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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080318-GU

In the Matter of:

PETITION FOR RATE INCREASE BY
PEOPLES GAS SYSTEM

-----/

PROCEEDINGS: ORLANDO SERVICE HEARING

BEFORE: COMMISSIONER KATRINA J. McMURRIAN
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP

DATE: Tuesday, January 13, 2009

TIME: Commenced at 10:00 a.m.
Concluded at 10:46 a.m.

LOCATION: Orlando City Commission Chambers
400 S. Orange Avenue, 2nd Floor
Orlando, Florida

REPORTED BY: CHRISTINE L. PRICE, Registered
Professional Reporter

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PARTICIPATING:

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Peoples Gas System, Regulatory Affairs
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On behalf of Peoples Gas

Caroline Klancke, Esquire

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On behalf of the Commission Staff

Charles Rehwinkel, Esquire

The Office of Public Counsel
Citizens of the State of Florida
Tallahassee, Florida 32399
On behalf of the Citizens of the State of Florida

I N D E X

Anthony Rizzo	10
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Exhibit No. 4	4
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P R O C E E D I N G S

1
2 COMMISSIONER McMURRIAN: Good morning. I'm
3 Katrina McMurrrian with the Florida Public Service
4 Commission and to my right is Nancy Argenziano.

5 COMMISSIONER ARGENZIANO: Good morning.

6 COMMISSIONER McMURRIAN: And to my left is
7 Commissioner Nathan A. Skop.

8 COMMISSIONER SKOP: Good morning.

9 COMMISSIONER McMURRIAN: And we are very
10 happy to be here with you all today and we are now
11 calling this customer service hearing to order.
12 Staff Counsel, will you please read the notice.

13 MS. KLANCKE: By notice this time and place
14 has been set for Customer Service Hearing Docket No.
15 080318-GU Petition for Rate Increase by Peoples Gas
16 System.

17 COMMISSIONER McMURRIAN: Thank you. Now,
18 let's take appearances of counsel.

19 MR. BINSWANGER: Lewis M. Binswanger,
20 702 North Franklin Street, Tampa, Florida on behalf
21 of Peoples Gas System.

22 MR. REHWINKEL: Charles Rehwinkel, Office of
23 Public Counsel on behalf of the Citizens of Florida.

24 MS. KLANCKE: Carolyn Klancke, Commission
25 Staff.

1 MR. WILLIS: Marshall Willis, Assistant
2 Director of the Commission.

3 MS. KLANCKE: Commissioners, I would also
4 like to at this time bring to your attention that
5 Peoples Gas System has provided us with a notice of
6 publication for the Orlando Service area. And so if
7 it's your pleasure, perhaps we should identify that
8 on the exhibit list.

9 COMMISSIONER McMURRIAN: Absolutely.

10 MS. KLANCKE: As Exhibit No. 4.

11 COMMISSIONER McMURRIAN: Thank you,
12 Ms. Klancke. Again, welcome to all of you and thank
13 you for joining us this morning. We appreciate your
14 interest in the petition that's been filed by
15 Peoples Gas System.

16 We're here today because we want to hear from
17 you. We are interested in your concerns and
18 comments related to the company's request.

19 We have company representatives and PSC staff
20 available here to discuss billing services, as well.
21 And also PSC staff, I should mention, outside that
22 could help you with any concern that you might have.
23 Ms. Cindy Muir I know is outside if you'd like to
24 speak with her.

25 This is an official hearing that will be

1 transcribed and become a part of our official
2 record. As such you will need to be sworn in before
3 you present your comments today and we'll take care
4 of that in a few minutes.

5 Please note your comments will also be
6 subject to cross examination. That's simply that
7 you may be asked questions by a party's attorney or
8 one of the commissioners.

9 You may have noticed the speaker sign-up
10 forms outside when you arrived. If you do plan to
11 speak today, please make sure you sign one of those
12 forms. And Ms. Muir outside can help you with that
13 if you haven't done that already.

14 The Office of Public Counsel will be calling
15 those of you who wish to speak one at a time to
16 present your comments.

17 If you do not want to provide oral comments
18 today, you can give us written comments, as well and
19 there's some green sheets outside you may have
20 noticed and on the back sheet it's conveniently set
21 up for customer comments and pre-addressed to the
22 commission so you can also send in comments at a
23 later time. If you know folks that weren't here
24 today, you can take extras and they can send them
25 in, as well.

