



Energy & Utilities Subcommittee

**Tuesday, December 4, 2012
8:30 a.m. – 10:00 a.m.
212 Knott Building**

ORIENTATION PACKET

**Will Weatherford
Speaker**

**Clay Ford
Chair**



The Florida House of Representatives

Regulatory Affairs Committee

Energy & Utilities Subcommittee

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AGENDA

ORGANIZATIONAL MEETING

December 4, 2012

8:30 a.m. – 10:00 a.m.

212 Knott Building (Webster Hall)

Opening Remarks by Chair Ford

Introduction of Members and Staff

Presentations from the following agencies:

- Ron Brisé Chair
Florida Public Service Commission

Mark, Futrell, Director, Industry Development & Market Analysis
Florida Public Service Commission
- J.R. Kelly, Public Counsel
Office of Public Counsel
- Patrick Sheehan, Director, Office of Energy
Department of Agriculture and Consumer Services

Closing Remarks by Chair Ford

Adjournment

Energy and Utilities Subcommittee Agencies of Jurisdiction

- Public Service Commission
- Office of Public Counsel
- Department of Agriculture and Consumer Services
 - Office of Energy
 - Division of Consumer Services
 - Bureau of Standards
 - Bureau of Liquefied Petroleum Gas Inspection
- Department of Business and Professional Regulation
 - Division of Professions, Florida Building Commission
- Department of Environmental Protection
 - Division of Air Resource Management, Siting Coordination Office
- Department of Financial Services
 - Division of Accounting and Auditing, Bureau of Auditing
- Department of Management Services
 - Division of Real Estate Development and Management
 - Division of Telecommunications
 - Bureau of Public Safety
 - Broadband Florida Initiative
- Florida Energy Systems Consortium

Energy & Utilities Subcommittee

Regulatory Affairs Committee

Subcommittee Jurisdiction:

The Energy & Utilities Subcommittee considers matters related to energy resources and efficiency standards, utilities regulation and telecommunications oversight, and regulations associated with energy production and transportation.

The subcommittee's oversight responsibilities cover the Florida Public Service Commission, the Office of Public Counsel, the Governor and Cabinet sitting as the Utility Siting Board, and energy-related programs and activities within the Department of Agriculture and Consumer Services, including the Office of Energy; the Department of Business and Professional Regulation, including the Florida Building Commission; the Department of Environmental Protection; the Department of Financial Services; the Department of Management Services; and the Florida Energy Systems Consortium comprised of the 12 state universities.

Subcommittee Staff:

Lucretia Shaw Collins

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850-717-4872

Lucretia Shaw Collins, Policy Chief of the Energy & Utilities Subcommittee, has served in various capacities in the Florida Legislature for over 30 years. In addition to her present assignment, Lucretia has staff experience with the following committees in the Florida House of Representatives: Future of Florida's Families, Health Care Licensing & Regulation, Business Regulation & Consumer Affairs, Business & Professional Regulation, Corrections, Probation & Parole, Housing, and Ethics & Elections. Lucretia has also worked in the Florida Senate as the Assistant Policy Director/Executive Assistant in the Office of the Senate President.

Lucretia obtained a Master's in Public Administration from Florida State University and a Bachelor of Science in Health and Physical Education from Florida Agricultural & Mechanical University.

Cochran Keating

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850-717-4872

Cochran Keating serves as Attorney for the Energy & Utilities Subcommittee, a role he has fulfilled over the previous four years. Cochran has also served the Florida House of Representatives as Staff Director of the Committee on Utilities & Telecommunications. Prior to joining the House, Cochran served for ten years as a Senior Attorney for the Florida Public Service Commission, focusing on energy regulatory issues.

Cochran earned a law degree from the Florida State University College of Law and a Bachelor of Science in Multinational Business and Marketing from Florida State University.

Cochran handles issues relating to electric, telecommunications, cable, and water and wastewater utility regulation, the siting of electrical power plants (including nuclear power), energy efficiency and conservation measures, and other issues involving the Public Service Commission and the Office of Public Counsel.

Shari Whittier

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850-717-4872

Shari Whittier is the Senior Legislative Analyst for the Energy & Utilities Subcommittee. She has worked with the Legislature since 1985 and has held positions in various areas, such as Legislative Personnel, the House Clerk's Office, and House Committees on Agriculture, Rules & Regulations, Juvenile Justice, Corrections, Spaceport & Technology, and Energy.

Shari earned a Master's in Public Administration and a Bachelor of Arts in English, both from Florida State University.

Shari handles issues relating to renewable energy tax incentives and rebates, fuel standards, the Florida Building Commission, energy saving contractors, building standards, energy efficient appliances, alternative vehicles and related infrastructure, and other issues involving the Office of Energy within the Department of Agriculture and Consumer Services.

Martha Ellinor

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850-717-4870

Martha Ellinor, the Administrative Assistant for the House Regulatory Affairs Committee, has been employed with the House since 1985 and has served in various councils/committees/ subcommittees. Before working with the Legislature, Martha was employed with the Department of Commerce and the State Board of Administration. Martha has also worked for a private real estate firm and a law firm.

AGENCY OVERSIGHT:

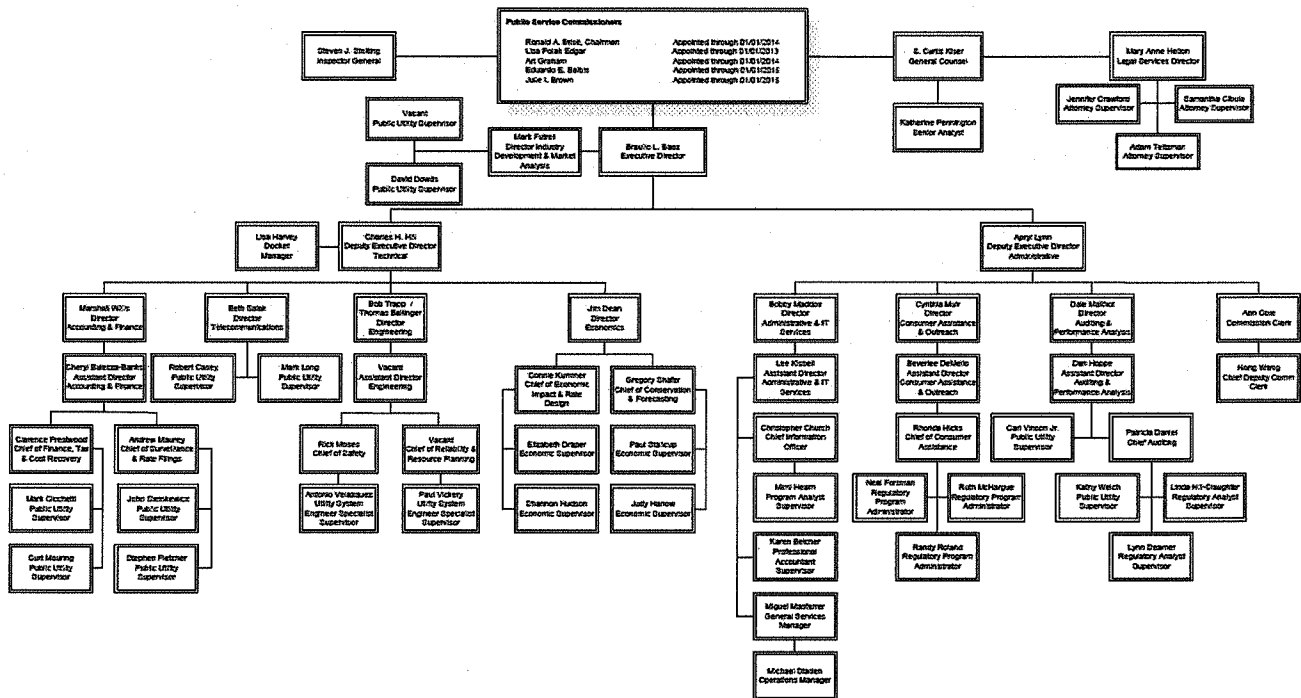
Florida Public Service Commission (PSC) (Arm of the Legislature)

Contact person: Katherine Pennington, Legislative Affairs Director, 850-413-6960
(kpenning@psc.state.fl.us)

Policy Jurisdiction: The Florida Public Service Commission (PSC) is a 5-member appointed body whose primary responsibility is to ensure that Florida consumers/ratepayers receive their most essential services – electricity, natural gas, telephone, water, and wastewater – in a safe, affordable, and reliable manner. The PSC exercises regulatory authority over utilities in one or more of three key areas: rate base/economic regulation; competitive market oversight; and monitoring of safety, reliability, and service.

The PSC has regulatory authority over 5 investor-owned electric utilities (all aspects of operations, including rates and safety) [account for 7.25 million customers in the state], and limited regulatory authority over 35 municipally-owned electric utilities and 18 rural electric cooperatives. In addition, the PSC has regulatory authority over 7 investor-owned natural gas utilities, and limited regulatory authority over 27 municipally-owned natural gas utilities and 4 special gas districts. As of September 30, 2011, the PSC has regulatory authority over 10 incumbent local exchange companies, 367 competitive local exchange companies, and 105 pay telephone service companies. Finally, as of December 2010, the PSC has regulatory authority over 148 investor-owned water and/or wastewater utilities in 36 of Florida's 67 counties.

**FLORIDA PUBLIC SERVICE COMMISSION
ORGANIZATIONAL CHART**



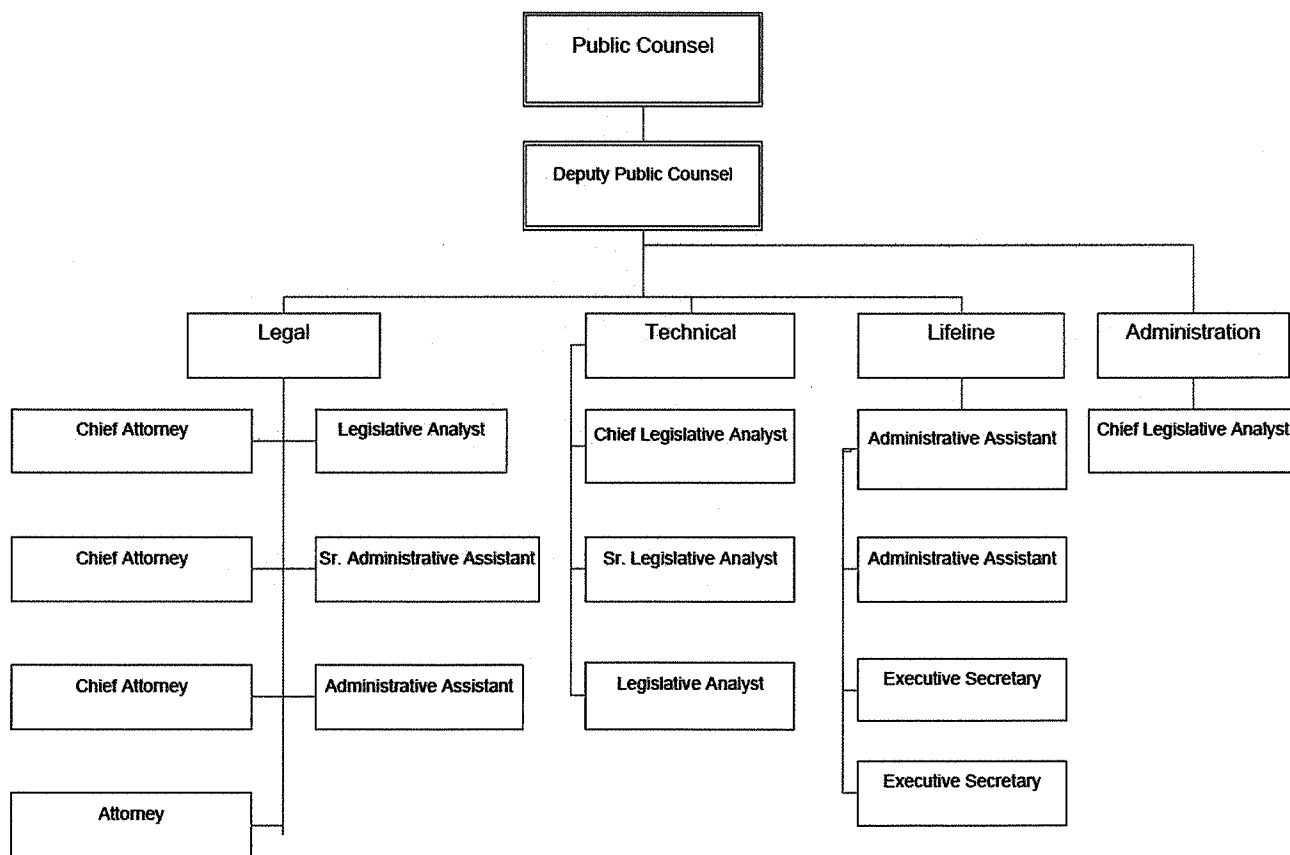
Office of Public Counsel (Arm of the Legislature)

Contact person: JR Kelly, Public Counsel, 850-488-9330

(KELLY.JR@leg.state.fl.us)

Policy Jurisdiction: The Public Counsel has the statutory duty to provide legal representation for the people of the State of Florida in proceedings before the Florida Public Service Commission involving electric utilities, gas utilities, water utilities, and wastewater utilities, and in proceedings before counties that elect jurisdiction over water and wastewater utilities pursuant to s. 367.171(8), F.S. The Public Counsel performs independent analyses, presents testimony of expert witnesses, cross-examines witnesses, and files recommendations and briefs in those cases. The Public Counsel does not pursue cases regarding utilities owned by local governments or cooperatives, nor does the Public Counsel pursue criminal or other individual matters. The Public Counsel is independent from any regulatory authority and accounts only to the people of the State of Florida through the Florida Legislature. The Office of Public Counsel also verifies the income eligibility of Florida residents applying for Lifeline telephone assistance.

OFFICE OF PUBLIC COUNSEL



Department of Agriculture and Consumer Services (DACs)

Office of Energy

Division of Consumer Services

Bureau of Standards

Bureau of Liquefied Petroleum Gas Inspection

Contact person(s): Grace Lovett, Legislative Affairs Director, 850-617-7735

(grace.lovett@freshfromflorida.com)

Patrick Sheehan, Director, Office of Energy, 850-617-7470

(patrick.sheehan@freshfromflorida.com)

Policy Jurisdiction: The Office of Energy within the DACs is the primary organization for state energy and climate change programs and policies. The office holds a variety of responsibilities, including administering financial incentive programs; administering the provisions of the Florida Energy and Climate Protection Act; representing Florida in the Southern States Energy Compact; performing or coordinating the functions of any federal energy programs delegated to the state; and providing recommendations to the Governor and the Legislature. The office also works cooperatively with other state entities to develop state energy and climate change policies and programs.

The Bureau of Standards is responsible for conducting inspections of the petroleum distribution system and analyzes samples of petroleum products to ensure consumers are being offered quality products at a fair measure. The quality of gasoline, alternative fuels (E85, biodiesel, ethanol, etc.), kerosene, diesel and fuel oil are determined at department testing laboratories. The bureau's laboratory personnel also test antifreeze products and brake fluid products to ensure that they pass strict standards before being registered by the department for sale to the public. The Bureau is responsible for conducting inspections at the 9,025 retail facilities and inspects more than 60,000 commercial measuring devices each year.

The Bureau of Liquefied Petroleum Gas Inspection ensures the safe sale, use, storage, handling, and transportation of propane in the State of Florida.

Department of Business and Professional Regulation (DBPR)

Division of Professions

Florida Building Commission

Contact person: Sam Verghese, Legislative Affairs Director, 850-487-4827

(sam.verghese@dbpr.state.fl.us)

Policy Jurisdiction: The Florida Building Commission, authorized under ss. 553.76 and 553.77, F.S., is a 25-member technical body responsible for the development, maintenance, and interpretation of the Florida Building Code through a consensus-building process. The Chair is appointed by the Governor, subject to confirmation by the Senate, and serves at the pleasure of the Governor. Other Commission members appointed by the Governor represent architects, engineers, contractors, building owners, insurance, public education, local governments, building and fire officials, and persons with disabilities. The Commission also approves appliances for energy efficiency and statewide acceptance. The Department of Business and Professional Regulation, Division of Professions, Office of Building Codes and Standards, provides administrative and staff support services to the Commission.

The Florida Building Code, authorized under s. 553.73, F.S., replaced Florida's patchwork of codes and regulations that were developed, amended, administered and enforced by more than 400 local jurisdictions and state agencies with building code regulation responsibilities. The current Code is a

single statewide code based on national model codes and consensus standards, amended for Florida's specific needs for the design and construction of buildings. The Code is designed to make the local building process more efficient, increase accountability, bring new and safer products to the market, increase consumer confidence, and better protect the residents of this natural disaster prone state.

The Florida Energy Code is a statewide uniform code which provides for minimum energy efficiency standards and design tools "compliance methods" for both new construction and alteration of residential and commercial buildings. In order to encourage higher energy standards in buildings, the code provides for computer simulation tools which allow building owners/designers to analyze the whole building energy performance of their buildings and determine the projected energy costs necessary to operate their proposed building design.

Department of Environmental Protection (DEP)

Division of Air Resource Management, Siting Coordination Office

Utility Siting Board (provides administrative support to Governor and Cabinet)

Contact person: Pierce Schuessler, Director, 850-245-2140

pierce.schuessler@dep.state.fl.us

Policy Jurisdiction: The Siting Coordination Office within the Division of Air Resource Management coordinates the interagency review and certification for siting, building, and operating electrical power plants (including nuclear power), natural gas pipelines, and electrical transmission lines. It administers Florida's environmental regulatory programs with respect to energy production and transportation. DEP's Siting Coordination Office and General Counsel's Office provide administrative and legal support for the certification process. Certification is an all-encompassing license for affected state, regional, and local agencies, and includes any regulatory activity which would be applicable under these agencies' regulation for the facility. Though DEP is responsible for coordinating the certification process, the Governor and Cabinet, sitting as the Utility Siting Board, issue siting certifications.

Electric and magnetic fields generated by electrical transmission lines are also regulated by DEP. The Siting Coordination Office reviews required compliance reports submitted by companies that construct or operate transmission lines and assists county tax appraisers in determining eligibility for ad valorem tax reductions for air or water pollution control equipment.

Department of Financial Services (DFS)

Division of Accounting and Auditing

Bureau of Auditing

Contact person: Logan McFaddin, Legislative Affairs Director, 850-413-2910

logan.mcfaddin@dfs.state.fl.us

Policy Jurisdiction: Within the Division of Accounting and Auditing, the Bureau of Auditing is responsible for providing reasonable assurance to the taxpayers of Florida that funds disbursed from the State Treasury are valid obligations of the state and are in general compliance with state statutes. Energy Savings Contracts (ESCOs) are subject to audits performed by this bureau. This division works with the Department of Management Services in managing the state ESCO program.

Department of Management Services (DMS)
Division of Real Estate Development and Management
Division of Telecommunications
Bureau of Public Safety
Broadband Florida Initiative

Contact person: Stephanie Leeds, Legislative Affairs Director, 850-933-6535
(stephanie.leeds@dms.myflorida.com)

Policy Jurisdiction: The Division of Real Estate Development and Management in the DMS administers the Florida Energy Conservation and Sustainable Buildings Act which directs state agencies to incorporate sustainable building practices into the design, construction, and renovation of state buildings. DMS, through this act, has developed the Florida Life-Cycle Cost Analysis Program which pertains to the evaluation of life-cycle energy performance for alternative building designs. Additionally, DMS developed the State Energy Management Plan which is a comprehensive plan to help state agencies reduce energy consumption and costs. DMS has adopted the United States Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system for new construction and renovation projects for state buildings.

