

**BOARD OF COUNTY COMMISSIONERS**

**GULF COUNTY, FLORIDA**

**INFORMATION** **MAY 8, 2012** **PAGE NO.**

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Chief Administrator (Fire Department Financial Reporting/Administrative  
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- B) Clerk Finance Officer:  
FL Department of Revenue (H.B. 5301 Revenue Sharing & Half-Cent  
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**CORRESPONDENCE TO BCC:**

- C) FL Department of Agriculture and Consumer Services - Energy Efficiency  
and Conservation Grant (On-Site Monitoring Visit April 16, 2012) . . . . . 5-7
- D) FL Department of Economic Opportunity (Military Installations) . . . . . 8-9
- E) FL Department of Economic Opportunity (C.D.B.G. Program \* Contract Number  
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- F) FL Department of Financial Services, Division of State Fire Marshal (Arson  
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- G) FL Department of Revenue (A.H.C.A. Medicaid Billings) . . . . . 20-21
- H) FL Department of Transportation (Road Construction S.R. 22) . . . . . 22-23
- I) FL House of Representatives, Representative Hazelle P. Rogers (Proclamation  
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CLERK OF CIRCUIT AND COUNTY COURTS

RECORDER AND COMPTROLLER  
GULF COUNTY, FLORIDA

REBECCA L. NORRIS, CLERK  
1000 Cecil G. Costin, Sr. Blvd., Port St. Joe, Florida 32456

To: Jeremy T.M. Novak, County Attorney

From: Rebecca L Norris, Clerk of Court *RN*

CC: Don Butler, Chief Administrator

Date: April 20, 2012

Re: Fire Department financial reporting/administrative structure for non-profit organization

This purpose of this memo is to provide you with an update to the response I received following your meeting with the Gulf County Fire Departments on February 10, 2011 and from your memo to each volunteer department explaining their options for financial reporting of private donations and contributions.

Three of the volunteer fire departments remitted their private funds to the Clerk's office in lieu of establishing a 501(c)(3) non-profit organization: Beaches VFD, Wetappo VFD, and Dalkeith VFD. One of the volunteer fire departments has formed a 501(c)(3) organization: South Gulf County VFD.

There has been no response from the following fire departments: Highland View VFD, White City VFD, Stonemill Creek VFD, Overstreet VFD, and Howard Creek VFD.

**Carla Hand**

---

**From:** Carla Hand [chand@gulfclerk.com]  
**Sent:** Friday, April 20, 2012 10:57 AM  
**To:** 'wolfgane@dor.state.fl.us'  
**Cc:** 'Donald Butler'; 'Lynn Lanier'; 'Jeremy Novak'; 'Becky Norris'  
**Subject:** H.B. 5301 - Revenue Sharing & Half-Cent Sales Tax Revenue - Security for Debt - Gulf County

Ms. Wolfgang

Please accept this email as response to your letter dated April 13, 2012.

There are no bonds or any other debt directly secured by revenue sharing under 218.26 F.S. or half-cent sales tax revenue under 218.61, F.S.

Regards

Carla A. Hand, CPA, CGFO  
Finance Officer  
Gulf County Clerk of Courts

*"Under Florida Law, e-mail addresses are public records. If you do not want your e-mail address released in response to a public records request, do not send electronic mail to this entity. Instead, contact this office by telephone or in writing."*



Executive Director  
Lisa Vickers

Office of the General Counsel  
Post Office Box 6668  
Tallahassee, Florida 32314-6668  
Nancy Staff Terrel, General Counsel

2012 MAY 18 AM 11:35

FILED FOR RECORD  
REBECCA L. MORRIS  
CLERK OF CIRCUIT COURT  
GULF COUNTY, FLORIDA

April 13, 2012

Ms. Carla Hand  
Finance Director  
Gulf County  
1000 Cecil G. Costin Sr Blvd, Rm#148  
Port St. Joe, Fl 32456

Dear Ms. Hand:

Pursuant to s. 409.915, F.S., each county is required to pay its pro rata share of the total county participation in the Medicaid program based upon billing statements issued by Agency for Health Care Administration (AHCA). On March 29, 2012, the Governor signed into law H.B. 5301 (Ch. 2012-33, Laws of Fla.). This law requires the Department of Revenue to reduce revenues that the county receives through revenue sharing (under s. 218.26, F.S.) and through the half-cent sales tax program (under s. 218.61, F.S.) based on the AHCA certified Medicaid billings for the county.

The Department of Revenue has been charged with ensuring, based on information provided by the affected counties, that any reduction in funds does not reduce the amount of distribution to a county below the amount necessary for the timely payment of principal and interest when due on bonds directly secured by either of these revenue sources or amounts necessary to comply with any covenant under the bond resolution, indenture or other documents relating to the issuance of the bonds. **Because this law requires that the Department of Revenue act as soon as May, this information is needed no later than April 27, 2012.**

At a minimum, you must provide the Department of Revenue with the following information:

- The annual amount below which debt service would not be met on bonds or amounts necessary to comply with any covenant under the bond resolution, indenture or other documents relating to the issuance of the bonds. Please provide a summary and documents which fully substantiate the amount provided.
  - A list of each series of bonds or any other debt directly secured by revenue sharing under s. 218.26, F.S., including annual payment obligations, debt service schedules and total amount secured.
  - A list of each series of bonds or any other debt directly secured by half-cent sales tax revenue under s. 218.61, F.S., including annual payment obligations, debt service schedules and total amount secured.

Failure to respond by April 27, 2012, will result in the presumption that the amounts necessary to comply with the debt service obligations referenced above will not be impaired by a reduction in funds.

Child Support Enforcement – Ann Coffin, Director ● General Tax Administration – Jim Evers, Director  
Property Tax Oversight – James McAdams, Director ● Information Services – Tony Powell, Director

All documents and correspondence should be emailed, faxed or mailed to:

Ellen Wolfgang  
wolfgane@dor.state.fl.us  
(850) 488-7112 (fax)

Department of Revenue  
Office of the General Counsel  
Post Office Box 6668  
Tallahassee, Florida 32314-6668

We apologize for the urgency of this request, but unfortunately it is necessitated by the dates contained in the legislation. Thank you for your immediate attention to this matter.

Sincerely,

Ellen Wolfgang  
Assistant General Counsel  
Department of Revenue

SEP 19 PM 3:33

OFFICE OF ENERGY  
(850) 487-3800  
(850) 922-9701 FAX



THE HOLLAND BUILDING, SUITE 251  
600 SOUTH CALHOUN STREET  
TALLAHASSEE, FLORIDA 32399-0001

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

April 23, 2012

The Honorable Carmen L. McLemore  
Chair, Board of County Commissioners of Gulf County  
1000 Cecil G Costin SR Boulevard  
Port St. Joe, Florida 32456-1653

RE: Grant Number #17611 (Formerly ARE042)  
On-Site Monitoring Visit (April 16, 2012)

Dear Chairman McLemore:

On April 16, 2012, April Groover and Kevin Dawkins of our staff met with representatives of your community to monitor the Energy Efficiency and Conservation Block Grant (EECBG) project identified above. This letter, which contains no "findings" and no "concerns," is a summary of that visit. Monitoring is based on an examination of documentation that supports the grant Recipient's compliance with the grant agreement, state statutes, and federal regulations. We monitored the following areas for compliance:

- National Environmental Policy Act of 1969 (NEPA) Review
- Financial Management System Review
- Labor Standards
- Procurement
- Program Administration

Following is a summary of the areas examined and the results of the monitoring.

**National Environmental Policy Act of 1969 (NEPA) Review**

As required by National Environmental Policy Act of 1968, as amended (42 U.S.C. 4321 et seq.), and 40 CFR 1500, all Recipients of federal funds must conduct an environmental review of the project and its activities and certify compliance with applicable federal regulations, as well as state and local laws. The Recipient has taken appropriate action to assess the environmental impact of the project and its activities and if necessary, has informed the public of the environmental requirements by publishing a concurrent notice. The environmental review record, particularly the assessment action, was reviewed in detail. The U.S. Department of Energy completed and approved the environmental review on January 3, 2012. There were no findings or concerns.

2012 MAY 2 11:44  
 RECEIVED  
 DEPARTMENT OF AGRICULTURE  
 AND CONSUMER SERVICES  
 TALLAHASSEE, FLORIDA



5/8/12 LL

## **Financial Management System Review**

We reviewed the Financial Management System to ensure compliance with requirements for fund control, cost allowability and accountability stated as identified in OMB Circulars A-21, A-87, A-122 and other applicable regulations. In reviewing the Recipient's record-keeping system, we examined documentation that the grant funds were incorporated into the Recipient's annual operating budget; reviewed how accounting records, including cash receipts and disbursement ledgers were maintained; checked for evidence that duties were segregated; established whether the request for funds file was complete; and ensured compliance with audit procedures. There were no findings or concerns.

## **Labor Standards**

The Davis-Bacon Act and other related acts require federal grant Recipients to monitor construction contractors and subcontractors to ensure that they comply with specific labor standard requirements. This review consisted of monitoring payrolls and project files to determine whether the Recipient is documenting the following:

1. The proper wage decision is included in each contract.
2. Any needed wage conformance requests are processed.
3. Payrolls are being obtained and reviewed.
4. Employee interviews are being conducted.
5. Any problems that arise are resolved in a timely manner.

The review indicates that labor standards requirements are being met.

## **Program Administration**

This review focuses on whether the Recipient has a project management system that complies with program requirements. We reviewed the filing system, record retention, and record access procedures for compliance with 10 CFR 600.242. Project progress was compared to the Scope of Work to determine on-time performance and expenditures. If non-grant funds were pledged in the application, we reviewed the amount expended to date. If program income was generated, its disposition was examined. There were no findings or concerns.

## **Procurement**

Office of Energy-funded grants, including grant modifications, must comply with applicable federal procurement regulations and state laws. The principal federal procurement regulation is contained in 10 CFR 600.236. Procurement of certain professional services is also subject to 287.055, Florida Statutes, (also known as the Consultants Competitive Negotiation Act, or CCNA). No breach of statutory, regulatory, or contractual provisions was noted under this area during the visit.

Please be aware that this report does not relieve your jurisdiction of its obligation to continue to administer the grant according to federal and state laws, the program rule, and sound management

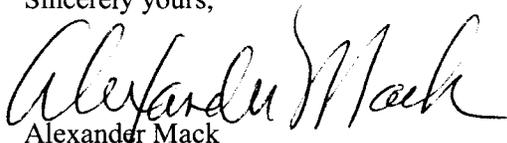
During future monitoring trips, we will monitor the following areas:

- Audit Review
- National Environmental Policy Act of 1969 (NEPA) Review
- Financial Management System Review
- Labor Standards

- Program Administration
- Procurement

We appreciate the helpful and cooperative attitude of those who provided assistance during the visit. If you have questions on this report or wish to have additional information, please call April Groover, Grant Manager at (850) 922-0999 or contact her at [April.Groover@freshfromflorida.com](mailto:April.Groover@freshfromflorida.com).

Sincerely yours,



Alexander Mack  
Program Administrator

AM/ag

Cc: Towan Kopinsky, Grant Writer/Coordinator

Rick Scott  
GOVERNOR



Cynthia R. Lorenzo  
Interim Executive Director

2012 MAY -2 AM 11:45  
REGISTRATION  
GENERAL INQUIRY  
OFFICE OF ECONOMIC OPPORTUNITY  
FLORIDA

March 21, 2012

The Honorable Warren Yeager, Jr.  
Chairman, Gulf County  
Board of County Commissioners  
1000 Cecil G. Costin, Jr. Boulevard  
Port St. Joe, Florida 32456

Dear Chairman Yeager:

I am writing to remind you of the requirement that local governments adopt criteria into their comprehensive plan to achieve compatibility of lands adjacent or closely proximate to military installations and to offer our assistance in helping you to meet this provision. The Legislature has established a June 30, 2012, deadline for meeting this requirement.

Florida is home to 20 major military installations and three unified combatant commands. The military accounts for about 10 percent of Florida's economy. Recognizing the importance of the Defense Industry to the state and its local governments, the Legislature requires local governments with lands adjacent of closely proximate to a military installation to incorporate strategies into their comprehensive plan to achieve compatible land uses, ensure public safety, and facilitate the continued presence of major military installations in this state (please see s. 163.3177(6)(a)3.b and 11, F.S.)

Section 163.3175(2), F.S., identifies the local governments required to adopt these amendments, and your jurisdiction is included on the list; however, according to our records the Department has not yet received your amendments. The statutes direct that if this requirement is not met by the deadline, the local government, the military installation, the state land planning agency, and other parties as identified by the regional planning council, shall enter into mediation. If the requirement is still not met by December 31, 2013, the agency may notify the Administration Commission, who may impose sanctions.

If our records are wrong, please contact me at your earliest convenience so we can update our files. My staff is available to assist you in the development of the amendments. We have numerous examples from other local governments similar to yours who have met this requirement that we would be happy to share.

The Caldwell Building 107 E. Madison Street Tallahassee, Florida 32399-4120  
850.245.7105 TTY/TDD 1-800-955-8771 Voice 1-800-955-8770 [FloridaJobs.org](http://FloridaJobs.org)

REGISTRATION  
DATE 5/8/12



The Honorable Warren Yeager, Jr  
March 21, 2012  
Page Two

If you have any questions, please do not hesitate to contact me at (850)717-8499  
([mike.mcdaniel@deo.myflorida.com](mailto:mike.mcdaniel@deo.myflorida.com)) or Ana Richmond at (850)717-8509  
([Ana.Richmond@deo.myflorida.com](mailto:Ana.Richmond@deo.myflorida.com)).

Sincerely,

A handwritten signature in black ink that reads "Mike McDaniel". The signature is written in a cursive style with a large initial "M".

Mike McDaniel, Chief  
Bureau of Community Planning

MM/dre

cc: David Richardson, Gulf County Planner

Rick Scott  
GOVERNOR



Hunting F. Deutsch  
EXECUTIVE DIRECTOR

**FLORIDA DEPARTMENT of  
ECONOMIC OPPORTUNITY**

April 23, 2012

The Honorable William C. Williams III, Chairman  
Gulf County Board of Commissioners  
1000 Cecil G. Costin, Senior Boulevard, Room 302  
Port St. Joe, Florida 32456

Re: Disaster Recovery Community Development Block Grant (CDBG) Program  
Contract Number 10DB-K4-02-33-01-K15

Dear Mr. Chairman Williams:

A review of the proposed Modification Number 02 to the subgrant agreement referenced above, transmitted from your office in a letter dated April 11, 2012, has been completed. The review indicates that the revised work activity plan and grant extension request appear to be in accordance with program requirements. An approved copy of the fully executed modification is enclosed with this letter. Please retain the modification in the official Disaster Recovery CDBG subgrant files.

If you have questions regarding this matter, please contact Enid Ehrbar, Community Assistance Consultant, at (850) 717-8446 or via e-mail at [enid.ehrbar@deo.myflorida.com](mailto:enid.ehrbar@deo.myflorida.com).

Sincerely,

Bob Dennis  
Community Program Manager

BD/ee

Enclosure

cc: Ms. Towan Kopinsky, Grant Coordinator, Gulf County  
Mr. Jeffery C. Winter, Jordon & Associates

2012 APR -2 AM 11:44  
COMMUNITY PROGRAMS  
COMMUNITY ASSISTANCE  
COMMUNITY DEVELOPMENT  
COMMUNITY RELATIONS  
COMMUNITY SERVICES  
COMMUNITY SUPPORT

5/8/12 LL

**MODIFICATION NUMBER TWO (2) TO SUBGRANT AGREEMENT BETWEEN  
THE DEPARTMENT OF ECONOMIC OPPORTUNITY AND  
GULF COUNTY, FLORIDA**

This Modification is made and entered into by and between the State of Florida, Department of Economic Opportunity, (“the Department”), and Gulf County, Florida, (“the Recipient”), to modify **DEO/DCA Contract Number 10DB-K4-02-33-01-K15**, award dated June 1, 2010, (“the Agreement”).

