policy-maker, I understand that there is a common sense piece to it. It really is about common sense. And the people we serve expect us to use some -- some common sense. I think we can all say that undergrounding is a common sense thing to do, but it's how do you do it and make -- make the cost benefit analysis work? It's not whether to do it. It's how to do it.

So I -- you know, I heard you talking about the tree -- the tree trimming, and if it should be three years or six years. Again, I think the common sense says we've got to do a better job, but then it's just how do we do it.

I know how much -- how much my trees grow in my own yard. Common sense tells me three, four years makes sense, just by thinking that way. I know you can't make all your decisions in that light of a vein of a way, but, you know, sea level rise and flooding, I get it. I get those things are issues. Common sense would say, well, maybe don't get so close to the shoreline with undergrounding. I don't know, but the one thing I do want to say, having listened to you all this
morning -- and I do appreciate everything that you are trying to manage and weigh -- is that when you are doing your cost benefit analysis, please consider the intangibles, health, safety, welfare, and quality of life for the people that we serve, because what we just went through was extremely stressful on everybody.

We can live without power for a little while. It's not even me. I didn't have to blow dry my hair in seven days. I lived without all of those things, and I was just fine, but there are so many others that weren't. And those are the things, quality of life is important.

So in closing, we need a greater investment in capital assets, more commitment to undergrounding and better vegetation management. Equally important is better communication with the people that we serve.

Thank you.

COMMISSIONER BROWN: Thank you, Mayor. And, you know, every storm is different, and every part of the state where the storm impacts the citizens is different, and every utility that was here yesterday, they are all different. So we appreciate you providing your perspective on your
experience. And it's going to definitely improve lessons learned, and our Chairman has something to say.

CHAIRMAN GRAHAM: Thank you.

Mayor, I am sorry for all the frustrations you have gone through.

MS. BUJALSKI: It's okay.

CHAIRMAN GRAHAM: I too know what it's like to not blow dry your hair for seven days. But seriously, I come from local government, and I spent over a decade in local government, and I do understand the frustration. I do understand the, you know, the neighbor that lives right next door that can come knock on your door, the person that catches you in the grocery store line.

I guess my question is, after you had your -- your post-storm interaction with your government liaison, what was the outcome? What is now your protocol as far as reaching out to that person, or reaching out to somebody? Because I am sure you guys came up with how this will never happen again sort of thing.

MS. BUJALSKI: Well, yes. I know that there are going to be more frequent meetings with the government liaison, and maybe Jennifer can speak to
that. But as part of creating a protocol, we -- I think Jennifer mentioned earlier, there were things we asked for. We wanted to know the condition of our assets that we sold them. We wanted to know with what their capital improvement plans were so that we could partner with them, or figure out things. We never received any of that information.

CHAIRMAN GRAHAM: But surely you guys have a protocol now, what happens because hurricane season is a month away.

MS. BUJALSKI: Yes, establish communication with government liaison, but I will let Jennifer --

MS. BRAMLEY: After the storm, after we kind of reconnected with our liaison, we -- we are in a dialogue now with the liaison, and we have conveyed to Duke -- I sent a letter to the Senior Vice-President of Duke saying we want an increased level of communication, you know, as we approach the next storm season. That was just after the last storm season.

So as far as setting up the protocol for we want to hear from you at this point during the storm, we have not done that, and it's something that we need to do moving forward.

So as far as embedding someone in our EOC, we
have made that request. We made it to the liaison when we met with him after the storm, and we have not heard back at this point whether or not we are going to have a liaison in our EOC.

MS. BUJALSKI: And that was October.

MS. BRAMLEY: Yeah.

CHAIRMAN GRAHAM: Well, let me stress before you leave here today, because there is more than one Duke person here, that you have somebody that you have a phone call, I mean, a number that you can reach out to.

I mean, once again, I understand where you are coming from, and I do because of problems you are having so many sittings coming from that one county EOC, you know, so I can understand how that becomes problematic; and then after the four days, after they close it down, or they stopped the day-to-day interaction, how it becomes frustrating.

But I agree with you, you need to have somebody to talk to, somebody to reach out to, and even a backup. And once again, because this is coming in the next 30 days or so, I think, you know, that should be number one importance, rather than a list of 30 things, that needs to be the number one done, and you can deal with the rest of
that stuff as it comes.

MS. BUJALSKI: Agree. And I would just add that we did have our two numbers. They had changed liaisons, we weren't aware, and the two people we reached out to, mailbox full and no return email.

