STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

BIMONTHLY MEETING OF THE PUBLIC SERVICE COMMISSION

Thursday, May 8, 2014
10:34 a.m.
19th Floor Board Room
Three Empire State Plaza
Albany, New York 12223-1350

COMMISSIONERS:

Audrey Zibelman, Chair
Patricia L. Acampora
Gregg C. Sayre
Garry A. Brown
Diane X. Burman
(The proceeding commenced at 10:34 a.m.)

CHAIR ZIBELMAN: I'd like to call the session of the Public Service Commission to order. Can you guys hear me?

SECRETARY BURGESS: Yes.

CHAIR ZIBELMAN: Secretary Burgess, is there any changes to the agenda?

SECRETARY BURGESS: Good morning.

There is one addition to the agenda today. Case 13-W-0246, the interlocutory appeal filed by the town of Ramapo, and the United Water and New York case long-term water supply, surcharge case has been added to the agenda, and it's numbered 462.

CHAIR ZIBELMAN: Okay. Thank you. Typically, we -- we deal with the regular items, and then move on to the consent agenda. I'd like today just to reverse the order, and move into the consent agenda. With respect to that, I just want to note that we do have one item, and it's item number 361, which is the petition of C.P.V. Valley, and it's to get a C -- a C.P.M., is that correct, counsel?

MS. HARRIMAN: C.P.C.N.
CHAIR ZIBELMAN: C.P.C.N., and it's under Section 68 of the Public Service Law. I wanted to be really clear about this because I know that there are a number of comments that we received on this request concerning environmental concerns, and land-use concerns.

And I've -- and there's a -- I want to make sure there's no confusion that Section 68, which is what we're reviewing the C.P.C.N. under is not a siting statute. And rather the decision as to whether or not to site the power plant actually resides with the planning board of the town of Wawayanda -- wait, who had -- and that town has already given its approval.

Rather our task under 68 is very limited, and it's only to consider whether C.P.V., Valley L.L.C. should be allowed to act in the wholesale electric market as a New York and Electric Corporation.

And what we're really considering is whether the charter of the corporation is adequate, and whether the company has received the required consents of the proper municipal authorities. The question is really not, whether or
not a plant is needed. It's really only whether
another electric corporation is needed, and because
we're working in a deregulated market, and -- and
therefore in this case, it's not ratepayers who will
be paying this, but it's actually the company's
shareholders at risk. It's a very limited purview,
and our typical process is to say, so long as they
required -- achieved the required permits, that we
would allow for another electric corporation because
we do favor competition in the markets because
additional competition is in the best interest of
consumers.

So to the extent therefore that we
have comments regarding environmental concerns, land
use concerns, it's really outside the purview of this
particular proceeding.

I wanted to make sure that that was
clear to the public and why, and -- and that our
focus is extraordinarily limited in this situation.
So that's -- that's one.

We have another matter, and this is
the Horseheads' matter. I think its 169.

SECRETARY BURGESS: Uh-huh.

CHAIR ZIBELMAN: And just on that,
in that particular case there's a request on the part
of the -- of the utilities who we've asked to do a --
a very comprehensive risk-analysis concerning gas
pipes, and our concerns about the safety of these
pipes; is that we recognize that the risk analysis
that we've asked the companies -- I recognize that
the risk analysis we've asked the companies to do
is -- is this really extensive?

And we want to make sure it's done
right. So the fact that they've asked for an
additional six months, while -- while we want this
done -- an additional year, we want this done as
quickly as possible. And I -- and I think the
recommendation, which I support, is to give the
companies another six months.

At the same time, however, that
proceeding is we're also looking at gas safety issues
relative to making certain that's there education of
the public. And I want to make sure that, you know,
we're -- we're proceeding with that aspect of our
inquiry with all due diligence. And also to make it
clear to the parties and staff it is our expectation
that the scope of that inquiry, in terms of what can
we do to make certain that the public is aware of
gas-safety issues, and reports them. It's not -- should not be considered constrained by any limitation that this is just about education or notifying the people of odor. But other issues, such as, the availability of technology that would improve safety. And even additional information, such as, location if it's appropriate.

I would expect that the -- that the utilities and the staff, and others involved in this proceeding make sure they take an expanded review, and that we come out of that inquiry with as good of a process as we can, with as good a decision as we can as to what needs to be done to ensure that the public is informed, and can inform us if they smell gas. Or, if there's other technology available that we're looking for ways to start to implement that.

So Kevin, I see you in the back, and I just want to be clear that there's no -- there's no handcuffs on this. We want a full inquiry, and we want to make sure all the issues are explored.

At least I do, and I assumed you understood that.

MR. SPEICHER: I do understand, and
I am meeting with N.G.A., Northeast Gas Association, this afternoon and I'll make sure that we all understand it.

CHAIR ZIBELMAN: Okay. I -- I have no other further comments on that, or either -- any other item. But I just wanted to note that.

MS. BURMAN: I just want to echo, and also thank you for your leadership on the gas-safety issue, and also the hard work that staff has been doing.

And, I know that they really appreciate just how much you have been involved on this issue. So thank you very much.

CHAIR ZIBELMAN: Unnecessary. I think the hard work is staff. But thank you.

So with that, I have no further comments. Any other comments on the consent agenda by any commissioners? Okay. Do any of the commissioners wish to recuse or abstain from the consent agenda? Hearing none, all those in favor of the recommendations on the consent agenda, please indicate by saying, aye.

COMMISSIONER BURMAN: Aye.

COMMISSIONER SAYRE: Aye.
Hearing no opposition, the recommendations are adopted.

So now, we'll move on to the regular agenda, and thank you for allowing me to take this out of order.

The first item for discussion is item 101, which is the National Fuel Gas Distribution Corporation rate proceeding. And I believe Administrative Law Judges Prestemon and Casutto will be presenting this? Okay.

Who's beginning?

A.L.J. PRESTEMON: Oh, I'll be speaking.

CHAIR ZIBELMAN: Thank you.

A.L.J. PRESTEMON: Thank you. Good morning, Chair Zibelman --

CHAIR ZIBELMAN: Good morning.


The draft order you have before you in this case would bring to a conclusion the
examination of the rates of National Fuel Gas Distribution Corporation that was begun by order of the Commission back in April of 2013, after a staff analysis of National Fuel's recent earnings.

It would do so by approving the terms of a joint proposal that was submitted to the Commission, was signed and supported by the company, by department staff, by multiple interveners, the utility intervention unit of the Department of State, and People United for Sustainable Housing, PUSH, Buffalo.

Under the terms of the joint proposal, the rates of National Fuel would be frozen at their current levels. Those rates have been in effect since January 1st, 2008. They would be refrozen through September 30th, 2015, meaning by the end of this rate plan, the ratepayers in National Fuel service territory would've enjoyed rather remarkable nearly eight years of stable rates, which means of course, that in real terms the cost of gas service in National Fuel Service territory, has been and will continue to be steadily declining.

Combined with lower national -- the natural gas commodity prices, this means that natural
gas heating in western New York has actually gotten substantially more affordable over the last few years.

Other important terms of the joint proposal include provision for 5.5 million dollars in direct refunds to customers. A one-time credit that would be issued to customers upon approval of the order.

There's also a significant increase in funding for programs aimed at providing assistance to low-income customers, including 1.75 million dollars in additional funding for a home weatherization program administered by NYSERDA, 250 thousand dollars for a furnace replacement program, and the creation of a twelve dollar and fifty cent monthly bill credit for all eighty thousand of National Fuel's home-energy assistance program benefit recipients that would be provided during the winter heating months.

In addition, the agreement would provide for increased rate allowances for site investigation and remediation, and for pension, and other post-employment benefits expenses that would will go towards the reduction of
accumulated deferrals, that might otherwise have
required rate increases in the future. They will
substantially reduce those deferrals.

In addition, the provisions of the
agreement tighten the safety standards applicable to
National Fuel, and increase the potential negative --
negative earnings adjustments applicable to failure
to meet those standards.

And it also, provides 8.2 million
dollars in additional funding for important safety
related replacement of leak prone pipe.

And finally, the -- it would
provide 1 million dollars in stable annual funding
for the area development program, which provides for
economic development projects -- gas-related economic
development projects within National Fuel Service
territory. This agreement was some five months in
the making. Five months of negotiations among these
parties, and the amount of time is not at all
surprising because they had a very difficult task.

Not only were they in effect doing
a complete rate case for future rates, but as you
recall in the -- in the order initiating this
proceeding, the Commission told the parties to take
into account the possible applicability of Public Service Law 66 -- Section 6620, which provides for the possibility of recovery of over earnings from past periods.

And also, in June of last year the Commission made National Fuel's current rates temporary, subject to refund. So, the parties not only had to do a rate case, but they had to consider what -- how to treat past and continuing over earnings, and they did so quite well I believe.

They addressed the -- the past over earnings issues, and the temporary rates issues by agreeing upon a 7.5 million dollar credit that would be created upon approval of the -- of this agreement for the benefit of ratepayers, and would be used to -- to fund the benefits I described before, the 5.5 million dollars in refunds, and the programs for low-income customers.

As to the future rates -- current that would apply, they began with the premise that rates would be frozen as I mentioned. They then developed, based on an analysis -- a rate case type analysis performed by staff, they developed a revenue requirement for National Fuel.
Then comparing the revenue requirement calculated or -- and agreed upon to the revenues that would be generated by the frozen rates, they found that National Fuel would continue to have some substantial excess earnings. They then agreed to apply those excess earnings to repurpose them for ratepayers -- for the benefit of ratepayers. They calculate -- oh by the -- I should've mentioned, they calculated the revenue requirement based on a 9.1 percent R.O.E., and a 48 percent equity ratio, both of which are consistent with what the Commission has approved in other recent cases.