**WHEREAS**, the Department and the Recipient entered into the Agreement, pursuant to which the Department provided a subgrant of \$2,536,175.00 to the Recipient under the Community Development Block Grant – Disaster Recovery Initiative (“CDBG–DRI”) Program as set forth in the Agreement;

**WHEREAS**, the Department and the Recipient desire to modify the Agreement;

**WHEREAS**, pursuant to the provisions of Chapter 2011-142, Laws of Florida, the DCA Division of Housing and Community Development was transferred to the Department of Economic Opportunity effective October 1, 2011; and the parties wish to reflect the new name.

**NOW, THEREFORE**, in consideration of the mutual promises of the parties contained herein, the parties agree as follows:

**Reinstate Agreement**

- 1. The Agreement is hereby reinstated as though it had not expired.

**Extend Agreement**

- 2. Paragraph 3, Period of Agreement is hereby revised to reflect an ending date of July 31, 2012.

**Revise Activity Work Plan**

- 3. The Attachment I, Activity Work Plan section of the Agreement is hereby deleted and is replaced by the revised Attachment I, Activity Work Plan section, which is attached hereto and incorporated herein by reference.

**Revise Program Budget and Scope of Work**

- 4. The Attachment A, Program Budget section of the Agreement is hereby deleted and is replaced by the revised Attachment A, the Program Budget, which is attached hereto and incorporated herein by reference.

**Modification to Subgrant Agreement**

**Modification Number:** Two (2)

**DEO/DCA Contract Number:** 10DB-K4-02-33-01-K15

**Recipient:** Gulf County, Florida

**Page 2**

**Change in Participating Parties**

5. The Attachment A, Program Budget section, is hereby modified to delete all references to “N/A,” as the Participating Party, and replace them with “N/A” as the Participating Party with the understanding that the Recipient and the new Participating Party will enter into a Participating Party Agreement containing provisions and caveats that meet or exceed the conditions agreed to in the Participating Party Agreement between the Recipient and the original Participating Party.

**Inclusion of an Unmet Need as Addressed in the Original Application**

6. The Attachment A, Program Budget section of the Agreement is hereby deleted and is replaced by the revised Attachment A, the Program Budget, which is attached hereto and incorporated herein by reference.
7. The Attachment I, Activity Work Plan section of the Agreement is hereby deleted and is replaced by the revised Attachment I, Activity Work Plan section, which is attached hereto and incorporated herein by reference.

**Change in Number of Accomplishments and/or Beneficiaries**

8. The Attachment A, Program Budget section of the Agreement is hereby deleted and is replaced by the revised Attachment A, the Program Budget, which is attached hereto and incorporated herein by reference.

**Reflect Change in Agency from DCA to DEO** *N/A - Accomplished in Mod. #1.  
CW*

9. This modification to the Subgrant Agreement hereby replaces “Department of Community Affairs” with “Department of Economic Opportunity” where appropriate in context.

**Other:** N/A

**Modification to Subgrant Agreement**

**Modification Number:** Two (2)

**DEO/DCA Contract Number:** 10DB-K4-02-33-01-K15

**Recipient:** Gulf County, Florida

**Page 3**

All provisions of the Agreement and any attachments thereto in conflict with this Modification shall be and are hereby changed to conform to this Modification, effective as of the date of the execution of this Modification by both parties.

All provisions not in conflict with this Modification remain in full force and effect, and are to be performed at the level specified in the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this document as of the dates set herein.

**Department of Economic Opportunity**

**Recipient: Gulf County, Florida**

By: Ken Reecy

By: William C Williams

Name: Ken Reecy

Name: William C. Williams, III

Title: Assistant Director  
Division of Community Development

Title: Chairman  
Board of County Commissioners

Date: 4-18-12

Date: 4/11/12

**ATTACHMENT I – Activity Work Plan**

**Recipient:** Gulf County, Florida      **Date Prepared:** April 11, 2012

**Contract Number:** 10DB-K4-02-33-01-K15      **Project Budget:** \$2,536,175.00

SERVICE AREA #1						
Date Start	Date End	Describe Proposed Action to be completed by "Date End"	# Units to be completed by "Date End"	Propose \$\$ to be Requested by "Date End"	Proposed Administration to be Requested by "Date End"	
05/2010	08/2010	Prepare and Submit the Environmental Review Record (ERR) the Request for Release of Funds	-	\$0.00	\$4,000.00	
05/2010	08/2010	Prepare and Submit Copies of all Required Policies and Procedures Identified in Attachment J: Program and Special Conditions of the DEO Contract	-	\$0.00	\$0.00	
05/2010	08/2010	Procurement of Professional Services	-	\$0.00	\$0.00	
09/2010	03/2011	Advertise, Bid & Award (Contractor)	-	\$6,200.00	\$5,000.00	
04/2011	06/2011	Construction – 30% Complete	82.5 LF	\$467,500.00	\$7,500.00	
07/2011	09/2011	Construction – 60% Complete	82.5 LF	\$467,500.00	\$7,500.00	
10/2011	12/2011	Construction – 90% Complete	82.5 LF	\$467,500.00	\$7,500.00	
01/2012	07/2012	Construction – 100% Complete	77.5 LF	\$151,500.00	\$1,700.00	
07/2012	07/2012	Construction Closeout	-	\$4,000.00	\$1,700.00	
07/2012	07/2012	Submit Administrative Closeout within 45 Days of Contract Expiration	-	\$0.00	\$5,000.00	

SERVICE AREA #2						
Date Start	Date End	Describe Proposed Action to be completed by "Date End"	# Units to be completed by "Date End"	Propose \$\$ to be Requested by "Date End"	Proposed Administration to be Requested by "Date End"	
05/2010	08/2010	Prepare and Submit the Environmental Review Record (ERR) the Request for Release of Funds	-	\$0.00	\$4,000.00	
05/2010	08/2010	Prepare and Submit Copies of all Required Policies and Procedures Identified in Attachment J: Program and Special Conditions of the DEO Contract	-	\$0.00	\$0.00	
05/2010	08/2010	Procurement of Professional Services	-	\$0.00	\$0.00	
09/2010	12/2010	Surveying & Preliminary Engineering, Finalize Engineering and Permits	-	\$17,619.75	\$0.00	
01/2011	03/2011	Advertise, Bid & Award (Contractor)	-	\$6,000.00	\$1,000.00	
04/2011	06/2011	Construction -- 30% Complete	1,020 LF	\$148,300.00	\$1,200.00	
07/2011	09/2011	Construction -- 60% Complete	1,020 LF	\$148,300.00	\$1,200.00	
10/2011	12/2011	Construction -- 90% Complete	1,020 LF	\$148,300.00	\$1,200.00	
01/2012	02/2012	Construction -- 100% Complete	340 LF	\$49,555.90	\$500.00	
03/2012	07/2012	Construction Closeout	-	\$3,006.75	\$0.00	
07/2012	07/2012	Submit Administrative Closeout within 45 Days of Contract Expiration	-	\$0.00	\$0.00	

**ATTACHMENT I -- Activity Work Plan**

SERVICE AREA #3						
Date Start	Date End	Describe Proposed Action to be completed by "Date End"	# Units to be completed by "Date End"	Propose \$\$ to be Requested by "Date End"	Proposed Administration to be Requested by "Date End"	
05/2010	08/2010	Prepare and Submit the Environmental Review Record (ERR) the Request for Release of Funds	-	\$0.00	\$4,000.00	
05/2010	08/2010	Prepare and Submit Copies of all Required Policies and Procedures Identified in Attachment J: Program and Special Conditions of the DEO Contract	-	\$0.00	\$0.00	
05/2010	08/2010	Procurement of Professional Services	-	\$0.00	\$0.00	
09/2010	03/2011	Inspection, Contractor Pre-Bid Conference, Acceptance of Sealed Bids and Award (Contractor)	-	\$5,000.00	\$1,000.00	
04/2011	06/2011	Construction -- 30% Complete	-	\$103,500.00	\$675.00	
07/2011	09/2011	Construction -- 60% Complete	-	\$103,500.00	\$675.00	
10/2011	12/2011	Construction -- 90% Complete	-	\$103,500.00	\$675.00	
01/2012	07/2012	Construction -- 100% Complete	111 HH	\$66,392.60	\$225.00	
07/2012	07/2012	Construction Closeout	-	\$5,600.00	\$1,000.00	
07/2012	07/2012	Submit Administrative Closeout within 45 Days of Contract Expiration	-	\$0.00	\$1,150.00	



REPRESENTING  
CHIEF FINANCIAL OFFICER  
**JEFF ATWATER**  
STATE OF FLORIDA

COPIES DESTROYED  
2012 MAY 10 11:45 AM

April 19, 2012

Chairman Warren Yeager, Jr.  
Gulf County Board of County Commissioners  
1000 Cecil G. Costin, Sr. Blvd.  
Port St. Joe, FL 32456

Dear Chairman Yeager:

On behalf of the Department of Financial Services, Division of State Fire Marshal, Bureau of Fire and Arson Investigations (DFS-SFM-BFAI) Northwest Region, I am contacting you for your support in proclaiming May 6-12 as Arson Awareness Week. The theme for this year's Arson Awareness Week is "Prevent Youth Firesetting."

We are pleased to partner with the U.S. Fire Administration (USFA) in the education of others in an attempt to help reduce the occurrences of juveniles involved with setting fires. Any fire has the potential to be devastating to everyone involved. If we are able to prevent some of the fires started by juveniles, through education and awareness, then we help our community in protecting one of our most valuable resources-our children.

The National Fire Protection Association states that fires started by children playing accounted for an average of 56,300 fires with associated losses of 110 civilian deaths, 880 civilian injuries, and \$286 million in direct property damage per year between 2005 and 2009.

According to the Federal Bureau of Investigation's Uniform Crime Reporting Program, kids younger than 18 years of age accounted for roughly 46 percent of arson arrests from 2005 to 2010. In 2010, 40 percent of arson arrests were juveniles, and 48 percent of those children were under 16 years of age.

By raising awareness to the complexity of juvenile firesetting, and collaborating with our fire service and law enforcement partners, in addition to educators and the community, we stand a better chance at reducing the staggering statistics of juvenile firesetters.

Please join with the many communities that have already proclaimed this week as "Arson Awareness Week." Attached is a sample resolution and proclamation that can be used to assist you in recognizing Arson Awareness Week.

If you have any further questions, please contact me at 850-453-7803.

Respectfully yours,

Gloria B. Whitehurst, Captain  
Enc.

2012 MAY -2 AM 11:45  
COPIES DESTROYED

FLORIDA DEPARTMENT OF FINANCIAL SERVICES  
Gloria B. Whitehurst • Captain  
Division of State Fire Marshal • Bureau of Fire and Arson Investigations  
610 East Burgess Road • Pensacola, Florida 32504 • Tel. 850-453-7803 • Fax 850-474-5339  
Email • Gloria.Whitehurst@myfloridacfo.com  
AFFIRMATIVE ACTION • EQUAL OPPORTUNITY EMPLOYER

# 2012 National Arson Awareness Week 18

## Resolution

WHEREAS, the theme for 2012 Arson Awareness Week is Prevent Youth Firesetting; and

WHEREAS, between 2005 - 2009, fires started by children playing accounted for an average of 56,300 fires with associated losses of 110 civilian deaths, 880 civilian injuries and \$286 million in direct property damage per year; and

WHEREAS in 2010, 40% of arson arrests were juveniles with 47.6 % of those children under 16 years of age; and

WHEREAS, parents should teach young children that fire is a tool, not a toy; keep matches and lighters out of reach; and set a good example by safely using matches, lighters and fire; and

WHEREAS, we will use the week of May 6-12 to focus public attention on the importance of a collaborative effort with fire and emergency service departments, law enforcement, mental health, social services, schools, and juvenile justice to help reduce the occurrence of juveniles engaged with fire; and

NOW, THEREFORE, I, [Official's name], [Official's title] of [City or State], on behalf of its citizens do hereby proclaim May 6-12, 2012, to be Arson Awareness Week.

BE IT FURTHER RESOLVED that the [Official] and [Cabinet or Council, etc.] pay special tribute to all fire and law enforcement investigative agencies for their dedicated and tireless service.

IN TESTIMONY WHEREOF, the [Official] and [Cabinet or Council, etc.] of the [City or State] have hereunto subscribed their names and have caused the Official Seal of the [City and County or State] to be hereunto affixed in the

[City or State] of \_\_\_\_\_ on this \_\_\_\_\_ day of  
\_\_\_\_\_ 2012.

\_\_\_\_\_[Signature]

# 2012 National Arson Awareness Week 19

## Proclamation

WHEREAS, the theme for 2012 Arson Awareness Week is Prevent Youth Firesetting; and

WHEREAS, between 2005 - 2009, fires started by children playing accounted for an average of 56,300 fires with associated losses of 110 civilian deaths, 880 civilian injuries and \$286 million in direct property damage per year; and

WHEREAS in 2010, 40% of arson arrests were juveniles with 47.6 % of those children under 16 years of age; and

WHEREAS, parents should teach young children that fire is a tool, not a toy; keep matches and lighters out of reach; and set a good example by safely using matches, lighters and fire; and

WHEREAS, we will use the week of May 6–12 to focus public attention on the importance of a collaborative effort with fire and emergency service departments, law enforcement, mental health, social services, schools, and juvenile justice to help reduce the occurrence of juveniles engaged with fire; and

NOW, THEREFORE, BE IT PROCLAIMED, that The International Association of Arson Investigators, Inc., Board of Directors meeting in Executive Session on November 1, 1985, in Atlanta, Georgia, hereby proclaims the week, beginning on May 4, 1986, as National Arson Awareness Week, and the first full week of May shall be so designated each year thereafter.



Office of the General Counsel

Post Office Box 6668

Tallahassee, Florida 32314-6668

Nancy Staff Terrell, General Counsel

Executive Director  
K. J. Hines

April 13, 2012

Mr. Donald Butler  
Administrator  
Gulf County  
1906 Cecil G. Costin Sr Blvd, Rm#302  
Port St. Joe, FL 32456

Dear Mr. Butler:

Pursuant to s. 409.915, F.S., each county is required to pay its pro rata share of the total county participation in the Medicaid program based upon billing statements issued by Agency for Health Care Administration (AHCA). On March 29, 2012, the Governor signed into law HB 8301 (Ch. 2012-33, Laws of Fla.). This law requires the Department of Revenue to reduce revenues that the county receives through revenue sharing (under s. 218.26, F.S.) and through the half-cent sales tax program (under s. 218.61, F.S.) based on the AHCA certified Medicaid billings for the county.

The Department of Revenue has been charged with ensuring, based on information provided by the affected counties, that any reduction in funds does not reduce the amount of distribution to a county below the amount necessary for the timely payment of principal and interest when due on bonds directly secured by either of these revenue sources or amounts necessary to comply with any covenant under the bond resolution, indenture or other documents relating to the issuance of the bonds. **Because this law requires that the Department of Revenue act as soon as May, this information is needed no later than April 27, 2012.**

At a minimum, you must provide the Department of Revenue with the following information:

- The annual amount below which debt service would not be met on bonds or amounts necessary to comply with any covenant under the bond resolution, indenture or other documents relating to the issuance of the bonds. Please provide a summary and documents which fully substantiate the amount provided.

A list of each series of bonds or any other debt directly secured by revenue sharing under s. 218.26, F.S., including annual payment obligations, debt service schedules and total amount secured.

