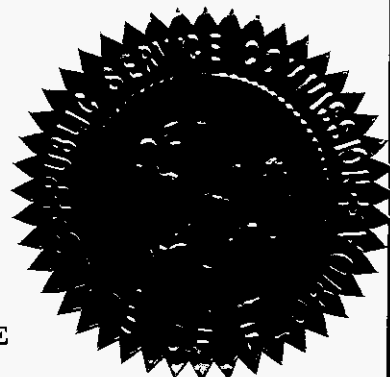


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 100104-WU

In the Matter of:

APPLICATION FOR INCREASE IN WATER  
RATES IN FRANKLIN COUNTY BY WATER  
MANAGEMENT SERVICES, INC.



PROCEEDINGS: PREHEARING CONFERENCE

COMMISSIONER  
PARTICIPATING: COMMISSIONER NATHAN A. SKOP  
PREHEARING OFFICER

DATE: Monday, September 27, 2010

TIME: Commenced at 1:33 p.m.  
Concluded at 2:26 p.m.

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

REPORTED BY: LINDA BOLES, RPR, CRR  
Official FPSC Reporter  
(850) 413-6734

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## 1 APPEARANCES:

2 LISA C. SCOLES, ESQUIRE, Radey Thomas Yon &  
3 Clark, Post Office Box 10967, Tallahassee, Florida  
4 32302, appearing on behalf of Water Management Services,  
5 Inc.

6 JOSEPH A. MCGLOTHLIN, ESQUIRE, Office of  
7 Public Counsel, c/o The Florida Legislature, 111 W.  
8 Madison Street, Room 812, Tallahassee, Florida  
9 32399-1400, appearing on behalf of the Citizens of the  
10 State of Florida.

11 RALPH R. JAEGER, ESQUIRE, and ERIK L. SAYLER,  
12 ESQUIRE, FPSC General Counsel's Office, 2540 Shumard Oak  
13 Boulevard, Tallahassee, Florida 32399-0850, appearing on  
14 behalf of the Florida Public Service Commission  
15 Staff.

16 MARY ANNE HELTON, DEPUTY GENERAL COUNSEL, FPSC  
17 General Counsel's Office, 2540 Shumard Oak Boulevard,  
18 Tallahassee, Florida 32399-0850, appearing as advisor to  
19 the Commission.  
20  
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## P R O C E E D I N G S

1  
2           **COMMISSIONER SKOP:** Good afternoon. I'd like  
3 to call this prehearing to order. Commissioner Skop  
4 presiding. If staff could please read the notice.

5           **MR. JAEGER:** Yes, Commissioner. Pursuant to  
6 notice, this time and place has been scheduled for a  
7 Prehearing Conference in Docket Number 100104-WU,  
8 application for increase in water rates in Franklin  
9 County by Water Management Services, Inc.

10           **COMMISSIONER SKOP:** If we could please take  
11 appearances.

12           **MS. SCOLES:** On behalf of the applicant, Water  
13 Management Services, Inc., my name is Lisa Scoles with  
14 the firm Radey Thomas Yon & Clark, 301 South Bronough,  
15 Tallahassee, Florida.

16           **COMMISSIONER SKOP:** Thank you.

17           **MR. MCGLOTHLIN:** I'm Joe McGlothlin of the  
18 Office of Public Counsel.

19           **COMMISSIONER SKOP:** Thank you.

20           **MR. JAEGER:** I'm Ralph Jaeger, and with me is  
21 Erik Sayler on behalf of Commission staff, 2540 Shumard  
22 Oak Boulevard.

23           **COMMISSIONER SKOP:** Thank you.

24           **MS. HELTON:** And Mary Anne Helton, advisor to  
25 the Commission.

1                   **COMMISSIONER SKOP:** Thank you. Staff, are  
2 there any preliminary matters that we need to address  
3 before we get to the Draft Prehearing Order?

4                   **MR. JAEGER:** Just one matter, and we can take  
5 it up here or later, but OPC at lunchtime did file a  
6 motion to strike, so that's something new that's  
7 changed.

8                   Also, in the Prehearing Order we inadvertently  
9 when we were moving things around left out the exhibits  
10 for Andrew Woodcock in his direct, and we'll put those  
11 back in. Those are Exhibits ATW-1 through 5.