And as I said, the -- the excess earnings revealed by this analysis were then applied to increase the rate allowances for, as I mentioned, pensions and other post-employment benefits, and S.I.R. expenses in order to decrease deferrals.

And after that, there was still 1 million dollars in -- in calculated excess earnings, which National Fuel agreed to credit immediately upon approval of the agreement to ratepayers as a -- as an offset against deferrals for which ratepayers would otherwise be responsible.

So the potential for future excess
earnings was also addressed by the parties. They established an earnings-sharing mechanism, very much consistent with others that have been adopted in multi-year rate plans. The earnings sharing agreement would -- has -- actually has a very small dead band during which there'll be no sharing above the 9.1 percent R.O.E. that would be authorized, there would be a dead band of forty basis points. At 9.5 percent, fifty/fifty sharing with customers would begin. At 10.5 percent, the sharing would go to eighty percent customers, twenty percent company.

The customer share of -- of the excess earnings would be applied to further reduce the deferrals. So there are substantial provisions here to keep deferrals under control.

Some other notable features of the agreement include a requirement that National Fuel develop a pilot gas expansion program to extend service to customers no longer getting it. This is a very important provision for low-income customers because many of them live in older housing stock, and have oil, or propane, or other relatively high cost fuels now in comparison with what have become quite affordable costs for national gas.
The agreement also calls for a collaborative to consider the expansion of the public assistance cooperative energy program in National Fuel's service territory. Which is a program that aggregates low-income customers, HEAP recipients, to allow them to allow gas to be purchased by bid from an outside supplier.

According to U.I.U., this has consistently provided five percent in savings for participants. And the idea here is to expand it. Right now, it's only available to public assistance customers. The idea is to expand it possibly to HEAP customers, as well in the service territory.

Again, as I mentioned the gas-safety standards are significantly tightened. And the service quality performance mechanism that has been in place is continued.

As you know, the parties to this agreement represent the full spectrum of National Fuel customers: Residential, commercial, industrial, and low-income. Their positions in our cases are often, if not always adverse. And they were so at the beginning of this case, as well.

The fact that they have now come
together and produced what I consider, and I believe the rest of the advisory staff agrees with me, is a very fair equitable, and even innovative agreement makes it, I believe, well worth -- worthy of your approval.

And that ends my comments. If you have any questions?

CHAIR ZIBELMAN: That was very eloquent. Thank you.

A.L.J. PRESTEMON: You never know.

CHAIR ZIBELMAN: Any further comments from the staff on this?

Well, first of all, so thank you very much. And I -- I would agree that, you know, first of all I want to congratulate the staff. I know this started as an investigation that we invest -- that we initiated in order to look at a potential over-earning situation. There we go.

And then, you know, so -- so I applaud the staff both and the Commission for its -- the initiation. But clearly, you know, from the standpoint of fact that this involves a very comprehensive settlement of both -- of staff and the company, the PUSH organization, the multiple
interveners, and U.I.U., it -- it really shows that -- that I'm -- the effects of what happens when parties get together. I'm sure there was a lot of give and take, and moments when everyone thought, it would collapse.

But, it appears that the willingness of folks to innovate, to be creative, to compromise has resulted in a product that -- that is fabulous for customers. Like the ability to have fixed rates for an extended period, the credits, the additional work on low-income, which I think is very important, particularly in this area of the state.

And, then, ultimately, the also looking at the safety improvements and economic development comprehensively do what we would like it to do, is maintain gas affordability, allow for gas expansion. And at the same time, maintain a significant focus on gas safety.

All -- all very critical elements, I think, of what we want to do with gas industry in New York.

So I applaud the parties, I'm appreciative of the fact that settlements are never easy. They're sometimes much harder than litigation.
And also, again, thanks to staff for their great work for keep -- continuing to guide folks along. So I also would note my intention to approve this.

Any further questions? Comments?

Commissioner Sayre?

COMMISSIONER SAYRE: In my view, this is a better deal for western New York than we would've achieved in a fully-litigated rate case. It has new programs, benefits for consumers, and sharing mechanisms that are not typically results in a case where everything is contested. I support the proposal, and I echo the Chair's commendation to staff, the parties, and the Administrative Law Judges for achieving this result.

CHAIR ZIBELMAN: I didn't note them. But I agree.

Commissioner Burman?

COMMISSIONER BURMAN: It's clear that the company cares about their community, so kudos. Thank you.

CHAIR ZIBELMAN: Commissioner --

COMMISSIONER BROWN: Yes. I just --
Chair Zibelman: -- Brown?

Commissioner Brown: -- again, I play historian over in the corner.

Chair Zibelman: I know. The old man in the corner.

Commissioner Brown: You know, sadly.

This was a company that through their own initiatives managed to reduce some of their internal costs, and got themselves in a position of some excess earnings.

And this was never designed to, in any way, punish a company for a good performance.

Chair Zibelman: That's right.

Commissioner Brown: And in fact, they got to take advantage of that good performance for a number of years. And this proceeding kind of puts that all behind us. They did -- they were the last company, I believe -- Doris, help me if I'm wrong, with a revenue-sharing, risk mechanism that we -- it wasn't in their last case, which meant that all excess earnings was maintained by the company.

Now, I think we have a wonderful balance in place.

I am thrilled that they managed
with PUSH to come together, and figure out a way to help the low-income communities to their satisfaction. Never enough for, you know, things like that. But to bring them on board, I think is a major -- a major victory.

So I just want to thank the company, the staff, PUSH, and all of the people that were involved in getting this to this place. Because this provides some stability for yet a few more years. It includes a sharing mechanism so if we get into a different circumstance, the perimeters were already laid out.

And so thanks to everyone for getting us to this place, and I think it's a victory for everyone.

CHAIR ZIBELMAN: Thank you. Commissioner Acampora?

COMMISSIONER ACAMPORA: I'll just chime in. I think that, also, I agree with my fellow Commissioners.

Usually, the parties that we're talking about today, most of the time, were very adversarial towards each other. And it just goes to show when you focus in on doing the right thing, how
people can come together, and get a good quality product for the benefit of everyone. I really address the part of the low-income programs. I think they're -- it took a lot of leadership to get this done. And I think that these programs will stand the course, and help a lot of people in an area of our state that sometimes struggles a bit.

This is really good for all consumers; low-income consumers, our residential consumers, and commercial, and industrial consumers.

So Dave, as the Chair said, you were quite eloquent today. You must be on your medication. And I know you've been away for so long, I always look forward to when you give a presentation because you always do an excellent job.

So congratulations to all the parties involved, and many thanks to the staff for sticking in there, and making sure that this was really done right.

It's something to be proud of.

CHAIR ZIBELMAN: Thank you. Well, then let's take a vote on this item. And all those in favor of the recommendation to approve the terms of the joint proposal establishing the two-year rate
plan for National Fuel Gas Distribution Corporation, please indicate by saying, aye.

COMMISSIONERS: Aye.

CHAIR ZIBELMAN: Opposed? Hear being -- there being no opposition, the recommendation is approved.

And again, thank you very much for everyone who contributed to this result.

Our second item for discussion is item 201 A, and 201 B. This is a proceeding to consider a clean-energy fund. And Colleen Gerwitz who is the Director of Office of Energy Efficiency and the Environment will be presenting this correct Colleen?

MS. GERWITZ: Yes.

CHAIR ZIBELMAN: Very good. Please proceed. Thank you.

MS. GERWITZ: Good morning, Chair Zibelman and Commissioners. Today, here I have two -- oops. Now, can you hear me?

UNIDENTIFIED MALE SPEAKER: Get a little closer if you can.

MS. GERWITZ: Now? Can you hear me? Is the mic working now? All right. So there's
two clean energy fund related items before you today. One's a resolution authorizing the preparation of a generic environmental impact statement to assess the potential environmental impacts associated with the development of a clean-energy fund. The second is a draft order commencing a proceeding to consider the development of a clean-energy fund.

The draft, clean-energy fund order that is before you builds off from the December 2013 EAPS order, and their recent April 25th reforming energy vision order, that together began the process of transitioning the state's clean-energy efforts to a more modern regulatory framework.

The draft order recognizes that the role of Commission authorized clean-energy programs will undergo significant changes in support of more market-driven solutions, such as, the New York SUN and Green Bank initiatives, and REV.

The intent of a clean-energy fund -- of the clean-energy fund is to ensure continuity of the state's clean-energy programs during this transition, and to provide the flexibility that will be needed to adjust allocations
of funds among clean energy initiatives in response
to evolving market conditions.

The draft order proposes that this
flexibility be bounded by a discipline of a
transparent upper limit on ratepayer contributions.

That is an annual funding cap, as
well as, directional goals and objectives applicable
to the fund. Using ratepayer funds to support the
growth of robust markets in combination with the
regulatory reforms being considered in the REV
proceeding will lead to a more efficient use of
ratepayer funds, and a decreased need for ratepayer
surcharges to support these programs.

So, the order proposes, not only a
cap, but a cap that decreases over time. The draft
order recognizes that under REV, the utilities will
develop plans as part of their system planning, and
operation function to increasingly integrate
distributed energy resources into their systems.

The utility's current surcharge
funded EAPS programs will evolve to become a
component of these utility plans. As part of these
plans, future utility efficiency efforts will be
treated like any other part of the utility's revenue
requirement, rather than being funded through a dedicated surcharge.