A list of each series of bonds or any other debt directly secured by half-cent sales tax revenue under s. 218.61, F.S., including annual payment obligations, debt service schedules and total amount secured.

Failure to respond by April 27, 2012, will result in the presumption that the amounts necessary to comply with the debt service obligations referenced above will not be impaired by a reduction in funds.

Child Support Enforcement – Ann Giffin, Director • General Tax Administration – Jim Evers, Director  
Property Tax Oversight – James McAdams, Director • Information Services – Terry Powell, Director

All documents and correspondence should be emailed, faxed or mailed to:

Ellen Wolfgang  
wolgane@dor.state.fl.us  
(850) 488-7112 (fax)

Department of Revenue  
Office of the General Counsel  
Post Office Box 6608  
Tallahassee, Florida 32314-6608

We apologize for the urgency of this request, but unfortunately it is necessitated by the dates contained in the legislation. Thank you for your immediate attention to this matter.

Sincerely,

Ellen Wolfgang  
Assistant General Counsel  
Department of Revenue

Lynn Lanier

**From:** Satter, Ian [Ian.Satter@dot.myflorida.com]  
**Sent:** Wednesday, May 02, 2012 10:04 AM  
**Subject:** Construction Begins on State Road 22



2012 MAY -2 PM 12:14  
 STATE OF FLORIDA  
 DEPARTMENT OF TRANSPORTATION  
 PUBLIC INFORMATION

For Immediate Release:  
 May 2, 2012

Donna Green, 850-415-9661  
[donna.green@dot.state.fl.us](mailto:donna.green@dot.state.fl.us)

## Construction Begins on State Road 22

**ChIPLEY** – Construction begins Monday, May 14 on State Road 22 in Bay County from Star Avenue to the Gulf County line. Drivers can expect daily lane closures through July 1 from 7 a.m. to 6 p.m. between the Callaway Bayou Bridge and the Gulf County line.

The project includes resurfacing, minor drainage work, pavement markings and signage. The traffic signal at Star Avenue will be replaced with mast arm (metal) poles. Southbound left and right turn lanes, a northbound left turn lane and a westbound right turn lane will be added at Star Avenue. County Road 2297 will also receive an eastbound right turn lane.

Drivers are reminded to pay attention to the speed limit when traveling through the construction area, and to use caution, especially at night when driving in work zones.

For more Florida Department of Transportation District Three information follow us on twitter @myfdot\_nwfl.

[www.dot.state.fl.us](http://www.dot.state.fl.us)

*Consistent, Predictable, Repeatable*

*Donna M. Green, Public Information Specialist*

District Three Public Information Office  
1074 Highway 90  
Chipley, Florida 32428  
888-638-0250, ext. 661 (Phone & Extension)



***My Work Schedule***

Mon. to Thurs. - 7 a.m. until 4:30 p.m. CST

Fri. - 7 a.m. until 11 a.m. CST

Please note: Florida has a very broad public records law. Most written communications to or from state officials regarding state business are public records available to the public and media upon request. Your e-mail communications may be subject to public disclosure. Under Florida law, e-mail addresses are public records. If you do not want your e-mail address released in response to a public records request, do not send electronic mail to this entity. Instead, contact this office by phone or in writing. (Chapter 119, Florida Statutes).



*The Florida House of Representatives  
Representative Hazelle P. Rogers*

*District 94*

*Democratic Deputy Whip*

*District Office:*

Corporate Park of Inverrary  
3800 Inverrary Boulevard, Suite 100-J  
Lauderhill, FL 33319  
(954) 497-3367  
(954) 497-3369 (fax)

*Tallahassee Office:*

1302 The Capitol  
402 S. Monroe Street  
Tallahassee, FL 32399  
(850) 488-8234

April 11, 2012

Mr. Davin J. Suggs  
Senior Legislative Advocate  
Florida Association of Counties  
100 South Monroe Street  
Tallahassee, Florida 32301

Dear Mr. Suggs:

January 1, 2012, began the year long commemoration of the 50th Anniversary of the Independence of the Countries of Jamaica and the Republic of Trinidad and Tobago. They will be celebrating their Golden Jubilee in the month of August 2012.

I have been asked by the Consul Generals of both Countries in Miami to assist in obtaining a Proclamation from each county to honor the diversity of our communities in recognition of this special celebration. Please see attached draft proclamations as a guide. We would appreciate receiving by May 8th.

Should you have any questions, please do not hesitate to contact my office at (954) 497-3367.

Yours truly,

Hazelle P. Rogers  
State Representative, District 94

2012 MAY -2 AM 11:44  
RECEIVED  
LEGISLATIVE SERVICES  
DEPARTMENT OF STATE  
100 SOUTH MONROE STREET  
TALLAHASSEE, FL 32399

**Committees**

Transportation & Economic Development Appropriations Committee - *Democratic Ranking Member*  
Rulemaking & Regulation Subcommittee \* Joint Administrative Procedures Committee \* Finance & Tax Committee  
Redistricting Committee \* House Redistricting Subcommittee

5/8/12 24

## PROCLAMATION JAMAICA

The people of the City of \_\_\_\_\_ join the Country of Jamaica and Jamaicans in Florida in commemorating the 50<sup>th</sup> Anniversary of Jamaica's Independence. We celebrate the establishment of a Jamaica that has offered to the world a rich cultural heritage and a wealth of diversity that affirms a people that have overcome obstacles and forged a path of self determination.

Jamaica, once a Spanish possession known as Santiago, in 1655 became a British colony. After more than 300 years of British colonial rule, Jamaica gained independence in 1962. Shortly thereafter, Sir Clifford Campbell, formerly President of the Senate, became the first Jamaican-born Governor General to be appointed.

With 2.8 million people, it is the third most populous Anglophone country in the Americas, after the United States and Canada. The country remains a Commonwealth realm in concert with the Monarchy of Jamaica holding ultimate executive power, where Queen Elizabeth II is the current head of state represented by the Governor General. Kingston is the country's largest city and the capital.

Jamaica has become famous for the outstanding achievements and warmth of her people and as a vacation destination of choice with spectacular beauty and attractions and manifested traditions of strong cultural heritage. Additionally, Jamaica's Diaspora has established itself in every continent of the world including North America and especially in the United States of America. The Jamaican Diaspora maintains a long tradition of friendship and interaction in trade and commerce and socio-economic development, and as part of the Caribbean-American Diaspora, in the State of Florida and elsewhere, continues to excel in every field of endeavor.

On the anniversary of Jamaica's 50<sup>th</sup> Independence, we celebrate this friendship and look forward to realizing our common goals and aspirations.

We would like you to join us in extending greetings and best wishes to all Jamaican nationals here and abroad as we honor the friendship between the people of Florida and Jamaica in celebrating the 50<sup>th</sup> Anniversary of Independence.

**PROCLAMATION**  
**The Republic of Trinidad and Tobago**

The people of the City of \_\_\_\_\_ join the Republic of Trinidad and Tobago in commemorating the 50th Anniversary of Independence of the twin islands of Trinidad and Tobago. We celebrate the establishment of a Republic that has offered to the world a rich cultural heritage and a wealth of diversity that affirms a people that have overcome obstacles and forged a path of self determination.

Trinidad and Tobago was a former British crown colony until August 31, 1962, when they were granted Independence. Trinidad and Tobago has continually stepped up to the challenge of emerging as a self sufficient and respected nation.

Trinidad and Tobago and the United States of America have always had a deep abiding relationship built and is known to be one of the most multi-cultural country liking to the United States.

From the colorful Carnival celebrations that grace our city to the indigenous foods that have found a place in our culture, Trinidad and Tobago's cultural traditions have also found a home in the United States of America and here in \_\_\_\_\_.

Our two countries have shared a common history of defending and promoting ethnic and religious tolerance. When we continue to expand diversity and bring more people together, it enriches the fabric of both our countries.

The strength of the bond between Trinidad and Tobago and the United States of America is exemplified by the strong community of Americans of Trinidad and Tobago descent, and continues to enrich our Nation with its diversity and helps maintain the relationship between our countries.

On the anniversary of Trinidad and Tobago's Independence, we celebrate this friendship and look forward to realizing our common goals and aspirations.

Please join us in extending greetings and well wishes to all Trinidad & Tobago nationals in commemorating the 50<sup>th</sup> Anniversary of the Independence of Trinidad and Tobago.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of nuclear decommissioning cost study, by Progress Energy Florida, Inc.

DOCKET NO. 100461-EI  
ORDER NO. PSC-12-0225-PAA-EI  
ISSUED: April 30, 2012

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman  
LISA POLAK EDGAR  
ART GRAHAM  
EDUARDO E. BALBIS  
JULIE I. BROWN

2012 MAY -2 AM 11:04  
PSC-12-0225-PAA-EI  
ORDER NO. 100461-EI

NOTICE OF PROPOSED AGENCY ACTION  
ORDER APPROVING ACCRUALS FOR NUCLEAR DECOMMISSIONING

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

BACKGROUND

Nuclear Decommissioning

Decommissioning involves the process of dismantling and removing materials and equipment that are no longer used and useful but which remain following retirement of the nuclear generating unit. While the definition does not include the removal and disposal of spent fuel, on-site storage facilities for spent fuel are included. Decommissioning changes the licensing status of the nuclear power plant site from operational to possession-only, and possibly, at some future date, to unrestricted use.

The primary objective of a decommissioning trust fund is to have enough money on hand at decommissioning to meet all required expenses at the lowest possible cost to utility ratepayers. No set of investment policies will meet this goal with certainty. The management of the fund, therefore, must be concerned with both the preservation of contributions and the purchasing power of the contributions. By Order No. 21928,<sup>1</sup> we required that the fund's assets earn a

<sup>1</sup> See Order No. 21928, issued September 29, 1989, in Docket No. 870098-EI, In re: Petitions for approval of an increase in the accrual of nuclear decommissioning costs by Florida Power Corporation and Florida Power & Light

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FPSC-COMMISSION CLERK

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consistent positive real return over a market cycle. The imposed minimum fund earnings rate has been at least the rate of inflation measured by the Consumer Price Index (CPI) over each five-year review period.

We also approved the external sinking funding method by Order No. 21928.<sup>2</sup> In determining the annual provision for decommissioning, the current cost estimate is escalated to the expected dates of actual decommissioning. The escalation rate used can be determined from a variety of sources, including a combination of the general economic inflation rates and inflation rates for decommissioning labor, transportation, and burial of nuclear waste. Once the escalated decommissioning amount is known, a sinking fund annuity is calculated to determine the annual annuity. This annual annuity plus the earnings on the annuities, net of taxes, will grow to the escalated decommissioning amount.

Progress Energy Florida, Inc. (PEF or Company) provides for financial assurance through monthly contributions to its nuclear decommissioning trust funds.<sup>3</sup> PEF's funds are held in trust with State Street Bank and Trust Company as trustee. PEF believes that its external sinking funds comply with the NRC's final rule and the Internal Revenue Service (IRS) requirements, and that reasonable financial assurance is provided that funds will be available for decommissioning.

The IRS has few requirements pertaining to the control of nuclear decommissioning funds. The IRS Regulations are silent as to how funds qualified under the Internal Revenue Code are to be managed. The IRS does require that in order for contributions to a Qualified Fund to be deductible for tax purposes, we must specifically address certain issues, such as, the after-tax rate of return to be earned by the amounts collected for decommissioning, the total estimated cost of decommissioning, and the frequency of the contributions to the nuclear decommissioning fund for a tax year.

The Nuclear Regulatory Commission (NRC) accepts the following three decommissioning methods: prompt removal/dismantling (DECON), entombment (ENTOMB), and mothballing with delayed dismantling (SAFSTOR). One alternative to complete decommissioning involves repowering the electric generating system after the original nuclear steam supply has been isolated and decommissioned. The NRC recommends prompt dismantlement absent a clear showing of why a nuclear plant should be decommissioned on a delayed basis.

The NRC and this Commission have recognized the desirability of performing site-specific cost studies, since such studies account for factors unique to an individual nuclear unit. A major change was made in PEF's 1994 site-specific decommissioning cost study regarding the

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Company. On June 20, 2001, Florida Power Corporation (FPC) was acquired by Carolina Power & Light Company and became Progress Energy Florida, Inc., effective January 1, 2003.

<sup>2</sup> Id.

<sup>3</sup> The monthly contribution at the present time is zero for PEF's nuclear unit.

treatment of spent fuel generated during the operation of the nuclear unit.<sup>4</sup> While the disposal of spent fuel assemblies (high-level waste) generated during a unit's operations is not considered a decommissioning expense, the presence of those assemblies on-site does affect the costs to decommission nuclear facilities. In light of uncertainties of the Department of Energy (DOE) meeting its 1998 deadline for the acceptance of spent nuclear fuel (SNF) or the 2010 date for a permanent high level waste repository, we recognized in PEF's 1994 Nuclear Decommissioning Study that spent fuel may need to remain on-site long after decommissioning begins. Accordingly, an allowance for on-site dry storage costs was made in determining the decommissioning accruals for PEF's nuclear unit. The primary goal of requiring this allowance was to ensure that the money needed to fully decommission a nuclear unit is available when the plant is retired, and recovered from those customers who have benefitted from the low-cost nuclear generation. However, we found that these costs should continue to be reviewed periodically.

Effective January 30, 2001, Rule 25-6.04365, F.A.C., was promulgated.<sup>5</sup> This rule requires each utility that owns a nuclear unit to file a nuclear decommissioning study at least once every five years, prescribes the method of calculating the accumulation of decommissioning accruals, establishes fund performance guidelines, and requires notification of communications with the NRC about major milestones concerning license renewal.

By Order No. PSC-02-0136-CO-EI,<sup>6</sup> issued January 30, 2002, we revised PEF's annual decommissioning accruals to \$7,654,524.<sup>7</sup> Subsequently, we approved a Stipulation, in Order No. PSC-02-0655-AS-EI,<sup>8</sup> issued May 14, 2002 that, among other things, suspended PEF's nuclear decommissioning accruals through the settlement period ending December 31, 2005.

By Order No. PSC-05-0945-S-EI,<sup>9</sup> issued September 28, 2005, we approved a Stipulation and Settlement that continued the suspension of PEF's nuclear decommissioning annual accruals. This Stipulation and Settlement approved PEF's 2005 nuclear decommissioning study and provided that PEF's next decommissioning study was due on or before July 31, 2009.

In PEF's 2009 rate case,<sup>10</sup> we found that the issues associated with PEF's 2008 nuclear decommissioning study should be deferred from the rate case and addressed at the same time as

<sup>4</sup> See Order No. PSC-95-1531-FOF-EI, issued December 12, 1995, in Docket No. 941352-EI, In re: Petition for approval of increase in accrual for nuclear decommissioning costs by Florida Power Corporation. (1994 PEF Nuclear Decommissioning Study)

<sup>5</sup> Docket Nos. 810100-EI, 870098-EI, and 941352-EI.

<sup>6</sup> See Order No. PSC-02-0136-CO-EI, issued January 30, 2002, in Docket No. 001835-EI, In re: Petition for approval of revised annual accrual for nuclear decommissioning costs by Florida Power Corporation; and Docket No. 991931-EG, In re: Determination of appropriate method of recovery for the last core of nuclear fuel for Florida Power & Light Company and Florida Power Corporation. (2000 PEF Nuclear Decommissioning Studies)

<sup>7</sup> The effective date for PEF's revised accruals was January 1, 2001.

<sup>8</sup> See Order No. PSC-02-0655-AS-EI, issued May 14, 2002, in Docket No. 000824-EI, In re: Review of FPC's earnings including effects of acquisition by Carolina Power & Light.