12                   **COMMISSIONER SKOP:** Does staff have a copy of  
13 the pending motion?

14                   **MR. JAEGER:** Yes, sir. We just got it at  
15 lunch.

16                   **COMMISSIONER SKOP:** Okay. For administrative  
17 efficiency we're going to move through the Draft  
18 Prehearing Order, and we may or may not take up the  
19 pending motion at the, at the ending. It appears to be  
20 somewhat lengthy and we just received the motion. So  
21 let's proceed.

22                   **MR. McGLOTHLIN:** Commissioner Skop, I  
23 indicated to counsel for the Utility that I did not  
24 expect either argument or a ruling today. I filed today  
25 because today is the deadline.

1                   **COMMISSIONER SKOP:** All right. Very well.  
2                   And we'll try and take a look at that if we're able to  
3                   work through it today. Mr. Jaeger, are there any  
4                   additional preliminary matters?

5                   **MR. JAEGER:** No, Commissioner.

6                   **COMMISSIONER SKOP:** All right. Very well.  
7                   All right. We're going to proceed through the Draft  
8                   Prehearing Order, and I'll identify the sections to the  
9                   various parties. And if the parties have any concerns,  
10                  please feel free to let me know. We may go quickly  
11                  through most of this. So, again, if there are any  
12                  corrections that need to be made or brought to the  
13                  Commission's attention, please feel free to do so at  
14                  that time.

15                  All right. We'll begin with Section I, Case  
16                  Background. Any concerns? All right. Hearing none,  
17                  Section I will be adopted.

18                  Section II, Conduct of Proceedings. Any  
19                  concerns? Hearing none, Section II will be adopted.

20                  Section III, Jurisdiction. Any concerns?  
21                  Hearing none, Section III will be adopted.

22                  Section IV, Procedure for Handling  
23                  Confidential Information. Any concerns? Hearing,  
24                  excuse me, hearing none, Section IV will be adopted.

25                  Section V, Prefiled Testimony, Exhibits,

1 Witnesses. Typically five minutes is granted for  
2 witness summaries. Is that going to be acceptable to  
3 the parties?

4 **MS. SCOLES:** Commissioner, I would request ten  
5 minutes for Mr. Brown's rebuttal testimony, he is taking  
6 on the lion's share of the issues, if that would be  
7 permissible.

8 **COMMISSIONER SKOP:** Okay. And that's just for  
9 one witness?

10 **MS. SCOLES:** Yes, Commissioner.

11 **COMMISSIONER SKOP:** All right. Mr.  
12 McGlothlin?

13 **MR. MCGLOTHLIN:** I would ask similar latitude  
14 for Donna Ramas, our accounting witness who covers a lot  
15 of ground.

16 **COMMISSIONER SKOP:** Okay. And that's on  
17 rebuttal or for direct?

18 **MR. MCGLOTHLIN:** That's direct.

19 **COMMISSIONER SKOP:** Okay. So Witness Ramas?  
20 Okay. All right. Very well. The witness summaries are  
21 going to be limited to five minutes, with the exception  
22 of ten minutes for rebuttal of Witness Brown and ten  
23 minutes for the witness summary direct testimony of  
24 Mr. [sic] Ramas.

25 Okay. Any other concerns on Section V before

1 we move forward? All right. So Section V will be  
2 adopted with those modifications.

3 Section VI, Order of Witnesses. Are the  
4 parties willing to stipulate to any witnesses at this  
5 point? Ms. Scoles?

6 **MS. SCOLES:** Not at this time, Commissioner;  
7 although we will be considering that and get back to  
8 staff if we're able to do so.

9 **COMMISSIONER SKOP:** Very well. Thank you.

10 **MR. McGLOTHLIN:** We also have a couple of them  
11 under advisement.

12 **COMMISSIONER SKOP:** Okay. Very well. Thank  
13 you. All right. And in terms of taking up the direct  
14 and rebuttal testimony separately or together, it's my  
15 understanding that the Utility is opposed to that and  
16 Public Counsel's not in conflict with taking them  
17 separately; is that correct?

18 **MR. McGLOTHLIN:** I regard that as the  
19 Utility's call, Commissioner.

20 **COMMISSIONER SKOP:** Okay. Ms. Scoles.