NYSERDA's efforts will also need to evolve, and should focus on market and transformative strategies that are designed to provide temporary intervention, and support to overcome specific barriers, and provide self-sustaining results.

NYSERDA's efforts should also ensure continued support for low-income customers who are less able to obtain market-based services.

In this context, the draft order directs NYSERDA, in consultation with staff, to develop a comprehensive clean-energy fund proposal by August 13th of 2014 for Commission consideration and stakeholder comment.

The draft order requires the proposal to recommend annual ratepayer collection levels that would serve as fixed annual caps for each year between 2016 and 2020.

The recommended collection levels are to be below the total R.P.S. EAPS and S.B.C. 2015 collection levels, and should decline in reflection of the full capitalization of the Green Bank, and the expected transition of the utility EAPS programs to
the -- to the REV plans.

The proposal should identify directional goals and objectives for the clean-energy fund that align with and support state energy-plan policies, and should address the issue of fuel neutrality as appropriate. The proposal should also address the possibility of transition -- transitioning to a bill-as-you-go model where collections supporting NYSERDA programs are retained in utility accounts, and transferred to NYSERDA as needed in accordance with expenditures.

The draft order also directs NYSERDA in consultation with staff to develop, and submit a plan, and schedule within thirty days for obtaining broad stakeholder input during the development of this clean-energy fund proposal.

The draft order also redirects and clarifies some items from the December 2013 EAPS order.

As the scope of the REV proceeding has come into sharper focus, it is clear that some of the activities that were assigned to the E-squared working group in the December order are more appropriately considered in the context of this
proceeding and the REV proceeding.

So the draft order provides clarification regarding the appropriate home for the various activities, and eliminates the requirement for a June 1 action plan associated with those activities.

Similarly, the order -- draft order clarifies that the funds were authorized -- that were authorized to support these activities may continue to be used to support these activities and others that staff deems appropriate, to align the clean energy programs with the REV regulatory framework, including the SEQR compliance for both the clean-energy fund, and the REV proceeding.

That concludes my presentation. I, Tony Belsito and Deb Labelle are available to respond to any questions.

CHAIR ZIBELMAN: Great. Let me being and see if there are any questions for the staff.

Commissioner Burman?

COMMISSIONER BURMAN: Thank you. I have a number of questions. And I'm not sure if you're going to have all the answers to them. So if
you don't, it's okay if you say you don't know the answers, or have them at this moment.

I guess the first threshold question is, we're commencing -- we're being asked to commence a proceeding today. Is there anything else other than commencing a proceeding that we're being asked to do today substantively? Legally?

MS. HARRIMAN: I'm -- I'm going to answer that question, Commissioner. One of -- two things you're asked to do today in addition to commencement of the proceeding. And that is a clarification as to the requirements to file the action plan on June 1, as my colleague indicated.

The second, is clarification of a previous order that authorized certain funds for NYSERDA to utilize in conducting the environmental assessments that are necessary in relation to both REV, and to the clean-energy fund. So I want to be clear on that.

COMMISSIONER BURMAN: Okay. And the clarification is to the filing the action plan is really clarifying that we're saying, we're no longer going to require the action plan. Is that correct?

So it's clarifying that we're
saying, we're no longer requiring the action plan to be filed?

    MS. HARRIMAN: You're not requiring the action plan to be filed on June 1 because as Colleen indicated the activities contemplated in the working group, which would then produce that plan are being subsumed into the -- both the clean-energy proceeding which you would commence today by your vote, as well as, the REV proceeding, which was commenced at the April session.

    COMMISSIONER BURMAN: Okay. So the clarification is really changing the requirement?

    MS. HARRIMAN: Yes.

    COMMISSIONER BURMAN: Okay. And the clarification to that also ties into the authorization or the direction of the 5 million dollars that we had tied to the E Two working group, am I correct?

    MS. HARRIMAN: Correct.

    COMMISSIONER BURMAN: Okay. So what's the 5 million dollars now tied to? The 5 million dollars, which I think is the ratepayer funds?

    MS. HARRIMAN: Right.
COMMISSIONER BURMAN: Am I correct?

MS. HARRIMAN: Colleen, you might want to answer that.

COMMISSIONER BURMAN: I just want to make sure, because I'm very -- just so you know. My sort of focus, and I know all of the commissioners are focused on the -- you know, our obligation to -- the responsibility we have for a ratepayer funds.

So I just want to be clear when we are authorizing anything to do with ratepayer funds that I understand what we're doing with ratepayer funds.

So I just am making sure that I understand that.

MS. GERWITZ: Then it was an up to amount, first of all --

COMMISSIONER BURMAN: Uh-huh.

MS. GERWITZ: -- to be available --

COMMISSIONER BURMAN: Thank you.

MS. GERWITZ: -- to support various activities to advance these programs. Okay?

COMMISSIONER BURMAN: Uh-huh.

MS. GERWITZ: Currently, like I said, it'll be used to support the -- the SEQR
assessment --

COMMISSIONER BURMAN: Right.

MS. GERWITZ: -- for both of these initiatives. So that's one definitive task.

The other one that we're planning on doing, you know, that's in the works right now is continue to work on a technical resource manual that we've got in place. We continue to work on developments in that that we believe will continue to have value for the current programs, as well as, future programs.

And as we identify other potential tasks like -- I could give you other examples, you know, of other things that may become clear that will continue to provide value into the future, as well as, now. The staff will bring those recommendations, you know, and we, you know, if there needs to be a mechanism to bring that to you for approval, we can do that.

But the point is that we needed to have the flexibility to be able to get to providing these additional resources to make these tasks happen -- some of these activities.

COMMISSIONER BURMAN: Okay. Thank
you. So now, when we're looking at this, we're looking at now authorizing NYSEDA to work with staff to come back in August of 2014 to submit a proposal for a comprehensive clean-energy fund, is that correct?

MS. GERWITZ: Correct.

COMMISSIONER BURMAN: So this proposal for this comprehensive clean-energy fund will be going forward for 2016 through 2020?

MS. GERWITZ: The proposal that's one that would -- it's a design of a programs from the funding levels to support the programs for that period-of-time, yes.

COMMISSIONER BURMAN: Okay. So the -- let me make sure I understand this then. So that comprehensive clean-energy fund would be comprehensive of what? Would that be R.P.S.?

MS. GERWITZ: The point is, yes, it would the proposal is to consider the full suite of clean energy programs.

COMMISSIONER BURMAN: Okay. And would that full suite -- and let me just say it, it would be R.P.S.? Would that --?
MS. GERWITZ: R.P.S.?

COMMISSIONER BURMAN: EAPS --

MS. GERWITZ: EAPS and S.P.C. --

COMMISSIONER BURMAN: -- and S.P.C.?

MS. GERWITZ: -- technology and market development.

COMMISSIONER BURMAN: And Green Bank?

MS. GERWITZ: And Green Bank, and New York SUN.

COMMISSIONER BURMAN: And REGGI?

MS. GERWITZ: REGGI's not under this.

COMMISSIONER BURMAN: Okay. But would they also be -- would REGGI be separate? So it would be comprehensive, but not include REGGI, but REGGI could also be utilized by NYSERDA?

MS. GERWITZ: Uh-huh.

COMMISSIONER BURMAN: Okay. So Green Bank we authorized 700 million?

MS. GERWITZ: Right.

COMMISSIONER BURMAN: So technically, under this comprehensive clean-energy
fund by authorizing it then they could then utilize part of that clean-energy fund, and they wouldn't have to come back to us for the remainder of the billion dollars that have been talked about?

MS. GERWITZ: The proposal -- the clean-energy fund proposal will consider all of those -- that full suite of activities, including Green Bank. And the funding that they need in each of those years to support that suite of activities. So the idea would be that they would lay that out.

COMMISSIONER BURMAN: Okay.

MS. GERWITZ: What that -- what -- what the planned allocation would be. They'd still have to come in with a petition to seek that additional approval for that extension of that program, and approval of that funding for that particular purpose.

So this sets up the broad parameters, and then there'll be under -- for each -- each of the activities, you'd have to approve it again.

CHAIR ZIBELMAN: So may I --

MS. HARRIMAN: I just want to make
CHAIR ZIBELMAN: -- go ahead.

MS. HARRIMAN: -- clarification here. The Green Bank is on the separate proceeding track, and it has a distinction in activity. It's -- it's a financing vehicle. So I just -- I just want to be clear as the clean-energy fund is a -- the proceeding initiates an examination as to how you could combine EAPS, R.P.S., and S.B.C. into one pot of funding. And the appropriate levels of that funding through 2016 to 2020 reflective of the activities that are going on in the market place driven by Green Bank, and those driven through the REV proceeding to rate cases and other market development.

So, I don't want to muddy the waters here because Green Bank has its proceeding, and it has its distinguished responsibility, and that more work may be necessary on Green Bank. But clean-energy fund is complimentary and reflective of the work going on in the Green Bank.

CHAIR ZIBELMAN: But if -- yes.

COMMISSIONER BURMAN: I totally
agree with you about not muddying the waters. That's why I'm being very careful, both legally and also as regulators. Because if we're talking about a comprehensive clean-energy fund, and we're talking about the fact that we're going to take all of the comprehensive funds, and put it into a clean-energy fund, I want to be careful with the ratepayer funds, and make sure especially because we're giving ratepayer funds to NYserda, which is the appropriate entity. And when -- and when we're looking at that, I want to make sure that when we do that that I understand what pots of funding that we're giving them.