<sup>9</sup> See Order No. PSC-05-0945-S-EI, issued September 28, 2005, in Docket No. 050078-EI, In re: Petition for rate increase by Progress Energy Florida, Inc. (2005 PEF Settlement)

<sup>10</sup> See Order No. PSC-10-0131-FOF-EI, issued March 5, 2010, in Docket No. 090079-EI, In re: Petition for increase in rates by Progress Energy Florida, Inc. (2009 PEF Rate Case)

Florida Power & Light Company's (FPL) 2010 nuclear decommissioning study. While PEF was not required to prepare a new site-specific decommissioning cost study, it was required to update its 2008 study by incorporating the most currently-available escalation rates. On December 13, 2010, PEF filed its updated nuclear decommissioning study. As part of the Settlement Agreement approved in Order No. PSC-12-0104-FOF-EI, PEF is required to place its nuclear unit, Crystal River Unit 3 (CR3), in extended cold shutdown effective January 1, 2011, at which time depreciation and other accruals will be suspended or reversed until the unit is returned to commercial operation or retired.<sup>11</sup> In addition, PEF is required to file a Depreciation Study, Fossil Dismantlement Study, and Nuclear Decommissioning Study on or before July 31, 2017.

#### End of Life Materials and Supplies and Last Core of Nuclear Fuel

In its review of the 2000 PEF Nuclear Decommissioning Study, we first addressed the recovery of the level of materials and supplies (M&S) inventories and unburned fuel (Last Core) expected to remain at the end of a nuclear unit's life (EOL). We found that these unrecovered costs are unique to the nuclear unit and are the direct result of the unit's shut down. However, we recognized that these costs do not satisfy the intent of nuclear decommissioning because they do not involve the removal of the plant facility. We concluded that the unrecovered costs associated with EOL M&S inventories and Last Core should be amortized over the remaining life span of the site. Such recovery would ratably allocate the costs to those receiving the benefit of the nuclear generation and avoid a burdensome expense at the time of unit shut down.

We found that the amortization of the costs associated with EOL M&S inventories should be accounted for as a debit to nuclear maintenance expense with a credit to an unfunded Account 228 reserve. For the EOL Last Core's costs, we found that the amortization would be recorded as a base rate fuel expense with a credit to an unfunded Account 228 reserve. The annual amortization expense for PEF relating to the EOL Last Core costs was \$1.1 million. The annual amortization expense relating to M&S inventories was \$1.5 million. We concluded that for administrative ease, PEF should address these associated EOL costs in subsequent decommissioning studies so the related annual amortization expense could be revised, if warranted.

Although PEF's 2005 decommissioning study was approved by the 2005 PEF Settlement, that study did not address EOL M&S or Last Core amortizations. The amortization amounts approved in the 2000 decommissioning study, thus, were continued to be recorded.

We are vested with jurisdiction over these matters through several provisions of Chapter 366, Florida Statutes (F.S.), including sections 366.04, 366.05, 366.06.

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<sup>11</sup> See Order No. PSC-12-0104-FOF-EI, issued March 8, 2012, in Docket No. 120022-EI, In re: Petition for limited proceeding to approve stipulation and settlement agreement by Progress Energy Florida, Inc.

DECISION

I. Nuclear Decommissioning Accruals

PEF has filed an updated site-specific decommissioning cost study. The purpose of this study is to recognize developments and changes affecting decommissioning cost estimates, and to consider such factors as additional information, improvements in technology, and regulatory changes that have transpired since the last decommissioning study.

A. Operating Licenses

The existing license expiration date for CR3 is December 3, 2016. On March 9, 2009, the NRC docketed, or accepted for review, PEF's application for a 20-year renewal of the operating license for CR3, which would extend the operating license through 2036, if approved. The current cost study assumes that the unit will operate through this extended license period.

B. Decommissioning Methods

Consistent with PEF's 2000 and 2005 cost studies, PEF's current study continues to utilize the DECON decommissioning method. PEF believes the DECON decommissioning method is the most cost-effective and most reasonable means for terminating the license for the site in the shortest possible time.

C. Decommissioning Cost Estimates

The major cost drivers to the overall decommissioning costs are related to changes in program management and spent fuel storage. While the scope may not have changed, there are differences in the base assumptions since the 2005 study.

As with its previous decommissioning cost studies, PEF commissioned TLG Services Inc. (TLG) to develop the decommissioning base cost estimates. These estimates are based on a number of assumptions, including regulatory requirements, project contingencies, low-level radioactive waste disposal practices, high-level radioactive waste management options, and site restoration requirements. The estimates assume a five and one-half year cooling period for the spent nuclear fuel (SNF) that resides on-site when operations cease. Once cooled, the SNF will be transferred to either a DOE site or to an independent spent fuel storage installation (ISFSI) for interim storage. The cost estimates also include the dismantling of site-structures and non-essential facilities, and limited site restoration.

TLG uses a unit factor method<sup>12</sup> for estimating decommissioning activity costs. These unit factors capture site-specific costs, the most current worker productivity in decommissioning activities, and lessons learned from other decommissioning projects. Unit factors for concrete removal, steel removal, and cutting costs were developed using local labor rates. Activity-dependent costs were estimated with item quantities developed from plant drawings and inventory documents. Removal rates and material costs for conventional disposal relied on information available from R.S.Means.<sup>13</sup>

The overall estimate to decommission CR3 increased by approximately 22 percent over the 2005 study. Program management increased \$94.8 million, removal-related activities increased \$19.0 million and low-level radioactive waste disposal increased by \$9.4 million. Spent fuel management costs decreased due to extending plant operations by an additional 20 years, which allowed a significant portion of the spent fuel to be transferred directly to DOE and reduced the cost of on-site, interim storage by \$21 million.

#### D. Program Management

Program management is the largest contributor to overall decommissioning costs. PEF states in its current study that “The magnitude of the expense is a function of both the size of the organization required to manage decommissioning, as well as the duration of the program.” In addition to changes in staffing levels and general increase in wages and benefits, extending CR3’s licensed operating life and a larger security force results in changes to program management costs.

In January 2007, the NRC approved a final rule that enhanced its security regulations governing the design basis threat (DBT). This rule imposed security requirements similar to those previously imposed by our April 29, 2003, DBT Orders. However, the new rule also modified and enhanced the DBT based on experience and insight gained by us during implementation of the Orders, and extensive consideration of the factors specified in the Energy Policy Act of 2005. Based on the industry’s response to the NRC’s rulemaking, security forces for decommissioning have been increased.

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<sup>12</sup> The unit factor method of estimating costs is based on activity costs (i.e., costs to decontaminate and remove components for disposal), period-dependent costs (e.g., management staff for the duration of the program), and collateral costs (e.g., insurance and taxes). These costs include labor, equipment, materials, energy, and services. In addition, the effect of salvage and scrap values and contingencies are incorporated into the estimate. Unit factors for concrete removal (\$/cubic yard), steel removal (\$/ton), and cutting costs (\$/inch) are developed using local labor rates. The activity-dependent costs are estimated with the item quantities (cubic yards and tons), developed from plant drawings and inventory documents. Each activity such as cutting pipe, segmenting vessels, demolishing concrete, transporting and disposing of wastes, is individually cost estimated. The unit factors are expressed in terms of the cost per cut, cost per cubic foot demolished, cost per trip, or cost per cubic yard of burial. The unit costs factors are applied to the inventory of plant equipment and structures to be removed from each nuclear unit to develop a cost estimate.

<sup>13</sup> Robert Snow Means Company, Inc., “Building Construction Cost Data 2010,” Kingston, Massachusetts.

#### E. Removal-related Activities

Consistent with the decontamination-related activities, the higher craft labor rates contributed to the increase in removal activities by \$19.0 million. Higher labor rates accounted for \$6.3 million of the increase. In addition, higher costs for heavy equipment (including operating costs), supplies, and dismantling tooling and materials costs added \$12.7 million to the estimate.

#### F. Low-level Radioactive Waste (LLRW) Disposal

The contaminated and activated material generated in the decontamination and dismantling of a nuclear reactor is classified as LLRW, although not all of the material is suitable for "shallow-land" disposal. Amendments of 1985 to the Low-Level Radioactive Waste Policy Act required states to become responsible for the disposition of LLRW generated within their own borders.

Until recently, there were two facilities available to PEF for disposal of LLRW generated by CR3: one facility in South Carolina and one in Utah. As of July 1, 2008, however, the facility in Barnwell, South Carolina was closed to generators outside the Atlantic Compact.<sup>14</sup> This leaves the facility in Clive, Utah, operated by Energy Solutions as the only available destination for LLRW requiring controlled disposal. Energy Solution's facility does not have a license to dispose of Class B or C radioactive waste, which is more highly radioactive than Class A. In the current decommissioning cost study, Energy Solutions' facility was used as the basis for estimating the disposal cost for the majority of PEF's radioactive waste (Class A).

#### G. Spent Fuel Management

The Nuclear Waste Policy Act of 1982 (NWPAA) committed the DOE to accept SNF and high-level radioactive waste (HLRW) by January 31, 1998, under the Standard Disposal Contracts with waste generators. However, the DOE has announced delays in the program schedule several times. To date, the DOE has not accepted any spent fuel or high-level waste, as required by NWPAA and utility contracts.

The DOE submitted its license application to the NRC on June 3, 2008, seeking authorization to construct a repository at Yucca Mountain, Nevada. The NRC formally docketed the DOE's license application on September 8, 2008, triggering a three-year deadline, with a possible one-year extension, set by Congress for the NRC to decide on whether to authorize construction. However, on March 3, 2010, the DOE filed a motion with the NRC to withdraw the application for the repository with prejudice. This case is still pending at the NRC.

The current study includes costs to operate and maintain an ISFSI at the nuclear site. A decrease in spent fuel management costs resulted from extending plant operations an additional 20 years, thus allowing a significant portion of the spent fuel to be transferred directly to the DOE and reducing the cost of on-site, interim storage, by \$21 million. PEF assumes in its study

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<sup>14</sup> The Atlantic Compact is comprised of the states of Connecticut, New Jersey, and South Carolina.

that DOE will commence repository operation in 2020. CR3 fuel is projected to be removed beginning in 2024 and the process is expected to be completed by the year 2072.

#### H. Other factors

Transportation and decontamination estimates have increased since the 2005 cost study. Transportation increases are due to a combination of higher tariffs and fuel surcharges. The increase in decontamination estimates are associated with higher craft labor rates, and higher costs for heavy equipment, supplies, and dismantling tooling and material costs.

#### *Conclusion*

While a review of PEF's site-specific decommissioning cost study indicates that decommissioning base cost estimates have increased since 2005, assumptions relating to escalation rates and inflation forecasts, as discussed below, indicate that PEF's currently-approved zero annual decommissioning accrual does not need to be revised at this time. Increases in base cost estimates recognize factors including additional information, changes in technology, and regulatory changes that have transpired in the last study. We find that the assumptions included in PEF's 2010 decommissioning study are reasonable.

#### II. Contingency Allowance

The practice of budgeting a contingency allowance is common in large-scale construction and demolition projects. Project cost estimates generally include a baseline cost estimate, which is based on ideal conditions, and a contingency allowance, which is a specific provision to account for unforeseeable elements of cost within the defined project scope. For a large, complex, and long-running project such as decommissioning, unforeseeable events are likely to occur; therefore, a contingency allowance is necessary. We have permitted contingency allowances to ensure that the full decommissioning costs are borne by those that will benefit from the power generated by the nuclear units.

Contingency allowances are site-specific and activity-dependent. In this cost study, TLG applied specific contingency allowances to the decommissioning of cost components on a line item basis, yielding an overall weighted average contingency value for CR3. The line item contingency allowances were developed based on the guidelines developed by the Atomic Industrial Forum (now the Nuclear Energy Institute) in its report "Guidelines for Producing Commercial Nuclear Power Plant Decommissioning Cost Estimates."<sup>15</sup>

We note that the composite decommissioning contingency estimate for CR3 has been in the range of 17.2 percent to 17.3 percent in the preceding three decommissioning studies. A contingency factor of 17.24 percent for PEF's CR3 nuclear unit continues to stay in the range of prior studies and is reasonable.

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<sup>15</sup> LaGuardia, T. S., et al., May 1986, "Guidelines for Producing Commercial Nuclear Power Plant Decommissioning Cost Estimates," AIF/NESP-036, National Environmental Studies Project, Washington, D.C. The contents of these guidelines were prepared under the review of a task force consisting of representatives from utilities, state and federal regulatory agencies, and architect/engineering firms.

### *Conclusion*

We find that a contingency allowance shall be applied to the costs of decommissioning CR3. A composite contingency factor of 17.24 percent for CR3 is reasonable and is hereby approved.

### III. Inclusion of Provisions for On-site Storage of Spent Fuel

Under the terms of the Nuclear Waste Policy Act of 1982, the federal government is assigned the responsibility of providing for the permanent disposal of SNF and HLRW. This legislation also committed the DOE to begin acceptance of SNF no later than January 31, 1998. However, this deadline was not met by the DOE.

In our review of the 2000 PEF Nuclear Decommissioning Study, we recognized that the need for interim dry storage was based on industry expectation that the DOE would not have a permanent repository in operation before 2010. Current expectations are that a permanent repository will not be in operation until 2020, at the earliest. Under this circumstance, to permit prompt decommissioning of a unit at the end of its license, transfer of SNF for interim dry storage prior to the DOE's acceptance of the fuel is the most cost-effective option over the long term. Therefore, interim dry storage of SNF after the retirement of a unit, is needed. We decided in the 1994 PEF Nuclear Decommissioning Study that:

We agree that an allowance must be made in the FPL's and FPC's accruals for on-site dry storage costs. Our primary goal in requiring this allowance is to ensure that the money needed to fully decommission a nuclear unit is available when the plants are retired, and not recovered from customers who have not benefitted from the low-cost nuclear generation. FPL's and FPC's annual accrual amounts must, therefore, include the anticipated cost for dry storage of SNF after retirement of each respective unit. We will continue to review these amounts in future decommissioning studies in order to determine the prudence of their inclusion.

Subsequent developments confirm the appropriateness of including the costs of interim dry storage in decommissioning estimates. Faced with costs associated with interim dry storage, utilities sought relief in the federal courts. On November 14, 1997, the U.S. Court of Appeals for the District of Columbia Circuit issued a decision holding that the DOE has an unconditional obligation to begin accepting SNF beginning in 1998. However, the decision also stated that the court lacked authority to order DOE to begin spent fuel disposal. The DOE continues to maintain that its delayed performance is unavoidable because it does not have an operational repository and does not have authority to provide storage in the interim.

PEF initiated legal action against the DOE for breach of contract and obtained an \$82.8 million judgment for damages incurred from January 1, 1998 to December 31, 2005. The DOE appealed that judgment, and the appeal resulted in a remand with respect to the calculation of damages. PEF believes the new calculation of damages will result in up to an additional \$9

million being awarded to the company. The remand hearing was held February 16, 2011. The court has yet to rule on the additional damages. To date, PEF has not received any monies.

Currently, the DOE has no plans to accept SNF before the year 2020. For the purposes of estimating SNF long-term on-site storage costs in the current cost study, PEF assumes the DOE will commence repository operations in 2020 and CR3 fuel is projected to be removed from the site beginning in 2024. PEF estimates that the SNF transfer will be completed by 2072 for CR3. Thus, costs relating to the construction, operation, and dismantlement of an on-site independent spent fuel storage installation (ISFSI) are included in PEF's decommissioning cost estimates. We find that PEF's 2020 assumption for DOE acceptance of SNF and Greater than Class C waste (GTCC) is optimistic and could very well be delayed further.

PEF's costs associated with Spent Fuel Management storage included in its 2010 decommissioning study for CR3 are approximately \$223 million (in 2008 dollars).