Through its Division of Telecommunications, Bureau of Public Safety, the DMS has the following responsibilities for statewide coordination of 911 and enhanced 911 (E911) services:

- Statewide Emergency Communications Number E911 State Plan
- Coordinating effective delivery of 911 services statewide
- Assisting counties with technical standards and operational capabilities
- Assisting counties with designing and implementing new systems
- Inspecting and issuing certificates to all Public Service Answering Points (PSAP) in compliance with the 911 Plan
- Assisting with county 911 coordinator training
- Monitoring the Florida Public Service Commission (FPSC); Federal Communications Commission (FCC); and other regulatory entities on 911/E911 issues.

Presently, the DMS is responsible for implementing the state's broadband program. (The 2012 Legislature required DMS, in consultation with the Department of Economic Opportunity (DEO), to request federal approval to transfer the federal broadband grant from DMS to DEO. That approval has not been received from the U.S. Department of Commerce.) Under this program, DMS is authorized to work collaboratively with Enterprise Florida, state agencies, local governments, private businesses, and community organizations to:

- Assess the needs for broadband Internet service and develop data and maps that provide a baseline assessment of the availability and speed of broadband service throughout Florida
- Create a strategic plan to increase use of broadband Internet service in Florida
- Build local technology planning teams
- Encourage the use of broadband Internet service, especially in rural, unserved, and underserved areas of the state through grant programs.

DMS is also authorized to apply for and accept federal funds, as well as gifts and donations from individuals, foundations, and private organizations, for these purposes.

Florida Energy Systems Consortium (FESC)

Contact person: Dr. Timothy J. Anderson, FESC Director, University of Florida, 352-392-8049
(tim@ufl.edu)

Policy Jurisdiction: The Florida Energy Systems Consortium was created by the 2008 Legislature, pursuant to s. 1004.648, F.S., to “promote collaboration among experts in the State University System for the purposes of sharing energy-related expertise and assisting in the development and implementation of a comprehensive, long-term, environmentally compatible, sustainable, and energy efficient strategic plan for the state.” The consortium is administered at the University of Florida by a director appointed by the President of the University of Florida, and includes the following state universities as defined in s. 1000.21(6), F.S.:

- The University of Florida (UF)
- The Florida State University (FSU)
- The Florida Agricultural and Mechanical University (FAMU)
- The University of South Florida (USF)
- The Florida Atlantic University (FAU)
- The University of West Florida (UWF)
- The University of Central Florida (UCF)
- The University of North Florida (UNF)
- The Florida International University (FIU)
- The Florida Gulf Coast University (FGCU)
- New College of Florida (NCF)
- The Florida Polytechnic University (FPU) – was established by the 2012 Legislature

In its annual report submitted to the Governor, President of the Senate, Speaker of the House of Representatives, and the Department of Agriculture and Consumer Services, on November 1, 2012, the FESC listed the following:

Major Accomplishments over the last three years:

- 20 companies have been formed based on university developed technologies.
- 336 students (Undergraduate: 35, M.S.: 104, PhD: 163, JD Law: 2) and 32 Post-docs supported.
- Over 50 Fact sheets generated to help Florida citizens better conserve and increase energy efficiency.
- FAU designated by U.S. Department of Energy as one of three National Marine Renewable Energy Centers.

Key accomplishments during the reporting period October 1, 2011 thru September 30, 2012

- 259 proposals requesting \$334M submitted by State University System (SUS) energy faculty.
- 274 research awards totaling \$64M to SUS energy faculty.
- 25 technologies were licensed to industry.
- 59 Invention Disclosures were submitted and/or patents received by the SUS faculty.
- 242 technical publications and 202 professional presentations were produced by FESC faculty.
- 17,713 have visited the FESC web site.

Overview of Recent Passed Legislation within subcommittee's jurisdiction:

2011 Legislature

CS/CS/CS/HB 887 - Communications Services Tax by State Affairs Committee; Finance & Tax Committee; Energy & Utilities Subcommittee; Dorworth

Chapter 202, F.S., provides that sales of communications services, except direct-to-home satellite service, are subject to a state communications services tax (CST), a gross receipt tax, and a local CST. Federal law prohibits direct-to-home satellite service sales from being subject to a local CST. Direct-to-home satellite sales are subject to a different state CST rate and gross receipt rate than that of other communications services sales.

The Department of Revenue (DOR) is required to make available, in an electronic format or otherwise, the tax amounts and brackets applicable to each taxable sale so that the tax collected is not less than allowed by statute. To clarify the law, the DOR has created proposed Rule 12A-19.021, F.A.C. The proposed rule provides that any communications services tax resulting in a fraction of a cent be rounded to the next whole cent.

The bill eliminated the requirement of the DOR to provide tax amounts and brackets to communications services dealers. The bill required communications services dealers to compute state and local CSTs based on a rounding algorithm. This algorithm must be carried to the third decimal place and be rounded to a whole cent using a method that rounds up to the next cent whenever the third decimal place is greater than four. The bill authorized a dealer to apply the rounding algorithm to the state CST based on one of three ways:

- Total 9.17 percent;
- Separate 6.65 percent and 2.52 percent; or
- Separate 6.8 (combined .15 percent and 6.65 percent) and 2.37 percent

The bill provided that a dealer may compute the taxes on an item or invoice basis. The aggregate tax amount for all items on the invoice must equal at least the result that would have been obtained if the rounding algorithm had been applied to the aggregate tax amount computed on all taxable items on the invoice. A dealer may satisfy this requirement by setting a minimum tax amount of not less than \$0.01 with respect to each item, or group of items, to which the rounding algorithm is applied. A dealer must apply the rounding algorithm to the local CST separately from the state CST. The bill stated that a dealer is not required to collect the taxes based on a bracket system.

The bill provided that the act is intended to be remedial in nature and apply retroactively. However, the act did not provide a basis for an assessment of any tax not paid or create a right to a refund of any tax paid before July 1, 2011.

The 2011 Revenue Estimating Conference estimated that there will not be a fiscal impact on state or local governments.

The bill went into effect on July 1, 2011.

CS/CS/HB 1231 – Telecommunications by State Affairs Committee; Energy & Utilities Subcommittee; Horner; Williams, A., and others

In 1995, the Legislature opened local telephone service markets to competition beginning January 1, 1996. The 1995 law allowed an incumbent local exchange company to elect “price regulation” instead of traditional rate-of-return regulation, making it subject to price caps on basic service (i.e., single-line, flat-rate residential local exchange service) and nonbasic service (i.e., any service other than basic service, including a combination of basic service with any nonbasic or unregulated service). The 1995 law retained the Public Service Commission’s (PSC) jurisdiction over service quality issues and granted it new authority to address consumer issues in the transition to a sufficiently competitive market. After changes to the law in 2009, local exchange companies remained subject to the price regulation scheme adopted in 1995, with slight modifications to the caps, though only basic service remained subject to service quality oversight by the PSC. According to the PSC, approximately four percent of local service customers are considered basic service customers now.

On August 1, 2010, the PSC issued its Report on the Status of Competition in the Telecommunications Industry as of December 31, 2009. In its Report, the PSC found:

Florida’s communications market continues to exhibit competitive characteristics. Estimates of wireless-only households have increased from prior years, and in the most recent reporting period, Florida cable companies expanded the number of VoIP customers served. These facts, coupled with continued residential access line losses by ILECs, suggest an active market for voice communications services in many areas of Florida.

Legislative Intent

The bill provided legislative findings that “the competitive provision of telecommunications services, including local exchange telecommunications service, is in the public interest and has provided customers with freedom of choice, encouraged the introduction of new telecommunications service, encouraged technological innovation, and encouraged investment in telecommunications infrastructure.”

Consistent with these findings, the bill deregulated retail service provided by local exchange companies through the repeal of several provisions of law, including repeal of all price and service quality regulation. The bill maintained the role of the PSC in resolving wholesale disputes between telecommunications service providers.

Deregulation of Telecommunications Services

The bill repealed or amended several provisions of existing law related to the regulation of telecommunications services. Specifically, the bill:

- Eliminated PSC jurisdiction over basic service and nonbasic service offered by a local exchange company;
- Eliminated price regulation caps for basic and nonbasic service offered by a local exchange company and provided such companies with the flexibility to offer competitively priced services;
- Eliminated the requirement that a local exchange company offer flat-rate pricing options;
- Eliminated the PSC’s authority to compel repairs for purposes of securing adequate service or facilities for basic service;

- Eliminated the requirement that an alphabetical directory listing (e.g., a phone book) be provided as an element of basic service;
- Removed any remaining PSC oversight of intrastate interexchange telecommunications companies (i.e., companies that provide long distance service between points within the state);
- Eliminated rate caps on pay telephone service providers;
- Exempted operator services from PSC jurisdiction and removed any statutory operational and billing requirements for operator service providers;
- Eliminated shared tenant services from PSC jurisdiction; and
- Eliminated PSC jurisdiction over otherwise exempt services where such jurisdiction is specifically authorized by federal law.

The bill directed the PSC to reduce the regulatory assessment fees it imposed on telecommunications companies to reflect the reduction in its regulatory responsibilities.

The bill repealed requirements related to the development of a state universal service mechanism.

Certification of Service Providers

The bill provided that either a certificate of necessity or a certificate of authority is required to provide telecommunications service to the public in Florida. The bill provided that the PSC shall cease to provide certificates of necessity after July 1, 2011, though existing certificates of necessity will remain valid. The bill also established the process and requirement for obtaining a certificate of authority to provide telecommunications service to the public in Florida. The PSC must grant a certificate of authority to provide telecommunications service upon a showing that the applicant has sufficient technical, financial, and managerial capability to provide such service in the geographic area proposed to be served.

The bill provided that the transfer of a certificate of necessity or authority from the certificate holder's parent company or affiliate or to another person holding a certificate, or its parent company or affiliate, may occur without prior approval of the PSC, provided that notice of the transfer is provided to the PSC within 60 days after completion of the transfer. The transferee assumed the rights and obligations conferred by the certificate.

Consumer Education and Assistance

The bill repealed or amended several other provisions of existing law to reflect the deregulation of local exchange service in light of the development of competition. Specifically, the bill:

- Removed obsolete requirements to educate consumers concerning the transition from a regulated monopoly system to a competitive market for local exchange service;
- Removed the PSC's authority to assist customers in resolving billing and service disputes involving regulated companies and services;
- Eliminated the requirement that local exchange companies disclose to residential customers the lowest cost option when service is requested and advise customers annually of the price of each service option they have selected;
- Maintained the PSC's authority to adopt rules and resolve complaints regarding the unauthorized changing of a customer's telecommunications service, referred to as "slamming";
- Maintained the PSC's authority to provide consumer education and information concerning the Lifeline and Link-Up programs;
- Eliminated the requirement that billing parties provide detailed bills and a toll-free number that must be answered by a customer service representative or a voice response unit;

- Removed a provision stating that a customer is not liable for any charges for services that the customer did not order, referred to as “cramming”; and
- Removed the PSC’s authority to regulate the terms of contracts between a telecommunications company and its customers.

Competitive Market Oversight

The bill described the PSC’s authority to oversee carrier-to-carrier relationships and to prevent anticompetitive behavior, including, but not limited to, issues involving the resale of services, number portability, dialing parity, access to rights of way, access to poles and conduits, and reciprocal compensation. It also maintained the PSC’s authority to arbitrate and enforce interconnection agreements in accordance with applicable Federal law and regulations.

Adoption of Broadband Service

The bill amended existing law related to the deployment and adoption of broadband Internet service throughout Florida. The bill removed broadband “deployment” as the intent of the law, providing instead that the law’s intent was to promote “sustainable adoption” of broadband Internet service. “Sustainable adoption” is defined in the bill as “the ability for communications service providers to offer broadband services in all areas of the state by encouraging adoption and utilization levels that allow for these services to be offered in the free market absent the need for governmental subsidy.” The bill reflected this change in focus through the priority given to projects for purposes of awarding grants.

The bill went into effect July 1, 2011.

SB 2106 – Florida Energy and Climate Commission by Budget

The bill transferred the Energy Office from the Florida Energy and Climate Commission to the Department of Agriculture and Consumer Services.

Since 1975, energy-related policy issues have been administered by several state agencies, including the Departments of Administration, Community Affairs, Environmental Protection, and most recently, the Executive Office of the Governor through the Florida Energy and Climate Commission (FECC or Commission).

In 2009, through the American Recovery and Reinvestment Act of 2009 (ARRA), the federal government provided stimulus monies to qualifying states for energy-related programs and the FECC received approximately \$176 million to be administered over a three-year period (2009-2012) within the state. This allocation was a substantial increase to the Commission’s prior average funding levels of approximately \$20 million.

With the ARRA funding, the focus of the Energy Office changed and the primary role and function became grant management. The FECC calculated that the number of financial transactions completed in a month for the Energy Office was approximately equal to the total amount of other financial transactions completed in a year for the entire Executive Office of the Governor.

The Department of Agriculture and Consumer Services (DACS) has had a role in managing some aspects of energy-related projects with the establishment of the Farm-to-Fuel Initiative in 2006, specifically “to enhance the market for and promote the production and distribution of renewable

energy from Florida-grown crops, agricultural wastes and residues, and other biomass and to enhance the value of agricultural products or expand agribusiness in the state.” In 2007, the Legislature appropriated \$25 million to the DACS to establish the Farm-to-Fuel Grants Program to provide matching grants for demonstration, commercialization, research, and development projects relating to bioenergy projects. In 2008, the Legislature directed the DACS to administer the Renewable Fuel Standard and to be a consultant to the FECC when awarding bioenergy projects for renewable technology.

Mainly, SB 2106 accomplished the following:

- Abolished the nine-member Florida Energy and Climate Commission.
- Except where otherwise specified, provided for a Type Two Transfer of the powers, duties, functions, records, personnel, and property; unexpended balances of appropriations, allocations, and other funds; administrative authority; administrative rules; pending issues; and existing contracts to the DACS.
- Transferred the duties from the FECC for petroleum allocation planning and emergency contingency planning programs to the Division of Emergency Management within the Executive Office of the Governor.
- Transferred administration of the federal Coastal Energy Impact Program to the Department of Environmental Protection.
- Transferred coordination and review, in consultation with the DACS, of the energy conservation programs of all state agencies to the Department of Management Services.
- Created the Office of Energy within the DACS.
- Authorized the DACS to submit an amendment to the Legislative Budget Commission for increased budget authority for a fixed capital outlay appropriation for federal energy grants.
- Made conforming changes to applicable statutes and cross-references.

The bill went into effect July 1, 2011.

2012 Legislation

CS/CS/HB 801 - Emergency 911 Service by Finance & Tax Committee; Community & Military Affairs Subcommittee; Steube; Passidomo

In 1999, the Legislature passed the Emergency Communications Number E911 Act, establishing a statewide enhanced 911 (“E911”) system. To fund the E911 system, the act requires voice communications service providers to collect a fee from customers. The fee is imposed upon local exchange service, wireless service, and other services that have access to E911 service. The act created the E911 Board to implement and oversee the E911 system.

CS/CS/HB 801 modifies the membership of the E911 Board by expanding the total number of members from 9 to 11. This change was achieved by: expanding the number of local exchange company representatives from 2 to 3; adding a requirement that one of these three Board members represent a competitive local exchange telecommunications company; expanding the number of county 911 coordinators from 4 to 5 and the number of at-large county 911 coordinators from 1 to 2; and reducing the number of wireless telecommunications industry representatives on the Board from 2 to 1.

The bill clarifies how the E911 fee will be billed by certain voice communications service providers, including billing to customers served through high-capacity lines. The bill also clarifies that the current indemnification and liability provisions related to the provision of E911 service also apply to non-voice communications (e.g., text, data, images, and video) that may be utilized in new 911 applications currently being developed. The bill reflects the June 2011 dissolution of the Florida Telecommunications Industry Association by removing statutory references to the association and its predecessor.

The bill allows 911 public safety telecommunicators (i.e., public safety dispatchers and 911 operators) to disclose the location of persons having a confirmed coronary emergency to private persons or entities that have automated external defibrillators nearby.

The bill went into effect July 1, 2012.

CS/HB 945 - Broadband Internet Service by Appropriations Committee; Holder and others

CS/HB 945 replaces the Department of Management Services (DMS) with the Department of Economic Opportunity (DEO) as the agency responsible for implementing the state's broadband program. The bill designates DEO as the single state entity to receive and manage all federal State Broadband Initiative funds. Further, the bill:

- Requires DEO to establish a public-private partnership that will work collaboratively with Enterprise Florida, state agencies, local governments, private businesses, community organizations, and nonprofit corporations;
- Provides that community development is a goal of the state broadband program;
- Requires that DEO's strategic plan to increase use of broadband Internet service in Florida be developed with the use of consumer research into residential and business technology utilization data; and
- Specifies that broadband mapping efforts conducted under DEO must, at a minimum, identify transmission speeds and unserved and underserved areas at the census block level, which provides a finer level of detail than required by current law.

The bill requires DMS, in consultation with DEO, to request federal approval to transfer the federal broadband grant from DMS to DEO. Upon approval of the transfer, DMS must request a budget amendment requiring Legislative Budget Commission (LBC) approval to transfer all funds. LBC approval will initiate a type two transfer of all funds and authority of the state broadband program from DMS to DEO.

Approval has not been received from the U.S. Department of Commerce to transfer the program. The remainder of the bill is effective upon LBC's approval of the required budget amendment.

CS/CS/HB 7117 – Energy by State Affairs Committee; Finance & Tax Committee; Energy & Utilities Subcommittee; Plakon; Mayfield and others

CS/CS/HB 7117 was the first major energy policy legislation adopted by the Legislature since 2008. The bill incentivizes the investment and production of renewable energy projects in Florida in the following ways:

- Amends the definition of “local government” to facilitate Property Assessed Clean Energy projects by local governments by including in the definition separate legal entities created by interlocal agreements.
- Revises the ten-year site plan process to specifically require electric utilities to provide information concerning actual and planned renewable energy production.
- Reinstates and revises the sales tax exemption for renewable energy technologies; the renewable energy technologies investment corporate income tax credit; and the renewable energy production corporate income tax credit. Transfers certification of the renewable energy production corporate income tax credits to the Department of Agriculture and Consumer Services (DACS). Directs DACS to do an assessment on the use of each of these programs.
- Provides that the rates, terms, and conditions of electric vehicle charging services by a non-utility are not subject to regulation by the PSC. Directs the PSC to conduct a study on the potential effects of electric vehicle charging stations on both energy consumption and the electric grid.
- Appropriates \$250,000 for the PSC, in consultation with DACS, to contract for an independent evaluation of the Florida Energy Efficiency and Conservation Act (FEECA) to determine whether it remains in the public interest.
- Expands allowed uses of the local government infrastructure surtax proceeds to provide loans, grants, or rebates to residential and commercial property owners who make energy efficiency improvements to their property. Requires a local government to approve by referendum the expansion of such uses.
- Expands the Renewable Fuel Standard to include “alternative fuel.” Provides that retail dealers are not prohibited from selling or offering to sell unblended gasoline. Directs DACS to compile a list of retail dealers that sell or offer to sell unblended gasoline in the state and post the list on the department’s website.

The effective date of the bill was July 1, 2012, and became law without the Governor’s signature.

Summary of Possible Policy Issues for 2012-2014

Implementation of the 2008 Constitutional Amendment regarding Renewable Energy Devices

There have been several attempts over the years to implement a property tax incentive for renewable energy source devices. In 1980, Florida voters added the following authorization to Article VII, section 3(d), Florida Constitution:

By general law and subject to conditions specified therein, there may be granted an ad valorem tax exemption to a renewable energy source device and to real property on which such device is installed and operated, to the value fixed by general law not to exceed the original cost of the device, and for the period of time fixed by general law not to exceed ten years.

During the same year, based on the new constitutional authority, the Legislature approved a property tax exemption for real property on which a renewable energy source device is installed and is being operated. However, the exemption expired after 10 years, as provided in the constitution. Specifically, the exemption period authorized in statute was from January 1, 1980, through December 31, 1990. Therefore, if an exemption was granted in December 1990, the exemption terminated in December 2000. The law required that the exemption could be no more than the lesser of the following:

- The assessed value of the property less any other exemptions applicable under the chapter;
- The original cost of the device, including the installation costs, but excluding the cost of replacing previously existing property removed or improved in the course of the installation; or
- Eight percent of the assessed value of the property immediately following the installation.