So if the clean-energy fund is truly comprehensive, or if we're limiting it, and saying it doesn't include the Green Bank because the Green Bank is right now what with a 700 million dollars was part of R.P.S., part of EAPS, part of S.B.C. unencumbered funds, and part of REGGI. So we really need to make sure that we carefully articulate what the ratepayer funds are, and where they're coming from. So I just --

CHAIR ZIBELMAN: If --.

COMMISSIONER BURMAN: -- want to
make clear when I'm looking at this, and when NYSERDA is coming back with their proposal, that it's very, very clear because it is very confusing. And it needs to be clear because if I don't understand it, I'm very concerned because then the ratepayers who are the ones who have to pay it, and it's their -- it's we're collecting from the ratepayers. We have to be careful. So that's why I'm trying to understand what the collections are, and what the funding sources are. And, why we're collecting it into one comprehensive fund, and it truly isn't fully comprehensive because we're also -- now, I'm hearing from our legal counsel that it's not going to contain the collections that may be coming in the future for the further collections that will be needed for the Green Bank.

CHAIR ZIBELMAN: I don't think that's correct.

They -- the concept here as I understand it, and this is -- and perhaps we should -- we should clarify this, is that previously we -- we have -- we had separate funds, EAPS, R.P.S., as well as, the S.B.C. funding. Rather than having these segregated funds, which made it very
complicated to administer, the idea is to move from a separate funds to a one fund, which we're nominating the clean-energy fund, which will be budget bound. And will be predicated on the fact that over the next duration, there are going to be elements that we need to continue to collect, ratepayer charges to fund clean-energy projects to allow for this transition away from ratepayer-funded to market-funded energy efficiency clean energy projects.

But we recognize we're in transition. So there's two pieces of it that I understand -- that -- that I believe are really critical.

One, is just to making sure that we understand that it's -- this is a commencement of the transition, and it's complimentary and consistent with what we're saying in all of these dockets. In REV docket, in -- in the Green Bank docket, and even in EAPS, is that we realize that we're moving from a point where energy efficiency clean energy was considered part of the periphery, to part of the core of operating the system.

And what we expect to see,
particularly out of REV, is an increased movement to finding commercial market-based solutions that are consistent with a ratemaking regime that recognizes the value of these investments to help maintain a reliable, resilient, affordable and clean system. So we're moving it to the center.

At the same time, there's a period of time we're going to need a transition. There's a period of time that we're going to need to continue to collect from ratepayers. And particularly what we want to do is while we're having the utilities refocus their attention, we think about where NYSERDA is now in thinking about administering these ratepayer funds. Where best to focus and be much more efficient in terms of where these funds are placed.

To one, accelerate markets to -- particularly for things like Green Bank. To look at market transformational activities, and to continue to fund programs where the markets may not be, such as, low-income or rural areas where you might not see a commercial market develop as quickly. And potentially look at new technologies that again, could use some help that could be highly valuable.
While I don't want to -- what I believe the clean-energy fund does is it sets us on a path of saying, number one, this is how much is available for funding, and we truly expect the budget to come in to be less than what we have baked into the 2015 collections. So it'll be a reduction below that, and continue to reduce over the five years reflecting the fact that we expect to see increased expenditures by market-based solutions.

So the commitment to the state as a whole to energy efficiency will continue to grow. But it will grow through market innovations, not by continuing increasing collections of ratepayers. And we should if we're -- and I believe we will be successful, be able to see a reduction in these ratepayer collections as the market picks up.

And, so, this is a really -- think about this as a bridge to where we want to be where we have sustainable market-based solutions.

Although, I -- you know, with a possibility over time, and I think this will continue that we'll continue to identify areas where government can leverage ratepayer funding most effectively to ensure that these markets continue to
evolve to a point, I hope, that in our future that
this becomes part and parcel with electric service,
and we don't require ratepayer funding anymore.

So it is a transition. There's a
change in moving to a budget-bounded approach as
opposed to segmenting dollars for specific programs.
And I think it allows us the flexibility, and the
focus we need of thinking about the complimentary
activities of government funding versus market
evolution with recognition that our expectation is
that we're going to see market animation, and
actually then the markets supplanting and improving
what we could do from ratepayer funding itself.
That -- that to me is sort of the overarching
objective.

And I -- so, you know, that's why I
think it's difficult. It sounds complex. But in the
end, I think if we allow our staff to develop this
type of process, we'll find that it's very
complimentary to what we're trying to do elsewhere
with REV, New York SUN, as well as, with the Green
Bank. And I think -- so -- so I appreciate the
need -- that we need to be very specific and clear
because it can get confusing on what we're doing.
COMMISSIONER BURMAN: No, I don't -- I don't think. I think if you'll listen to the rest of my questions, I think we're on the same page.

CHAIR ZIBELMAN: No, I -- yes.

COMMISSIONER BURMAN: Which I think really is that we are looking at exactly why I have concerns with commencing this proceeding without a thorough review.

So, when I look at all of this, all of what you're speaking to, goes to the Green Bank and the REV proceeding. And also, what we've been talking about, which is the R.P.S. and the EAPS review, the comprehensive review. And, so, when we speak to, and this is -- you know, from -- from my perspective is folks have been asking for when is the next R.P.S. solicitation; when is, you know, the -- the EAPS review, the comprehensive review. And -- and I know that staff has been diligently working on this.

So, what I've been sort of looking at and trying to figure out, is if we are going to have a transition away from a ratepayer's subsidy based focus, and we are truly going to get to a
market-based approach, how are we going to do that if we keep kicking the can down the road without fully doing the comprehensive review?

I'm not hearing that the R.P.S. main tier system is broken. What I'd like to look at is understanding what has -- what have the collections been, what are the collections in R.P.S.? Can -- can you give me a ballpark on what are the current collections in R.P.S.?

MS. GERWITZ: I always have my -- I didn't bring the numbers with me again.

COMMISSIONER BURMAN: What are the current collections in EAPS?

MS. GERWITZ: They were --.

COMMISSIONER BURMAN: Okay.

MS. GERWITZ: I know what the totals are. I'm not --.

COMMISSIONER BURMAN: What have been the -- the -- what has been expended so far?

MS. GERWITZ: We have that information. I'm gathering it for you, as you know.

COMMISSIONER BURMAN: Okay. Now, I -- I know that you said that right now that the proposal that's going to be asked for -- from NYSERDA
is going to be, and let me just make sure when I look
at the order -- excuse me while I get it.

The proposal should recommend
annual ratepayer collection levels for each year of
the 2016-2020 program cycle and beyond. The proposed
annual collection levels should ideally be below the
authorized 2015 total annual collection levels.

So ideally be, so could in fact, we
be looking at collect -- annual collection levels at
higher than the authorized 2015 total annual
collection levels currently?

CHAIR ZIBELMAN: I think what --
let me -- let me just jump in here.

What I'd like to see out of this,
and -- and what I've -- and what I'm -- why I believe
that this is the right way to go. Is that the
expectation is that the budget-bounded approach, the
amount of dollars that we're going to be collecting
from ratepayers should be less than what we've -- we
authorized for 2015 because we are starting this
transition away from ratepayer funding.

The budget-bounded approach that I
expect to see is a rational budget that will tell the
Commission with this amount of collection of dollars
these are the things that we can believe that we can
achieve in terms of the various programs; the main
tier R.P.S., the New York SUN, the Green Bank, and
EAPS.

And, so, it'll be a full record,
the type of information that you're looking for that
sets us out, and says with this amount of dollars
these are the expected programs and costs around
that, and the expected outcomes.

But we can't -- what we want to do
because things are going to change, and we can't
predict where the change is going to be, is to make
sure that we maintain the continuity of where we are
today, but provide the flexibility to address
evolving events.

That's why it's so important to
move to a grouped fund, but at the same time set the
signal in the market that we expect the attention to
be moving towards commercial implementations. And
that therefore the burden on ratepayers, the
surcharge burden, will be reduced.

And we want to start -- I would
like to see this reduction begin in 2016. The amount
of reduction, I don't want to prejudge --

COMMISSIONER BURMAN: Absolutely.

CHAIR ZIBELMAN: -- because I want to see, the budget come in. If they come in with a higher amount, we'll have to, you know, look at it.

COMMISSIONER BURMAN: Uh-huh.

CHAIR ZIBELMAN: But like any other thing, I'm telling the staff and NYSERDA the burden is going to be on you to convince us that we need to increase the funding as opposed to reduce it.

COMMISSIONER BURMAN: Absolutely.

CHAIR ZIBELMAN: But clearly, we -- you know, that's why we set this up. I believe it's important to set the expectation of where we'd like this to land.

COMMISSIONER BURMAN: Absolutely.

And I think also -- really I think what's necessary is -- you know, when I look at this is that what -- what's hard is they're all these different proceedings.

And it's hard for me to keep track.

And I know it's very hard even for staff to keep track, and you know, people get confused. You know, even when they saw on the agenda that there's this
clean-energy fund. I had to go back through the orders to figure out which order had first mentioned the clean-energy fund.

And, then, kind of figure out well, where does it fit within all of this. And it is part of the REV proceeding, it's part of the EAPS, it's part of the R.P.S. New York SUN is part of R.P.S., it's part of Green Bank.

And somehow, we need to do a better job because we are trying to merge clean energy together. And we need to do a better job of figuring out how everything fits, so that people don't have to be figuring it all out, and trying to follow everything because everybody's head is spinning. And they want to be able to be, you know -- you know, understanding it.