We find that inclusion of the costs for interim dry storage of SNF incurred after retirement of the nuclear unit is prudent. If such costs are not included, they may have to be borne by future customers that did not benefit from the power generated by the nuclear unit. The major components of the costs associated with the interim dry storage are the ISFSI capital costs, operation costs after the unit retires, and decommissioning costs when the transfer of SNF to an interim or permanent off-site repository is completed. These amounts shall continue to be reviewed in subsequent decommissioning studies.

#### *Conclusion*

We find that the total estimated costs of nuclear decommissioning shall include the costs for interim storage of spent fuel incurred after the retirement of the nuclear unit. This amount shall continue to be reviewed periodically in subsequent decommissioning studies.

#### IV. Appropriate Annual Accrual Amount

The annual accrual amount is based upon information provided by PEF in their site-specific cost study and in its responses to our staff's data requests. The base level costs are in 2008 dollars for PEF's nuclear decommissioning study. Once the cost of decommissioning a nuclear unit is determined in current dollars, this cost is escalated into future dollars. The determination of the annual accrual amount then resembles an annuity calculation. The question becomes how much money needs to be collected from ratepayers in equal monthly payments, earning at a given rate, to equal decommissioning costs in future dollars at a future date. The appropriate escalation rates and fund earnings rate will be discussed in detail later in this issue.

To qualify for tax deductibility of contributions made to a qualified decommissioning fund, the amounts must be consistent with the purpose of IRC Section 468A, principles and provisions of Federal Tax Regulations under the Code section, and be based on reasonable assumptions.<sup>16</sup> The Company can generally satisfy its burden of proof by demonstrating that the

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<sup>16</sup> 26 USC §468A (2011); Treas. Reg. §1.468A.

amounts are calculated based on the assumptions used by us in its most recent order.<sup>17</sup> Our order must be based on reasonable assumptions concerning: (i) the after-tax rate of return to be earned by the amounts collected for decommissioning; (ii) the total estimated cost of decommissioning the nuclear power plant; and (iii) the frequency of contributions to the nuclear decommissioning fund for a tax year.<sup>18</sup> We find that the assumptions proposed by PEF are reasonable, and therefore are deemed appropriate for ruling amounts in the nuclear decommissioning study.

#### A. Base Costs of Decommissioning

PEF provided the estimated cost in current (December 31, 2008) dollars to decommission the CR3 nuclear unit. This cost estimate assumes a 2020 DOE acceptance date of spent fuel as discussed above and the unit-specific contingency allowance. The estimated cost to decommission CR3 has increased from \$668,668,051 in 2005 dollars to \$842,623,000 in 2010 dollars. The amount of decommissioning funds as of December 31, 2010 was \$553.5 million, which reflects the total amount of funds in the Decommissioning Trust, all of which are available for Radiological Decommissioning, if needed.

The analysis performed by PEF breaks the decommissioning process into seven specific categories. The categories are decontamination, removal, packaging, shipping, burial, program management and other. TLG provided PEF with estimates of the base costs for each activity. These cost estimates were determined through a site-specific cost study and include a contingency allowance. The PEF study reflects a weighted average contingency allowance of 17.24 percent. The appropriate contingency allowance to recognize in the determination of the annual accrual amount for CR3 is discussed above.

According to PEF, the primary reasons for the net increase in decommissioning costs are changes in the costs associated with program management and spent fuel storage. The areas of greatest change in the costs reported to decommission CR3 were in the areas of program management (+\$94.8 million), removal-related activities (+\$19 million), low-level radioactive waste disposal (+\$9.4 million), and spent fuel management (-\$21 million). The determination of the base cost of decommissioning CR3 is discussed above.

#### B. Cost Escalation Rates

The analysis performed by PEF breaks the decommissioning process into seven specific stages or activities. The stages are decontamination, removal, packaging, shipping, burial, staff, and other. Where applicable, each of these activities is separated into one or more sub-components. These sub-components are labor, materials, burial, and other. The base level costs are in 2008 dollars. These current dollar estimates are escalated to future dollar estimates using separate inflation forecasts for the major cost components. PEF relied upon the October 2010 edition of Moody's Economy.com for everything except the burial index as the source for their specific inflation measures. PEF's burial cost escalation rate is 5.0 percent. This is a reduction from the 6.0 percent rate assumed in the 2005 study. The burial index was derived from the

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<sup>17</sup> Treas. Reg. §1.468A-3(a)(4).

<sup>18</sup> Treas. Reg. §1.468A-3(a)(2).

NUREG-1307 Revision 12 – Report on Waste Burial Charges, discussion with industry experts at TLG services, and a comparison of burial costs in the 2005 and 2008 studies. Our staff reviewed the various updates to these forecasts and believes the original forecasts are appropriate due to the small variance between the October 2010 edition and the updated June 2011 edition of Moody's Economy.com.

For comparative purposes, we have also listed the escalation rates used in the Company's current study and the rates approved in Order No. PSC-02-0055-PAA-EI. The determination of the escalation rate for CR3 is provided below. The indicated escalation rate to use to convert the current decommissioning cost to a future decommissioning cost for the CR3 nuclear unit has decreased from 3.45 percent in 2005 to 2.80 percent in 2010.

#### C. Future Cost to Decommission

Based on the current dollar base costs to decommission CR3 as provided by TLG's site-specific study, the contingency allowance, the cost of extended storage of spent fuel, and the escalation rate, we have verified the estimate of the total cost to decommission the CR3 nuclear unit in future dollars based upon an operating license termination date of 2036. The estimated cost to decommission the CR3 nuclear unit at its license termination date has decreased from \$2,587,759,772 in 2005 to \$2,308,244,353 in 2010.

#### D. Funding Period

The funding period is that period over which revenues are collected from ratepayers for purposes of decommissioning CR3. Funding periods are assumed to expire on the last day of the month preceding the month in which the operating license for the unit is due to expire. The operating license expiration date for CR3 is December 2036.<sup>19</sup>

#### E. Years of Fund Expenditures

The accumulated decommissioning funds will be expended over the period 2036-2073.

#### F. Fund Earnings Rate

The fund earnings rate is an important assumption in the determination of the appropriate annual accrual amount. The amount of the annual accrual moves inversely to the fund earnings rate. In other words, the higher the assumed fund earnings rate, the lower the indicated annual accrual and vice versa. However, in the instant case, PEF's current annual accrual requirements are zero. In Order No. 21928, approving the annual accrual following the 1989 study, we approved the use of an assumed fund earnings rate equal to CPI. In Order No. PSC-95-1531-FOF-EI, approving the annual accrual following the 1994 study, we approved the use of an assumed fund earnings rate of CPI plus 1.1 percent. In Order No. PSC-02-0055-PAA-EI, for purposes of the 2000 study, we departed from the past practice of approving annual accrual

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<sup>19</sup> PEF's NRC operating license for CR3 expires in December 2016. On March 9, 2009, the NRC accepted PEF's application for a 20-year renewal on the operating license for CR3 through 2036. The license renewal is currently under review by the NRC.

amounts based on the same fund earnings rate for all nuclear units and instead approved an annual accrual amount for PEF based on a fund earning rate of 6.0 percent.

In the instant case, PEF used an assumed fund earnings rate of 5.47 percent. This rate is the weighted average of the expected long-term, after-tax, and net of fees, return on the nuclear decommissioning trust fund as forecasted by LCG Associates and a 25-year average for long-term CPI. For purposes of determining the assumed fund earnings rate in its study, PEF utilized the 2008 estimate of expected after-tax returns of 6.93 percent (developed by LCG Associates). The estimated management fees, trustee fees, and outside professional service expenses of .33 percent were subtracted from the expected after-tax returns of 6.93 percent, resulting in the net return after taxes and fees of 6.60 percent. The long-term CPI of 2.07 percent is subtracted from the 6.60 percent and then multiplied by 75 percent to obtain 3.40 percent. The long-term CPI of 2.07 percent is then added back to the 3.40 percent to obtain the proposed after-tax, after-expenses assumed fund earnings rate of 5.47 percent. PEF contends its methodology to derive the assumed fund earnings rate has been validated by the fund's historical after-tax return since the inception of the fund.

Recognizing the relatively conservative investment strategy for nuclear decommissioning trust (NDT) funds and that this issue will be addressed every five years, it is reasonable to continue to use an assumed fund earnings rate greater than the long-term forecast for CPI in the determination of the annual accrual amounts for PEF's CR3 nuclear unit. Table 1 shows the historic performance of PEF's nuclear decommissioning trust fund (calculated net of administrative costs on an after-tax, time weighted rate of return basis as of December 31, 2010) relative to CPI for the past year, 3 years, 5 years, and since the inception of the fund.

**Table 1**

<b>PEF</b>	<b>Fund Return</b>	<b>CPI</b>	<b>Spread</b>
1 Year	6.53%	1.14%	5.39%
3 Years	-3.83%	1.57%	-5.40%
5 Years	1.36%	1.90%	-0.54%
Inception	5.74%	2.69%	3.05%

As demonstrated by the range of earned returns shown in Table 1, total fund returns experience some volatility from year to year. However, since inception of the NDT funds, the overall return has remained above CPI. PEF has projected long-term CPI at 2.0 percent.

The fundamental purpose of our review of the decommissioning study is to make sure there is adequate funding on hand at the time a nuclear unit is decommissioned. The assumed fund earnings rate should be conservative enough to avoid a situation whereby future customers are burdened by inadequate funding for decommissioning. However, an assumed fund earnings rate that is too conservative inappropriately burdens current customers with expenses that are going to be incurred in the future. As such, a certain amount of judgment is necessary to determine a fair balance between generations of ratepayers. Accordingly, we hereby approve an

assumed fund earnings rate of 5.47 for PEF. This rate represents a spread of 3.47 percentage points over the forecasted CPI of 2.0 percent.

G. Minimum Fund Earnings Rate

Separate from the issue of the assumed fund earnings rate is the issue of whether we should impose a minimum fund earnings rate. In Order No. 21928, we determined that a minimum fund earnings rate equivalent to the level of inflation over each five-year review period would be appropriate.<sup>20</sup> We reaffirmed this approach in previous PEF Nuclear Decommissioning Studies and in Order Nos. 21928, PSC-95-1531-FOF-EI, and PSC-02-0055-PAA-EI. We stated in Order No. 21928:

Rather than attempting to set a prospective minimum fund earnings rate which may or may not be reasonable under future economic conditions, we will require that the companies set aside funds sufficient to meet the Commission's best estimate of the decommissioning liability and require the companies to maintain the purchasing power as well as the principal amount of these contributions. The companies' investment performance will be evaluated along with all other decommissioning activities every five years. If it is found that the companies' investment earnings, net of taxes and all other administrative costs charged to the trust fund, did not meet or exceed the CPI average for the period, then we will consider ordering the utility to cover this shortfall with additional monies to keep the trust fund whole with respect to inflation. We therefore find a minimum fund earnings rate equivalent to the level of inflation over each five-year review period would be appropriate.<sup>21</sup>

This approach is reasonable and as such shall remain in effect.

*Conclusion*

The current annual expense accrual requirement for PEF's CR3 nuclear unit decommissioning costs presented in the study supports a zero accrual and funding requirement as of December 31, 2010. Based on the current dollar cost to decommission CR3 as determined in TLG's site-specific study, the unit-specific contingency allowance, the escalation rate, the cost of extended storage for spent fuel, and the assumed fund earnings rates of 5.47 percent, we find PEF's request to continue the suspension of the accrual is reasonable.

Consistent with our prior practice and Rule 25-6.04365, F.A.C., the assumptions presented in PEF's nuclear decommissioning study will be reviewed and updated as appropriate at least once every five years, which may change the accrual requirement prospectively.

<sup>20</sup> See Order No. 21928, issued September 21, 1989, in Docket No. 870098-EI, In re: Petitions for approval of an increase in the accrual of nuclear decommissioning costs by Florida Power Corporation and Florida Power & Light Company.

<sup>21</sup> Id., p.5.

As such, we hereby approve a continuation of the suspension of the accrual for nuclear decommissioning as approved by us in Order No. PSC-02-0655-AS-EI<sup>22</sup> and Order No. PSC-05-0945-S-EI.<sup>23</sup> Accordingly, the appropriate jurisdictional annual accrual amount for PEF necessary to recover future decommissioning costs over the remaining life of CR3 is zero. The assumptions and methodology proposed by PEF to determine the appropriate annual accrual are reasonable, and therefore, shall be deemed appropriate as ruling amounts in the nuclear decommissioning study.

#### H. Amortization Expense Associated with EOL M&S

EOL M&S inventories consist of spare replacement parts and supplies<sup>24</sup> needing to be kept in inventory to ensure safe and reliable operations. These inventories are unique and will have little value other than scrap at the end of the licensed operating life of the unit.

We found with regard to the 2000 PEF Nuclear Decommissioning Study that the unrecovered EOL M&S inventories costs shall be amortized over the remaining life span of each site to ratably allocate costs to those receiving the benefit of the generated power. PEF was authorized to record \$1.5 million annually for CR3. Further, for administrative ease, PEF was required to address the amortization status of EOL M&S inventories in its subsequent nuclear decommissioning studies so the related annual amortization expense could be revised, if necessary.

As part of the 2009 PEF Rate Case, we approved an annual amortization of EOL M&S inventories for PEF of \$1.1 million, a decrease of \$0.4 million from that approved in 2002. In the current study, PEF quantified the remaining net unrecovered cost of its EOL M&S inventories to be approximately \$27 million as of December 31, 2010, based on the assumption that the 20-year license renewal for CR3 is granted. Recovery over the number of months remaining to the end of the site's operating license results in an annual expense of approximately \$1.0 million, or approximately a \$0.1 million decrease from that approved in the 2009 PEF Rate Case. However, PEF is not requesting to decrease its currently approved amortization expense.

#### *Conclusion*

We find that the jurisdictional annual amortization expense associated with EOL M&S inventories for PEF shall be \$1.0 million, effective January 1, 2011. This represents a decrease of \$0.1 million. The amortization of EOL M&S inventories shall be included in subsequent decommissioning studies so the related annual accruals can be revised, if warranted.

<sup>22</sup> See Order No. PSC-02-0655-AS-EI, issued May 14, 2002, in Docket No. 000824-EI, In re: Review of Florida Power Corporation's earnings, including effects of proposed acquisition of Florida Power Corporation by Carolina Power & Light.

<sup>23</sup> See Order No. PSC-05-0945-S-EI, issued September 28, 2005, in Docket No. 050078-EI, In re: Petition for rate increase by Progress Energy Florida, Inc.

<sup>24</sup> EOL M&S inventories include such things as spare pumps and subassemblies, motors, control modules, circuit boards, switch gear, circuit breakers, valves and valve parts, ventilation parts and filters, radiation monitoring parts, and similar types of equipment.

V. Amortization Expense Associated with the Cost of Last Core Nuclear Fuel

A nuclear reactor core is composed of fuel assemblies arranged in a regular array of cells surrounded by a coolant, which in most reactors is water. This is the case for PEF's nuclear reactor. Because of the fission process that consumes the fuel, the old fuel rods must be periodically replaced. This period is referred to as a cycle.

During any given cycle, an amount of unburned fuel exists in the reactor. However, fuel assemblies are continually rotated and the current existing unburned fuel will be burned in the next generating cycle. It is only at the time when the unit ceases operations that there are no future generating cycles to burn the residual fuel in the reactor. According to PEF, no feasible solution currently exists to use all of the nuclear fuel by the time of a nuclear unit's shutdown.

We found with regard to the 2000 PEF Nuclear Decommissioning Study that Last Core is associated with the final shut down of a nuclear unit, equating to an unrecovered cost at the end of each nuclear unit's life. For the purpose of the current study under review, PEF assumes a 20-year license renewal. Final shut down of CR3 is assumed to be 2036.<sup>25</sup>

With regard to the 2000 PEF Nuclear Decommissioning Study, we authorized PEF to begin recording the amortization of estimated Last Core costs as a base rate fuel expense with a credit to a separate unfunded Account 228 reserve. The approved jurisdictional annual amortization amount was \$1.1 million.