So at the time we thought we had, but what we didn't do, and what you are speaking to, is double checking all of that when we know the storm is coming, and that we did not do, and we should for sure.

COMMISSIONER BROWN: Thank you.

Commissioner Fay.

COMMISSIONER FAY: Thank you, Chair.

I have two quick questions for you. One is -- and I might be paddling into choppy waters here. But I think the opportunity was allowed for local governments to respond to this request, and you guys have done a good job doing that and presenting that to us. Do you know why almost nobody else responded?

MS. BUJALSKI: We had the same conversation. When we looked at the agenda and, of course, at the time these folks weren't on the agenda, we were shocked. Actually, when we were talking yesterday, we thought maybe you guys chose us so that you
didn't have 5,000 people here. We couldn't understand why -- why we were the only people. I don't think we have an answer. I really -- I don't -- we didn't know if you got submissions and maybe you chose us to be the face of the conversation. We couldn't understand it.

MS. BRAMLEY: I think that there was another city that signed up last -- last fall, I think, as an interested party, two or three cities, but I don't think they responded to the request for information as far as this workshop goes.

COMMISSIONER FAY: Got you. So we can't really come up to a reason as to why?

MS. BUJALSKI: No. No. And I would answer you honestly if I -- if I --

COMMISSIONER FAY: Yeah.

ms. bul: I can't understand it, especially because this was such a statewide storm event, you know, it just -- I just don't understand.

COMMISSIONER FAY: Yeah, and I don't want to speak for us as a commission, but I mean, I think it's clear from Chairman Graham's comments that you will leave here today with some benefit and discussion, and so I think there is a willingness and effort to resolve some of that.
The other question I had for you is part of your statements included, it's not a if we underground, but how we underground. I guess have you thought about -- to the extent there is a cost analysis that is significant for those individuals, do you feel that it's just -- it's just a time period that that cost is spread out, or am I sort of taking your statement out of context?

MS. BUJALSKI: No, I -- I -- no, I think you are not. I think -- yeah, I think it's like anything we do in government, it's -- you do it over a period of time. You pick the worst areas, the hardest hit areas, the areas that have the worst problems, you start with them first, and -- but to me, it's just -- it's just a matter of time that that, for -- at least for our state. I can't speak for the rest of the country, but for our state there are obvious reasons to do this. So it's a matter of, you know, planning it, doing it over time. It -- to me, it's a part of doing business.

It's -- we have a water department. We have our own water in the City of Dunedin, and so we have a water plant and a sewer plant. We just got done with our -- a couple years ago with our 25
year capital improvement plan. Our -- our
building, our water plant was 30 years old.
Technology has changed. We are putting 25 -- 24 --
$24 million over time into revamping our water
system so that we can be up to new technology and
new ways of doing things, and more efficient
things. That's what a utility does.

Why undergrounding, while I know it's
expensive, has become so polarized, I don't think
it should be. It's just a part of updating where
you are going and a better of way of delivering
service.

COMMISSIONER FAY: Yeah, I thank you. I
appreciate you being here. And I will say with
Commissioner Clark's plug, next time I am in
Central Florida, I will be driving through Dunedin.

MS. BUJALSKI: Come see us. Come see us.
Give me a call.

COMMISSIONER FAY: Thank you.

COMMISSIONER BROWN: Commissioner Polmann.

COMMISSIONER POLMANN: Thank you, Madam Chair.

One of the concerns that I have, and I do
appreciate you being here, is as a small city, your
experience is very important because, in some
regard, you are at one end of that spectrum being a
small city. I would hope that being a small city
was not a reason that you did not get as much
attention from the utility as some others may have.
Unfortunately, we don't have the experience of a
very large city being represented here. You know,
you are 10 times smaller than another city in your
county.

MS. BUJALSKI: Yeah, St. Petersburg.

COMMISSIONER POLMANN: Yes, so I don't know
what their experience was with the electric
utility, and we don't need to address that right
here, and I don't want to speculate on that.

In terms of your comment that you were not
aware of a change in liaison, and that you didn't
double check on that, I am not sure that that's not
a responsibility of the utility. Now, as I say, I
am not sure, but I would take that point as a
suggestion to us, and I would ask staff if -- if
there is a possibility, as we go forward into
hurricane season, if it's not appropriate for the
utilities to reach out to all of the municipalities
around the state and update their records, and make
sure that all the cities and counties have updated
information. I think that's a two-way street.