And we need to do a better job because, you know, we are, you know, the -- the -- working with ratepayer funds here. And we -- we need to be accountable to that. Looking at that, I think it's also important that we understand exactly what the metrics are that we're trying to achieve.

Part of the -- if this isn't going to be rolled out until 2016, we have got to
understand what are we doing with R.P.S. and EAPS.

Is there going to be an R.P.S. solicitation? Are there going to be changes to R.P.S.? What is that? I'd like to see in the proposal in August some mention from, you know, whether it's a store proposal or something from staff that is, you know, giving some certainty to the public on what's happening with that. I think that there needs to be a signal so that people understand that we are serious about doing something.

CHAIR ZIBELMAN: Do you have any further questions?

COMMISSIONER BURMAN: Let me look. I did have a lot of questions, but I think some of your changes -- will there be actual changes to the direct orders? That's what I'm hearing, there's going to be --.

CHAIR ZIBELMAN: I -- I think the draft order contemplates what we were talking about is that -- that there will be a proposal that comes in that addresses these issues.

Let me -- let me -- if I can, let me just take a minute, and then I'll turn it over to the other commissioners for comments.
COMMISSIONER BURMAN: Actually, I don't think so. I think that what you're proposing were some changes to the draft order because you were talking about some changes in terms of the level of ratepayer collections.

CHAIR ZIBELMAN: No. No. I think the draft order says that we want a budget-bounded approach, and ideally, we want it to be less than the 2015, that's our expectation.

But that -- obviously, we're not foreclosing something now because we don't have the record yet to determine what is the right level of funding going forward. It's directionally where I -- where the Commission asking NYSERDA and staff to focus.

COMMISSIONER BURMAN: So I'm going to reserve my right to ask more questions after --

CHAIR ZIBELMAN: Okay.

COMMISSIONER BURMAN: -- the other commissioners talk.

CHAIR ZIBELMAN: All right. If -- if I can, I -- I do want to move forward -- do -- just take a few minutes and comment.

So one is: I'm appreciative of the
clean-energy fund proposal for this reason; I think that having separate funds has created any number of problems in terms of how best to use ratepayer funding to have the most efficient result relative to clean energy. And this helps provide that kind of fluidity.

COMMISSIONER BURMAN: Uh-huh.

CHAIR ZIBELMAN: And you know, as we talked about even in the REV proceeding we need nimbleness because we're in a point -- an inflection point and looking at change. So we need commission to give NYSERDA, just like we're asking utilities, to rethink how things are done so they're done more -- more efficiently. So I'm appreciative of -- of this concept to clean that up.

I think in terms of, you know, recognizing that this is a transition, and one that the elements that the staff have pointed out that are critical to the transition are maintaining the continuity so there's not market -- unnecessary market disruption.

And, I fully expect to see proposals from staff on changes if necessary to the main tier R.P.S. We're going to continue on as this
goes. We're not going to let things stop, and then
go because we recognize people have made investments
in the markets, and we want to continue to see the
market develop. So I'd like to -- this is not an
indication that where there's a full stop, and then
we'll get back to folks. We -- that -- that's going
to continue.

I think that the other pieces, it's
the philosophy of moving forward, around expanding
energy efficiency but expanding it with -- with
consumer -- with market-based solutions and animating
markets is baked into this concept of sending the
right market signals where this is going from a
ratepayer-funded approach, and how that's
complimentary to the activity in REV.

Understanding within that context,
there is going to be complexity because change is
hard and complex. But, you know, I -- I think that
we've got a really lot of smart people, and we'll
figure -- we'll figure it out in such a way. And I
think staff is -- what we're trying to do is be very
transparent on where this change is occurring, how
it's occurring so people can understand not only
where we are today. But where we're headed, and why
we're headed there, and how these two types of proceedings will work together.

So, I think it's -- it's a necessary point to make this change, and start the process so that NYSERDA can start thinking about, and we -- and the company -- and the staff can, and then we can. Where does -- what happens after 2015 as we proceed with changes in REV, we develop the Green Bank, we look at New York SUN, and the other programs that we want to continue to fund. So it -- getting started now, having a budget, sending these signals allows for us to then give the market the confidence and the understanding of where things are headed, so that people can adjust their plans appropriately and as necessary.

So that's -- that's how I see this as all leading together.

COMMISSIONER BURMAN: Uh-huh.

CHAIR ZIBELMAN: There is obviously going to be bumps in the road, things that we're going to have to adjust as we proceed because that always happens when you're trying to transform from one type of approach to a second approach.

But I think this -- I -- this
coming up with a budget this summer, which -- which is more comprehensive, is an essential piece of where we're headed with everything else. So, I am -- I am so totally supportive of opening this proceeding, and I think it is very -- very necessary based on where we want to go with everything. It is part of a whole. And I think we have to look at it that way. So with that, I'll open it up to any further comments.

Mr. Sayre?

COMMISSIONER SAYRE: To be a good and responsible steward of all of these ratepayer funds, we obviously have to periodically reconsider and retarget programs that the funds are supporting. The changes in the market that are already taking place due to technology, and Green Bank, and a host of other factors, and that are likely to accelerate as part of our REV proceeding, create an opportunity that can't be missed. In order to ensure that the programs are well targeted as economically as -- are economically administered as possible, and -- and consistent with the State's policy objectives. I really see this item as simply moving us to the next step in this process. And on that basis I fully
support it. And I particularly look forward to -- as -- as the chair does, to the reduction in ratepayer funding as competitive markets develop.

COMMISSIONER BURMAN: Thank you.

CHAIR ZIBELMAN: Thank you.

Commissioner -- Commissioner Acampora?

COMMISSIONER ACAMPORA: I'd like to agree with some of the comments that were made by the Chair.

In transition and building a bridge, and instituting new change, things are never easy. But there again, my favorite word always gets put into the mix, and that's called flexibility. And what we've instituted with the REV, and now moving forward with this, I think does send the right signals to the investors, and the programs that we've already looked at. So that there is a future, people need to know what's going to go on in New York State, and that this is a place for investment, and that we do have a plan. And I think that this is kind of cohesive, and brings everything together.

So I -- I do support this, and I thank everybody for the hard work. And again, the flexibility, if something's wrong, we come back.
We've been coming back for a long time. There's nothing wrong with that because you can't get something as big as REV, and changing all of this, you can't get it done at one time. It's never going to be right the first time, or the second time, the third time, and maybe even more. So I look forward to moving on with this.

Thank you.

COMMISSIONER BROWN: I do have a comment.

CHAIR ZIBELMAN: Yes.

COMMISSIONER BROWN: You know, I -- maybe I'm being overly simplistic. But right now, we've authorized programs through the end of 2015.

CHAIR ZIBELMAN: Uh-huh.

COMMISSIONER BROWN: It is May 2013. No matter what we're going to do, we needed to start a proceeding about what we're going to start doing in January 2016.

CHAIR ZIBELMAN: Right.

COMMISSIONER BROWN: We could've done it under the old pots, and the old buckets, and do a renewable portfolio standard proceeding, and an energy efficiency portfolio standard proceeding.
Instead, I think wisely we're trying to put them together, and make a clean-energy fund. I'm not predetermining anything here today. Whether -- I mean, we can have aspirational goals of reducing money in 2016.

CHAIR ZIBELMAN: Uh-huh.

COMMISSIONER BROWN: It may not make sense to reduce money in 2016. I want to see the evidence. All we're doing today from my perspective, is start the process --

CHAIR ZIBELMAN: Uh-huh.

COMMISSIONER BROWN: -- of the 2016 review with an open mind, with the evidence coming our way, and we'll go from there.

And we know that there's other things going around since we just implemented a REV proceeding that it would be silly for us to go forward with this proceeding without taking that into account. So that's what I see we're approving today, and not much beyond that. Except just clarifying where it sits in the pantheon of proceedings we have going on.

CHAIR ZIBELMAN: Well -- yes --

well said, and I think simple is best.
COMMISSIONER ACAMPORA: Yes.

CHAIR ZIBELMAN: Was it the KISS theory? The regulation?

COMMISSIONER ACAMPORA: Uh-huh.

CHAIR ZIBELMAN: But I -- I do think that -- that the other thing we are doing is this proceeding is trying to get some clarification because there have been activities that we initiated --

COMMISSIONER ACAMPORA: Uh-huh.

CHAIR ZIBELMAN: -- which in light of the initiation of the REV proceeding we felt were going to be duplicative. So it was important to get some clarification so people understood where things would land.

And I, again, I appreciate everyone's tolerance that -- just like we're asking the -- you can't ask the industry to change, and then sit still, and continue to do everything we do the same way.

COMMISSIONER ACAMPORA: Uh-huh.

CHAIR ZIBELMAN: So any other -- do you have questions Commissioner Burman?

COMMISSIONER BURMAN: Yes. I'm
glad I saved my -- reserved my comments.

So I -- you're all not wrong. But I'm not wrong either. So I think that there is -- you're right. We are starting, commencing something. But we need to also be able to review what we have done and look. And we all have -- there've been orders that have talked about the need to do a comprehensive review. Part of what's also out there there are current pending proceedings, R.P.S. being one of them, which is looking at -- and EAPS, looking at what are some of the tweaks that we can make in the current R.P.S., and the current EAPS, and what needs to be added.

So that is currently what we are trying to do, is working group figure out what's appropriate.

So part of this is when I look again at the draft order for the clean-energy fund, it doesn't talk about new metrics. It doesn't talk about folding in, you know, the old metrics, or you know, folding in things, or what's going to happen with the 2014-2015 processes.