In 2005, PEF entered into a Stipulation and Settlement agreement. As part of this agreement, PEF's Nuclear Decommissioning Study was approved and no changes to its currently approved jurisdictional annual amortization of \$1.1 million were made.

However, in the 2009 PEF rate case, PEF was authorized to revise its jurisdictional annual amortization of the Last Core to \$1.2 million, jurisdictional, effective January 1, 2010. PEF's costs estimates presented in the current study indicate that no increase above the \$1.2 million approved in the rate case is warranted. We note that if CR3 does not return to operational status, the estimated unrecovered costs associated with the last core of nuclear fuel are \$32.1 million as of December 31, 2010.

The December 31, 2010 estimated jurisdictional costs, reserve balances, remaining amounts to be recovered, and the annual amortization amounts associated with the Last Core are presented in Table 2 below:

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<sup>25</sup> The license extension for CR3 is currently under NRC review.

**Table 2**

**PEF's Crystal River Unit 3**

(000)	EOL Last Core as of 12/31/2010	Reserve Balance as of 12/31/2010	Remaining Amounts to be Recovered	Current Amortization	Revised Amortization	Change in Amortization
Unit 3	\$43,209,119	\$11,100,036	\$32,109,083	\$1,200,000 <sup>26</sup>	\$1,200,000	\$0

Source: PEF Response to Staff's First Data Request, No. 90(b).

PEF's Last Core estimates reflect an expected residual value of the unburned fuel remaining at the end of the last cycle for CR3. The amortization periods reflect the 20-year extended operation.

*Conclusion*

Based on the foregoing, we find that the jurisdictional amortization expense associated with the cost of the last core of nuclear fuel does not warrant revision at this time and shall remain at the level approved in PEF's last rate case. PEF shall address the costs associated with the Last Core in subsequent decommissioning studies so the related annual accruals can be revised, if warranted.

VI. Effective Date

As discussed above, PEF's currently approved zero annual decommission accrual amount shall continue and shall not be revised. The zero accrual for the nuclear unit will be included in the cost of service for ratemaking purposes until it is subsequently revised or the unit's operating license expires.

As previously discussed, PEF's current study filing indicates revisions to the amortization of nuclear EOL M&S inventories and costs associated with Last Core are warranted. By Order No. PSC-10-0131-FOF-EI, PEF is currently amortizing \$1.1 million annually related to nuclear EOL M&S and \$1.2 million related to the Last Core of nuclear fuel.

*Conclusion*

Pursuant to our determinations discussed above, there is no change to the currently approved zero decommissioning accrual. The effective date for amortization of nuclear EOL M&S shall be January 1, 2011. The amortization cost associated with Last Core shall continue with an effective date of January 1, 2010.

<sup>26</sup> Current accrual authorized by Order No. PSC-10-0131-FOF-EI.

VII. Future Nuclear Decommissioning Study

Rule 25-6.04365, F.A.C., requires each utility to file a site-specific nuclear decommissioning study update at least once every five years from the submission date of the previous study unless otherwise required by this Commission. However, in the stipulation approved in Order No. PSC-12-0104-FOF-EI, the next decommissioning cost study for PEF is required to be filed no later than July 31, 2017. As discussed above, the study shall also include an update of the amortization of EOL M&S inventories and Last Core.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Progress Energy Florida, Inc.'s decommissioning accruals are hereby approved as set forth in the body of this order. It is further

ORDERED that the contingency allowance shall be applied to the costs of decommissioning nuclear units as provided in the body of this order. It is further

ORDERED that the total estimated costs of nuclear decommissioning shall include the costs for interim storage of spent fuel incurred after the retirement of each unit. It is further

ORDERED that the suspension of the accrual for nuclear decommissioning is hereby continued as set forth in the body of this order. It is further

ORDERED that the jurisdictional annual amortization expense associated with EOL Materials and Supplies inventories shall be decreased by \$0.1 million, effective January 1, 2011. It is further

ORDERED that the amortization expense associated with the cost of nuclear fuel shall not be revised as set forth in the body of this order. It is further

ORDERED that the effective date for amortization of nuclear EOL Materials and Supplies shall be January 1, 2011. The amortization cost associated with Last Core shall continue with an effective date of January 1, 2010. It is further

ORDERED that Progress Energy Florida, Inc. shall file the next decommissioning cost study no later than July 31, 2017. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

ORDER NO. PSC-12-0225-PAA-EI  
DOCKET NO. 100461-EI  
PAGE 19

By ORDER of the Florida Public Service Commission this 30th day of April, 2012.



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ANN COLE  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(850) 413-6770  
[www.floridapsc.com](http://www.floridapsc.com)

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

CMK

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on May 21, 2012.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

LAW OFFICES  
J. PATRICK FLOYD  
CHARTERED

REPLY TO  
408 LONG AVENUE  
POST OFFICE DRAWER 950  
PORT ST. JOE, FLORIDA 32457-0950  
(850) 227-7413

April 18, 2012

20 AVENUE D, SUITE 208  
POST OFFICE BUILDING  
APALACHICOLA, FLORIDA 32320  
(850) 653-2709

Gulf County, Florida  
Gulf County Courthouse  
1000 Cecil G. Costin, Sr. Blvd.  
Port St. Joe, FL 32456

ATTENTION: Gulf County Board of County Commissioners  
and County Administrator

Re: Public Records Request Demand Pursuant to Florida Statutes Chapter 119

Good Afternoon:

Enclosed please find check in the amount of \$174.02 for the records and evidence of communication regarding the Building Permit No. 2012102 or the appeal of said permit by Mark McAlpin to the PDRB on February 7, 2012 as such records and evidence of communication were described in the attached letter of March 14, 2012. As there were no exceptions listed, it is presumed that all such records and evidence of communication have been searched for, obtained and are provided for this payment. It should also be noted that the response to this request was not made by the County until after the thirty (30) days from the date of the PDRB meeting had elapsed and therefore the time for filing a Petition for Certiorari to the Circuit Court had expired.

Sincerely,

*Law Offices J. Patrick Floyd, Chtd.*

*J. Patrick Floyd*  
J. Patrick Floyd

JPF/pb

Enclosure: as stated

2012 APR 19 PM 4:29



LEVIN • PAPANTONIO  
THOMAS • MITCHELL  
RAFFERTY & PROCTOR • P.A.  
PROFESSIONAL CORPORATION ATTORNEYS AT LAW

48  
2012 APR 16 PM 10:20  
LEVIN PAPANTONIO THOMAS MITCHELL RAFFERTY & PROCTOR P.A.  
ATTORNEYS AT LAW

Re: BP Oil Spill Class Settlement Announcement

Dear Business Owner,

If you have already obtained a lawyer for this matter, please disregard this letter. The Plaintiffs' Steering Committee (PSC) spearheading the litigation surrounding the 2010 BP Gulf Oil Spill announced that a settlement in principle has been reached with BP that will fully compensate hundreds of thousands of victims of the tragedy. The settlement is to be fully funded by BP, with no cap on the amount BP will pay. BP is obligated to fully satisfy all eligible claims under the terms of the Court supervised settlement, irrespective of the funds previously set aside.

Under the terms of this settlement, we believe that business owners in your area may be entitled to compensation. We obtained your name from a business directory service based upon your geographic location and have no additional information about your specific circumstances.

If you would like to discuss your case with us, please give us a **call toll free at 888 435-7001**. Our firm has been litigating the BP case in the federal court consolidated action and has also handled the presentation of claims through the Gulf Coast Claims Facility process on behalf of business owners and local governments. My law partner Mark Proctor, who is our lead attorney in the handling of BP-related business claims, has been with the firm for over 30 years, having started his career as a environmental lawyer with the Florida Department of Environmental Protection.

Please understand, the GCCF claims process is now terminated and we would like to offer our assistance to help you prove your losses and to maximize your recovery in the new BP Class Action Settlement. Please call us at 850 435-7000 or **toll free at 888 435-7001**. You can also visit our website [www.levinlaw.com](http://www.levinlaw.com) and fill out one of our contact forms online. **There is still time to file a claim**, but do not wait too long in making a decision on whether to file a claim. It will be important to compare any decreases in your business revenue in 2010 to your prior revenue history, as well as lost investments in new businesses. We charge no fees or costs unless you make a recovery.

Please see our website [www.levinlaw.com](http://www.levinlaw.com) and call us today at **888 435-7001**.

Very Truly Yours,

Fredric G. Levin

Advertisement

# NORTHWEST FLORIDA TRANSPORTATION CORRIDOR AUTHORITY

ROBERT B. MONTGOMERY, CHAIRMAN  
STEPHEN K. NORRIS, VICE-CHAIRMAN  
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TOMMY BARFIELD-EX OFFICIO



April 2, 2012

Warren Yeager  
Chairman  
Gulf County Board of County Commissioners  
1000 Cecil G. Costin, Sr. Blvd.  
Port St. Joe, Florida 32456

2012 MAY -2 AM 11:45  
INFORMATION  
DATE 5-8-12

**Subject: U.S. 98 Corridor Master Plan**

Dear Chairman Yeager:

I am writing to you on behalf of the Northwest Florida Transportation Corridor Authority (NFTCA). The NFTCA maintains a corridor master plan for the U.S. 98 corridor in Northwest Florida pursuant to Part III of Chapter 343 of the Florida Statutes. This corridor master plan was last updated during the April 28, 2011 public meeting. At its March 22, 2012 public meeting, the NFTCA considered updates to the corridor master plan and determined that none were needed at that time.

The Authority is, however, in the process of making major updates to the plan this year which will be reflected in the 2013 Master Plan. As part of the Master Plan update, the Authority's consultant, HDR, is conducting a business case analysis to help the Authority in selecting and planning transportation projects by assessing their respective economic benefits, developing an investment plan and proposing viable funding strategies. As soon as the updates are completed and approved by the Board, we will forward the updated Master Plan to you for your review.

In the meantime, please find enclosed a copy of the 2011 NFTCA corridor master plan. It is also available online at [www.nwftca.com](http://www.nwftca.com). I would appreciate greatly if you would share this information with your full county commission. If you have any questions, I can be reached at (850) 432-3060.

Sincerely,

Robert Montgomery  
Chairman

Cc: Rick Gallant, FTC

INFORMATION  
DATE 5-8-12



# Master Plan

## Summary Report

2011  
Prepared for:  
Northwest Florida  
Transportation Corridor Authority

**HDR**  
ONE COMPANY | Many Solutions™



## Master Plan - Summary Report

### I. Executive Summary

The Northwest Florida Transportation Corridor Authority (NFTCA) was created by the 2005 Florida Legislature. The enabling legislation is contained in Florida Statute Section 343.80. The primary purpose of the Authority is to improve mobility on the U.S. 98 corridor in Northwest Florida to enhance traveler safety, identify and develop hurricane evacuation routes, promote economic development along the corridor, and implement transportation projects to alleviate current or anticipated traffic congestion. The Authority is authorized to construct any feeder roads, reliever roads, connector roads, bypasses, or appurtenant facilities that are intended to improve mobility along the U.S. 98 corridor. The Authority is further authorized to plan, design, finance, and construct transportation improvement projects. The NFTCA may acquire and hold title to property that will accommodate the development of transportation facilities. Additionally, the Authority may seek financial assistance from local, State and the Federal government as well as private entities. The NFTCA is also authorized to implement toll facilities to aid in funding projects.

As its first order of business, the NFTCA was directed by the Florida Legislature to develop and adopt a corridor master plan no later than July 1, 2007. The goals and objectives of the master plan are to identify areas of the corridor where mobility, traffic safety, and efficient hurricane evacuation need to be improved; evaluate the economic development potential of the corridor and consider strategies to develop that potential; develop methods of building partnerships with local governments, other state and federal entities, the private-sector business community, and the public in support of corridor improvements; and to identify projects that will accomplish these goals and objectives. Presently, this is the only activity being pursued by the NFTCA.

Phase I of the Master Plan was completed in April 2006, by the FDOT. This phase consisted primarily of a data collection effort that documents existing conditions and identifies transportation projects recently completed or currently under study, design, right-of-way acquisition or construction. The primary purpose of this effort is to evaluate the effect of these planned projects on the transportation system during Phase II.

Phase II of the Master Plan included the development of a comprehensive Corridor Master Plan for US 98 and its associated transportation network. The Master Plan is intended to guide the development of a multimodal, intrastate transportation system that will serve the mobility needs of people and freight across northwest coastal Florida, minimize travel time for emergency evacuations and foster economic growth and development in the region. The key results from this effort include adopted goals

and objectives, traffic data collection, land use data collection, traffic modeling, alternatives development and analysis, stakeholder involvement, and documentation of the Master Plan.

The development of the Master Plan followed an accepted process of developing goals and objectives, compiling and analyzing existing data, preparing travel forecasts based upon the best available data sources, and evaluating plan alternatives against the goals and objectives. The process included the development of four (4) initial alternatives that examined various combinations of projects to meet the Authority's goals and objectives. Public input on the development of the Master Plan has been received since August 2006, from comments received at monthly Authority meetings, website comments, letters, and e-mails. Four public workshops were held in February and March 2007 to afford opportunities for additional public input in the development of the Master Plan. Comments have been summarized and reviewed in preparing the Master Plan.

The Master Plan has been developed by evaluating the performance measures of the various components forming each of the four alternatives relative to the established goals and objectives and in consideration of comments received as part of the public involvement program.

The Master Plan relies heavily upon the development of a new limited access corridor from just east of the Alabama State Line in Escambia County to SR 79 in Bay County. This new facility that is generally parallel to US 98 affords substantial relief to the US 98 corridor through these more populated areas. Selected improvements to existing US 98 are also proposed at critical locations. Additionally, several north-to-south routes would be improved for both regional connectivity to the I-10 corridor to the north and to better facilitate hurricane evacuation along the coast. The plan would insure connectivity of at least one north-to-south four-lane divided highway in each of the eight counties. A major new bridge crossing is proposed across Escambia Bay. Relocation of US 98 in Franklin County east of the Apalachicola River to St. Teresa Island will reduce vulnerability during hurricanes and tropical storms ensuring public safety and commerce are not jeopardized in this area. Improving US 319 north to Tallahassee and improvements to SR 363 will further aid in evacuating the coastal areas of eastern Franklin and Wakulla Counties. The Master Plan is described in greater detail and depicted on maps elsewhere in this document.

## II. Goals & Objectives

The Authority identified Goals and Objectives for the development of the Master Plan. The goals for the Master Plan were formed to reflect the Authority's charge that is described in the enabling legislation:

### Enabling Legislation

"The authority shall develop and adopt a corridor master plan no later than July 1, 2007. The goals and objectives of the master plan are to identify areas of the corridor where mobility, traffic safety, and efficient hurricane evacuation need to be improved; evaluate the economic development potential of the corridor; and consider strategies to develop that potential; develop methods of building partnerships with local governments, other state and federal entities, the private sector, business community, and the public in support of corridor improvements; and to identify projects that will accomplish these goals and objectives."

Once the goals were established, specific objectives were identified to provide several measures to report on how well the goals are being met, as follows:

**GOAL A:** Improve the mobility of people and goods throughout the US 98 corridor area.

#### Objectives:

- Provide a maximum average peak season travel time of 4 hours or less from the Fla.\Alabama State line to the Wakulla\Jefferson County line along U.S. 98.
- Provide an overall Level of Service of "D" or better for the US 98 corridor in year 2030.
- Reduce overall network travel time in the eight-county region by at least 20% over the no-build\condition for year 2030.
- Provide an average travel speed of 55 mph or greater between key modal hubs including seaports and airports.
- At a minimum, maintain the rate of change in person hours of delay on strategic intermodal system (SIS) and Emerging SIS highways in the northwest Florida region.