In December of 2000, the last of the exemptions expired.

During the 2008 Legislative Session, HB 7135 (ch. 2008-227, L.O.F.) was enacted, removing the expiration date of the property tax exemption, thereby allowing property owners to once again apply for the exemption, effective January 1, 2009. The period of each exemption, however, remained at 10 years. The bill also revised the options for calculating the amount of the exemption for properties with renewable energy source devices by limiting the exemption to the amount of the original cost of the device, including the installation cost, but not including the cost of replacing previously existing property.

In the November 2008 General Election, Florida voters approved a constitutional amendment placed on the ballot by the Taxation and Budget Reform Commission adding the following language to Article VII, section 4, of the Florida Constitution:

- (i) The legislature, by general law and subject to conditions specified therein, may prohibit the consideration of the following in the determination of the assessed value of real property used for residential purposes:
 - (1) Any change or improvement made for the purpose of improving the property's resistance to wind damage.
 - (2) The installation of a renewable energy source device.

The amendment also repealed the constitutional authority for the Legislature to grant an ad valorem tax exemption to a renewable energy source device and to real property on which such device is installed and operated. This repealed language had provided the constitutional basis for legislation passed in 1980 and in 2008.

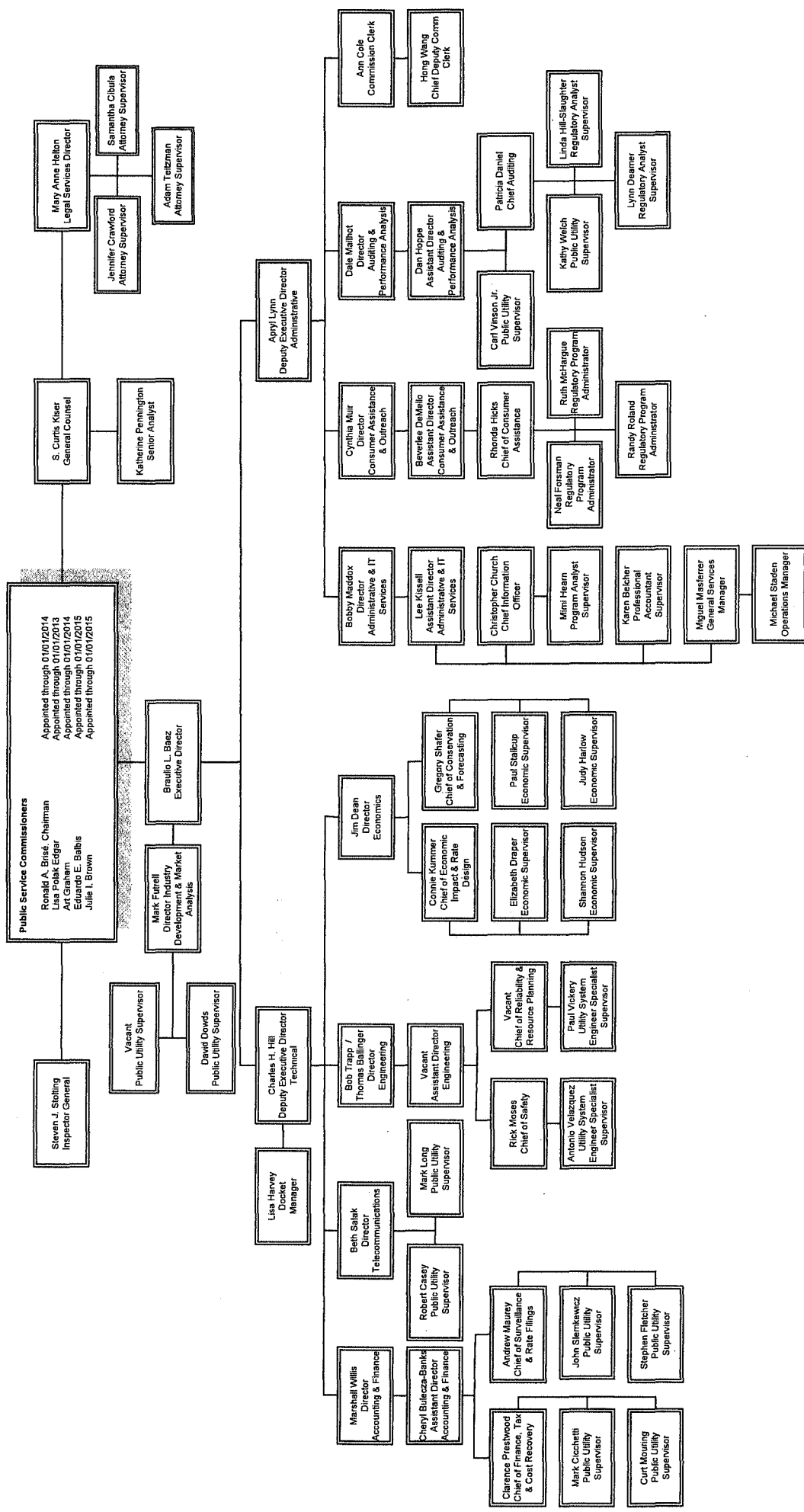
In 2009, the House passed CS/HB 7113, which codified the constitutional property tax assessment provision that was adopted by the voters in 2008. The bill, however, was not heard in the Senate and died in Messages. In 2011, the House passed CS/CS/HB 531 and in 2012, the House passed CS/HB 133. Both measures would have codified the constitutional provision, but the bills were not heard in the Senate either year.

Studies/Reports Mandated in 2012 Legislative Session:

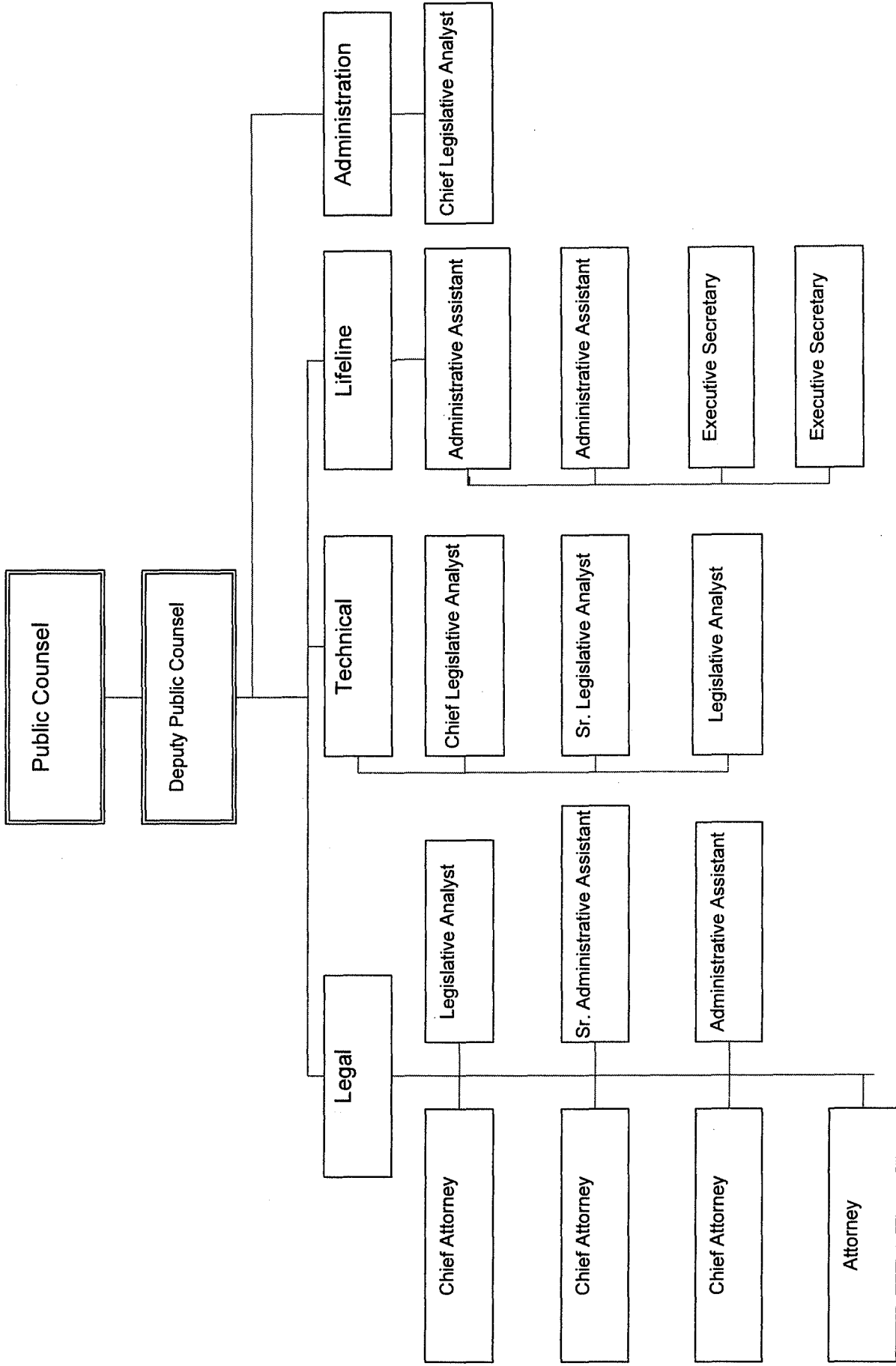
- Electric Vehicle Charging Station Study – CS/CS/HB 7117 requires the Public Service Commission (PSC) to conduct a study of the potential effects of public charging stations and privately owned electric vehicle charging on both energy consumption and the impact on the electric grid in the state. The PSC shall also investigate the feasibility of using off-grid solar photovoltaic power as a source of electricity for the electric vehicle charging stations. The study is to be submitted to the President of the Senate, Speaker of the House, and the Executive Office of the Governor by **December 31, 2012**.

- Florida Energy Efficiency and Conservation Act (FEECA) Evaluation - The Public Service Commission (PSC), in consultation with the Department of Agriculture and Consumer Services, is required, by CS/CS/HB 7117, to contract for an independent evaluation of the FEECA to determine if the act remains in the public interest. The evaluation is to consider the costs to ratepayers, the incentives and disincentives associated with the provisions in the act, and if the programs create benefits without undue burden on the customer. The PSC contracted with the University of Florida's Public Utility Research Center, the University of Florida's Program for Resource Efficient Communities, and the National Regulatory Research Institute. The report is to be submitted to the President of the Senate, Speaker of the House, and the Executive Office of the Governor by **January 31, 2013**.
- Study Committee on Investor-Owned Water and Wastewater Utility Systems - HB 1389 created an 18-member Study Committee on Investor-Owned Water and Wastewater Utility Systems to identify issues of concern of investor-owned water and wastewater utility systems, particularly small systems, and their customers and research possible solutions. The committee is also to consider, among other issues, the ability of small utilities to achieve economies of scale when purchasing equipment, commodities, or services, the availability of low interest loans, and the impact on customer rates under certain circumstances. Public Service Commissioner Julie Brown serves as chair and staff is provided by the commission. A report with specific legislative recommendations shall be submitted to the Governor, President of the Senate, and Speaker of the House by **February 15, 2013**.
- Statewide Forest Inventory Analysis and Study – CS/CS/HB 7117 requires the Department of Agriculture and Consumer Services to conduct a comprehensive statewide forest inventory analysis and study to identify where available biomass is located, determine the available biomass resources, and ensure forest sustainability within the state. The study is to be submitted to the President of the Senate, Speaker of the House, and Executive Office of the Governor by **July 1, 2013**.

FLORIDA PUBLIC SERVICE COMMISSION ORGANIZATIONAL CHART



OFFICE OF PUBLIC COUNSEL



The People of the State of Florida

The Governor of Florida

Secretary of the Department of Business and Professional Regulation

Office of the General Counsel

Office of the Inspector General

Office of Communications

Office of Legislative Affairs

Division of Administration

- Agency Services
- Human Resources
- Purchasing & Contract Admin.
- Planning & Budget
- Finance & Accounting

Chief of Staff

Division of Information Technology

Division of Service Operations

- Customer Contact Center
- Central Intake and Licensure
- Revenue

Deputy Secretary of Professional Regulation

Division of Professions

- Professional Boards
- Education & Testing
- Florida Building Commission

Division of Regulation

- Alternative Dispute Resolution
- Complaints/Investigations
- Inspections
- Unlicensed Activity
- Farm Labor & Child Labor

Division of Real Estate

- Enforcement
- Licensing Support

Division of Certified Public Accounting

- Application/Licensure
- Enforcement

Florida State Boxing Commission

Deputy Secretary of Business Regulation

Division of Hotels and Restaurants

- Sanitation and Safety Inspectors
- Elevator Safety
- Compliance & Licensure

Division of Alcoholic Beverages and Tobacco

- Law Enforcement
- Auditing
- Licensing

Division of Pari-Mutuel Wagering

- Auditing
- Investigations
- Operations
- Slot Operations
- State Compliance Agency for Gaming Compact

Division of Florida Condominiums, Timeshares & Mobile Homes

- Standards & Registration
- Compliance
- Arbitration

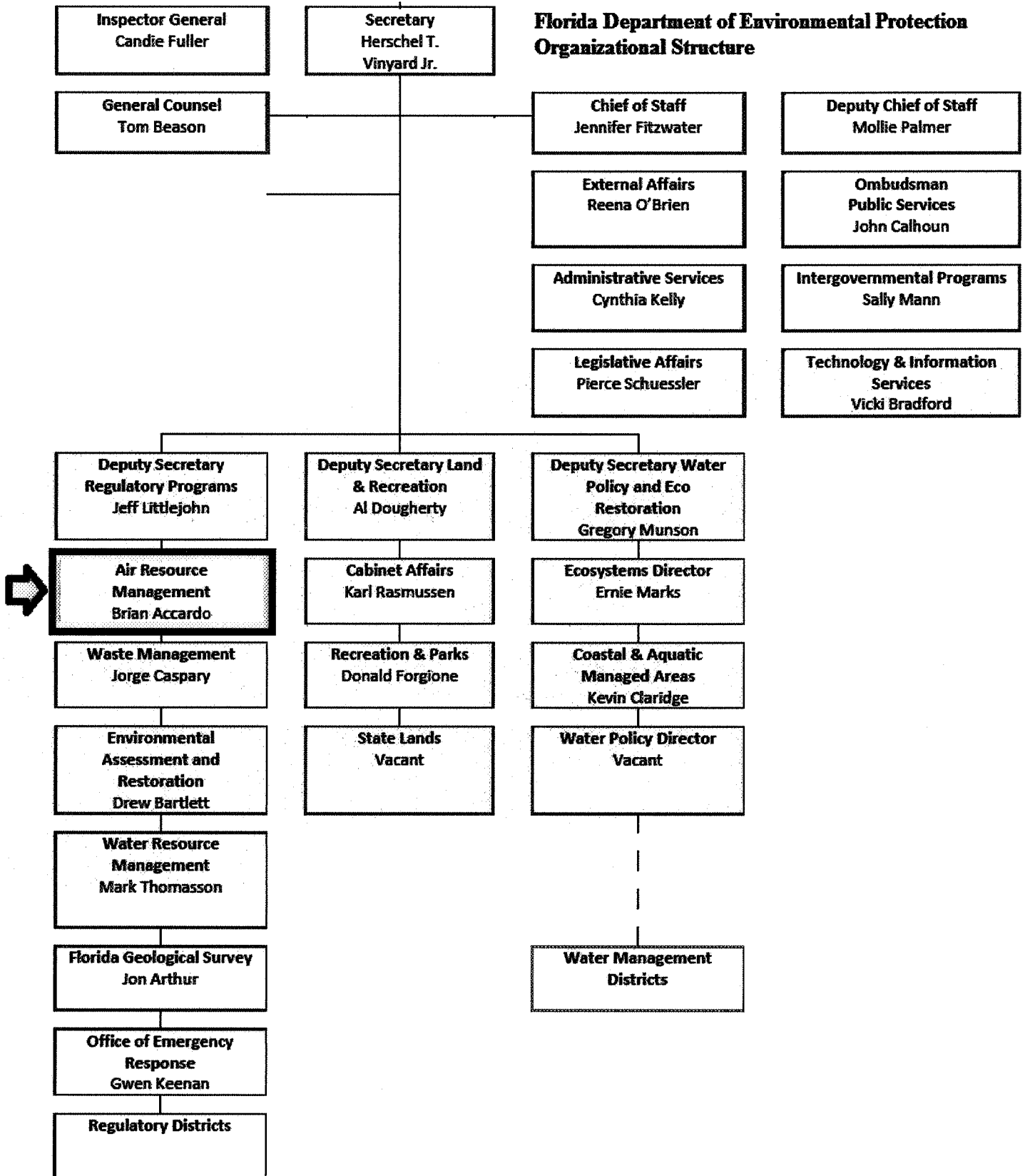
Drugs, Devices and Cosmetics Program

- Compliance & Enforcement
- Licensing Support

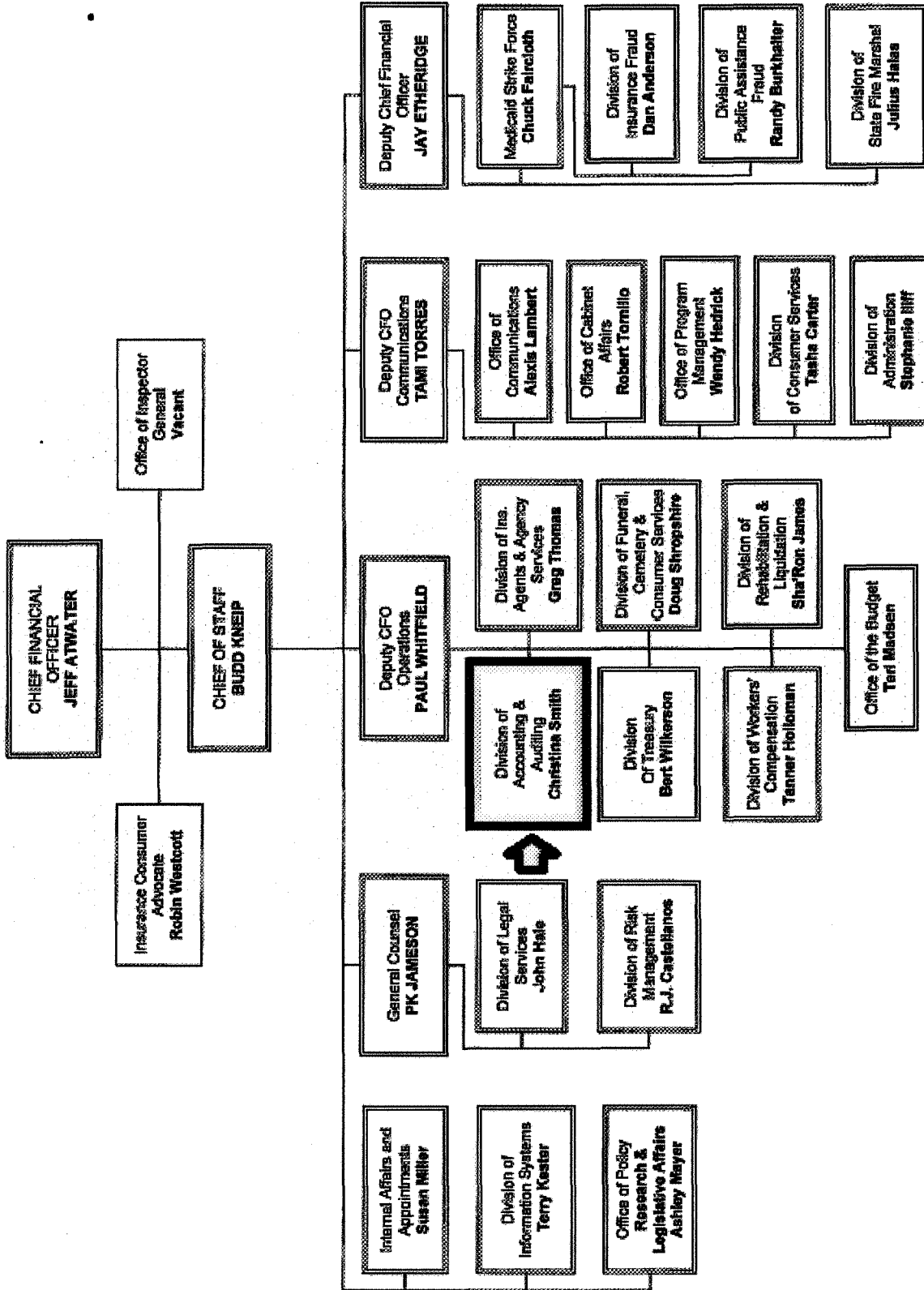
Florida Department of Business Professional Regulation