So, we need to also make sure that we are -- just because we're going to put it into a
comprehensive clean-energy fund, that we are looking at what are we going to do new or different, or better, and make sure that we are not just putting it into one big pot just for the sake of that. I know that that's not the intent. But, I think that we need to really ensure that we're also not doing anything that's harmful.

And, you know, I just -- some of the questions that I still have is, does this also include NYPA customers, or LIPA, P.S.E.and G. customers? Would they be able to participate?

MS. GERWITZ: The proposal is not yet formed.

COMMISSIONER BURMAN: Okay. So those are something --.

MS. GERWITZ: We're starting a proceeding to consider those kinds of questions.

COMMISSIONER BURMAN: Okay. And again, as I said from the beginning, you may not have the answers to that. But those are some of the things I would want to know.

Will the criteria change? Again, those are some of the things for how will it be --
R.P.S. and EAPS, how will that be determined in terms of with this clean-energy fund, will we be looking at one big criteria or there'll be different --

different criteria?

MS. GERWITZ: All questions to be considered as part of the proceeding, I believe.

COMMISSIONER BURMAN: In the EAPS order, there were several things in the E Two working group that were the action plan. There was something, and I'm blanking on the specific terminology. But it talked about M.I., and the business council, and some of their concerns on the self-banking fund.

MS. GERWITZ: Uh-huh.

COMMISSIONER BURMAN: And it said, some of those ideas were really good ideas, and they should work with -- or submit proposals to the E Two working group. And the E Two working group should talk to them. How are those types of things going to happen with the entities?

CHAIR ZIBELMAN: But -- if I can, let me suggest this. I think that there's -- there's two things that we -- we need to do, and I don't want to -- I'm not cutting short your questions. But
there's two elements to keep in mind. One is is that
the development of the clean-energy fund will have to
be justified both into the amount and how the funds
will be used, and administered --

COMMISSIONER BURMAN: Uh-huh.

CHAIR ZIBELMAN: -- and the

metrics. So that the Commission can continue to
maintain its accountability for assuring that
ratepayer funds are being used in the best
appropriate way. That -- that -- I think it's
important that we give staff and NYSERDA an
opportunity to come back, and develop out a proposal,
which we'll receive comments from the third parties,
so that when we make this decision it's on a full
record. I don't want to suggest that staff has an --
should have answers before they develop the
proceeding because that's -- that is really what the
proceeding is about --

MS. GERWITZ: Uh-huh.

COMMISSIONER BURMAN: Right.

CHAIR ZIBELMAN: -- to make certain
we're on the right track. Secondarily, I want to be
clear that in our move towards this clean-energy
fund, and simultaneously our move towards REV, there
are some issues, such as, both in the REV docket, and
frankly even in the ESCO proceeding that are going to
be -- and in the EAPS proceeding that really fold
into the REV proceeding. And in the interest of
accommodate and efficiency of time I -- we've -- we've
asked staff to begin identifying what types of issues
really need to be put under this umbrella of a REV
proceeding so that we don't have competing
collaboratives and competing proceedings.

I don't necessarily want to
actually combine the proceedings into one docket
because there are issues that may fall outside of it.
But there are things, such as, issues raised about
how the multiple interveners, how we can make this
better for industrial customers really can be part
and parcel of a REV-type consideration of public/
private partnership or utility industry partnership.
And so I don't want to preclude the -- how these
issues will be evolved. But we are in this
transition.

I think for Commissioner Burman,
for your assurances, what we can do, and I don't
think we should do it today, but we can do it for you
and all the commissioners; take a list of all of the
topic matters: EAPS, ESCO, and I know the staff is already working on this, and come up with a matrix that shows where these issues are going to be dealt with in which docket. So we have an assurance, and then also provide that so it's transparent to the parties, so the parties understand where these issues are going to land.

Because it is -- we are in transition, we've opened up the new docket, and that new docket to a certain extent has overtaken other proceedings where we were looking at these issues. So if you could -- if I could ask your forbearance give us an opportunity to develop that because it's already underway, I think that would clarify a lot your -- your concerns.

COMMISSIONER BURMAN: Thank you, Madam Chairman. The -- the question I have really is related to the order though -- the EAPS order, which actually I'm talking about the specific clarification that we're changing now in here, which deals with the M.I., and the business council that we directed in the order that talks about them working with the E Two working group on their self-directed -- the self-banked fund. And I'm just trying to look --
there were certain things, and I think there were
about four or five things in the EAPS order that
said, talk -- work with the E Two working group.

And the one that comes to mind off
the top of my head was the M.I. and business council
working with the E Two working group. Another one
that comes to mind is the privacy concerns of -- you
know, customer privacy concerns.

So, what I wanted to just make sure
is that those things that are in there that they
don't fall off the table because we are now changing
the actual specific order. And how are those things
getting changed because we're clarifying certain
portions of it. But we're not clarifying it legally
in this order.

CHAIR ZIBELMAN: Counsel, did you?

MR. BELISTO: I think the order
addresses all the separate tasks that were raised in
the EAPS order. Specifically, the M.I. issue, the
order does -- or the draft order does suggest that
those issues are probably best considered as part of
the REV proceeding because it seems more -- like a --
a deeper, more comprehensive change than some of the
other issues. But I believe if you go through the
list of the EAPS order that all of them are addressed in the current order?

MR. BELISTO: They're suggesting they should be -- where they should be considered.

MR. BELISTO: There is -- the order does not wipe anything off the table.

MR. BELISTO: It -- it tries to recognize as much as we can from this standpoint the best way to address it.

Perfect. Thank you.

CHAIR ZIBELMAN: Okay. Are we ready to take a vote? Okay. So we have two votes for 201 A and B.

COMMISSIONER BURMAN: And just before we start to make it easier, I'm going to vote aye, but concurring based upon my discussions here.

CHAIR ZIBELMAN: Okay. So for 201 A, all those in favor of the recommendation to adopt a resolution, and issue a positive declaration in support of the SEQR, please say aye.
COMMISSIONER SAYRE: Aye.
COMMISSIONER ACAMPORA: Aye.
COMMISSIONER BROWN: Aye.
CHAIR ZIBELMAN: Opposed? Hearing no opposition, and with the clarification provided by Commissioner Burman the recommendation is adopted. And then for the vote taken for 201 B, all of those in favor of the recommendation to commence a proceeding to consider the development of the clean-energy fund, please indicate by saying aye.

COMMISSIONER SAYRE: Aye.
COMMISSIONER ACAMPORA: Aye.
COMMISSIONER BROWN: Aye.
COMMISSIONER BURMAN: Aye.
CHAIR ZIBELMAN: Opposed?
COMMISSIONER BURMAN: And again, with the clarification.
CHAIR ZIBELMAN: Okay. With the clarification, and there being no opposition the recommendation is adopted. Thank you, Colleen, and Tony, and Debra that this -- I know these things can be somewhat complicated, but great job.

Counsel. Okay. Now that it's hot in here, let's talk about the summer.
So just kidding, just kidding. So we're going to be moving to item 301, which is a staff report actually on our 2014 summer preparedness.

Ms. Barney, are you leading the discussion?

MS. BARNEY: Yes, I am. Good morning, Chair Zibelman, Commissioners. I will be presenting on the summer preparedness of the bulk electric system. Next slide.

CHAIR ZIBELMAN: First slide.

MS. BARNEY: First slide. Okay. Let me proceed just with the overview. I plan to go through how the system is planned to have resources available to serve load. And then talk about the operating environment in which available resources are used to actually serve the load.

So we will start with what the load levels are expected to be, what resources are available to serve the load, and the readiness of the New York I.S.O. and transmission owners to manage the system this summer. No slide? Okay.

(Off-the-record discussion)

MS. BARNEY: This graph presents
the forecast of peak demand for New York this summer, along with a five-year history to provide some context.

The blue line is the actual recorded load levels, and the red line converts the load levels to a weather normalized basis. This summers' forecasted peak load of thirty-three thousand six hundred and sixty-six megawatts is consistent with the historical trend.

The load forecast is based on a fifty/fifty forecast for most of the state, with the exception of Consolidated Edison, and Orange and Rockland, which uses a seventy/thirty forecast.

A fifty/fifty forecast means there's an equal chance of the load being higher or lower than the forecast. So Con Edison and O and R are being more conservative by using a seventy/thirty forecast.

Next. New York City is always a special concern. And here is the same graph as presented for the statewide demand for the city. The peak load is anticipated in the city to be 11,783 megawatts, which again, is consistent with the historical trend.
Next slide. What are the resources available to serve the anticipated load of 33,666 megawatts? In-state generating capacity is anticipated to be 37,978 megawatts.

Additionally, there are demand response resources, which include special case resources of 1,189 megawatts, and 94 megawatts are signed up for the emergency demand response program. The capacity backed imports amount to 2,130 megawatts, for a total of 41,298 megawatts of resource capability available for the summer, or about a 123 percent of expected peak load.

Next slide. How do the resources available stack up to what is required to maintain a reliable system. Annually, the P.S.C. looks to the New York State Reliability Council to determine what installed reserve margin is required to help ensure load can be met reliably.

The amount calculated by the reliability council and adopted by the Commission for this year is 17 percent. This slide reflects that for the base load forecast, available resources exceed the I.R.M. for a forecasted supply surplus of about 1,900 megawatts. That said, it should be noted
that we are facing a dwindling of supply in the form
of increased levels of generation retirement, and
reduced participation in demand resource programs.