**GOAL B:** Enhance traffic safety along the US 98 corridor for all modes of travel.

#### Objectives

- Improve safety and traffic flow along US 98 by reducing the number of automobile crashes to or below 121.4 per 100 million vehicle mile traveled (VMT.)
- Improve safety and traffic flow along US 98 by reducing the number of commercial vehicle crashes to or below 7.7 per 100 million VMT.
- Achieve a five percent annual reduction in the rate of driver, bicyclist, pedestrian, and motorcycle fatalities and serious injuries along US 98.

**GOAL C:** Reduce hurricane evacuation clearance times on US 98 and designated routes connecting with US 98.

#### Objectives:

- Provide a maximum clearance time of 18 hours for all identified hurricane zones within each county.
- Provide an east to west evacuation route in each county useable through a Category 2 event.
- Provide system options or redundancy to minimize regional vulnerability from storm destruction.
- Ensure that the local and regional evacuation route network is connected to SIS and Emerging SIS facilities.

**GOAL D:** Identify transportation strategies that enhance the region's economic development potential.

#### Objectives:

- Provide an average travel speed of 50 mph or greater between key employment and commerce centers including military installations.
- Provide direct access to major ports, airports, and activity centers identified for future commercial and industrial development. Improve transportation access to rural and economically distressed counties and communities in the northwest Florida region that are currently eligible for the Rural Economic Development Initiative (REDI) and Enterprise Zones in a manner that reflects regional and community visions.

**GOAL E:** Build partnerships with key stakeholders throughout the region in formulating transportation alternatives for the US 98 corridor.

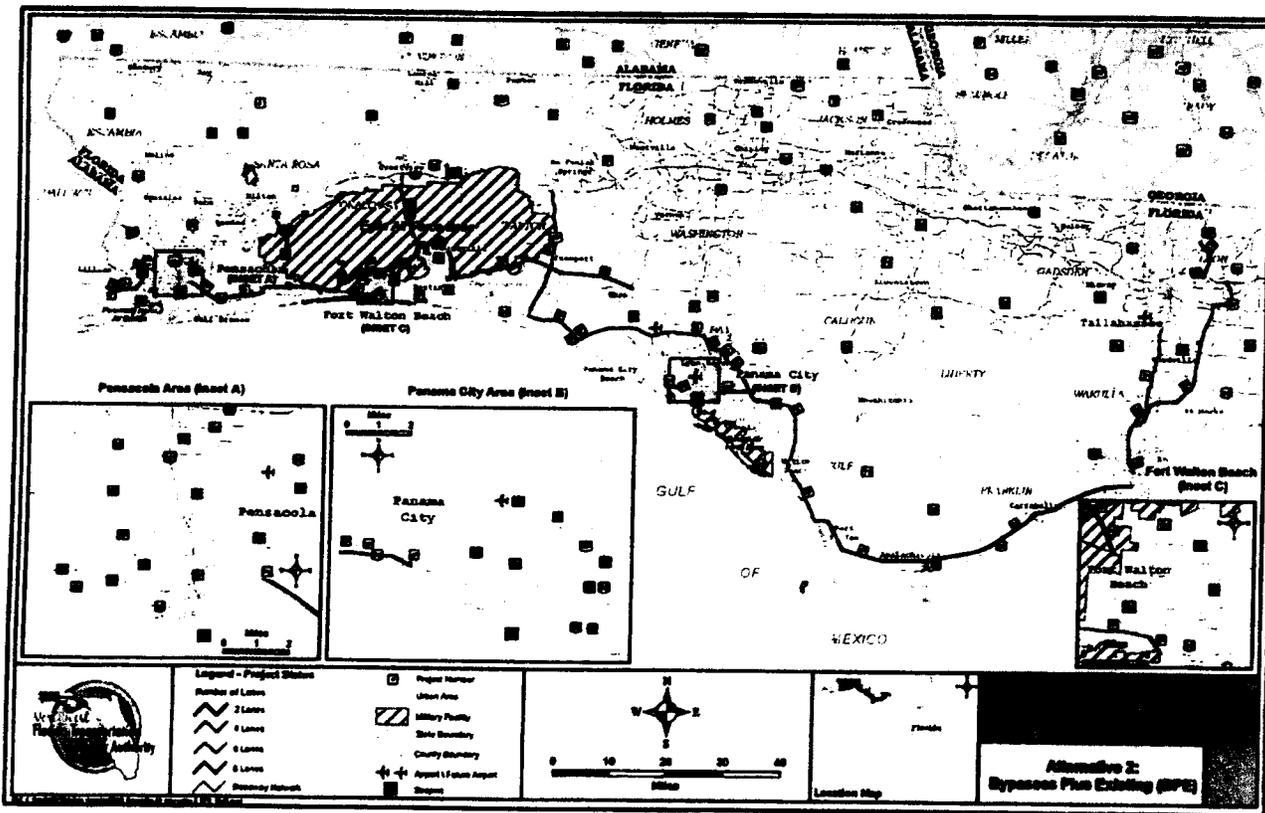
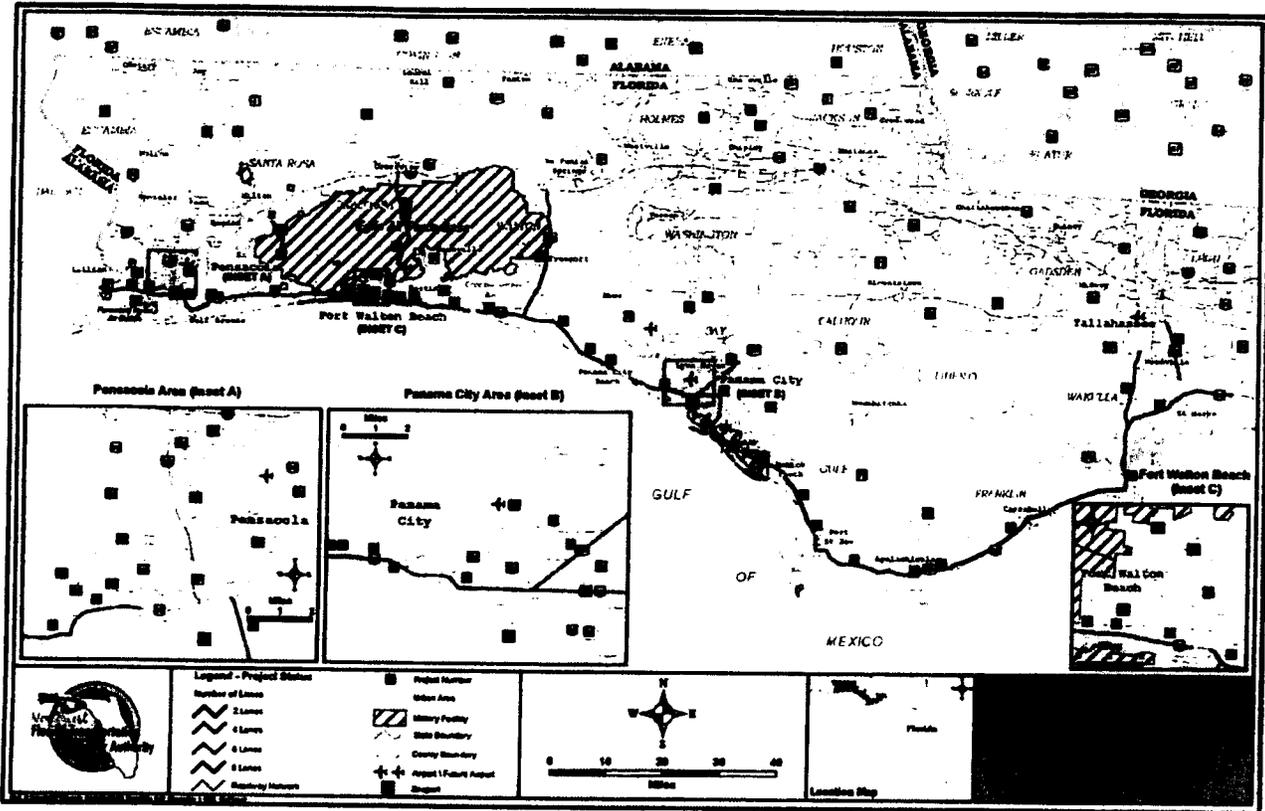
#### Objectives:

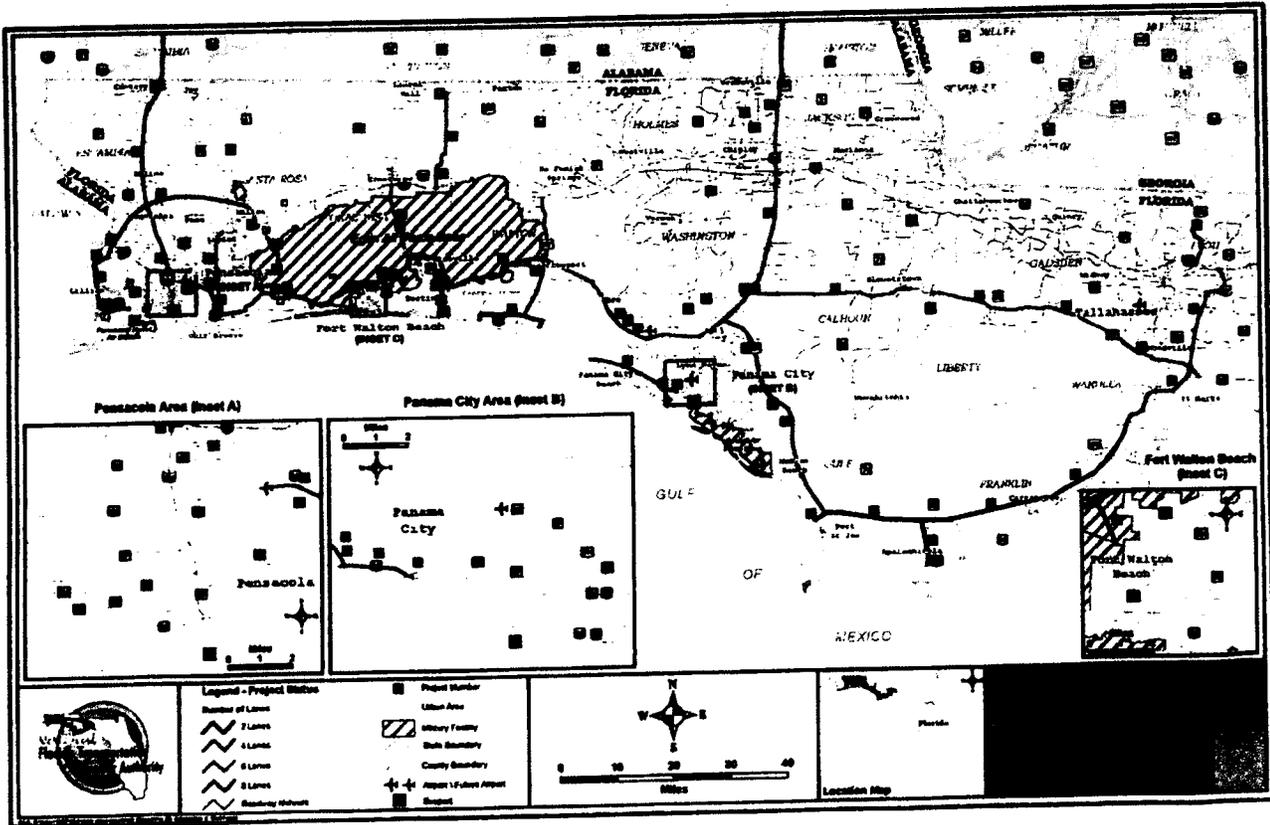
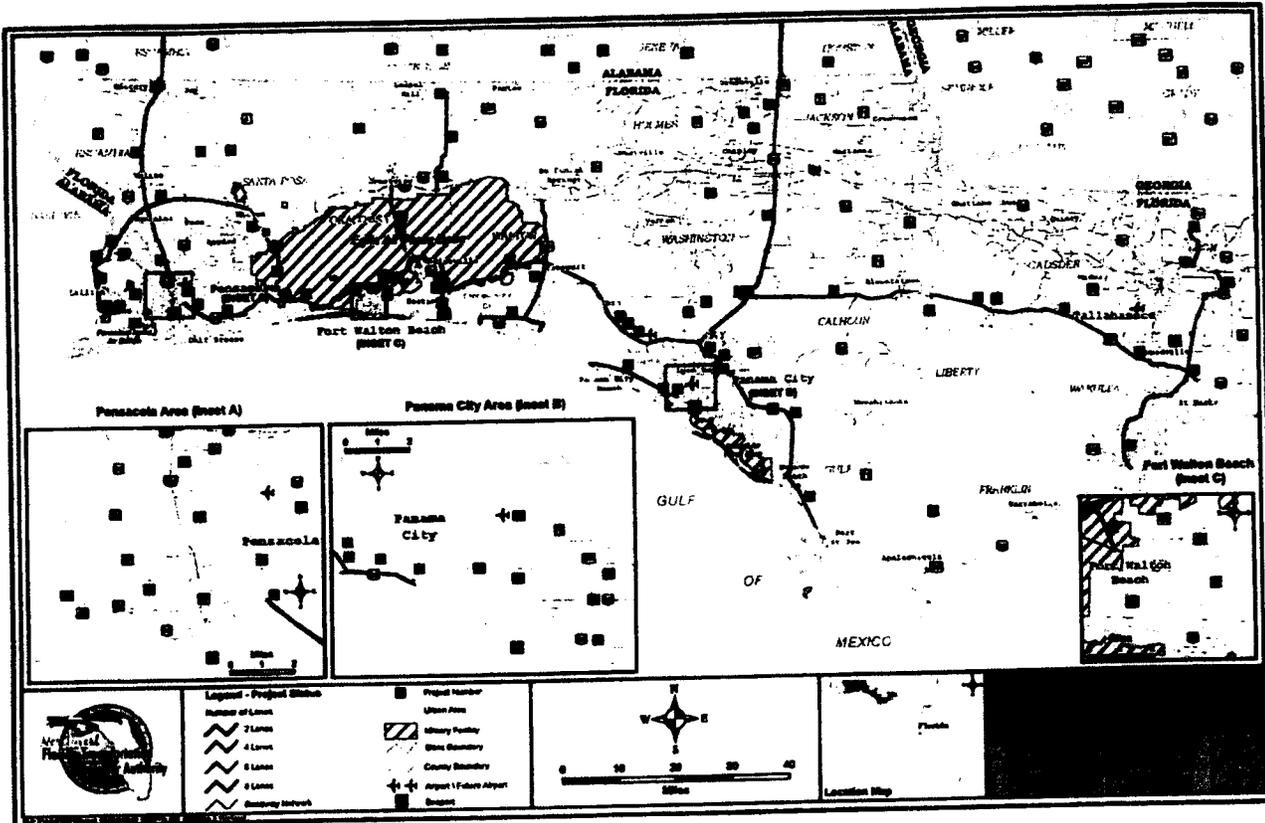
- Provide for early, continuing, timely, and proactive opportunities in the Master Plan process for the public to express their views and become educated on the issues and potential solutions.
- Work with local governments and private entities to gain support for proposed corridor improvements.

**GOAL F:** Identify projects along with finance strategies for implementation.

#### Objectives:

- Work with Federal, State, and local governments as well as private entities to explore the full range of opportunities for advancing projects that would not require traditional means of finance.
- Assign top priority to projects that would provide direct revenue.
- Prioritize projects that maximize achieving established goals.
- Designate regionally significant projects along US 98 and establish investment priorities among these facilities in all participating counties as provided by the Transportation Regional Incentive Program (TRIP).