1940 N. Monroe Street
Tallahassee, Florida 32399
850.487.1395
www.MyFloridaLicense.com

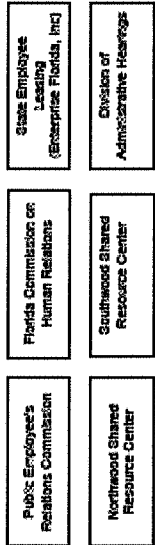
Florida Department of Environmental Protection Organizational Structure



DEPARTMENT OF FINANCIAL SERVICES (DFS)

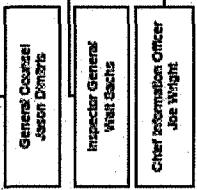
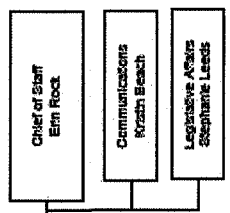


Independent Entities



Secretary
Craig J. Nichols

Office of the Secretary
38 FTE

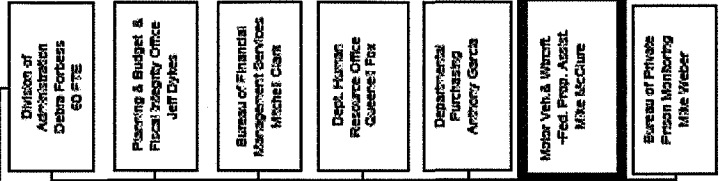
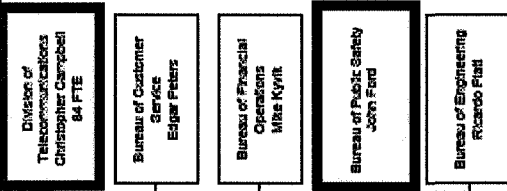
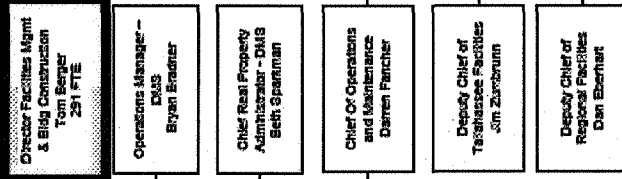
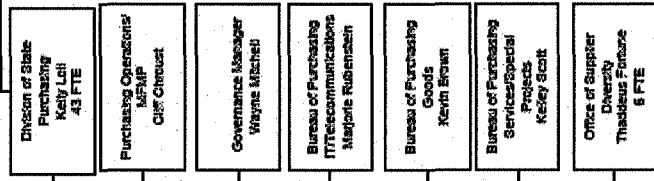
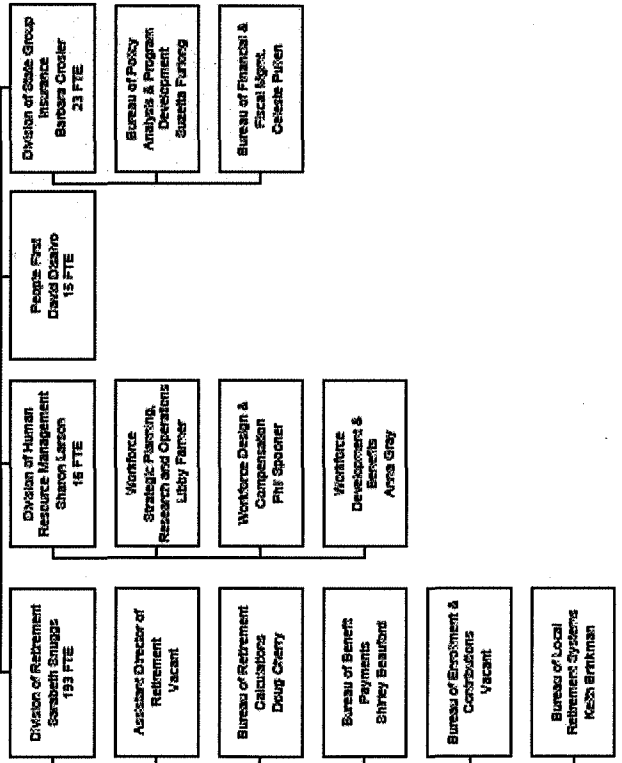


Deputy Secretary
Soren Brooks

Deputy Secretary
Stacy Arias

Workforce Operations

Business Operations



FY 2012-13
Department of Management Services
Agency Organizational Chart
769 FTE

**Overview of the
Florida Public Service Commission**

Presentation to the

**House of Representatives
Energy and Utilities Subcommittee**



Mark Futrell
Florida Public Service Commission Staff
December 4, 2012

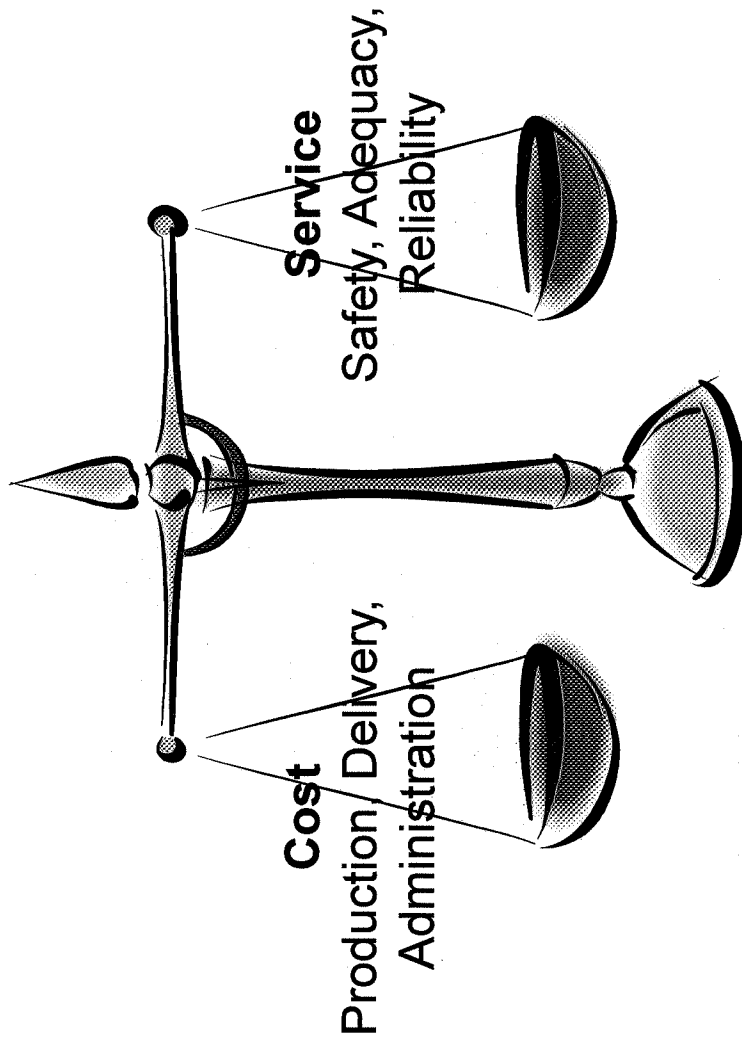
Florida Public Service Commission

The FPSC is charged by the Legislature to:

- Ensure electric, natural gas, water and wastewater services are provided in a safe and reliable manner at a reasonable cost.
- Regulate telecommunications number portability, the Lifeline Assistance Program, and company-to-company interconnection.

Regulation of Utilities

Achieve a balance between the cost of providing service and the quality of the service provided



Regulatory Compact

- Government protects the interests of both the consumer and the supplier.
- In return, the supplier has rights AND responsibilities.

Regulatory Compact

- **Rights of the Utility**
 - Natural monopoly.
 - Franchise for defined territories.
 - Can charge rates to recover the prudent costs of service.
 - Entitled to an opportunity to earn a fair and reasonable return on investments.

- **Responsibilities of the Utility**
 - Obligation to serve all customers in the defined territory.
 - May not unduly discriminate in providing service or charging rates.
 - Must provide safe and reliable service.
 - May not build unnecessary facilities or incur costs for unnecessary services.
 - Must open books to regulators.

FPSC Regulatory Authority

The FPSC Exercises Regulatory Authority Over Utilities in Three Areas:

- **Rate Base/Economic Regulation**
 - Analyzes requested rate changes.
 - Conducts earnings surveillance to ensure that regulated utilities are not exceeding their authorized rates of return.
- **Consumer Protection, Safety, Reliability, and Service**
 - Investigates and responds to consumer questions.
 - Disseminates consumer education materials.
 - Conducts safety inspections of gas systems and electric facilities.
 - Has oversight of the planning, development, and maintenance of the grid to assure an adequate and reliable source of energy.
- **Competitive Market Oversight**
 - Facilitates the development of competitive markets, where directed by statute, and addresses issues associated with those markets.

Electric Utility Regulation

- Establishes rates and monitors quality of service of 5 investor-owned electric utilities (IOUs).
- Rate structure authority over 35 municipal and 18 rural co-op utilities.
- Authority over electric safety and the planning, development, and maintenance of a coordinated electric power grid.
- Oversight of utility ten-year plans for meeting customer energy needs.
- Determine need for certain new power plants and transmission lines.
- Set conservation goals for IOUs and two municipal electric utilities, and approve cost effective utility plans and programs to meet those goals.
- Set buy-back rates and authorize cost recovery for purchases from renewable energy generators.

Telecommunications

- **The FPSC Exercises Competitive Market Oversight for:**
 - 10 incumbent local exchange telephone companies.
 - 282 competitive local exchange telephone companies.
 - 84 competitive pay telephone service providers.

- **The FPSC has responsibilities over:**
 - Facilitating company-to-company interconnection:
 - Arbitration and contract interpretation.
 - Assuring interconnections work well.
 - Number portability.
 - Lifeline assistance program and telephone relay service.
 - Monitoring federal matters impacting Florida carriers and consumers.
 - Reporting on the status of competition.

Natural Gas Regulation

- **The FPSC has Authority over 8 Local Distribution Companies (LDCs) which Sell to End-Use Customers:**
 - Rates and charges.
 - Meter and billing accuracy.
 - Territorial agreements and disputes.
 - Basic service issues.

- **The FPSC Conducts Safety Evaluations for LDCs, Municipally-Owned Utilities, and Gas Districts as an Agent for the U.S. Department of Transportation**

- **The FPSC does not regulate:**
 - Rates for municipally-owned utilities.
 - Pipeline siting.
 - Liquid propane gas.

Water and Wastewater Regulation

- **The FPSC has Authority over 146 Investor-Owned Water and/or Wastewater Utilities in 36 Counties:**
 - Rates and charges.
 - Meter and billing accuracy.
 - Certification and territorial agreements.
 - Quality of service.

- **The FPSC does not regulate:**
 - Municipally-owned utilities.
 - County-owned utilities.

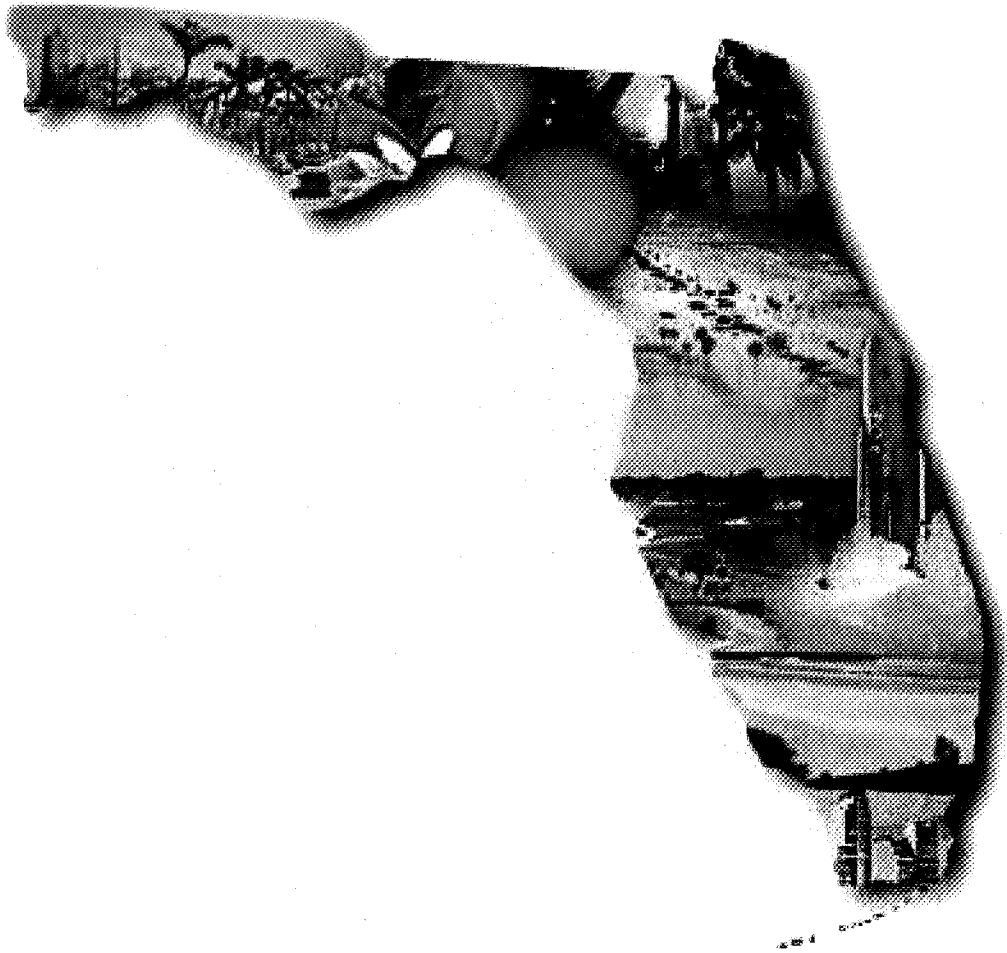
Recent Legislative Direction to the FPSC

- **Chapter 2012-117, Laws of Florida**
 - Requires the FPSC to Submit:
 - Electric Vehicle Charging Report.
 - Due December 31, 2012.
 - Independent Evaluation of the Florida Energy Efficiency and Conservation Act.
 - Due January 31, 2013.

- **Chapter 2012-187, Laws of Florida**
 - Established the Study Committee on Investor-Owned Water and Wastewater Utility Systems.
 - Final report due February 15, 2013.

Questions?

**FACTS AND FIGURES
OF THE
FLORIDA UTILITY INDUSTRY**



FLORIDA PUBLIC SERVICE COMMISSION

APRIL 2012

This publication is a reference manual for anyone needing quick information about the electric, natural gas, telecommunications, and water and wastewater industries in Florida. The facts have been gathered from in-house materials, outside publications, and Web sites. Every effort has been made to accurately reference the source of the information used. Though most of the data refers specifically to Florida, some data from other states and national averages are included for comparison purposes. If you have questions about this publication, please contact:

**Office of Public Information
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
(850) 413-6482**

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Regulatory Authority

Pursuant to Chapter 366, Florida Statutes (F.S.), as of December 2011, the Florida Public Service Commission (FPSC) has regulatory authority over:

- ◆ **5 investor-owned electric companies**
(all aspects of operations, including rates and safety)
- ◆ **35 municipally owned electric utilities**
(limited to safety, rate structure, territorial boundaries, bulk power supply, operations, and planning)
- ◆ **18 rural electric cooperatives**
(limited to safety, rate structure, territorial boundaries, bulk power supply, operations, and planning)

Generating Capacity
(Utility and Non-Utility)
As of January 1, 2011

- ◆ Summer: 56,329 Megawatts (MW)
- ◆ Winter: 60,272 MW *

Transmission Capability
for Peninsular Florida

- ◆ Import —————> Summer: 3,600 MW
Winter: 3,800 MW
- ◆ Export —————> Summer: 1,000 MW
Winter: 1,800 MW **

* Generating capacity is higher in winter due to thermodynamics/cooling water.

** Export transmission capability is higher in winter due to thermal ratings of lines and seasonal load patterns.

Sources:
FPSC's *2010 Annual Report*
<http://www.floridapsc.com/publications/pdf/general/annualreports/2010.pdf>

FPSC's *2010 Statistics of the Florida Electric Utility Industry*, September 2011
<http://www.floridapsc.com/utilities/electricgas/statistics/statistics-2010.pdf>

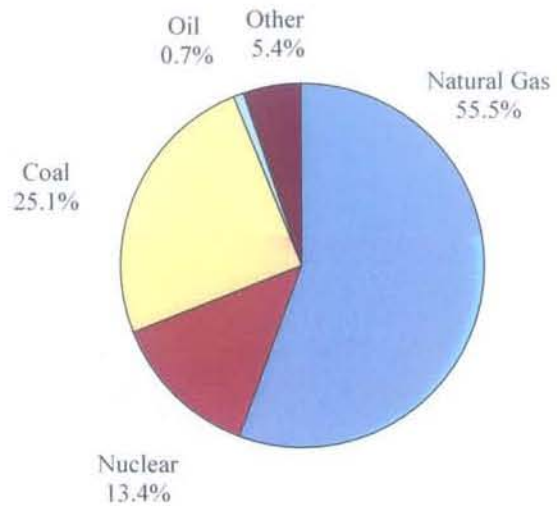
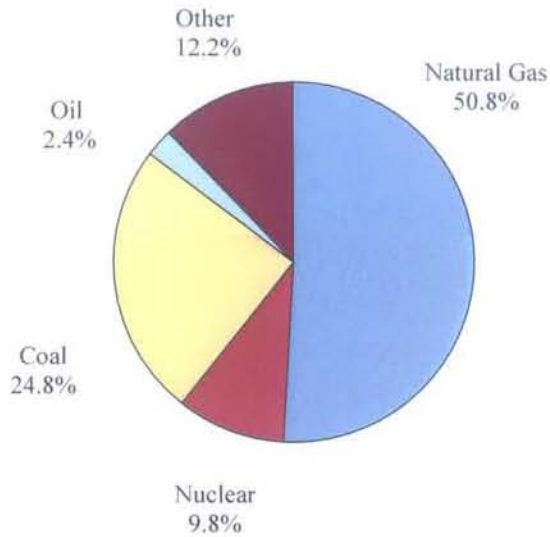
Florida Reliability Coordinating Council's *2010 Regional Load & Resource Plan*, July 2010
http://www.floridapsc.com/utilities/electricgas/docs/2010_FRCC_Plan.pdf

FPSC's *Review of 2011 Ten-Year Site Plans for Florida's Electric Utilities*, November 2011
<http://www.floridapsc.com/publications/pdf/electricgas/tysp2011.pdf>