MS. BUJALSKI: I would agree. I would agree
with that. And it's like you don't know what you
don't know. If you don't know the change occurred,
you don't know to follow up. But I also think we
have to be proactive in our own destiny.

COMMISSIONER POLMANN: Yes, and I agree with
that statement, and I think it -- to agree, it's
incumbent upon the administrations for the cities
and counties. But then again, the utility serves,
in your case, 34,000 residents; and in other cases,
very large cities with hundreds of thousands, or a
million. So it goes both ways, and there is
nothing wrong with doing it twice.

MS. BUJALSKI: Sure.

COMMISSIONER POLMANN: So I appreciate your
comment. It just raises that thought in my mind
that it works both ways, so thank you for -- for
mentioning that. I hadn't thought about it.

So thank you, Madam Chair.

COMMISSIONER BROWN: Thank you.

Commissioners, any other comments or
questions?

Again, we really appreciate you taking the
time to come up to Tallahassee and provide us your
input, your experiences, and we will be considering
all of that at our June Internal Affairs meeting
for future actions and recommendations by this commission. Thank you.

MS. BUJALSKI: Thank you.

COMMISSIONER BROWN: Thank you again. So we are at 12:20 right now. Commissioners, if it's your pleasure to take a lunch break now or start on the next item and then stop around 12:40? No.

All right. So we are going to do -- we are going to continue for about 10 minutes, and then we will take a break, if that's okay with everyone.

And our next up is Rick Mauldin, who is the Manager Right-of-Way of Utility Permitting in St. Johns County. Welcome.

MR. MAULDIN: Yep. Thank you very much for inviting me.

Again, my name is Rick Mauldin with St. Johns County Engineering. And think I can keep it to about 10 minutes, because I have made some notes, so I am just going to stick to the agenda here.

As you know, St. Johns County is one of the fastest growing counties in the United States of America, so it presents some problems that some other counties may not be experiencing. Mainly, our power companies that we are using right now, FPL being the largest supplier of power, Beaches
Energy and Jacksonville Electric Authority.

Currently, St. Johns County encompasses the City of St. Augustine, City of Hastings, City of St. Augustine Beach and now the new City of Nocatee, which will be 20,000 plus homes.

Well, that's interesting, because 1980, St. Johns County population was about 51,000. Currently, we are at 243,000. 225 -- 2025, we will be at 311. 2030, 360,000 residents. So that presents some very interesting issues and problems we are going to have to be dealing with.

St. Johns County, as you know, including St. Augustine, St. Augustine Beach, and like other eastern communities, we are surrounded by the Atlantic Ocean, and not too from that, the Intercoastal Waterway. In addition to that, we have, to the west, the St. Johns River. So we have some serious flooding issues along with storm damage.

And I think one of the biggest successes that we've had, and I think it will address some of the other comments that I have heard, is communication. And I can't say that enough.

About five or six years ago we started a mandatory, and I say mandatory very seriously,
utility coordination meeting. This was before Hurricane Matthew. When I define mandatory, we made it mandatory for all utility companies to attend that meeting. If you could not attend, you would send a representative that could represent you and answer the questions that you would be asked, or any other technical data. If you missed two consecutive meetings, then I would actually put you on the agenda to the Board of County Commissioners to explain to them why you are not coming to the utility coordination meetings. We've never had anybody miss, so I think that was a pretty good rule. And we have had probably, I am saying close to 99.9 percent success rate.

And in order to keep that moving forward -- because we do discuss utilities mainly at this utility coordination meeting, and damage and hurricanes, and future projects and ongoing projects, including vegetation management. The communication is paramount because, at those meetings, we can get current employees information, contact information prior to hurricanes, because employees do change. It happens all the time.

So when we do actually end up at that point of
having a storm event, or approaching, I have, in my phone on speed dial, everybody that I need to contact. We have the people that will be at the EOC, and we have actually field crew contacts that we can call; because, as you know, the Commissioners get the first call usually, and usually they are the -- or the EOC. Our EOC is manned with every utility company, and it has been in the past two storm events. We have had 100 percent participation in that.

The coastal communities, underground is a really great thing, but you are still going to have flooding issues where transformers will have to be replaced; but however, I really think the undergrounding is probably, over all, the way to go. There is a lot of cost associated with it, and it's probably a lot less susceptible to trees.