### III. Master Plan Development

The development of the Master Plan for the US 98 corridor included a number of considerations. First, a travel demand modeling process was developed, refined, and implemented to forecast traffic for the year 2030. Next, these models were used to forecast traffic conditions for a "no build" condition based on a highway network of existing plus committed (E+C) roadway capacity projects. Based on forecasted roadway level-of-service (LOS) deficiencies through the year 2030, the Consultant team devised a set of themed alternatives, each with a listing of projects to provide congestion relief to the US 98 corridor and roadways linking US 98 to other regions. Existing Transportation Planning Organization/Agency (TPO/TPA) long-range transportation plans (LRTPs) and transportation improvement programs (TIPs) were considered in developing these alternatives.

The Consultant team developed four transportation alternatives for the US 98 study area that combine a wide range of highway strategies to address increasing congestion. Each alternative has an underlying theme associated with it and a list of transportation projects to relieve congestion:

#### ALTERNATIVE 1: Maximize Existing Corridors (MEC)

- This alternative attempted to relieve US 98 congestion by maximizing the capacity of the existing US 98 corridor through the addition of travel lanes, grade separated interchanges, and other capacity improvements. Where US 98 is currently 2 lanes, it was proposed for widening to 4 lanes, and where it is 4 lanes, it was generally proposed for 6 or 8 lanes. The primary exception to this approach is along coastal areas of Franklin County where US 98 has been designated a Scenic Byway and frequent hurricane damage results from close proximity of the roadway to the water. Along this section a new parallel roadway alignment was proposed.

#### ALTERNATIVE 2: Bypasses Plus Existing (BPE)

- This alternative includes several key capacity improvements to the existing US 98 corridor in conjunction with bypasses and parallel corridor improvements in areas where additional roadway widening might be difficult or provide limited impact in relieving congestion. Examples of new corridors included the New Pensacola Bay Bridge, the Navarre-Fort Walton Beach-Niceville Bypass, the Wright Parkway Bridge connecting Fort Walton Beach with Santa Rosa Island, the Destin East-West Collector System, the West Bay Bypass, the Gulf Coast Parkway, the Gulf-Franklin Parkway, and the Red Hills-Coastal Parkway.

#### ALTERNATIVE 3: Maximize New Corridors (MNC)

- This alternative maximizes the use of new bypasses and parallel corridors in conjunction with very few capacity improvements to the existing US 98 corridor.

This alternative proposed a larger number of limited access roadways than the BPE alternative, including a Pensacola Beltway, an extension between the Navarre-Fort Walton Beach-Niceville Bypass and the West Bay Bypass, and corridors linking US 98 to Alabama. A new Powerline Road corridor was proposed parallel to US 98 in Panama City Beach and four-laning of SR 20 and SR 267 to the east was also proposed in place of US 98 widenings or parallel roads through Franklin and Wakulla counties.

#### 4: Super Max New Corridors (SMNC)

- This alternative was largely similar to the MNC alternative, with a few subtle changes aimed at achieving a continuous system of limited access highways paralleling US 98 and I-10. In Escambia and Santa Rosa Counties, an alternative bridge alignment was proposed to connect the area near the Pensacola Airport with Gargon Point. In Bay County, the Gulf Coast Parkway was shifted further east to a completely new alignment connecting the Panama City-Dothan Connector with Port St. Joe. This corridor bypasses the Gulf-Bay Parkway, directly connects with a limited access Gulf-Franklin Parkway, and ultimately the Red Hills-Coastal Parkway leading towards Georgia north of Tallahassee.

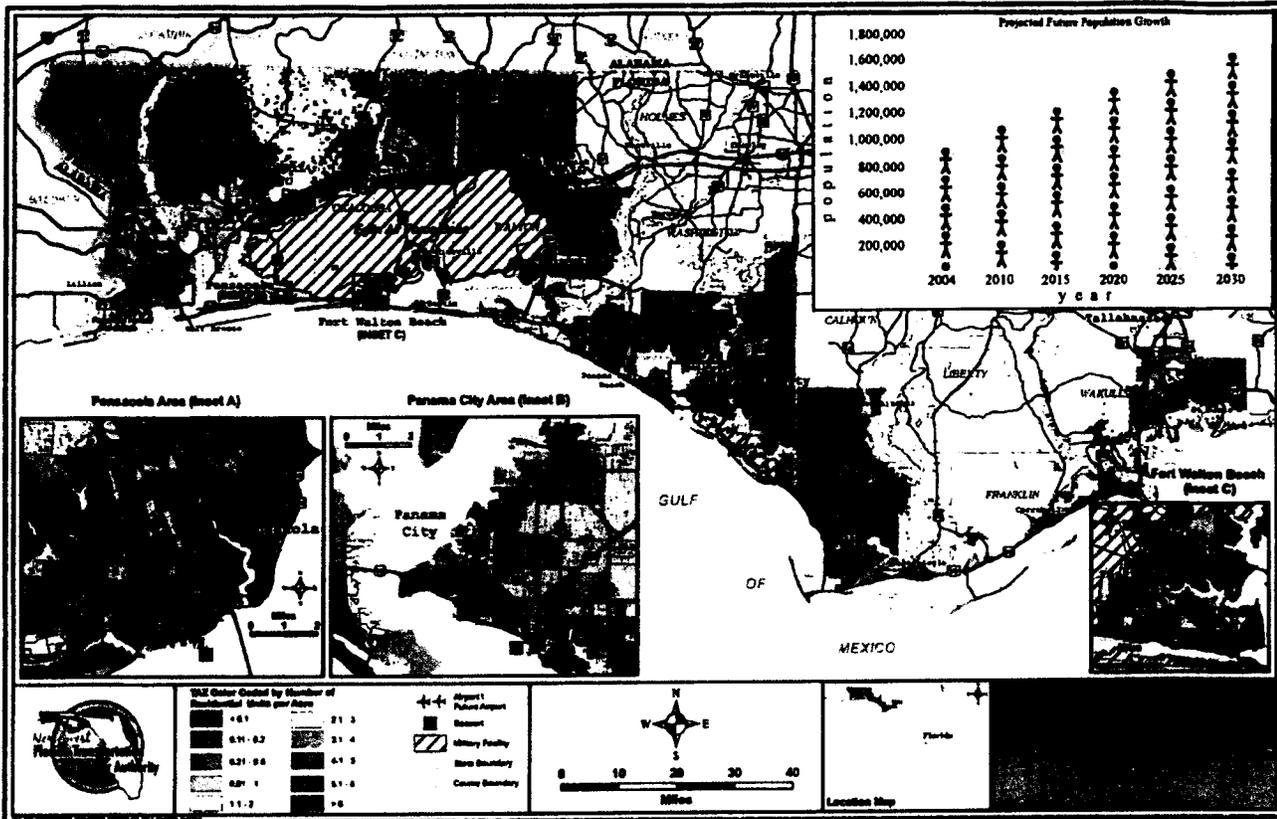
These four alternatives were subsequently coded into the travel demand forecasting models and tested to identify the potential impacts on US 98 traffic and LOS through the year 2030. Model statistics on travel times, congested speeds, delay, safety, and other measures were also produced to compare the effectiveness of each alternative in accordance with study goals and objectives. These results were reviewed with the Authority and used in the selection of the recommended alternative.

### IV. Master Plan Analysis

The Master Plan was evaluated against the goals and objectives to determine how the system of projects performed.

**Performance of Overall Goals and Objectives** - The goals and objectives were measured for the overall study corridor using the criteria developed for the plan. These included overall travel time from end-to-end along US 98 and by the fastest alternative, reduction in overall network travel time and delay, improvements to traffic flow and safety for all users, and improvements to transportation access to Rural Economic Development Initiative Areas (REDI).

**Improved Travel Time and Travel Reliability** - The Master Plan meets this goal. The plan improves travel time between key destinations and throughout the region by enabling traffic to move relatively unimpeded along the limited access corridor. The new corridor is projected to remain uncongested throughout



the 2030 study horizon although several segments will be heavily traveled. Travel time path analyses show that the new corridor and the improved system of roadways provides the quickest and most reliable means of travel for long distance commutes, regional freight traffic or for inter-regional travel (such as trips from Panama City to Pensacola). The diversion of traffic to the new corridor benefits the entire region by lessening travel on US 98 and other parallel roadways.

**Improves Levels of Service on US 98** - The plan meets this goal. The development of the centrally located limited access corridor with connections to major north-south travel routes improves the service conditions on the existing heavily traveled roadways. Traffic diversion to the new corridor provides relief for shorter, local trips to take place on arterial and major collector roadways. In addition, some improvements are recommended to US 98 and the north-south connecting roadways to help achieve this goal.

**Reduces Hurricane Evacuation Clearance Time** - The plan meets this goal. The hurricane evacuation clearance time is a measure of the total clearance time from the first car entering the network to the last car to reach it's safe destination. It also includes mobilization and reaction time as evacuees make preparations and secure their home. The clearance time analysis conducted for each of the 8 counties found that the recommended improvements provide for alternative corridors connecting additional capacity supply for an evacuation event. Additional improvements to north-south roadways provide additional capacity

for out-of-county evacuating traffic relieving bottle necks within the study area.

It should be noted, this is a comparative measure for the alternatives only and should not be used for the purposes of hurricane preparedness and evacuation planning.

**Improves Safety** - The alternative meets this goal. The new limited access corridor reduces the number of conflict points and at-grade intersections that are the source of most severe crashes on existing US 98 and connecting roadways. In addition, the trend of increasing crashes with increased congestion along US 98 is improved by the congestion relief provided by the new corridor.

V. Master Plan Implementation

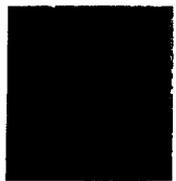
Upon adoption of the Master Plan, the plan will be submitted to the Florida Legislature as stipulated in the Authority's enabling legislation. Upon legislative approval, an Action Plan will be developed to initiate the implementation of individual projects. The Action Plan will identify individual projects and their priority along with potential finance strategies. A plan summary will be developed to communicate the results to other governmental entities, organizations and citizens.

## Northwest Florida Transportation Corridor Authority Board Members



**Mr. James F. Anders, II**

James F. Anders II was re-appointed to the board in October 2009 by Governor Charlie Crist and represents Walton County. Mr. Anders was born in 1951 in Marianna, Florida and grew up in Blountstown, Florida. Mr. Anders graduated from Blountstown High School in 1969 and graduated from the University of Florida in 1974 with a BSBA degree in management. After he graduated college he worked in the family farm equipment and timber business in Blountstown, Florida. Mr. Anders currently buys and sells Land and Timber real estate throughout NW Florida. Mr. Anders moved to South Walton County in 1996, built a home on Camp Creek Lake in 1997 and presently resides there. Mr. Anders has lived his entire life in the Florida Panhandle.



**Mr. James C. Scott III**

James Carey Scott III was appointed to the board in October 2009 by Governor Charlie Crist and represents Bay County. Carey lives in, and is from Panama City where he is involved in various businesses. Carey attended and graduated from the University of South Carolina and The Florida State University. He has two children, Elizabeth and Nelson.

Carey has served on various public and charitable boards over the years and is firmly committed to the growth and success of Northwest Florida. Most recently, he chaired the planning board for the City of Panama City for ten years.



**Mr. Stephen K. Norris**

Stephen K. Norris was re-appointed to the board in October 2009 by Governor Charlie Crist and represents Gulf County. He resides in Port St. Joe, Florida with his wife, Rebecca and two children, Zac and Ashton. Steve graduated from Wewahatchka High School in 1978. He was previously employed by St. Joe Paper Company and Florida Coast Paper Company for 20 years. Steve is presently the co-owner of Scott's Quality Electric, Inc. and Classic Coastal Construction, Inc. He currently holds a registered electrical license and state certified builder license in the state of Florida.



**Mr. Robert B. Montgomery**

Robert B. Montgomery was re-appointed to the board in October 2009 by Governor Charlie Crist and represents Santa Rosa County. Mr. Montgomery attended Pensacola Junior College and graduated in 1967 with an Associate of Arts degree. He also attended Florida State University and graduated in 1969 with a Bachelor of Science degree.

Mr. Montgomery is the owner of Montgomery Realtors in Gulf Breeze, Florida and has owned this business since 1971. Mr. Montgomery is currently active as a Board member of the Pensacola Junior College Foundation, member of the BB&T Bank Board of Directors, member of the Florida Alabama Strategic Task Force, member of Gateway Board in Pensacola, and a member of the Gulf Breeze High School Advisory Committee, just to name a few. Mr. Montgomery has had a long history of being actively involved in the community.



**Honorable Cheryl K. Sanders**

Cheryl Sanders was re-appointed to the board in October 2009 by Governor Charlie Crist and represents Franklin County. Cheryl was born and raised in Franklin County. She graduated from Carrabelle High School in 1973 and attended Lively Vocational Technical School in Tallahassee. Cheryl and her husband Oscar have been married for 33 years.

Cheryl was elected to the Franklin County Board of County Commissioners in 1998 and was re-elected in 2002 and 2006. While on the County Commission she has served as Vice-Chair from 2000-2002 and Chairman from 2002-2006. She presently serves on the Florida Association of Counties as a Board Member and also on the Small County Coalition representing the Northern Gulf Region which includes several of the counties that are in the Auto

"In my years of public service it has always been about the people and their needs. It's not about making promises that you can't keep about making commitments to the people you serve," says Mrs. Sanders.



**Mr. Robert E. McGill III**

Robert E. McGill, III was appointed to the board in October, 2009 by Governor Charlie Crist and represents Okaloosa County. He received an undergraduate degree from Tulane University in 1978, and graduated from Tulane University Law School in 1981. He has been a member of the Florida Bar since 1990, and his practice focuses on all aspects of real estate and construction law.

Bob is active in the Destin community and is currently serving on the Sacred Heart Hospital Development Board and the Walton County Litigational Action Committee. He has been a member of the Destin Rotary Club since 1987.

2012 MAY 25 11:11 AM  
CLERK OF CIRCUIT COURT  
GULF COUNTY, FLORIDA  
COMMISSIONERS

WHS CLASS OF 2012—PROJECT GRADUATION  
P.O. Box 565, WEWAHITCHKA, FL 32465  
850-841-0394

Dear Friends:

January 2012

Project Graduation is an all night, drug and alcohol free lock-in party for the graduating Seniors of Wewahitchka High School Class of 2012 and their dates. Parents have met, organized, set goals and are working to raise the funds needed to make this special night fun, safe and memorable for the graduates to gather one last time in an atmosphere of celebration and friendship.

National Statistics show that graduates are at a higher risk of accident or fatality on graduation night than any other time in their lives. In 1985, the state-endorsed Project Graduation was launched in Gulf County and has become a time-honored tradition.

Project Graduation has been a great success in past years. Parents of seniors of the Class of 2012 host this event where refreshments are served, games are played and the seniors have the opportunity to win prizes throughout the night.

In order to make this night a success, the parents of the senior class of 2012 ask for your help. A tax-deductible donation of any amount would be greatly appreciated. If you are unable to make a monetary donation, a gift would also be accepted, as we will be giving away door prizes throughout the night. The senior class consists of about sixty-five students.

Project graduation is not possible without the support of the parents, businesses in the community and personal donations. Please make your check out to the WHS Class of 2012—Project Graduation and mail it to the above address. Gifts can be picked up if you would call the above number.

Thank you for your support to the Class of 2012.

Sincerely,



Project Graduation 2012  
Debbie Setterich, president

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RECORDS  
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GULF COUNTY, FLORIDA  
2012 MAY -2 AM 11:44

INFORMATION  
5/25/12 LL 58