As we move resource levels closer
and closer to the required reserve margin, which is
currently 17 percent, it is important that
replacement resources are correctly located, and that
the infrastructure is robust enough to move the
energy around the state to serve the load.

Next slide. The theory is that
planning provides sufficient resources to meet
expected load conditions. That planning the system
to be able to endure the worst set of outages under
peak loading conditions will provide operators with
sufficient operating flexibility to serve most
loading conditions.

The information provided on the
previous slides are predominantly based on a
fifty/fifty forecast. What if we experience extreme
weather consistent with a ninety/ten forecast? Under
that circumstance, the surplus disappears, and rather
than meeting a 17 percent reserve margin, we will be
down to 15 percent.

While there is only a ten percent
chance of a high load condition at that level, there are enough resources to cover that load level. However, Murphy's Law says that high load conditions can happen when more than anticipated generation is out of service. Last summer proved to be a tight situation, and that tight situation could arise again this year. So, what tools do the operators have to ensure reliability under extreme conditions? This slide presents in descending order the emergency operating procedures the New York I.S.O. has available to it.

First, is to call on the E.D.R.P. resources who have already volunteered to be curtailed. Second, is to move to a voltage reduction, which will provide a quick reduction in load levels. Next, calls are made for voluntary industrial curtailment, which is followed by public appeals. Emergency purchases are the next resort. Generally, not everyone peaks at the same time, and there are usually resources available from our neighbors. Last is to eliminate thirty-minute reserves, which will still leave enough reserves to
cover the largest contingency.

Next slide. On the individual transmission owner basis, each transmission owner is reporting that they anticipate being able to meet peak projected loads in all areas under normal operating conditions. The companies have spare transformers, breakers and equipment to rapidly repair most system failures. Consolidated Edison, in particular, has many of its own demand response programs that can provide relief, and help shape the load under stress system conditions, which Tammy will be elaborating on in her presentation.

This concludes the summary of the bulk electric system summer preparedness.

CHAIR ZIBELMAN: Thank you, Diane.

Tammy, why don't we just move on to you?

MS. MITCHELL: Good morning, Chair and Commissioners. Item 301 B provides a summary of the New York State utilities preparedness on the electric distribution system for the 2014-2015 summer season.

Next slide. The summer preparedness program requires that all New York utilities review their electric distribution system
capability to withstand increased loadings during the summer period.

Overall, the annual summer preparation process performed by each utility is very similar in methodology. The utilities each project summer load by reviewing historical summer loading information, taking into account historical weather conditions, load growth, and any new business information available to obtain projected loading for the next summer season.

The utilities then simulate its electric system using the projected summer loadings to identify any equipment for specific areas where overloading may occur. From these efforts, projects are selected for completion prior to the next summer season. In terms of our review and monitoring of these efforts, staff request that the utilities provide reports starting in March of each year. These reports include a summary of the company's process, procedures, and associated efforts. Along with a list of equipment, such as, transformers and circuits that are at or above normal operating ratings during projected peak loading conditions. And a list of proposed projects identified for
completion prior to June 1st.

Typically, these projects include load transfers, capacitor bank installations, transformer upgrades, and sometimes new substations. Additionally, utilities provide status reports to staff on those projects identified for a completion prior to the summer.

This year, staff tracked a total of a hundred and eighty-nine projects identified by the utilities. At this time, the New York State utilities have completed approximately half of their identified projects. The remaining projects are considered minor, and are still expected to be completed on or before June 1st. For any projects that are not completed before June 1st, the companies will develop and provide contingency plans describing alternatives to address potential problems.

One quick note on staff's review. This year's staff review and analysis included PSEG, Long Island summer preparedness efforts, which prior to this they had not.

Next slide. Due to its unique characteristics, Con Edison has in place multiple load relief programs available for deployment during
high-load conditions to alleviate potential feeder
overloads. Two of its programs, its direct load
control program or Rider L, and its distribution load
relief program or Ryder U, are implemented by the
company during system emergencies.

Rider L allows Con Edison to reduce
enrolled customers' demand by taking control of and
cycling central air conditioning loads. The total
amount of load reduction available through Rider L
program is approximately thirty-seven megawatts for
both small commercial and residential customers
enrolled at this time.

Under Rider U participants provide
demand response through load reductions or operation
of onsite generation when called upon by Con Edison
on a network-by-network basis.

The total amount of load reduction
available through Rider U program at this time is
approximately a 182 megawatts.

A third program, Con Edison's
commercial system relief program, or Rider S, is a
more proactive program whereby customers are called
upon to curtail based on day ahead load forecasts.
This program is available to any customer that can
curtail load or offset load with onsite generation by
a minimum of fifty kW for an individual customer, or
to aggregators that can offer one hundred kW of load
reduction. Participants receive financial incentives
to reduce loads during events, which are called by
the company when the day ahead forecasted load is at
least 96 percent of the company's forecasted system
wide peak.

At this time, the Rider S program
has approximately one hundred -- one hundred
megawatts -- yes, megawatts of load reduction signed
up at this time. I'm going back and forth between
the little increments and the big increments. I'm
used to all the big stuff that Diane has now.

Enrollment in all three of Con
Edison's demand response program is up this year, and
is expected to increase as a result of May and June
continuous enrollment periods.

In conclusion, based on our
analysis staff is satisfied that utilities
distribution systems are prepared to meet the needs
of the upcoming 2014 summer period. This concludes
my presentation.

CHAIR ZIBELMAN: Thank you. I have
no questions. I think this is a good presentation.

    Obviously, you've covered the
waterfront. In terms of moving forward, I appreciate
Diane and your comment that while things are
certainly -- the resources are adequate this summer,
and we're well within our reserve requirement. That
the situation is tightening, and it's certainly
something that we need to -- to watch. I'm also
aware that we're anticipating higher prices this
summer --

    MS. BARNEY: Uh-huh.

    CHAIR ZIBELMAN: -- which of
course, is always moving into a summer a matter of
concern. But I -- I think that we're going to be
meeting again next week to talk about the polar
vortex, what happened this past winter, and its
implications on infrastructure requirements, resource
requirements in the State.

    And, I think while, you know, we
are -- we're the -- the initiation of this proceeding
was this past winter prices, and we'll be looking at
the causes, and what happened, and what we should be
doing. It doesn't, you know, this is -- is all one
and the same ultimately. If we need resources in the
winter, we definitely need resources for the summer.

MS. BARNEY: Uh-huh.

CHAIR ZIBELMAN: And I appreciate the staff's diligence on that. And I think this is clearly a, watch this spot, there's -- there's more to come, and more -- more information. Thank you. Any further -- any questions or comments?

COMMISSIONER BROWN: Do we have another presentation?

MR. ADDEPALLI: We have one more on the price.

CHAIR ZIBELMAN: On the prices. Oh. There you go. Sorry. I was foreshadowing it in an artistic way. Go ahead, Mr. Turergo. Thanks, Mike, thanks, Raj.

MR. TURERGO: Good morning, Chair Zibelman and Commissioners. Regarding item 301 C, I'll be providing you with a summary of how the utilities have performed at reducing their electric supply price volatility for their full service residential customers, go over the utilities, residential electric supply portfolio for this summer, and finally compare this summer's
forecast electric market prices to last summer's actual prices.

But first, I'll provide a brief summary of the commissions' supply portfolio guidelines.

Next slide. There've been three Commission orders that have addressed retail supply price volatility mitigation. The first is the Commission's retail market policy statement issued in 2004.

The policy statement identified as a long-term goal that competitive suppliers should eventually displace the utilities in performing the supply function.

In the near term, however, utilities are to maintain supply portfolios to protect residential, and small commercial, and industrial customers, collectively mass-market customers against wide swings and spot market prices.

The Commission also determined that large commercial industrial customers are to be exposed to hourly spot-market pricing, and that no new hedges are to be entered into by the utilities for these customers.
Slide. The second order issued in 2007, laid out the commissions supply portfolio guidelines. The guidelines reinforce that utilities should engage in hedging to reduce the supply price volatility for their mass-market customers. That portfolio should encompass a variety of hedging instruments. And also includes some wholesale purchases, and that utilities are to avoid entering into contracts that are unduly risky due to their length or other unfavorable characteristics.

Slide. The third order issued in 2008 addressed utility reporting requirements. The order requires utilities to report quarterly on their portfolio volatility mitigation results using the coefficient of variation.

Each quarter utilities file electric market, and their supply portfolio prices for the previous twelve months, and the resulting coefficients of variation as a means to evaluate the effectiveness of their portfolios.

In this order, the Commission also determined that setting strict standards for volatility mitigation was not appropriate.

Slide. This graph shows the
results of the utilities electric supply price volatility mitigation efforts. It compares the average New York I.S.O. market price volatility, the red line, to the volatility of the utilities residential electric supply portfolios.

As we all know, and can see from the graph, electric market prices increased dramatically this past winter. Issues surrounding this past winter's supply prices will be the focus of next week's technical conference.

While improvement opportunities exist, and modifications to the utility hedging practices, and or supply rate mechanisms are being formulated as a result of the Commissions hedging policies, the utilities residential supply portfolios have been significantly less volatile than the market.

So what -- so what is the Commission's hedging policies that perform this level of supply price volatility mitigation cost ratepayers in terms of gains and losses relative to market prices?

Slide. Essentially, nothing.