21 **MS. SCOLES:** Yes, Commissioner. We would  
22 prefer to do them separately.

23 **COMMISSIONER SKOP:** Okay. All right. Very  
24 well. The direct and rebuttal testimonies will be taken  
25 up separately. Any other concerns on Section VI before

1 we move forward? Ms. Scoles.

2 **MS. SCOLES:** Commissioner, there's one thing.  
3 We may need to request to take Ms. Withers out of order.  
4 She is one of our rebuttal witnesses who is currently  
5 listed as third. To accommodate her schedule, we might  
6 need to move her up in our order of witnesses. But as  
7 we get closer to that time, I can advise you if that's  
8 going to be necessary.

9 **COMMISSIONER SKOP:** All right. Very well.  
10 And, Mr. McGlothlin, any objection to that?

11 **MR. MCGLOTHLIN:** No, sir.

12 **COMMISSIONER SKOP:** Okay. All right. We will  
13 try and accommodate the schedule of Ms. Withers.  
14 Obviously, if scheduling happens where we need to move  
15 her up, if you could let staff know as soon as possible,  
16 if it is a day of the hearing and we needed to change it  
17 for the next day, then please by the close of that  
18 hearing get with our staff and so we can give the  
19 parties ample notice to accommodate that change.

20 **MS. SCOLES:** Yes, Commissioner. Thank you.

21 **MR. JAEGER:** Commissioner, Commissioner Skop.

22 **COMMISSIONER SKOP:** Mr. Jaeger.

23 **MR. JAEGER:** On that same vein, we have a  
24 stipulation about the staff witnesses coming in on the  
25 second day at 11:00 a.m.



1                   **COMMISSIONER SKOP:** Okay.

2                   **MR. JAEGER:** And we would like, if possible,  
3 to be able to try to get to the three staff witnesses  
4 that afternoon, if there could be a time certain. The  
5 stipulation was they would not have to show up until  
6 11:00 a.m. on the second day of the hearing.

7                   **COMMISSIONER SKOP:** Okay. All right. Well,  
8 we should probably keep that stipulation then that the  
9 time certain will be 11:00. And then if we need to  
10 address taking those out of order or addressing those,  
11 we can bring them up at that time. But obviously if  
12 there's a stipulation, to take them up by on or around  
13 11:00 so we can get to them on the second day, we'll try  
14 to do our best to accommodate that.

15                   Okay. Any other concerns on Section VI? All  
16 right. Hearing none, Section VI will be adopted, noting  
17 the fact that the direct and rebuttal testimony will be  
18 taken up separately, and also, too, the parties are  
19 still working towards reaching stipulations that may be  
20 achieved towards some witnesses.

21                   All right. Section VII, basic positions. Any  
22 concerns? Mr. McGlothlin.

23                   **MR. MCGLOTHLIN:** We have some very slight  
24 changes in wording. I can, I can perhaps read them here  
25 and get them in paper copy after the Prehearing

1 Conference.

2 **COMMISSIONER SKOP:** Okay. If they're minor,  
3 you can read them now and then just submit them prior to  
4 the close of business to staff.

5 **MR. McGLOTHLIN:** At the page, at the top of  
6 page 6 in the second line, as changed it would read,  
7 "From \$641,000 to," and then add the language "no more  
8 than \$78,419," striking the \$74,000 figure.

9 And then in the next line, first of the  
10 paragraph that follows, "Other adjustments," insert  
11 "that will impact the \$78,419 above," and that's the  
12 change, continue on.

13 **COMMISSIONER SKOP:** All right. Very well.  
14 And, Mr. McGlothlin, you'll be able to forward those in  
15 an e-mail to staff and the parties by close of business?

16 **MR. McGLOTHLIN:** Yes, sir.

17 **COMMISSIONER SKOP:** All right. Thank you.  
18 All right. Any other concerns on Section VII, basic  
19 positions? All right. Hearing none, Section VII will  
20 be adopted with the changes noted by Mr. McGlothlin.  
21 And he'll forward those changes on to staff and the  
22 parties by the close of business today.

23 That takes us to Section VIII, Issues and  
24 Positions. And, staff, it looks likes some of the  
25 issues are fully or partially stipulated, so if you

1 could tee that up.