And where you talk about your vegetation management, I -- I understand that there is a certain distance from a transmission line, and a certain distance from a service line to the vegetation line. In transmission lines, you do have the right-of-way, and then do you have the easement.

But if you actually ride down a rural road and
you look at a transmission line, and you see -- I am not sure exactly what the distance is -- 60 feet from the power line to the edge of the woods, but if you look at the height of the trees, they continue on. So in a major storm event, God forbid a Category 5, you are still going to have trees falling across power lines, whether it be transmission lines or service lines, even if the vegetation is done every three years.

So with that said, I mean, that's something that probably needs to be addressed. If you get what I am talking about, the trees are taller than the power lines, so when they fall, if they fall that direction, it's going to be a problem.

FPL currently -- and I use FPL mostly because they are our biggest supplier of power. They have done a phenomenal job during the past two storm events, pre and post. Currently, the last -- last hurricane we had, Hurricane Irma, I believe it was maximum 15 days they had almost everyone restored. And the only ones that they didn't have restored, our road and bridge crews were out trying to clear the road so that Florida Power & Light and JEA could actually get to those locations where the power was out. State Road 13 running down the
river, I believe 80 percent of that road was impassable, and that goes from the north side of St. Johns County to the south side.

But then again, like I said, I really think communication is the key. You can overthink these things as much as you want to. You can talk about it. But regular meetings -- like I said, ours are every quarter, and we do have 100 percent participation, and we have had nothing but success with that.

And I am certainly not saying that my meetings that I have scheduled with utility companies are the reason that they were successful. It just gives everybody a time to get together, and if there was an issue, it was a good chance to talk about it and work it out.

And currently, FPL is doing strengthening for the 2018 season. Right now, I believe -- I have got the newspaper article that was just released not long ago. They've done seven main power lines, including those that serve critical services to hospitals, water treatment plants and public safety offices. They have inspected over 10,971 power poles. They have installed small grid technology, including 450 automated switches on main and
neighborhood power lines, and inspected 30 main 
power lines and equipment using infrared 
technology.

So with that said, I -- I think St. Johns 
County has a good program in place. We've had a 
lot of success with it, and we've had nothing but 
cooperation.

I know I keep saying FPL, but JEA, both of 
those companies, FPL and JEA both have active 
websites that were available 24/7, and they were 
updated on a regular basis, because I would 
actually call them and ask them, how many outages 
do you still have? Check the website, and it was 
always right on the money.

Beaches Energy serves Ponte Vedra Beach, and 
then all closed, was -- was -- has always been 
underground on Ponte Vedra Boulevard, which serves 
a lot of the residents and commercial. And Beaches 
Energy actually did that at no cost to that 
particular area. That is a very high taxed 
district, so I think they thought that was just 
part of something that they should provide. But I 
don't blame Beaches Energy, the Ponte Vedra coastal 
area, it was out more than two or three days.

So with that said, I will just close real
quick on what my point is on overthinking versus communication.

When NASA first started the Apollo program, they were doing a lot of test runs into space before they sent somebody two weeks to the moon. The biggest problem with the American Astronauts complaints were is that the fountain pens would not write in zero G. All of them complained about it. They wouldn't write when they got cold. They wouldn't write when they got too hot.

So NASA decided to hire a consultant and a group people to sit around and talk about it, and think about it and work it out, and they came up with the perfect pen. It would work in freezing conditions, overheating conditions, upside down, right side up, zero G, whatever.

Well, the Russian Cosmonauts that were actually in the classroom training with these astronauts always kept saying, you overthink. Americans overthink. You need to communicate. They said, what are you talking? They said, y'all overthink. You need to communicate. You sit in Russia, when we have problem with pen, we use pencil.

So thank you very much for the opportunity,
and if anybody would like to come to our utility coordination meetings, you are more than welcome. The next one we will be having is May 17th at the St. Johns County Utility Department, and there will be a Commissioner in attendance.

COMMISSIONER BROWN: Thank you so much, Mr. Mauldin. Thanks for coming. Thanks for your presentation and your comments.

And Chairman Graham.

CHAIRMAN GRAHAM: So did Florida Power & Light ask for you to come here?

MR. MAULDIN: No, they didn't. But like I said, I keep a very close relationship with them because they are the largest power supplier, and they have been very, very cooperative.

CHAIRMAN GRAHAM: Well, I can tell you from personal experience, Beaches Energy happens to be one energy, and they are currently 82 percent underground, and I know in Ponte Vedra Beach, it's closer to about 92 percent.