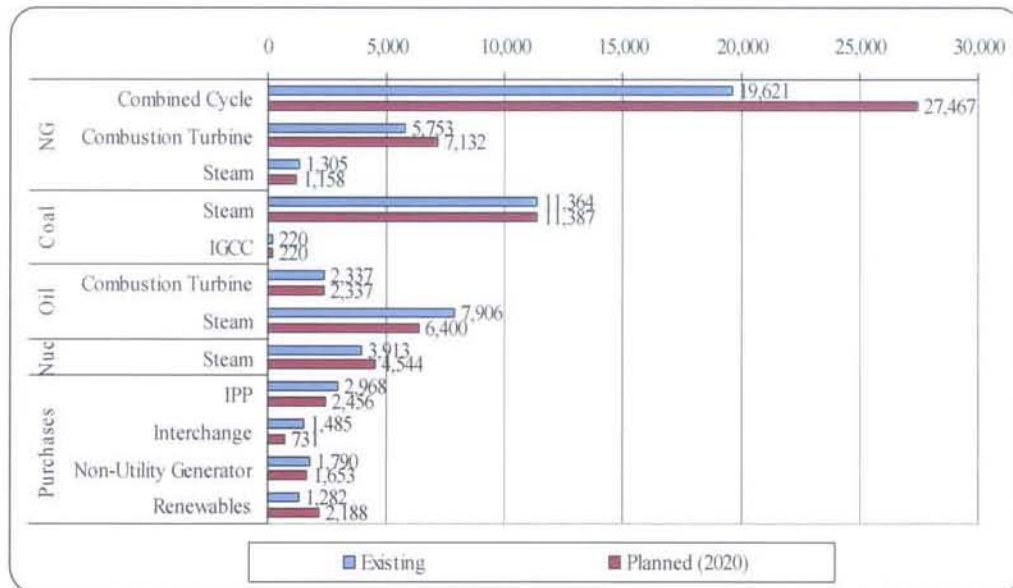
Florida Energy Generation by Fuel Type

2010
(Actual)

2020
(Forecast)

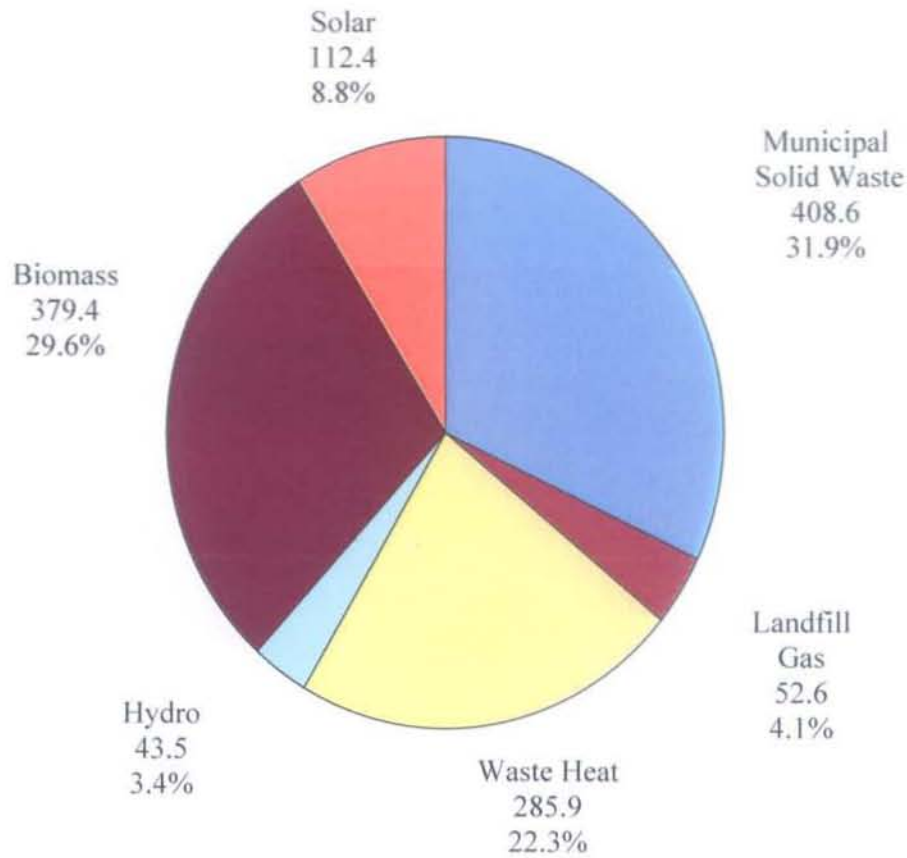


Electric Utility Summer Capacity Mix (MW)



Source:
 FPSC's Review of 2011 Ten-Year Site Plans for Florida's Electric Utilities, November 2011
<http://www.floridapsc.com/publications/pdf/electricgas/tyssp2011.pdf>

Florida's Renewable Capacity in MW (2011)
(Total: 1,282.4 MW)



Total Florida Renewable Capacity: 1,282.4 MW
Total Florida Electric Generation Capacity: 56,329 MW (Summer)

Biomass: Material collected from wood processing, forestry, urban wood waste, and agricultural waste.

Landfill Gas: Methane collected from landfills.

Waste Heat: Collected in processing phosphate into fertilizer and other products.

Source:

FPSC's Review of 2011 Ten-Year Site Plans for Florida's Electric Utilities, November 2011

<http://www.floridapsc.com/publications/pdf/electricgas/tysp2011.pdf>

FLORIDA ELECTRIC INDUSTRY

CUSTOMERS

Average Number of Customers

Average Number of Customers for Investor-Owned Utilities
by Class of Service
2010

Utility	Residential	Commercial	Industrial	Total
Florida Power & Light Co.	4,004,367	503,484	8,912	4,516,763
Progress Energy Florida	1,451,466	161,674	2,481	1,615,621
Tampa Electric Company	591,554	70,176	1,434	663,164
Gulf Power Company	375,847	53,349	275	429,471
Florida Public Utilities Co.	23,589	4,332	2	27,923
Total	6,419,157	790,588	13,104	7,252,942

Sources:

Statistics of the Florida Electric Industry (2010) Table 32

<http://www.floridapsc.com/utilities/electricgas/statistics/statistics-2010.pdf>

Typical Electric Bill Comparisons

Residential Service Provided by Investor-Owned Utilities
December 31, 2011

Utility	Minimum Bill or Customer Charge*	1,000 Kilowatt Hours*
Florida Power & Light Company	\$ 5.90	\$ 94.13
Progress Energy Florida	\$ 8.76	\$ 119.34
Tampa Electric Company	\$ 10.50	\$ 104.34
Gulf Power Company	\$ 10.00	\$ 119.60
Florida Public Utilities Company		
Northwest	\$ 12.00	\$ 134.09
Northeast	\$ 12.00	\$ 129.03

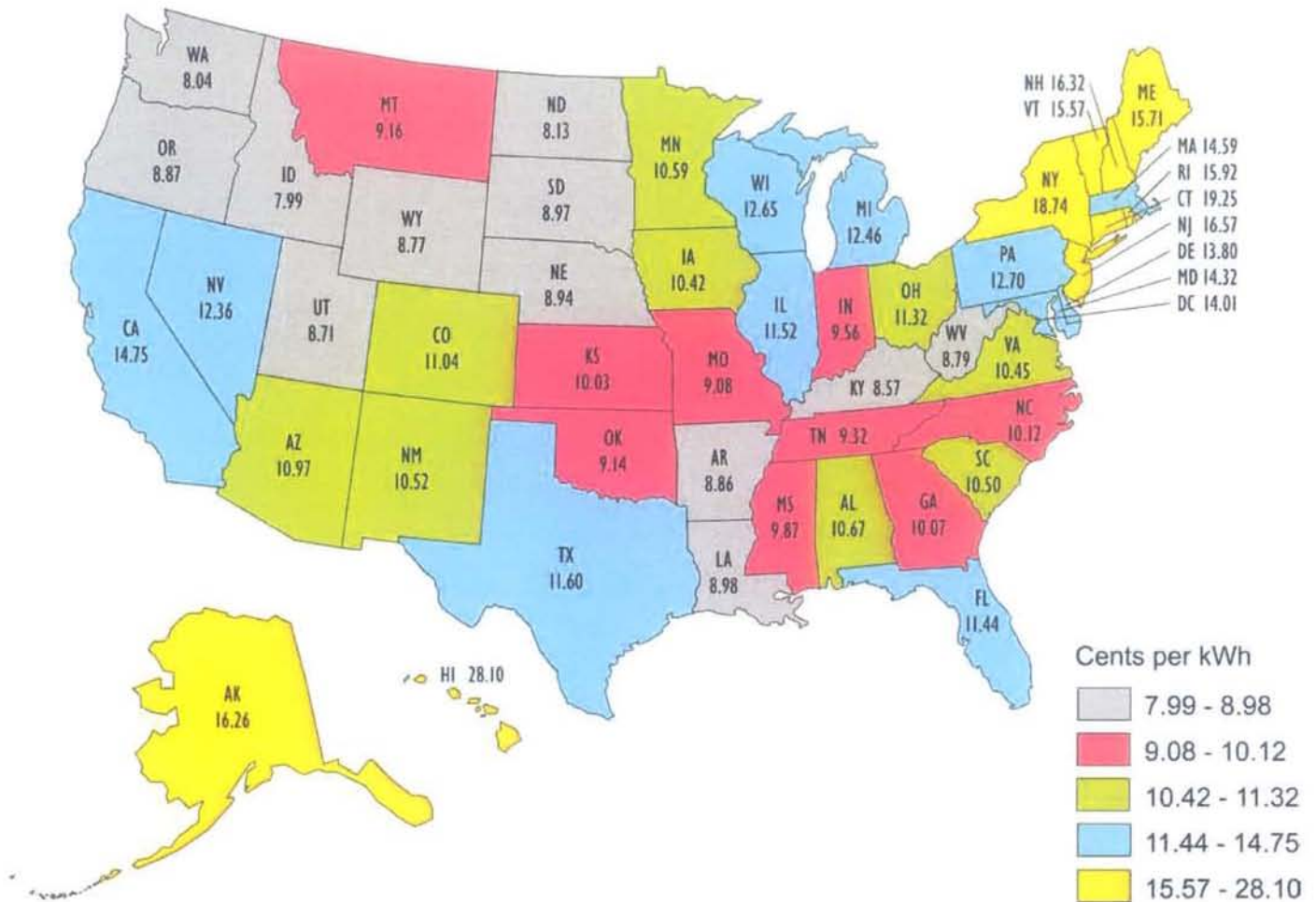
Commercial/Industrial Service Provided by Investor-Owned Utilities
December 31, 2011

Utility	400,000 Kilowatt Hours 1,000 KW Demand*
Florida Power & Light Company	\$ 31,672
Progress Energy Florida	\$ 36,251
Tampa Electric Company	\$ 33,327
Gulf Power Company	\$ 33,361
Florida Public Utilities Company	
Northwest	\$ 42,424
Northeast	\$ 43,140

* Excludes local taxes, franchise fees, and gross receipts taxes that are billed as a separate line item. Includes cost recovery clause factors effective December 2011.

Note: Typical electric bill comparisons for municipally and cooperatively owned electric utilities are available in the *Comparative Rate Statistics* report available at:
<http://www.floridapsc.com/publications/pdf/general/comparativerate.aspx>

Average Residential Price of Electricity by State (2010)
 (U.S. Residential Average Price per kWh = 11.54 cents)



Note: The average revenue per kilowatt-hour of electricity sold is calculated by dividing revenue by sales.

Source:
 Energy Information Administration's *Electric Power Monthly*, Table 5.6.B., February 2012
http://www.eia.doe.gov/cneaf/electricity/epm/table5_6_b.html

Nuclear Waste Policy

Florida Power & Light Company (FPL) and Progress Energy Florida (PEF) currently store over 2,600 metric tons of radioactive waste called “spent nuclear fuel” in water-filled pools inside containment structures at plant sites. As these pools become filled to capacity, some of the spent fuel will be removed and placed in steel and concrete storage containers (dry casks) on-site.

Federal law requires the U.S. Department of Energy (DOE) to store and ultimately dispose of spent nuclear fuel and high-level radioactive waste in a geologic repository. Since 1983, Florida ratepayers have paid \$842.4 million (\$1.5 billion with interest) into the federal nuclear waste fund established to cover the cost of transportation, storage, and disposal of spent fuel.

Florida Nuclear Power Reactors

December 31, 2010

Reactor	Utility	Metric Tons in Spent Fuel Pool	Metric Tons in Dry Cask Storage	NRC License Expires
Crystal River 3	PEF	509.26	N/A	2016*
St. Lucie 1	FPL	592	112	2036
St. Lucie 2	FPL	457	62	2043
Turkey Point 3	FPL	434	131	2032
Turkey Point 4	FPL	449	131	2033

* PEF filed a license renewal application with the Nuclear Regulatory Commission on December 18, 2008.

Proposed Nuclear Power Reactors

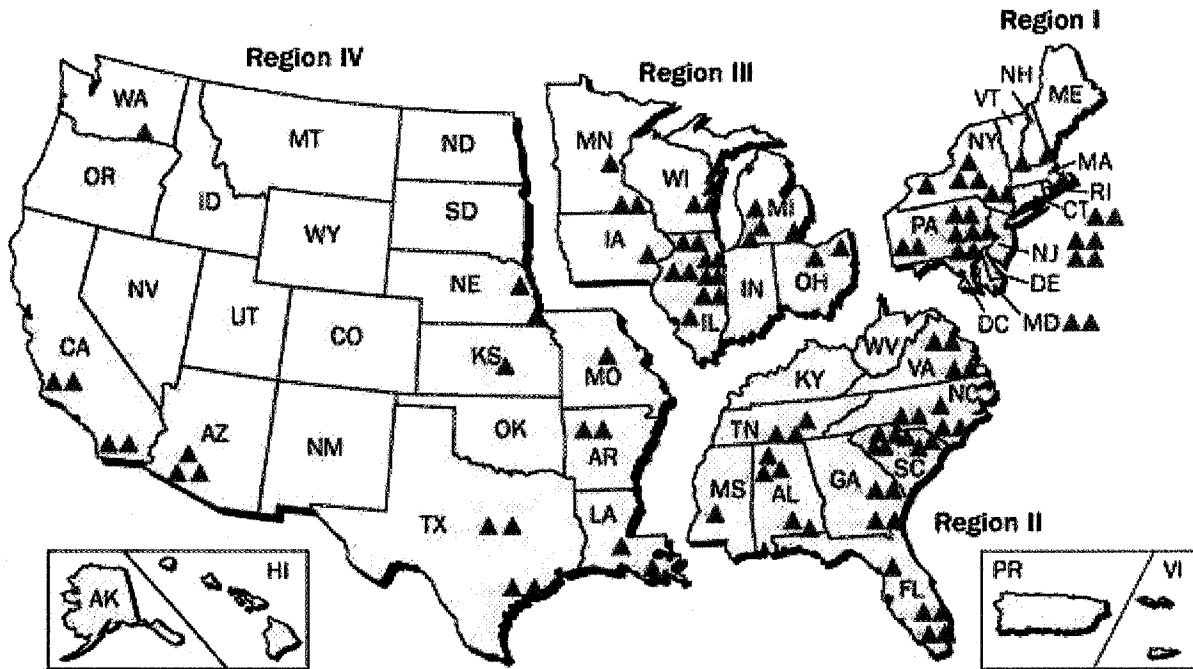
Reactor	Utility	Estimated In-Service Date**
Levy County	PEF	2021 - 2022
Turkey Point 6	FPL	2022
Turkey Point 7	FPL	2023

** The estimated in-service dates for the PEF’s Levy Units have been delayed. FPL has not made a final determination whether to construct Turkey Point 6 & 7.

Sources:

Responses to information requests provided by Florida Power & Light Company and Progress Energy Florida

Operating Nuclear Power Reactors



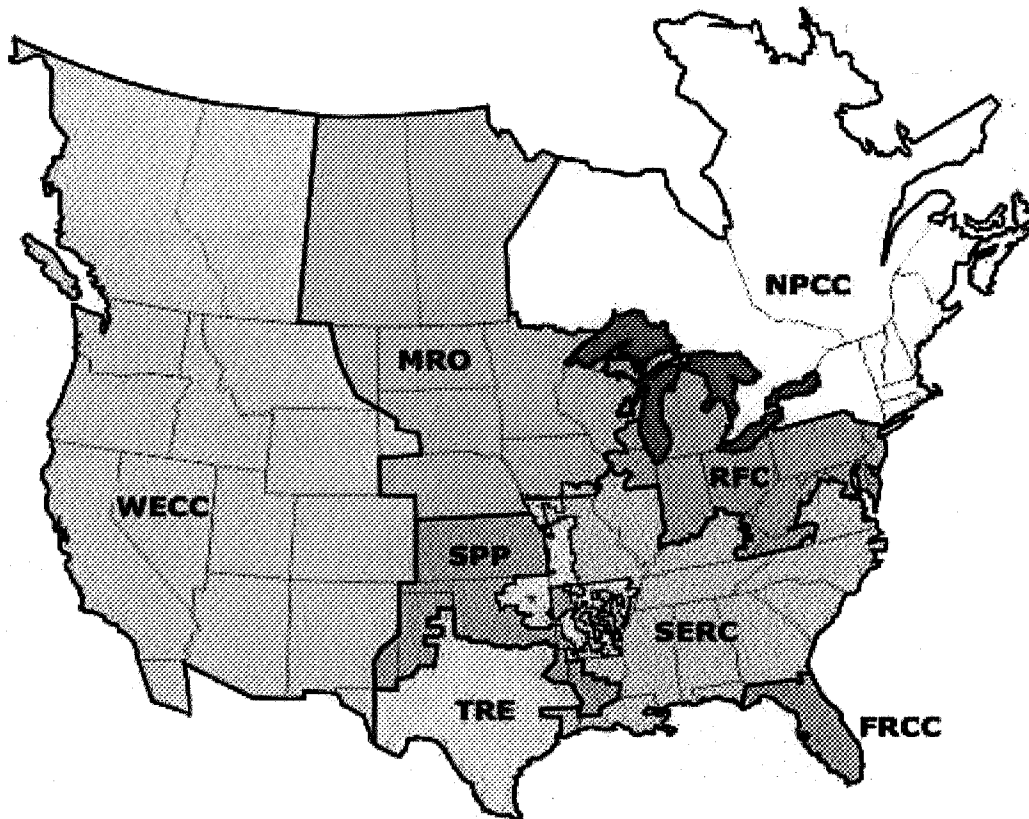
▲ Licensed to Operate (104)

Note: Region IV oversees the Grand Gulf plant in Mississippi (MS), which is part of Region II.