2 **MR. JAEGER:** Okay. The first one we have is  
3 Issue 5, and I believe what's stated there is OPC's  
4 position, but the Utility and staff agreed to it on  
5 Issue 5, had the same position.

6 **COMMISSIONER SKOP:** Okay. Very well.  
7 Ms. Scoles, to Issue 5 as a possible stipulation.

8 **MS. SCOLES:** Yes, Commissioner. We will  
9 stipulate.

10 **COMMISSIONER SKOP:** All right. Very well.  
11 Show Issue 5 stipulated. And I believe, Mr. Jaeger, if  
12 you could introduce the next issue.

13 **MR. JAEGER:** Issue 7 is "Land should be  
14 decreased by \$3,400 to reflect the removal of appraisal  
15 and surveying costs." Again, that's the position of all  
16 parties and staff.

17 **COMMISSIONER SKOP:** All right. Very well.  
18 Mr. McGlothlin, if you're fine with that.

19 **MR. MCGLOTHLIN:** Yes.

20 **COMMISSIONER SKOP:** Ms. Scoles.

21 **MS. SCOLES:** Yes, Commissioner.

22 **COMMISSIONER SKOP:** All right. Show Issue 7  
23 stipulated.

24 Mr. Jaeger, next issue, please.

25 **MR. JAEGER:** Issue 11, and we think this is a

1 partial stipulation, there's other issues, but "Advances  
2 for construction should be decreased by \$9,257 to  
3 reflect Commission approved adjustment from the  
4 Utility's last rate case."

5 **COMMISSIONER SKOP:** Okay. And with respect to  
6 the partial stipulation, are all parties in agreement  
7 with that stipulation? Ms. Scoles.

8 **MS. SCOLES:** Yes, Commissioner.

9 **COMMISSIONER SKOP:** Mr. McGlothlin.

10 **MR. MCGLOTHLIN:** Yes.

11 **COMMISSIONER SKOP:** Okay. All right. Very  
12 well. Show the partial stipulation for Issue 11 to be  
13 adopted.

14 Mr. Jaeger, next issue.

15 **MR. JAEGER:** Issue 12, another partial  
16 stipulation. And I don't think anybody has any problem  
17 with the first sentence. "Working capital should be  
18 reduced by \$112,034 unamortized debt discount and  
19 issuing expense which is included in the Utility's  
20 long-term debt cost rate." And I think, I believe  
21 Ms. Scoles, I was asking her about further working  
22 capital should be reduced by \$17,983 to remove fully  
23 amortized rate case expense from prior rate case, and I  
24 wasn't sure if she agreed to that or not.

25 **COMMISSIONER SKOP:** Ms. Scoles.

1           **MS. SCOLES:** Yes. Both of those are fine.

2           **COMMISSIONER SKOP:** Okay. Mr. McGlothlin, any  
3 concerns regarding the proposed stipulation?

4           **MR. MCGLOTHLIN:** We're fine with that partial  
5 stipulation.

6           **COMMISSIONER SKOP:** Okay. Very well. Very  
7 well. Basically show Issue 12, partial stipulation to  
8 be adopted.

9           **MR. JAEGER:** Issue 14 is the next one, the  
10 appropriate amount of customer deposits including the  
11 capital structure is \$100,499, and that was both the  
12 position of the Utility, OPC and Staff.

13           **COMMISSIONER SKOP:** Okay. Ms. Scoles.

14           **MS. SCOLES:** Yes.

15           **COMMISSIONER SKOP:** Mr. McGlothlin.

16           **MR. MCGLOTHLIN:** Yes, sir.

17           **COMMISSIONER SKOP:** Very well. Show Issue 14  
18 to be stipulated.

19           Mr. Jaeger, next issue.

20           **MR. JAEGER:** Issue 24, "\$1,250 of additional  
21 contractual service costs should be removed for a total  
22 of \$7,250 for Hank Garrett charges during 2009 (on  
23 general ledger as management fees.)"

24           And basically everybody agreed that the  
25 \$1,250, some of the language may not -- I wanted to make

1 sure the Utility was in agreement with that.

2 **COMMISSIONER SKOP:** All right. Very well.

3 Ms. Scoles.

4 **MS. SCOLES:** That's fine, Commissioner.

5 **COMMISSIONER SKOP:** All right.