This slide shows the annual above
or below market cost of the utilities hedges that were executed pursuant to the Commissions hedging policy. The bars represent annual gains -- hedging gains or losses. The line represents a cumulative gain or loss since 2005. Negative numbers mean that the contracts were priced below market. On a cumulative basis over the past nine years, ratepayers have essentially paid no premium for the supply price volatility reduction.

Slide. This chart shows the elements of the composite residential electric supply portfolio for this summer. As shown, about half of the composite portfolio consists of fixed price instruments. Of the fixed price instruments, the majority are financial contracts, and also include newer physical contracts, older legacy contracts, and a small amount of the utilities own generation with fixed fuel costs, and NYPA contracts.

The balance of the portfolio is predominantly made up of market purchases, followed by relatively small amounts of utilities own generation with variable fuel costs, index contracts -- indexed to gas primarily, and options contracts.
Slide. This chart shows this summer's expected average energy-market prices based on NYEX futures for New York City, the Hudson Valley, and western New York, New York I.S.O.'s zones J, G, and A, respectively.

Last summer's expected energy market prices that we reported to the Commission last May are in green. Last summer's actual market prices are in blue. This summer's expected average market prices are in red. As shown, this summer's energy market prices are expected to be higher than last summer's prices. Mainly, due to projected increase in gas prices compared to last summer.

Projected increases range from twenty-three to twenty-five percent compared to last summer's prices depending on the zone.

But, please note that these are only projections. In the past five years, actual prices were below forecast for two years, above forecast for two years, and about equal to the forecast at a year.

Slide. This graph is primarily showing the same data as the prior one, just with the winter period inserted in the middle, just for
One interesting point to note here, when this graph was created actual April prices were not available. They have since become available. And they were thirteen to seventeen percent less than the forecasts. Again, depending on the zone.

Slide. This slide compares this summer's New York I.S.O. six-month, summer-strip auction capacity prices to last summer's prices. In addition to the projected energy-market price increase compared to last summer, capacity prices will also be higher this summer, especially for customers located in the new lower Hudson Valley capacity zone.

Based on current projections from the NYEX data, and capacity price data obtained from the New York I.S.O., this summer's electricity prices are expected to be higher than last summer's actual prices.

Again, the actual prices can vary from forecast due to a number of factors, such as, weather, economic conditions. With the hedges the utilities have entered into, mass-market customers will not experience the full magnitude of any market price changes.
That concludes my presentation.

CHAIR ZIBELMAN: First of all.

Thank you. I apologize even though Commissioner Brown is the more senior member, I seem to have had a senior moment.

So -- but let me -- Mike, could you -- can you go back just real quick to your volatility slide? They -- just so I -- I think this is an -- an important element, is that what we're seeing is -- if I get this right, is that while the volatility can change relative -- I mean, obviously, here in this spot market, the effectiveness of the hedges would indicate that the volatility that consumers are seeing is substantially less than -- than full-market exposure.

MR. TURERGO: For most of the period it was half of the -- right, the portfolio volatility was about half of the market volatility. And certainly, at the last few points from this winter, it was significantly less volatile than the market.

CHAIR ZIBELMAN: And then -- then if you go to the next slide, it certainly indicates that the -- in terms of the marked market, that over
time there are periods of time where you, you know, if you had perfect knowledge, which none of us have, you would say, oh we over hedged. Other times you would say we under hedged. But over time, it all works out that basically, you're at zero. That the price of the hedges puts you where you want to be. Is that -- that's what you're saying?

MR. TURERGO: Yes.

COMMISSIONER BROWN: Just one follow-up question?

MR. ADDEPALLI: Chair? Let me just -- let me just amplify on the previous slide, what that showed was more of how the supply portfolio behaved as to how it shows up in use customer's bills there is one more step of how --

CHAIR ZIBELMAN: Okay.

MR. ADDEPALLI: -- the ratemaking gets done, in terms of forecasting price, and then reconciling the changes from actual to the forecast. That may introduce a little bit more volatility than what you see here.

CHAIR ZIBELMAN: Thank you. Thank you, Mr. Turergo.

COMMISSIONER BROWN: My question
was, does this include utility provider last resort customers, or is this across the board including all ESCO customers?

MR. TURERGO: No. This is -- this is only full-service customers.

COMMISSIONER BROWN: That's what I thought.

CHAIR ZIBELMAN: Utility customers, not the ESCO customers.

MR. TURERGO: Utility customers.

COMMISSIONER BROWN: We'll follow up on that next week.

CHAIR ZIBELMAN: Right. Right.

MR. ADDEPALLI: Mass-market customers.

COMMISSIONER BROWN: Okay.

CHAIR ZIBELMAN: So but -- but the point is that, and I -- and that's what I was going to say, is that even though we're seeing these -- the hedges being effective relative to what we would hope to achieve. The absolute prices, and the volatility we saw this summer -- this winter was very high in terms of an individual bill basis.

And -- and so what -- what we want
to understand I would think out of coming out of this, understanding these types of price volatility in the market, looking at our hedging strategies going forward to see what more we can do to avoid this type of mass market exposure to this price volatility and price increases. Because ultimately telling someone, well, over the last ten years it's been okay doesn't really cut it when you're paying a bill that's two hundred percent higher than the bill, you normally pay.

COMMISSIONER BROWN: And the other question I'd be interested in is what sort of hedging products are available --

CHAIR ZIBELMAN: That's true.

COMMISSIONER BROWN: -- to customers. So --

CHAIR ZIBELMAN: So --.

COMMISSIONER BROWN: -- not today.

Don't need to answer it.

CHAIR ZIBELMAN: -- but again, I think -- I think this is a really good precursor to what I hope will be a much deeper conversation as we begin to get to next week to really start thinking about with these type of weather events like we had
past winter -- this past winter. And with changes in
the supply mix, what does this mean for us on a
forward-looking process? Commissioner Acampora?

COMMISSIONER ACAMPORA: Do we look
at surrounding states so that we have an idea of
where the other states around us are?

MR. ADDEPALLI: Yes. Different
states have different restructured markets. Probably
outside of Texas perhaps, we are the most retail
market state with almost half the load being served
by competitors.

And in terms of procurement
policies, different states have different approaches.
Some have a lot more heavy state commission
determined hedge policies, more active engagement by
the Commission. Here this commission has provided
guidance to the utilities, and allowed flexibility
to -- to rearrange the portfolios, and -- and make
judgments.

With that said, I think our
programs have been reasonably successful as you saw
in the production on the volatility based on the
Commission guidelines. And the utilities have been
working with staff along the way. And but -- we'll
hear next week what changes the utilities are
planning to make based on the lessons learned over
the last winter.

COMMISSIONER ACAMPORA: And also in
the bulk presentation, Diane, you've been here for a
long time. Could you just give us like a snapshot of
the past few years how this year's projections versus
the past two or three years?

MS. BARNEY: From load perspective,
it's been a moderate increase. No real major spikes,
especially when you get the weather normalized.
Those forecasts seem to be pretty good. The concerns
are more on the supply level.

COMMISSIONER ACAMPORA: Uh-huh.

MS. BARNEY: Ten years ago, we
weren't at this twenty-three percent level. We were
at a forty percent surplus level. So there was a lot
of flexibility in the system. There was a much
larger dispersal of small generation, which has been
diminished through retirements, which the net result
is there is a lot more pressure put on the
transmission system --

COMMISSIONER ACAMPORA: Uh-huh.

MS. BARNEY: -- because of that.
And concern about the retirements are, do we have the
generation in the right place so that we can move the
energy to the load centers when we need to.

COMMISSIONER ACAMPORA: Uh-huh.

MS. BARNEY: So things are getting
tighter on the system. There is no doubt about it.

MR. ADDEPALLI: Let me just add, as
you've probably seen in the last few years, the
energy prices have dropped significantly,
notwithstanding this last winter. Over the last
number of years, gas prices have dropped, and that
resulted in lower energy margins to many of the
generators, and that has resulted in either moth
balling or retirement over the last few years, a
significant amount of moth balling or retirements
have happened.

And so the supply is getting
tighter and tighter as we move forward. The capacity
prices have also dropped in the past, that also
contributed to the moth balling. But they are
bouncing back up a little bit. We'll see what that
means to the generated profit ability.

But the situation is tightening as
the Chair had mentioned.
COMMISSIONER ACAMPORA: Yes. I just wanted to do a little walk down memory lane --.

MR. ADDEPALLI: Yes.

CHAIR ZIBELMAN: And it's --

just -- we've said it, it's not a phenomena that is unique to New York, which is another issue, is that we're seeing retirements elsewhere, which also then affects your import capability. That's an observation, not a need for a comment.

Any further questions? Okay.

Well, thank you. And we'll look forward to further discussion next week on May 15th on this topic.

MR. ADDEPALLI: Yes.

CHAIR ZIBELMAN: With that,

Secretary Burgess, is there anything more in front of us today?

SECRETARY BURGESS: There is nothing more for today for the Commission to consider, and as you mentioned the next commission meeting is next Thursday, May 15th. It'll be the technical conference on winter -- winter energy pricing and supply, and that will begin at nine a.m.

CHAIR ZIBELMAN: Thank you, and we
stand adjourned.

(The proceeding adjourned at 12:15 p.m.)
STATE OF NEW YORK

I, Hannah Allen, do hereby certify that the foregoing was reported by me, in the cause, at the time and place, as stated in the caption hereto, at Page 1 hereof; that the foregoing typewritten transcription consisting of pages 1 through 93, is a true record of all proceedings had at the hearing.

IN WITNESS WHEREOF, I have hereunto subscribed my name, this the 15th day of May, 2014.

______________________________
Hannah Allen, Reporter