1 Again, whether your comments are made
2 verbally or received by us in writing, they will be
3 taken in review during the course of the
4 proceedings.

5 Now I invite the attorneys for the parties to
6 present brief opening statements before we get into
7 the customers' testimony. We will begin with
8 Peoples Gas System, then Office of Public Counsel.

9 MR. BINSWANGER: Good morning, Commissioners,
10 Ladies and Gentlemen. My name is Lewis Binswanger.
11 I am Peoples Gas System Director of Regulatory
12 Affairs. We appreciate having the opportunity to
13 participate in this service hearing, which is part
14 of the Commission's process of evaluating Peoples
15 Gas request to increase base rates.

16 Peoples Gas System operates the largest
17 retail natural gas distribution system in the State
18 of Florida providing natural gas service to
19 approximately 334,000 residential, commercial and
20 industrial customers.

21 Peoples Gas's last request for new rates was
22 in March of 2002 and was granted permanent rate
23 relief effective January 2003. Since that time the
24 company has continued to expand its pipeline
25 distribution system in order to make natural gas

1 available as a low carbon, energy efficient choice
2 to almost 100,000 new residential/commercial
3 customers.

4 In addition, Peoples has installed or
5 replaced over 1500 miles of main in over 200
6 communities it serves.

7 Peoples Gas has also offered energy
8 conservation programs to assist customers with the
9 installation of energy efficient natural gas
10 appliances.

11 In fact, since Peoples' last rate increase,
12 residential customers have substantially conserved
13 natural gas use and are consuming about ten percent
14 less natural gas today than they consumed six years
15 ago. That's about the equivalent of one month's
16 worth of natural gas saved per customer per unit.

17 Peoples has also maintained a very reliable
18 distribution system even through the active
19 2004/2005 hurricane season with minimal customer
20 service interruptions.

21 The company has enhanced customer service
22 based on input from our customers and have offered
23 extended hours of operation and next day service.

24 Peoples Gas also has 19 authorized payment
25 centers in Orlando and its surrounding areas for our

1 customers' convenience to accept gas bill payments
2 at no charge to the customer.

3 While I understand that most of you here are
4 here to provide input to the Commission about the
5 company's rate request, I also understand that some
6 of you may have specific questions about your gas
7 bills. For that we have company representatives
8 here to be able to answer or assist any questions
9 you may have on your bill.

10 Peoples understands that our customers truly
11 have a choice in using natural gas to meet their
12 energy needs and we take pride in providing reliable
13 natural gas service to customers in the Orlando area
14 and throughout Florida and appreciate your
15 participation in today's hearing. Thank you.

16 COMMISSIONER McMURRIAN: Thank you.

17 Mr. Rehwinkel?

18 MR. REHWINKEL: My name is Charles Rehwinkel.
19 I'm with the Office of Public Counsel, which is an
20 independent office of the Florida legislature and
21 we're established by your legislators to represent
22 the citizens of Florida and the rate-paying public
23 in matters like these before the Public Service
24 Commission.

25 Our office is comprised of attorneys,

1 accountants and analysts to process these cases and
2 we also hire outside help when we need the
3 expertise.

4 In this case we have intervened and will be
5 challenging the company's rate request. We have
6 filed testimony of two expert witnesses; one an
7 accountant, one a financial expert.

8 The company has requested an increase of
9 about \$26 million. Our experts say an increase
10 should be no more than five-and-a-half million
11 dollars. We will put that evidence on before the
12 Public Service Commission.

13 But today we're here not to challenge the
14 company's case, but to hear from the customers about
15 your opinions on the rate increase or anything else
16 that is relevant to the case.

17 At the appropriate time I will call out the
18 witnesses that have signed up to speak in the order
19 that they signed up. Thank you.

20 COMMISSIONER McMURRIAN: Thank you. And now
21 we will move on to the customer testimony portion.
22 Again, in order to speak today, please make sure
23 you've signed one of the speaker forms outside, if
24 you haven't already. As I mentioned before, your
25 name will be called by the Office of Public Counsel

1 when it's your turn to speak in the order that you
2 signed up. We will be swearing all of you in at the
3 same time. I'm going to ask the consumers who are
4 here and going to give testimony today, please stand
5 with me and raise your right hand.