6 Mr. McGlothlin.

7 **MR. MCGLOTHLIN:** We're fine.

8 **COMMISSIONER SKOP:** All right. Show Issue 24  
9 to be stipulated.

10 Next issue, Mr. Jaeger.

11 **MR. JAEGER:** Issue 47, "To ensure that the  
12 Utility adjusts its books in accordance with the  
13 Commission's decision, WMSI should provide proof, within  
14 90 days of the final order issued in this docket, that  
15 the adjustments for all the applicable NARUC USOA  
16 primary accounts have been made." And that was agreed  
17 to by all parties.

18 **COMMISSIONER SKOP:** All right. Ms. Scoles.

19 **MS. SCOLES:** That's fine, Commissioner.

20 **COMMISSIONER SKOP:** Mr. McGlothlin.

21 **MR. MCGLOTHLIN:** We're on board.

22 **COMMISSIONER SKOP:** All right. Show Issue 47  
23 to be stipulated.

24 Mr. Jaeger, next section regarding phrasing of  
25 issues and positions.

1           **MR. JAEGER:** I believe the only real problem  
2 we had with the issues was Issue 50 as for the phrasing  
3 of the issue.

4           **COMMISSIONER SKOP:** Okay.

5           **MR. JAEGER:** And OPC had one phrasing at the  
6 Issue ID, and then in filing their prehearing statement  
7 they had changed the wording of the issue. And so the  
8 Utility has not addressed the wording of that issue or  
9 responded to that, and neither has staff.

10          **COMMISSIONER SKOP:** Okay. And do we have a,  
11 the OPC old issue as it was written and the new proposed  
12 issue?

13          **MR. JAEGER:** Yes. They're both -- they're all  
14 there. Let me see. If we go to Issue 50 in the body of  
15 the -- it's page 25.

16          **COMMISSIONER SKOP:** Okay.

17          **MR. McGLOTHLIN:** Well, to deal with the easy  
18 ones first, it's okay with we if we delete the old OPC  
19 issue. That leaves us with, I think, one as phrased  
20 under the prehearing statement.

21          **COMMISSIONER SKOP:** Mr. McGlothlin, if you  
22 could just repeat that a little bit more slowly. I  
23 didn't catch --

24          **MR. McGLOTHLIN:** Yes. Staff has included both  
25 the, the issue as we framed it in an Issue ID meeting.

1                   **COMMISSIONER SKOP:** Yes.

2                   **MR. McGLOTHLIN:** As well as the rephrased  
3 issue that we included in the prehearing statement. So  
4 what is captioned as new OPC issue supersedes the one  
5 that's called old OPC. We're not asking they both be  
6 included.

7                   **COMMISSIONER SKOP:** You're asking that they  
8 both be included?

9                   **MR. McGLOTHLIN:** No. We are not asking that  
10 they both be included.

11                   **COMMISSIONER SKOP:** Okay. You're asking that  
12 the new issue be included.

13                   **MR. McGLOTHLIN:** Yes.

14                   **COMMISSIONER SKOP:** Okay. Ms. Scoles.

15                   **MS. SCOLES:** I'm sorry, Commissioner. We  
16 oppose that.

17                   **COMMISSIONER SKOP:** Okay. On what basis?

18                   **MS. SCOLES:** We have rebuttal testimony  
19 speaking to this, the figure. We would dispute the  
20 figure as well as the concept that there is any  
21 impropriety in any of the affiliated companies. And  
22 this may not be the proper time to bring this up, I'm  
23 not, but I'm not sure that the second sentence there of  
24 what action the Commission should take, I think that's a  
25 jurisdictional issue. I'm not sure of the Commission's



1 authority over the nonregulated affiliated companies.

2 **COMMISSIONER SKOP:** Okay. Mr. McGlothlin.

3 **MR. McGLOTHLIN:** Well, the Utility may dispute  
4 our position on this issue but that is no reason to  
5 remove the issue itself. We have a witness, Donna  
6 Ramas, who testifies that over time the amount reflected  
7 in the account called Investment and Associated  
8 Companies has grown from 0 to \$1.2 million. And she  
9 comments that this has happened at a time when the  
10 Utility asserts that it has difficulty paying its basic  
11 bills. So we think there's an issue of imprudence there  
12 that we want to bring to the attention of the  
13 Commission.