Source:
Nuclear Regulatory Commission
<http://www.nrc.gov/info-finder/reactor/#USMap>

Reliability Councils

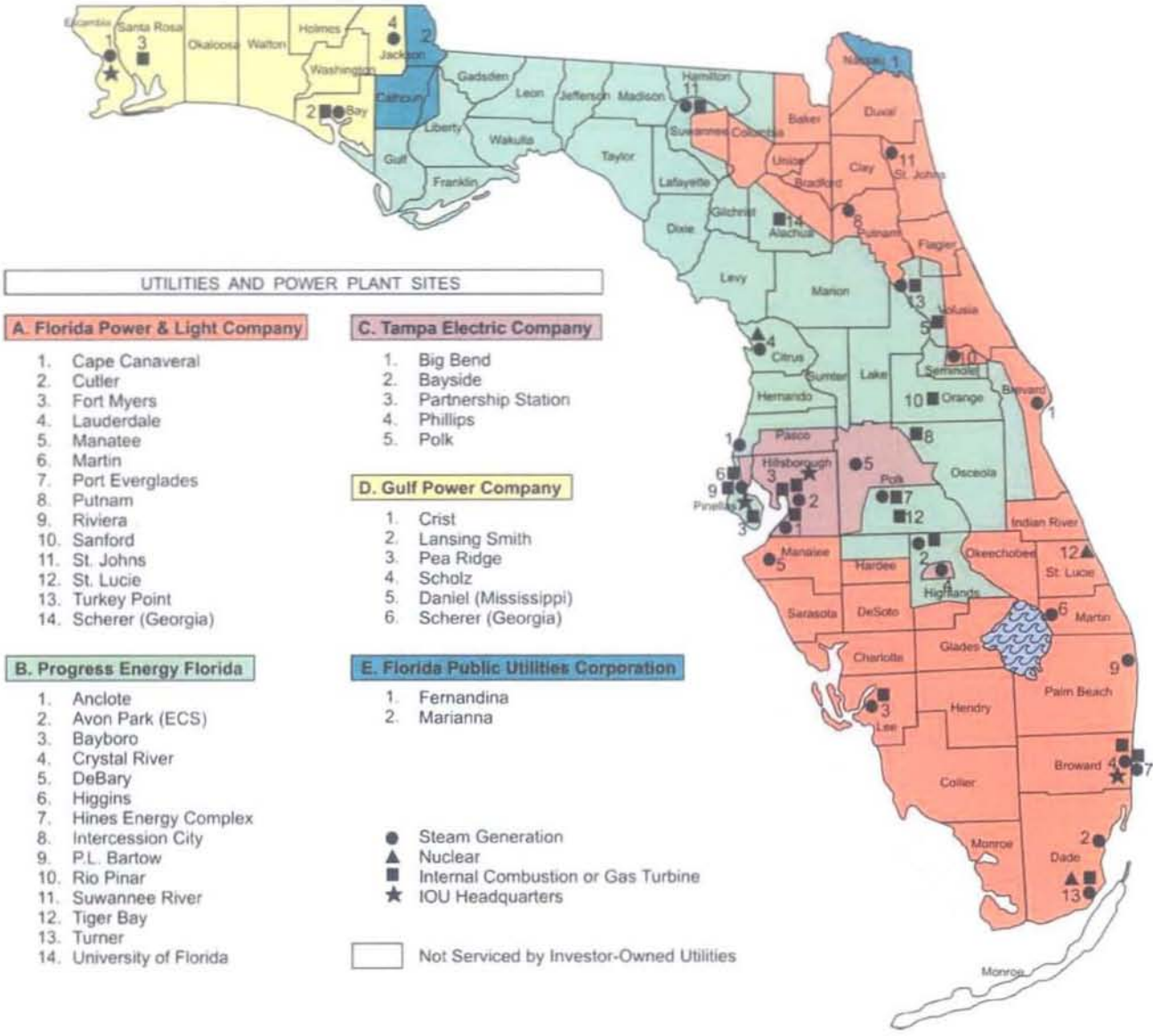
North American Electric Reliability Corporation (NERC) is a not-for-profit organization whose members are eight Regional Reliability Councils.



- FRCC** Florida Reliability Coordinating Council
- MRO** Midwest Reliability Organization
- NPCC** Northeast Power Coordinating Council
- RFC** Reliability*First* Corporation
- SERC** SERC Reliability Corporation
- SPP** Southwest Power Pool
- TRE** Texas Regional Entity
- WECC** Western Electricity Coordinating Council

Source:
 North American Electric Reliability Corporation
<http://www.nerc.com/page.php?cid=1|9|119>

Investor-Owned Electric Utilities
Approximate Company Service Areas

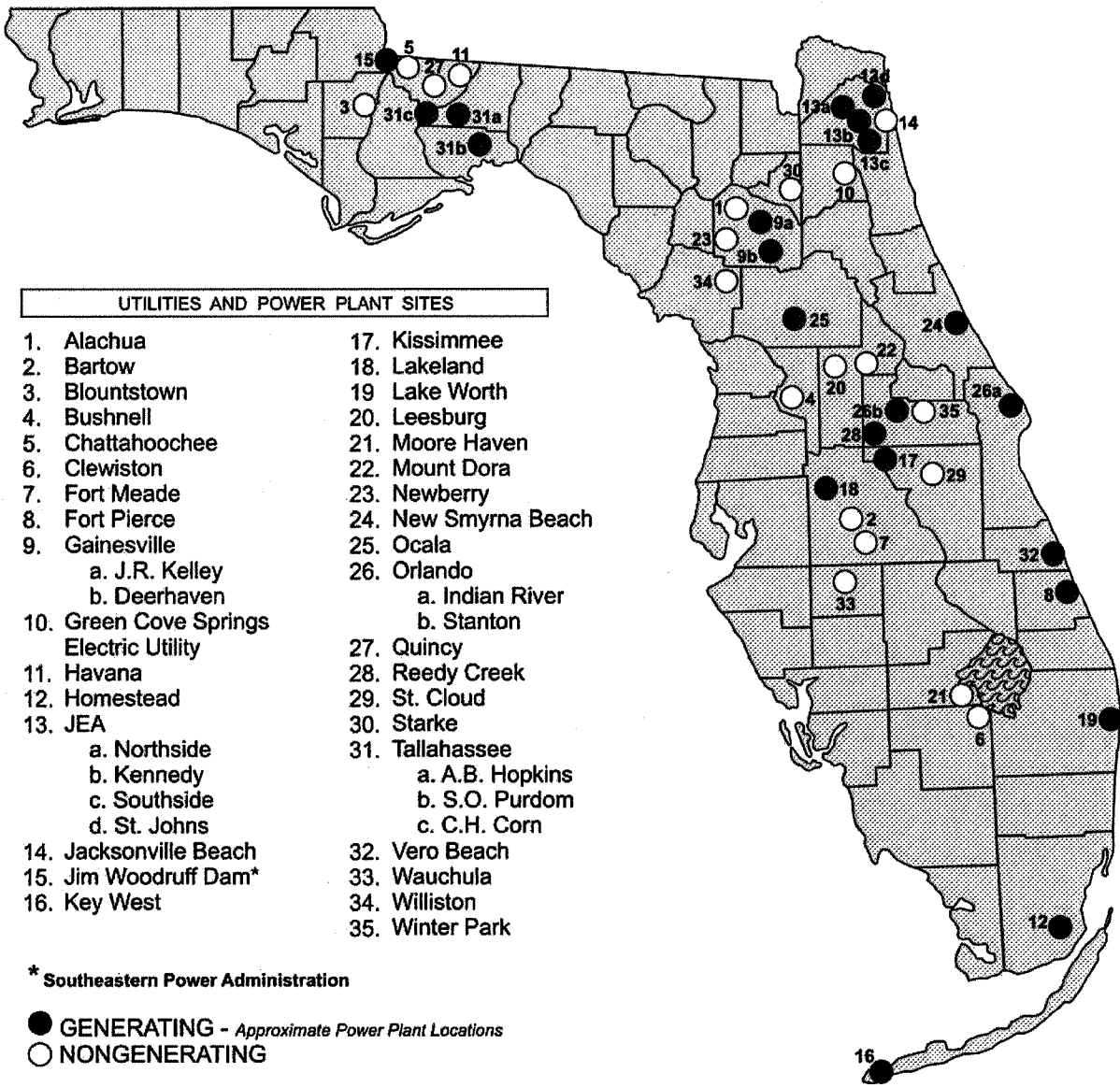


Service areas are approximations.
 Information on this map should be used only as a general guideline.
 For more detailed information, contact individual utilities.

Source:
 Florida Public Service Commission

Additional information about Florida's investor-owned electric utilities is available from:
 FPSC's *Statistics of the Florida Electric Utility Industry 2009*, September 2010
<http://www.floridapsc.com/utilities/electricgas/statistics/statistics-2009.pdf>

Municipal Electric Utilities
Approximate Utility Locations

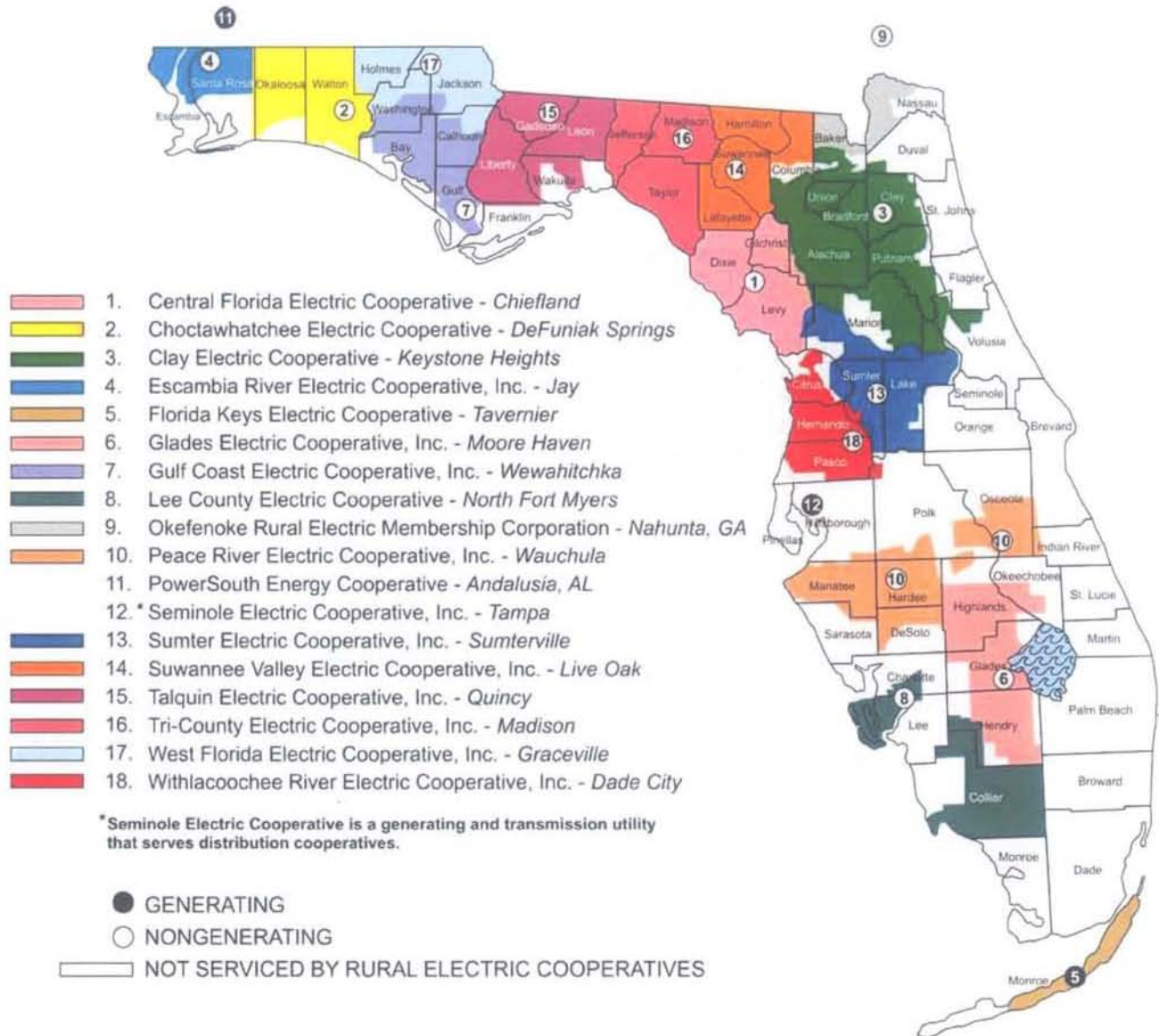


Information on this map should be used only as a general guideline. For more detailed information, contact individual utilities.

Source:
Florida Public Service Commission

Additional information about Florida's municipal electric utilities is available from:
FPSC's *Statistics of the Florida Electric Utility Industry 2009*, September 2010
<http://www.floridapsc.com/utilities/electricgas/statistics/statistics-2009.pdf>

Rural Electric Cooperatives Approximate Company Service Areas



Service areas are approximations.
Information on this map should be used only as a general guideline.
For more detailed information, contact individual utilities.

Source:
Florida Public Service Commission

Additional information about Florida's rural electric cooperatives is available from:
FPSC's *Statistics of the Florida Electric Utility Industry 2009*, September 2010
<http://www.floridapsc.com/utilities/electricgas/statistics/statistics-2009.pdf>

Regulatory Authority

Pursuant to Chapter 366, F.S., as of December 2011, the FPSC has regulatory authority over:

- ◆ **7 investor-owned natural gas utilities**
(all aspects of operations, including safety)
- ◆ **27 municipally owned natural gas utilities**
(limited to safety and territorial boundaries)
- ◆ **4 special gas districts**
(limited to safety and territorial boundaries)
- ◆ Safety jurisdiction also applies to housing authorities and sales laterals off of interstate pipelines. (Interstate pipelines are subject to the direct jurisdiction of the U.S. Dept. of Transportation.)

Transmission

- ◆ Natural gas is transported to Florida customers through two major and two small interstate pipelines:

Major → 1. Florida Gas Transmission Company (FGT)
 2. Gulfstream Natural Gas System

Small → 1. Gulf South Pipeline Company
 2. Southern Natural Gas

- ◆ FGT's pipeline capacity is 2.3 billion cubic feet per day.
- ◆ Gulfstream's pipeline capacity is 1.3 billion cubic feet per day.

Sources:
FPSC's *2011 Annual Report*
<http://www.floridapsc.com/publications/pdf/general/annualreports/2011.pdf>

FPSC's *Natural Gas Utility Regulation in Florida*
<http://www.floridapsc.com/publications/consumer/brochure/NaturalGasbrochure.pdf>

Florida Gas Transmission Company
http://www.panhandleenergy.com/comp_fld.asp

Gulfstream Natural Gas System
<http://www.gulfstreamgas.com/>

FLORIDA NATURAL GAS INDUSTRY

CUSTOMERS

Number of Customers and Therm Sales

Number of Customers for Investor-Owned Utilities
By Customer Type
December 31, 2010

Utility	Residential	Commercial & Industrial	FTS*	Other**	Total
Chesapeake Utilities ***	0	0	14,619	0	14,619
Florida City Gas	96,472	4,708	1,718	0	102,898
Florida Public Utilities Co.	46,938	4,443	581	66	52,028
Indiantown Gas Co. ***	0	0	713	0	713
Peoples Gas System	304,701	15,577	15,654	74	336,006
St. Joe Natural Gas	2,688	227	1	1	2,917
Sebring Gas System ***	0	0	N/R	0	N/R

Annual Therm Sales for Investor-Owned Utilities
December 31, 2010

Utility	Residential	Commercial & Industrial	FTS*	Other**	Total
Chesapeake Utilities ***	0	0	121,552,657	0	121,552,657
Florida City Gas	20,542,378	24,357,952	53,846,178	0	98,746,508
Florida Public Utilities Co.	13,598,390	31,759,460	14,596,630	6,197,680	66,152,160
Indiantown Gas Co. ***	0	0	4,138,480	0	4,138,480
Peoples Gas System	82,752,075	55,097,184	358,633,547	1,086,927,520	1,583,410,326
St. Joe Natural Gas	754,483	504,331	471,148	2,003	1,731,965
Sebring Gas System ***	0	0	N/R	0	N/R

* FTS = Firm Transportation Service

** Other includes Off System Sales, Interruptible Sales, Natural Gas Vehicle Sales, and Other Sales to Public Authorities.

*** Exited the merchant function, all customers are firm transportation customers.

Source:
FPSC, 2010 Annual Reports filed by Natural Gas Utilities

FLORIDA NATURAL GAS INDUSTRY

RATES

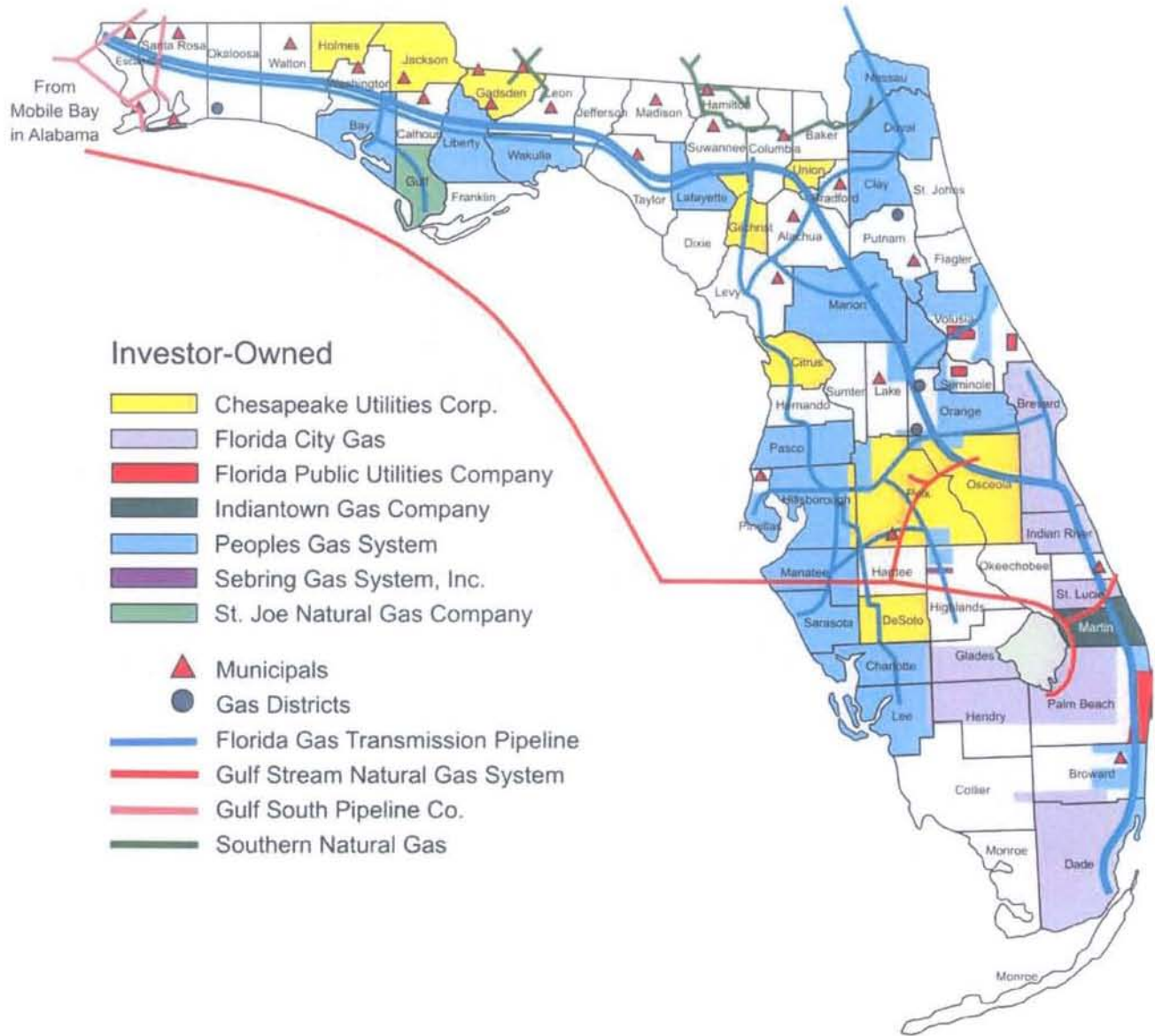
Typical Natural Gas Bill Comparisons

Residential, Commercial, and Industrial Service Provided by Investor-Owned Utilities December 31, 2011						
	Residential		Commercial		Industrial	
Utility	Minimum Bill or Customer Charge	Therms Sold (20)	Minimum Bill or Customer Charge	Therms Sold (90)	Minimum Bill or Customer Charge	Therms Sold (700)
Chesapeake Utilities *	\$ 19.00	\$ 29.85	\$ 15.00	\$ 67.84	\$15.00- \$27.50	\$ 299.70
Florida City Gas	\$ 8.00	\$ 29.79	\$8.00-\$11.00	\$ 106.07	\$11.00- \$12.00	\$ 654.19
Florida Public Utilities Co.	\$ 11.00	\$ 34.11	\$ 15.00	\$ 113.03	\$15.00- \$45.00	\$ 784.16
Indiantown Gas Co. *	\$ 9.00	\$ 16.80	\$ 9.00	\$ 44.10	\$ 9.00	\$ 281.99
Peoples Gas System	\$ 12.00	\$ 34.30	\$ 20.00	\$ 120.50	\$20.00- \$30.00	\$ 767.79
St. Joe Natural Gas	\$ 20.00	\$ 53.59	\$ 9.00	\$ 164.03	\$ 9.00	\$ 801.31
Sebring Gas System *	\$ 9.00	\$ 23.24	\$9.00-\$12.00	\$ 73.06	\$ 12.00	\$ 406.94

December 2011 gas costs are included for those companies participating in purchased gas adjustment clause. (Florida City, FPUC, Peoples, and St. Joe).