MR. MAULDIN: Yes.

CHAIRMAN GRAHAM: So life is a lot easier that way, and --

MR. MAULDIN: Yes.

CHAIRMAN GRAHAM: -- I appreciate what you
guys are doing at EOC, and you have the benefit
that they don't have in Pinellas County. You only
have a or six cities, as opposed to the 23 or 24
counties out there.

MR. MAULDIN: Right.

CHAIRMAN GRAHAM: Regardless of how many you
have, it still becomes problematic, and then you
just have to be diligent about keeping those people
involved and in the loop.

Thanks for coming.

MR. MAULDIN: Thank you very much.

COMMISSIONER BROWN: Commissioners, any other
questions?

My understanding is that we have one speaker
left, and staff, you do not have any questions of
the participants here today.

MR. BALLINGER: That's correct. I think you
all have answered all the questions we had.

COMMISSIONER BROWN: Excellent.

So, Council Member, if you would like, we can
proceed ahead with your presentation.

MR. AVERA: Thank you. Good morning,
everyone. I appreciate the opportunity to be here.
I am Troy Avera, from the City of Monticello City
Council.
During the two named storm events last year, I was the Mayor. And, Commissioner Graham, if you had been local government, you know that everybody calls you both for communications and help. And you are really -- very little help you can give except in emergency situations. But when the communication is bad, or nonexistent or unreliable, it puts both the City and the citizens at unease. And that was part of our issue in the last storm event.

Duke is our energy supplier, and they supply most of the power to all the rural electrics, Tri-County Electric, Talquin Electric, and reliable electric power is necessary for economic development.

It's not just a convenience for the citizens, or inconvenience for the citizens when you lose it. If businesses, particularly small businesses are impacted frequently by power outages, that hurts them. They can't recover from it. And we have that situation, and we have power outages frequently in the City of Monticello.

Before the named stormed events, we had a whole day in the business district of power being out. Just last week, we had an hour-and-a-half
with power outages.

And I admit that Monticello is one of the oldest cities in the state of Florida, and our infrastructure, both water and sewer and electric have got age on them, and some of them routed improperly. But the City went out of our way to buy a new water treatment plant. We are one of the top -- our effluent is one of the best three in the state. And we have a complicated sewer system. We have a number of pumping stations because of the hills, and the direct impact on the City is substantial also.

We ended up, out of the last storm event, getting an $85,000 -- well, $6,000 fine and an $85,000 consent order to buy another emergency generator. We have four, this makes five, because of a small sewage spill. So it affects the City, as well as the citizens and the businesses in it.

We would like to have more hardening of the transmission lines. And I understand the difference between distribution and transmission. Right now, undergrounding is -- it's a way to go, but all our city and our rural area -- and I am speaking for all of cities basically North Florida rural areas, is we need some sort of hardening of
our transmission lines so that when there is a
power outage, that the core part of the business
district which supports the sewer facilities, all
the businesses, their nursing homes and the
government, they are restored quickly, and they
have some redundant source to get power to them.
We don't have that. And we've had a number of,
like I said, frequent power outages.

In none of the wind events that we had, we had
substantial physical damage. The maximum rate --
wind rate was about 65 miles an hour, and we lost
power downtown for six days. There was customers
without power 12 days, and this is twice in six
months and, like I said before.

We realize we are partners with Duke power.
They are very important to us. We are working with
them. We got together with them afterwards, and we
asked, you know, what are we doing to try to solve
this? And they met with the City Council at a
workshop trying to come up with issues, and they
are telling us that they are having smart
systems -- self-healing system, I think, is what
they called them, but it's not going to help if
they don't have any power coming to the -- their
distribution networks.
And I understand that when you get out in the community, there are some people going to be without power for a longer period of time than others. You begin to prioritize it. But when the whole system fails because you have got no hardened or redundant transmission lines, or ability to routes to transmit the power, then that's a big issue.

What it caused with us, we went four days in a small town, 22 miles to the nearest city, no gas, no water, no electricity, no fresh milk, no sales because nobody could run a cash register, and we are in an evacuation root. Coming back, people heading back down to South Florida, and coming up the first time, it's not a big impact, but going back, they couldn't buy gas. The lines were miles long out on the only service station in the county that had a generator backup.

So it's important not just for us, it's important for the evacuation of the people coming back and forth through Monticello.

Post-storm communications is a big issue.