6 In this matter before the Florida Public
7 Service Commission, do you swear or affirm to tell
8 the truth?

9 CONSUMERS: Yes.

10 COMMISSIONER McMURRIAN: And I probably
11 didn't mention this before, but if you would, when
12 you come to the microphone, please state your name,
13 telephone number and address. Any verbal comments
14 you make will be transcribed and will become part of
15 the official record.

16 And, Mr. Rehwinkel, would you begin by
17 calling the first witness.

18 MR. REHWINKEL: Yes. First witness is
19 Anthony Rizzo.

20 MR. RIZZO: Good morning. Anthony Rizzo,
21 407-647-7730, 118 West Comstock Avenue, Winter Park,
22 Florida.

23 I came this morning to speak for not
24 necessarily the rate increase, but to speak on
25 behalf of the service that I've been provided.

1 I am a residential remodeling contractor in
2 Winter Park. I've been working with TECO Peoples
3 Gas for about eight years on various projects.
4 Probably an average of four projects a year.

5 My contact there has always been the same
6 person all eight years and I feel has always given
7 me good counsel. As I'm the owners advocate, if
8 another comes to me and asks me to research the
9 ability to get gas to their property, you know, I
10 always talk to him for my contact person first and
11 you know, sometimes it is cost prohibitive to be
12 able to provide gas service to, you know, a person's
13 house and we have to go to -- if they want gas or a
14 propane tank system.

15 But in most cases, the cost to get gas to the
16 house has been very reasonable and I feel like the
17 service that has been provided to me and to my
18 clients has been exceptional on their behalf.

19 They've done a great job always doing what I
20 felt was right on the side of the clients and even
21 going above and beyond in some cases what I felt
22 was, you know, necessary.

23 So speaking from the standpoint of the
24 service they provide, from my perspective I feel
25 like I've always been done right and my clients have

1 always been done right by Peoples Gas. Thank you.

2 COMMISSIONER McMURRIAN: Mr. Rehwinkel, any
3 questions?

4 MR. REHWINKEL: No, ma'am.

5 COMMISSIONER McMURRIAN: Thank you very much.

6 MR. REHWINKEL: Next witness is Chris Morgan.

7 MR. MORGAN: Good morning. Thank you for
8 allowing me to speak on behalf of Peoples Gas. I'm
9 with Gordon & Morgan. Our address is 116 East
10 Concord. Phone number is 407-650-2022. And I am
11 the owner of Gordon & Morgan Construction.

12 It's a pleasure to speak on behalf of
13 Peoples, especially since we've used them for a
14 number of years. We probably use them quite a few
15 times each year in our projects. We are custom home
16 builders throughout the Central Florida area, about
17 a three-county area. And I can honestly say that
18 the service we have gotten from them has been
19 impeccable.

20 John Arnold is our contact person here
21 locally and in an atmosphere where it's difficult,
22 first of all, just to get somebody on the phone,
23 it's always talking to a recording and then you get
24 it done when you think you get it done, on time, the
25 price they told you and having a satisfied customer

1 is pretty difficult in a public utility company. It
2 is not with Peoples Gas.

3 One thing I will say about them, when they
4 tell you they are going to do it, they are going to
5 do it on time, when they said they are going to do
6 it. It's always the same price and our customers
7 are always satisfied.

8 The other thing I've noticed is they've run
9 -- I've never had John tell me they can't do it.
10 I've had him tell me it could be cost prohibitive.
11 But one thing I notice, cost prohibitive, if you
12 look at some of the construction projects he's
13 undertaken to get gas to some of our clients in
14 Orlando at the price they did it for, they didn't
15 make any money.

16 I mean, I've been in the business now for
17 over 25 years and we know what the cost is of doing
18 underground trenching and whatever, so it's been a
19 real pleasure dealing with them.

20 The customers, like I said, have written us
21 notes, they have called us about the service they've
22 gotten. Any time there's any type of a situation
23 that arrives, I don't call it a problem because a
24 problem is something that can't be solved. It's a
25 situation with Peoples Gas because they come out and

1 solve it. And you said it's next day, I've had them
2 there within hours when the customers need them.

3 So I would like to say the service they do
4 provide Gordon & Morgan Construction is, you know,
5 terrific. So I appreciate your time and I'm for
6 them.