* Exited the merchant function; gas costs not included.

Natural Gas Companies in Florida
Approximate Company Service Areas



Service areas are approximations.
Information on this map should be used only as a general guideline.

Source:
FPSC Map
<http://www.floridapsc.com/publications/pdf/electricgas/naturalgasutilities.pdf>

**Regulatory
Authority**

Pursuant to Chapter 364, F.S., as of September 30, 2011, the FPSC has regulatory authority over:

- ◆ **10 incumbent local exchange companies (ILECs)**
- ◆ **367 competitive local exchange companies (CLECs)**
- ◆ **105 pay telephone service companies (PATS)**

Definitions

- ◆ **Incumbent Local Exchange Telecommunications Company (ILEC)** - any company certificated by the Commission to provide local exchange telecommunications service in Florida on or before June 30, 1995.
- ◆ **Competitive Local Exchange Telecommunications Company (CLEC)** - any company certificated by the Commission to provide local exchange telecommunications service in Florida on or after July 1, 1995.
- ◆ **Pay Telephone Service Company (PATS)** - any certificated telecommunications entity which provides pay telephone service.

Source:

FPSC's *Telecommunications Terms and Definitions*
<http://www.floridapsc.com/publications/telecomm/telterms.aspx>

Broadband, VoIP, and Wireless

Broadband is a term describing evolving digital technologies offering consumers integrated access to voice, high-speed data services, video on demand services, and interactive information delivery services. Voice over Internet Protocol (VoIP) and wireless services compete with traditional wireline service and represent a significant portion of today's communications market in Florida. Broadband service also provides the basis for some VoIP services. These three services are not subject to FPSC jurisdiction.

Broadband

- ◆ Florida's broadband line count was approximately 9.8 million as of December 2010.
- ◆ Approximately 43 percent of those connections are at download speeds of 3 Mbps or greater; however, 20 percent of those connections are greater than or equal to 10 Mbps.
- ◆ Residential subscribership in Florida reached 70 percent, as of December 2010, which is 6 percent above the current national average.
- ◆ There are 98 providers of high-speed Internet access in Florida, including 46 digital subscriber line (DSL) providers, 18 cable providers, 34 fiber providers, and 7 mobile wireless providers as of June 2010.
- ◆ Wireless broadband services represent the fastest growing segment of the broadband market.

VoIP

- ◆ As of December 2010, there were an estimated 2.0 million residential VoIP subscribers in Florida, an increase of 11 percent over the 1.8 million estimated in 2009.
- ◆ Forty-six CLECs and 4 ILECs voluntarily reported 578,346 VoIP lines to the FPSC in response to its 2011 Local Competition data request.
- ◆ The Florida Cable Telecommunications Association (FCTA) reported 1.7 million residential cable digital voice (VoIP) subscribers as of December 2010, an increase of 20 percent from the number reported for December 2009.

Wireless

- ◆ Wireless subscribers in Florida, as of December 2010, reached 16.9 million handsets.
- ◆ The Centers for Disease Control (CDC) estimates that nearly 29.7 percent of U.S. households are wireless-only as of December 2010.

Source:

FPSC's *Report on the Status of Competition in the Telecommunications Industry, As of December 31, 2010*
<http://www.floridapsc.com/publications/pdf/telecomm/20100730MasterComp.pdf>

Access Lines

An access line is a telephone line extending from the telecommunications company's central office to a point of demarcation, usually on the customer's premises.

Florida Access Lines

As of December 2010

	Residential	Business	Total	Changes Since 2009
ILECs	3,360,755	1,775,197	5,135,952	-20%
CLECs	142,873	1,157,110	1,299,983	+27%
Total	3,503,628	2,932,307	6,435,935	-13%

Retail Access Lines by Florida ILEC

As of December 2010

Company	Residential	Business	Total Retail*
AT&T Florida	1,830,910	981,898	2,812,808
CenturyLink (f/k/a Embarq Florida)	789,643	408,390	1,198,033
FairPoint Communications	25,710	11,985	37,695
Frontier Communications of the South	2,825	333	3,158
ITS Telecommunications Systems	2,120	853	2,973
NEFCOM	5,562	1,475	7,037
Smart City Telecom	3,042	10,003	13,045
TDS Telecom/Quincy Telephone	7,414	3,204	10,618
Verizon Florida	633,308	340,028	973,336
Windstream Florida	60,221	17,028	77,249
Total	3,360,755	1,775,197	5,135,952

* Does not include resale, UNE, payphone, or official lines.

Sources:

FPSC's *Report on the Status of Competition in the Telecommunications Industry, As of December 31, 2010*, Table 3-2
<http://www.floridapsc.com/publications/pdf/telecomm/20100730MasterComp.pdf>

FPSC, Periodic Reports (Schedule 8) filed by ILECs as required by Rule 25-4.0185, Florida Administrative Code

Universal Service Programs

The Federal Communications Commission (FCC) and Congress recognize that telephone service provides a vital link to emergency services, government services, and surrounding communities. To help promote telecommunications service nationwide, the FCC, as directed by Congress, developed the Federal Universal Service Fund (USF). The USF is administered by the Universal Service Administrative Company (USAC). The USF includes the High-Cost, Low-Income, Schools and Libraries, and Rural Health Care Programs.

1 High-Cost Program. Provides financial support to companies that provide telecommunications services in areas of America where the cost of providing service is high. The program uses five high-cost support mechanisms:

- ◆ **Embedded high-cost loop support (HCL):** Provides support for the “last mile” of connection for rural companies in service areas where the cost to provide this service exceeds 115 percent of the national average cost per line.
- ◆ **Local switching support (LSS):** Provides financial assistance designed to reduce the high fixed switching costs for carriers that serve 50,000 loops or fewer.
- ◆ **Forward-looking high-cost model support (HCM):** Provides support to non-rural carriers with forward-looking costs that exceed the national benchmark.
- ◆ **Interstate access support (IAS):** Helps offset interstate access charges for price cap companies.
- ◆ **Interstate common line support mechanism (ICLS):** Helps offset interstate access charges for rate-of-return companies.

2 Low-Income Program. Provides telephone service discounts to qualifying low-income consumers. It offers benefits through the Lifeline Assistance and Link-Up Florida programs:

- ◆ **The Lifeline Assistance Program:** Provides a monthly credit of at least \$13.50 on basic monthly service at the primary residence for qualified telephone subscribers. The telephone subscriber may receive a credit less than \$13.50 if the subscriber’s bill for basic local telephone service is less than that amount. (Upon completion of federal noticing requirements in 2012, the Lifeline credit will be reduced to \$12.75.)

Low-Income Program (continued)

◆ **Tribal Benefits:** Residents living on federally recognized tribal lands may qualify for up to \$100.00 in Link-Up support and enhanced Lifeline support (up to an additional \$25.00 in support beyond current levels). Link-Up helps income-eligible consumers on tribal lands initiate new telephone service.

◆ **Monthly Lifeline Credit:** Under the FCC's rules, monthly federal Lifeline support consists of:

\$ 9.25 - Interim uniform flat-rate USF reimbursement

\$ 3.50 - Matching Credit - Florida carriers provide \$3.50 in additional support

\$12.75 - Total Monthly Lifeline Credit

\$25.00 - Tier 4 - Federal Support (only available to eligible subscribers living on tribal lands)

◆ **Customer Eligibility:** Customers with annual incomes up to 150 percent of the federal poverty guidelines are eligible to participate in the Lifeline program. In addition, eligibility is determined by customer enrollment in any one of the following programs:

- Temporary Cash Assistance (TCA)*
- Supplemental Security Income (SSI)
- Supplemental Nutritional Assistance Program (SNAP)
- Medicaid
- Federal Public Housing Assistance (Section 8)
- Low-Income Home Energy Assistance Program (LIHEAP)
- National School Lunch Program's Free Lunch Program
- Bureau of Indian Affairs Programs**

* Known as Temporary Assistance to Needy Families (TANF) for federal Universal Service purposes.

** Eligible consumers living on tribal lands qualify for Link-Up and Lifeline if they participate in one of the following federal assistance programs: (1) Tribal TANF, (2) National School Lunch Free Lunch Program, or (3) Head Start Subsidy.

3 Schools and Libraries (or E-Rate) Program. Helps to ensure that the nation's classrooms and libraries receive access to the vast array of educational resources that are accessible through the telecommunications network. While funding for the program is capped at \$2.25 billion annually, the FCC has included an index for inflation to preserve the purchasing power of the program. As a result, the cap for 2010 was \$2.27 billion. The E-Rate program offers the following benefits:

- ◆ Eligible schools and libraries receive discounts on telephone service, Internet access, and internal connections (i.e., network wiring) within school and library buildings.
- ◆ The discounts range from 20 percent to 90 percent, depending on the school's eligibility for the National School Lunch program (or a federally approved alternative mechanism) and whether or not the school or library is located in an urban or rural area.

4 Rural Health Care Program. Helps to link health care providers located in rural areas to urban medical centers so that patients living in rural America will have access to the same advanced diagnostic and other medical services that are enjoyed in urban communities. Funding is capped at \$400 million annually. This program offers many benefits:

- ◆ Public and non-profit health care providers in rural areas can receive discounts on monthly telecommunications charges, installation charges, and long distance Internet connection charges.
- ◆ Rural health care providers are using funds from this program for a variety of patient services, such as transmitting x-rays from remote areas to be read by health care professionals and experts in urban areas.
- ◆ The FCC has augmented the existing support with a pilot program to fund the construction of dedicated broadband networks that connect health care providers in a state or region. This program will provide funding for up to 85 percent of an applicant's costs of deploying a dedicated broadband network, including any necessary network design studies, as well as the costs of advanced telecommunications and information services that will ride over this network. Participants deploying dedicated broadband health care networks would also have the option of connecting those systems to Internet-2, National LambdaRail, or the public Internet.
- ◆ Eligible entities include:
 - post-secondary educational institutions offering health care instruction, including teaching hospitals and medical schools
 - community health centers or health centers providing health care to migrants
 - community mental health centers

Universal Service Program Developments in Florida

Low-Income Program

- ◆ **Coordinated Enrollment Process** In April 2006, FPSC and the Department of Children and Families (DCF) staff developed a process whereby potential Lifeline customers, once certified through a DCF program, could receive Lifeline discounts. From the perspective of the client, the coordinated enrollment process established by the FPSC and DCF is seamless, from filling out the DCF web application to receiving Lifeline discounts.

The coordinated enrollment process entails the DCF client checking a “yes” or “no” box. DCF then forwards the names of the clients who have chosen and been approved for Lifeline, along with their relevant enrollment information, to the FPSC. The FPSC electronically sorts the information by eligible telecommunications carrier (ETC) and places the names on a secure Web site for retrieval and enrollment by the appropriate ETC.

- ◆ **Eligible Telecommunications Carriers (ETC)** A carrier that is granted ETC status is eligible to receive federal universal service support pursuant to FCC rules. To qualify as an ETC, a common carrier must offer services that are supported by federal universal service support mechanisms either using its own facilities or using a combination of its own facilities and another carrier’s resold service. Additionally, the carrier must advertise the availability of such services and charges using media of general distribution. As of June 2011, Florida had 24 ETCs, comprised of 10 incumbent local exchange companies, 10 competitive local exchange companies, and 4 wireless companies. FCC rules allow state commissions, upon their own motion or upon request, to designate a common carrier that meets certain requirements as an ETC.
- ◆ **Income Eligibility** In 2010, Section 364.10(3)(a), F.S., was revised to allow any commercial mobile radio service provider designated as an ETC carrier pursuant to 47 U.S.C. §214 (e), upon filing a notice of election to do so with the Commission, provide Lifeline service to any customer who meets an income eligibility test of 150 percent or less of the federal poverty income guidelines.

Source:

FPSC’s *Number of Customers Subscribing to Lifeline Service and the Effectiveness of Procedures to Promote Participation*, December 2010
<http://www.floridapsc.com/publications/pdf/telecomm/tele-lifelinereport2010.pdf>

FLORIDA TELECOMMUNICATIONS INDUSTRY

CUSTOMERS

Universal Service Support Mechanisms by Program for Florida

2 0 1 0

(Annual Payments and Contributions in Thousands)

Program	Payments from USAC	Estimated Contributions to USAC	Estimated Net Dollar Flow
High-Cost	\$ 67,693	\$ 280,891	(\$ 213,198)
Low-Income	88,201	88,367	(166)
Schools & Libraries	107,719	152,107	(44,388)
Rural Health Care	226	5,626	(5,400)
Total	\$ 263,839	\$ 526,991	(\$ 263,152)

2 0 0 9

(Annual Payments and Contributions in Thousands)

Program	Payments from USAC	Estimated Contributions to USAC	Estimated Net Dollar Flow
High-Cost	\$ 70,396	\$ 153,348	(\$ 82,952)
Low-Income	74,720	162,767	(88,047)
Schools & Libraries	75,933	165,410	(89,477)
Rural Health Care	854	1,860	(1,006)
Administrative Expense	0	12,454	(12,454)
Total	\$ 221,903	\$ 495,839	(\$ 273,936)

2 0 0 8

(Annual Payments and Contributions in Thousands)

Program	Payments from USAC	Estimated Contributions to USAC	Estimated Net Dollar Flow
High-Cost	\$77,293	\$ 296,859	(\$ 219,566)
Low-Income	24,283	54,316	(30,033)
Schools & Libraries	76,306	116,671	(40,365)
Rural Health Care	270	3,279	(3,009)
Administrative Expense	0	11,296	(11,296)
Total	\$ 178,152	\$ 482,420	(\$ 304,268)

Source:
Federal Communications Commission's *Universal Service Monitoring Reports*, Table 1.12, CC Docket No. 98-202
<http://www.fcc.gov/wcb/iatd/monitor.html>

FLORIDA TELECOMMUNICATIONS INDUSTRY

CUSTOMERS

Universal Service Support Mechanisms by State (2010)

State	Payments from USAC (in Thousands)	Estimated Contributions to USAC (in Thousands)	Estimated Net Dollar Flow
Alabama	\$ 179,322	\$ 127,668	\$ 51,653
Alaska	317,775	22,302	295,473
American Samoa	5,729	631	5,098
Arizona	149,019	155,754	(6,735)
Arkansas	139,526	74,492	65,033
California	616,486	885,312	(268,826)
Colorado	96,441	144,377	(47,935)
Connecticut	28,613	106,098	(77,485)
Delaware	4,284	29,049	(24,765)
Dist. of Columbia	16,786	38,199	(21,413)
Florida	263,839	526,991	(263,152)
Georgia	240,535	262,777	(22,242)
Guam	16,703	4,369	12,335
Hawaii	64,930	42,275	22,655
Idaho	62,257	39,526	22,732
Illinois	173,118	331,196	(158,078)
Indiana	125,802	154,930	(29,128)
Iowa	146,172	72,772	73,400
Kansas	217,112	71,094	146,018
Kentucky	145,276	104,924	40,352
Louisiana	233,390	115,153	118,237
Maine	44,229	35,731	8,498
Maryland	28,887	177,736	(148,849)
Massachusetts	59,668	186,951	(127,282)
Michigan	158,876	228,772	(69,896)
Minnesota	137,240	126,964	10,276
Mississippi	306,118	71,859	234,259
Missouri	161,247	154,834	(6,413)
Montana	95,231	26,757	68,474
Nebraska	102,790	45,830	56,960
Nevada	30,800	72,752	(41,952)
New Hampshire	13,825	39,195	(25,370)
New Jersey	85,308	272,827	(187,519)
New Mexico	130,397	50,327	80,069
New York	334,074	531,331	(197,257)
North Carolina	198,620	248,017	(49,397)
North Dakota	105,704	17,796	87,908
Northern Mariana Islands	2,394	1,335	1,059
Ohio	177,091	275,361	(98,270)
Oklahoma	279,308	86,716	192,592
Oregon	95,960	96,174	(214)
Pennsylvania	185,834	335,559	(149,725)
Puerto Rico	271,828	77,558	194,269
Rhode Island	9,655	26,781	(17,125)
South Carolina	170,624	114,968	55,656
South Dakota	97,897	19,408	78,489
Tennessee	159,986	165,016	(5,030)
Texas	585,358	563,784	21,574
Utah	43,733	59,616	(15,883)
Vermont	25,764	19,450	6,314
Virgin Islands	30,207	5,701	24,506
Virginia	125,341	235,958	(110,617)
Washington	139,309	167,202	(27,893)
West Virginia	72,171	53,890	18,281
Wisconsin	186,638	139,941	46,697
Wyoming	56,703	15,373	41,329
Total	\$ 7,951,931	\$ 8,057,357	(\$ 105,426)*

* Net dollar flow is positive when payments from USF to carriers exceed contributions to USF.

Source:
Federal Communications Commission's *Universal Service Monitoring Reports*, Table 1.12
<http://www.fcc.gov/wcb/iatd/monitor.html>

Telephone Subscribership

Percentage of Households Subscribed to Local Telephone Service

	July 2007	July 2008	July 2009	July 2010	July 2011
Florida	93.3%	93.1%	92.9%	93.9%	92.7%
United States	95.0%	95.4%	95.7%	96.0%	95.6%

Lifeline Subscribership

Lifeline Assistance Subscribers in Florida

Date	Lifeline Enrollment	Eligible Households	Participation Rate
9/2007	164,626	1,173,173	14.0%
6/2008	183,972	1,186,015	15.5%
6/2009	618,774	1,185,516	52.2%
6/2010	642,129	1,422,837	45.1%
6/2011	943,854	1,690,512	55.8%

Sources:

Federal Communications Commission's *Telephone Subscribership in the United States Reports*, Tables 1 and 2
http://transition.fcc.gov/Daily_Releases/Daily_Business/2011/db1219/DOC-311523A1.pdf

FPSC's *Number of Customers Subscribing to Lifeline Service and the Effectiveness of Procedures to Promote Participation*, December 2011
<http://www.floridapsc.com/publications/pdf/telecomm/tele-lifelinereport2011.pdf>

Lifeline Subscribership (continued)

Lifeline Subscribership by Eligible Telecommunications Carriers

As of June 2011

Company	Access Lines Subscribed to Lifeline Service
American Dial Tone*	1,903
Assurance Wireless**	286,866
AT&T Florida	122,849
Budget Phone*	2,912
CenturyLink	39,524
dPi Teleconnect*	169
Express Phone Service*	1
FairPoint Communications	2,446
FLATEL/Florida Telephone Co.*	2,845
Frontier Communications of the South	157
ITS Telecommunications Systems	178
Knology*	761
Midwestern Telecommunications*	16
NEFCOM	795
Nexus Communications*	201
SafeLink Wireless**	447,379
Smart City Telecom	23
Sun-Tel*	434
TDS Telecom/Quincy Telephone	811
T-Mobile Wireless**	70
Verizon Florida	22,307
Verizon Wireless **	17
Windstream Florida	6,249
Non-ETC Reseller	4,941
Total	943,854

* Competitive Local Exchange Carrier ** Wireless Carrier

Sources:
 FPSC's *Number of Customers Subscribing to Lifeline Service and the Effectiveness of Procedures to Promote Participation*, December 2011
<http://www.floridapsc.com/publications/pdf/telecomm/tele-lifelinereport2011.pdf>

**Regulatory
Authority**

Pursuant to Chapter 367, F.S., as of December 2010, the FPSC has regulatory authority over:

- ◆ **148 investor-owned water and/or wastewater utilities in 36 of Florida's 67 counties.**
- ◆ These utilities provide service to approximately 124,619 water and 80,860 wastewater customers throughout the state.