It's been a big issue for everyone. But we have an EOC that was manned all the way through the storm. It was up coming up to the storm. We got good
information. We had -- our city manager slept there during the night of the storm. The City Council, as soon as the winds died down to about 40 miles an hour, right after the storm passed, the City Council manager was out talking to the citizens. That's how we communicate.

We -- our internet penetration is only about 18 percent in the county, so internet is not up. A lot of people were losing cell phones. So anybody that had a generator was allowing people to charge their phones, that's how we kept it going.

But after the storm, the communication, or the information we were getting from Duke Energy began to degrade, and I know the personal representative at Duke personally. I know him from the Chamber of Commerce. I see him around town. But the information that he was getting was not correct either.

So we got on the phone with the regional general manager. I have got his number on my cell phone. And we -- we talked constantly to get realtime what are we repairing; because what happened was, with the staging of the equipment -- and I like the Florida first idea -- is we had no repair trucks in our city for about four days after
the storm passed. We had a lot of little cars
running around doing assessments, but no bucket
trucks. And the citizens saw that. And I told
him, I said this is a terrible, terrible publicity
thing for you not to have one truck doing one thing
in town.

And about Tuesday afternoon, after the
Governor's EOC representative in Orlando -- because
I called everybody starting Monday, Tuesday from
Senator Nelson, to the Governor's Office, and I
finally got a return call from Orlando at the EOC.
And he said -- I told him, I said, we got no water.
We got no milk. We got no bread. People have
wells here that depend on electricity. They -- you
know, we -- He said, well, we need to get you some
water and food. I said, no, you need to get us
some electricity. And by four o'clock this
afternoon -- that afternoon, we had about 20 bucket
trucks so show up. So that's the good thing.

And what I would like to see is for rural
communities particularly that have older systems
that need some repair and upgrading, is to have an
alternate or redundant source of power, or a
hardened power source coming into their core
districts; better communication post-storm.
Duke admitted to us at the workshop that their -- I think they called it their outage management system, their computer was overwhelmed. They didn't have realtime information, and they were telling people -- you would call them up one day, they would tell you you were going to be two days to be fixed. The next time you called up, in 12 days. Well, I just talked to the representative, the Regional Vice-President, and he told me that power would be back within a day or two. So it -- it -- these people that got the 12-day estimate, of course they are on the phone to me.

So the information has to be real, timely, and it has to be correct. And they are working on it, and we are working with them on it, too, so. And just better staging of the equipment.

Some of the equipment needs to be held back a little bit. I know all of it was down south, and I know that everybody down south had a lot more damage than we did, and I feel a little bit reluctant to complain too much, but we suffered as much for the electric loss for five to six days as many communities did with a lot more physical damage.
But anyway, thank you for your time. I appreciate it.

COMMISSIONER BROWN: Counsel Member, Avera, thank you so much for your thoughts and comments.

 Commissioners, any questions? Seeing none.

Thank you.

Are any other matters to address before we conclude the hearing -- workshop?

MR. BALLINGER: Not that I am aware of, Commissioner Brown.

COMMISSIONER BROWN: Thank you.

MS. BUJALSKI: Chairman Brown.

CHAIRMAN GRAHAM: Yes. Certainly, Mayor.

MS. BUJALSKI: Something I think we all probably forgot to say, and -- you know, I know this a day about the electric companies, and we all have expressed frustrations, but I do want to say that the linemen that came into our state, and the linemen that work for Duke were phenomenal. They gave 20-hour days.

I know our -- our residents would drive around on golf carts making sure they had water and Gatorade, and even lunch sometimes. So, you know, while we are here expressing our frustration, I do just want to make sure, especially in case any of
them are watching, that they didn't go unnoticed in their hard work, and being away from their own families was greatly appreciated.

COMMISSIONER BROWN: Oh, I am happy you made that comment. That is a very appropriate comment, and would agree with you on that. I saw it, too firsthand.

Commissioners, do you have any comments, closing remarks, or anything before we conclude?

I did want to thank everyone for the robust discussion and exchange of ideas that we had here today. I think it will be very helpful for us to consider at our next Internal Affairs -- no, the following -- June Internal Affairs, there will be a report for us to consider policies and procedures moving forward.

And with that, if there are no other matters, we are adjourned. Safe travels to you all. Thank you again.

(Whereupon, the proceedings concluded at 12:40 p.m.)
CERTIFICATE OF REPORTER

STATE OF FLORIDA   )
COUNTY OF LEON     )

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

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

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

DATED this 14th day of May, 2018.

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