7 COMMISSIONER McMURRIAN: Thank you,
8 Mr. Morgan. Any questions?

9 MR. REHWINKEL: No. Samantha Goodowens.

10 MS. GOODOWENS: It's Goodowens all one word.
11 There were Badowens and Goodowens. Sorry.

12 My name is Samantha Goodowens. I am at the
13 Director of Training and Development, which is a
14 family-owned construction business. It's just me
15 and my brother. We do high end custom homes in
16 Winter Park, Central Florida, mostly Winter Park.

17 And I would just like to say what both these
18 other gentlemen said is John Arnold and TECO Peoples
19 Gas have been literally actually lifesavers for me
20 on several different jobs.

21 The most recent job we did in Winter Park for
22 a very prominent member of the community, he
23 actually brought gas to the entire street on behalf
24 of this particular homeowner because he wanted to
25 make sure that we had what we needed because this

1 homeowner wanted to do green construction and have
2 Rinnai systems put in and make sure the whole house
3 was leaving a very soft carbon imprint.

4 And TECO wanted to participate with that, so
5 they brought gas to the whole street and offered it
6 to all the neighbors. The rest of the gas piping
7 did not affect my project, it was just something
8 they were committed to do.

9 And I think that represents to them -- to me
10 that their interest in participating in the current
11 trend of not having such a bad legacy to leave to
12 the next generations.

13 As a new mom, I'd like to make sure I
14 participate with companies that care about their
15 economic impact and their environmental impact
16 equally. And I think they do that.

17 And I would also like to say that in terms of
18 service, they go above and beyond. You know, I've
19 been on hold for hours with lots of companies this
20 size and I have literally gotten calls from John
21 saying: Hey, it's Wednesday, we have a meeting at
22 10:00, I know you guys are always behind, do you
23 really want me come right now? "Oh, thanks for
24 calling, I totally forgot. I need you tomorrow."

25 He's like another member of my team, not this

1 endless phone tree that you just hang up the phone
2 and get very frustrated.

3 So I believe in everything that they do and
4 everything that they say and where they are going to
5 be and what they are going to do in the future.

6 And I know they are committed to a lot more
7 than just profit margins. When they say that they
8 are doing things to increase the impact on the
9 production of Florida's ability to have a less
10 environmental destruction and, you know, Florida is
11 all about our Everglades and all those things, and I
12 think they're committed to participating in that and
13 I think we should respect that.

14 And I would do whatever John Arnold asked me
15 to do because they have always done whatever I've
16 asked. Thank you.

17 COMMISSIONER McMURRIAN: Congratulations on
18 being a new mother.

19 MS. GOODOWENS: Thank you.

20 COMMISSIONER McMURRIAN: Any questions? Do
21 we have any more customers that would like to speak
22 at this time?

23 MR. REHWINKEL: Chairman, at this time no.

24 COMMISSIONER McMURRIAN: Is there anyone else
25 with us today that wishes to give comments?

1 Commissioners, it's still early, perhaps we
2 should take a recess for a few minutes and see if
3 anyone shows up. We will go off the record for a
4 few minutes. Maybe until quarter of, at least, and
5 if no one has joined us by then, we will be in
6 recess. Okay. We'll go off the record.

7 (Off the record.)

8 COMMISSIONER McMURRIAN: Okay. We'll go back
9 on the record. And, Mr. Rehwinkel, have we had any
10 other customers sign up to speak?

11 MR. REHWINKEL: We do not.

12 COMMISSIONER McMURRIAN: Thank you.

13 Ms. Klancke, is there anything else we need
14 to do before we adjourn?

15 MS. KLANCKE: There is nothing else.

16 COMMISSIONER McMURRIAN: Okay. Again, we
17 thank everyone for coming today. We appreciate
18 hearing from you. And we do have another service
19 hearing tomorrow morning at 10:00 a.m. in Tampa. I
20 guess we stand adjourned.

21 (Proceedings concluded at 10:46 a.m.)
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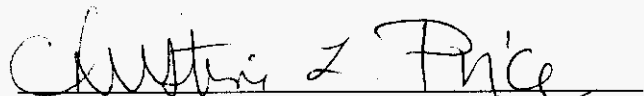
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C E R T I F I C A T E

STATE OF FLORIDA)
COUNTY OF ORANGE)

I, CHRISTINE L. PRICE, Registered Professional Reporter, certify that I was authorized to and did stenographically report the foregoing proceedings on Tuesday, January 13, 2009, and that the transcript is a true and complete record of my stenographic notes.

DATED this 22nd day of January 2009.


CHRISTINE L. PRICE, RPR