**Reuse of
Reclaimed Water
Data for 2010***

- ◆ 659 mgd** of reclaimed water was reused for beneficial purposes.
- ◆ The total reuse capacity of Florida's domestic wastewater treatment facilities was 1,562 mgd, representing 62 percent of the total permitted domestic wastewater treatment capacity in Florida.

* Most current data available as of May 2011.

** Million gallons per day

Sources:

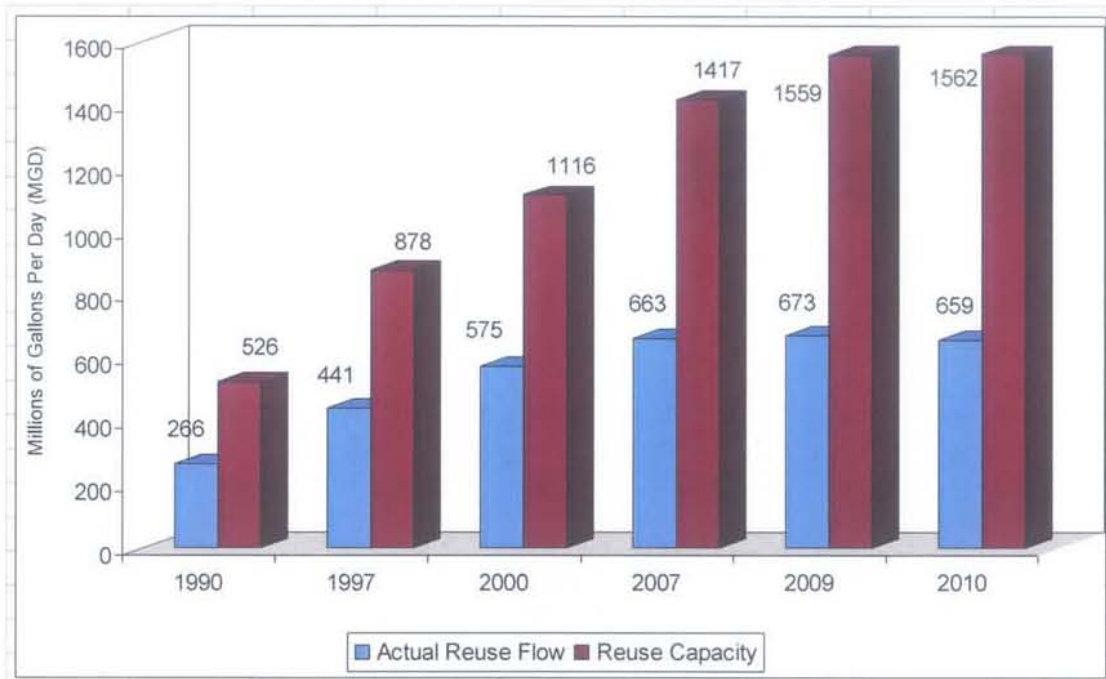
FPSC's *2010 Annual Report*

<http://www.floridapsc.com/publications/pdf/general/annualreports/2010.pdf>

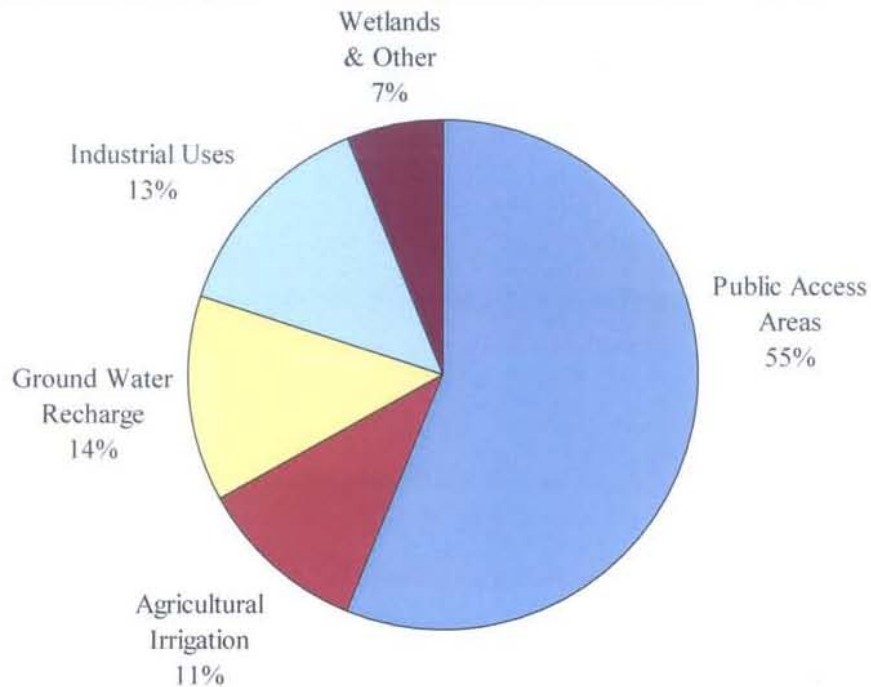
Florida Department of Environmental Protection's *2010 Reuse Inventory*, September 2011

<http://www.dep.state.fl.us/water/reuse/inventory.htm>

Florida's Reuse Growth



Reclaimed Water Utilization (2010)



Source:
 Florida Department of Environmental Protection's 2010 Reuse Inventory, May 2011
<http://www.dep.state.fl.us/water/reuse/inventory.htm>

Utility Classifications

The National Association of Regulatory Utility Commissioners uses three classes to define the size of water and wastewater utilities:

- Class A** Utilities having annual water or wastewater revenues of \$1,000,000 or more
- Class B** Utilities having annual water or wastewater revenues of \$200,000 or more but less than \$1,000,000
- Class C** Utilities having annual water or wastewater revenues of less than \$200,000

- ◆ A Class C utility may serve as few as 50 customers, while a Class A utility serves thousands.
- ◆ The number of customers served may be obtained from each utility's annual report filed at the FPSC and available online at <http://www.floridapsc.com/utilities/mcd/>.

Rate Structure

- ◆ The base facilities charge and gallonage charge rate structure is the most common rate structure used by FPSC-regulated water and wastewater utilities.
- ◆ The base facilities charge is a flat charge that recovers the fixed costs of utility service that remain the same each month regardless of consumption.
- ◆ The gallonage charge recovers the variable costs associated with the utility service such as electricity, chemicals, and labor.
- ◆ The gallonage charge is assessed for each 1,000 gallons of water that is registered on the customer's meter.
- ◆ Inclining block rate structures are used to encourage water conservation. (The inclining block is similar to the base facilities charge and gallonage charge rate structure, but includes additional gallonage charges for higher levels or blocks of usage.)

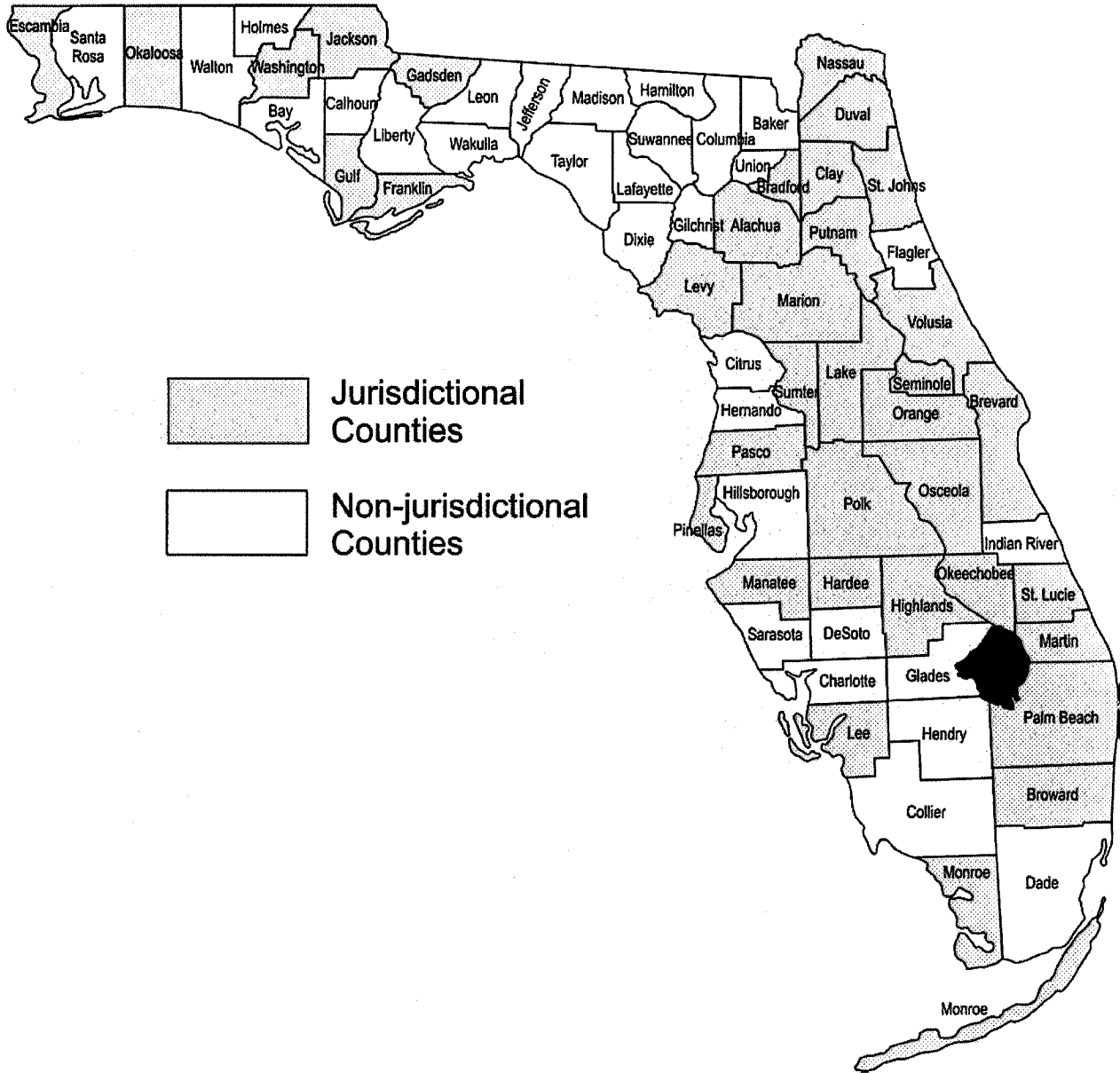
Residential Wastewater Gallonage Cap

- ◆ A maximum (or cap) is set on the number of gallons of water consumption a customer is billed for a wastewater gallonage charge.
- ◆ The monthly cap is normally between 6,000 and 10,000 gallons. (Any water consumption over that amount is generally considered to be used for purposes such as irrigation or washing cars.)

Water & Wastewater Utility Rates

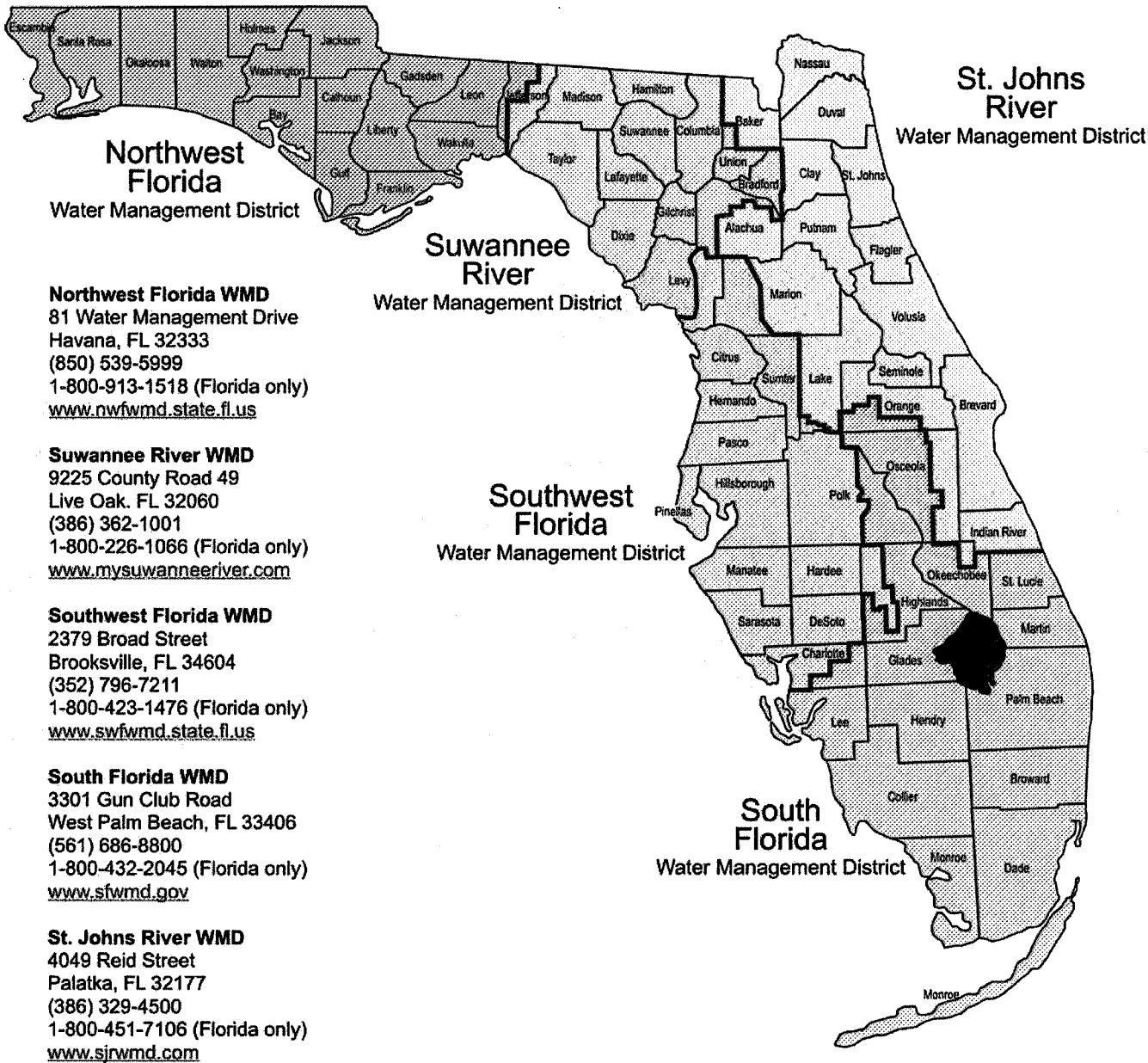
- ◆ The rates charged by all water and wastewater utilities under the Commission's jurisdiction are shown in alphabetical order by county in the FPSC's *Comparative Rate Statistics* report, available online at <http://www.floridapsc.com/publications/reports.aspx>

Water & Wastewater Jurisdictional Counties (36)



Source:
Florida Public Service Commission Map
<http://www.floridapsc.com/utilities/waterwastewater/wawmap.pdf>

Florida's Water Management Districts (5)



Source:
 Florida Department of Environmental Protection
<http://www.dep.state.fl.us/secretary/watman/>

Office of Public Counsel



Office of Public Counsel

- Created by ss. **350.061 – 350.0614**
- Part of the Legislature
- Independent of the Florida Public Service Commission (PSC)

Office of Public Counsel

- **Provide legal representation for Florida citizens on issues:**

- Before the PSC
- Before counties that opt out of PSC jurisdiction on water/wastewater cases

- **Represent ratepayers collectively, not individually**



Office of Public Counsel

- Implement Lifeline program
 - Call Center
 - Verify income eligibility



Office of Public Counsel

- Located in Tallahassee
- **16.5 FTE's**
- Budget -- **\$2.3 million**

Case Activity

- **Electric rate cases**
- **Water/Wastewater rate cases**
- **Gas rate cases**
- **Nuclear cost recovery**
- **Annual cost recovery or pass-through dockets – Fuel, Environmental and Conservation**

Office of Public Counsel

Questions?

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Advocates for Fair Utility Rates



Office of Energy

House Subcommittee on Energy and Utilities

December 4, 2012

FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

COMMISSIONER ADAM H. PUTNAM



Office of Energy Transfer and Structure

- SB 2156 transferred the Office of Energy (OOE) from the Executive Office of the Governor to the Department of Agriculture and Consumer Services on July 1, 2011.
- **Staffing - Current make up of 15 FTEs & 3 OPS**
 - The OOE has shifted from being heavy in grant administration to more of an emphasis on policy analysis, measuring success & lessons learned recommendations
- **Funding - Exclusively Grants**
 - Total Admin costs for OOE = \$2,359,900





Functions & Responsibilities

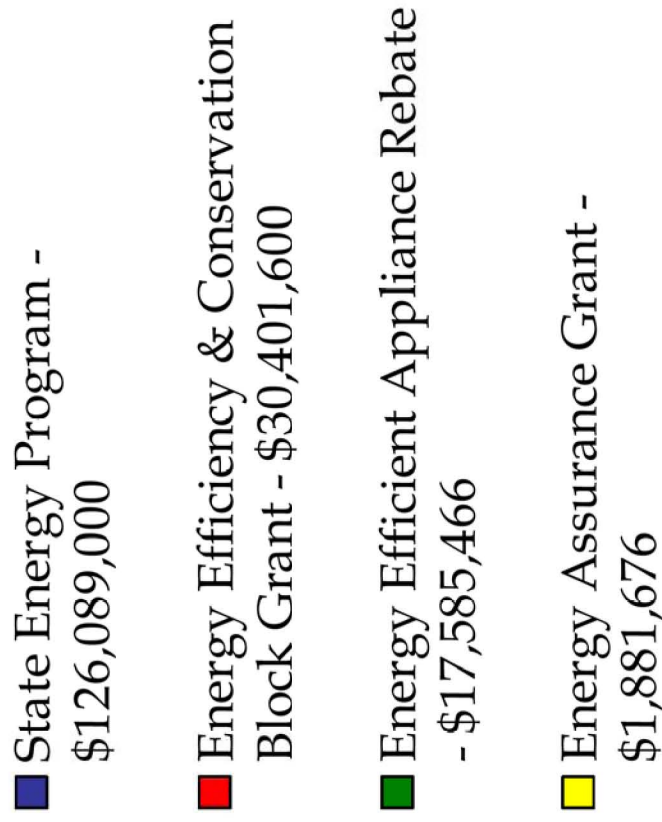
- Coordinate Federal & State Energy Programs & Administer Grants (F.S. 377.6015 (2)(a), F.S. 377.703 (2)(b) (d), F.S. 377.801-809))
- Produce Annual Energy Report (F.S. 377.703 (2)(f))
- Serve as the State clearing house for all energy information (F.S. 377.703 (2)(j))
- Analyze energy data collected and prepare long-range forecasts of energy supply and demand in coordination with the Florida Public Service Commission (F.S. 377.703 (2)(e))
- Promote and advocate for the development and use of renewable energy resources and energy efficiency technologies (F.S.377.703 (2)(h))

House Bill 7117

- Passed by the 2012 Legislature
 - Tax Credits
 - Energy Clearinghouse
 - Electric Vehicle Charging Infrastructure Rulemaking
 - Forest Inventory



2009-2012 Federal American Recovery and Reinvestment Act (ARRA)



TOTAL FUNDING.....\$175,957,276



Overview of State Grants

- Florida's Renewable Energy and Energy-Efficient Technologies (REET) Grants:
 - Awarded over \$28 million since 2006
 - 26 projects awarded; 18 demonstration projects, 6 commercialization projects and 2 research projects
- Farm to Fuel Grants:
 - Awarded \$25 million since 2006
 - 15 projects awarded; 7 demonstration projects, 2 commercialization projects and 6 research projects



What's Ahead



- Close out and Collection of Return on Investment data from our federal grant programs;
- Provide an Annual Energy Report to the Governor and legislature this year;
- Continued Implementation of HB 7117; and
- Work with the Legislature and Governor's office to collectively advance Florida's energy policy.

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Office of Energy

FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
COMMISSIONER ADAM H. PUTNAM