14 And if there is a finding of imprudence, then  
15 the, the Commission has jurisdiction over the Utility to  
16 do such things as imputing income on the Utility's  
17 investment and other companies and things of that ilk.  
18 So that's what -- we think it's an appropriate issue.

19 **COMMISSIONER SKOP:** Okay. And with respect to  
20 the framing of the new issue in relation to the old  
21 issue, is the specific concern embodied in the new  
22 issue, could that be subsumed in the old issue and just  
23 introduced as a, you know, within the scope of direct or  
24 rebuttal testimony?

25 **MR. McGLOTHLIN:** We worked on how to frame an

1 issue around the subject matter, which is the growing  
2 investment in associated companies, and at one point we  
3 phrased that in terms of whether the Utility has been  
4 subsidizing nonutility activities. But the more we  
5 thought about it, the more we thought there were basic  
6 questions of prudence or imprudence in the amount of  
7 money that's been invested elsewhere when the Utility's  
8 needs are as they are represented in the, in the rate  
9 case. That's why we think what is characterized as new  
10 OPC issue is a better rendition of, of our concern than  
11 is the old OPC issue and why we regard the new one as  
12 superseding the old one.

13 **COMMISSIONER SKOP:** Okay. And then I believe,  
14 Ms. Scoles, you've, the Utility has framed an alternate  
15 issue, is that correct, for Issue 50?

16 **MS. SCOLES:** Yes, Commissioner. The third one  
17 listed there.

18 **COMMISSIONER SKOP:** Okay. And that's "Are  
19 there any non-utility expenses the Utility is requesting  
20 to be recovered through customer rates? If so, what  
21 adjustment should be made?" Is that correct?

22 **MS. SCOLES:** Yes, Commissioner. If OPC is  
23 intending to pursue it as indicated in their new issue,  
24 then we would, the Utility's position would be that  
25 should be a separate proceeding, separate and apart from

1 the rate case.

2 If they feel there's inappropriate involvement  
3 with the nonregulated companies and the regulated  
4 company, then that perhaps would be a show cause type  
5 proceeding but is not an appropriate issue with the rate  
6 case. We had framed a much more general issue, which  
7 would be an appropriate issue in this particular  
8 proceeding.

9 **COMMISSIONER SKOP:** Mr. McGlothlin.

10 **MR. MCGLOTHLIN:** I disagree. The essence of  
11 the subject matter is the financial posture of the  
12 company, and the financial posture of the company is  
13 what it is because of, we contend because of imprudent  
14 investments in associated companies. And the rate case  
15 is the precise occasion to look at the financial posture  
16 of the company, whether it arrives at that posture by  
17 prudent or imprudent means.

18 **COMMISSIONER SKOP:** All right. Staff.

19 **MR. JAEGER:** Yes, Commissioner. Staff also  
20 struggled with this issue, and I think, as you can see  
21 from OPC, they had one issue going into the ID meeting,  
22 and then we came out with this one, and now they have  
23 phrased it again.

24 I think what staff was suggesting is that  
25 \$1.2 million is sort of, you know, the Utility may

1 dispute that and it's sort of phrased that with a bias.  
2 And so we think a more neutral issue along the lines "Is  
3 the Utility's level of investment in associated  
4 companies inappropriate, and, if so, what action should  
5 the Commission take?" That would be what, what staff  
6 would suggest.

7 **COMMISSIONER SKOP:** All right. Does staff  
8 have a printout of that language?

9 **MR. JAEGER:** Yes. Well, it's in -- yeah. We  
10 do have a printout of that.

11 **MS. SCOLES:** Could you repeat that,  
12 Mr. Jaeger?

13 **MR. JAEGER:** "Is the Utility's level of  
14 investment in associated companies inappropriate, and,  
15 if so, what action should the Commission take?"

16 **COMMISSIONER SKOP:** Mr. Jaeger, do you have a  
17 copy of that? Oh, okay, I see it right here.

18 **MR. JAEGER:** I'm sorry. Commissioner, that  
19 was not provided to the parties. That was --

20 **COMMISSIONER SKOP:** Why don't we take a brief  
21 recess and get a copy of that provided to the parties at  
22 this time. So we'll take a five-minute recess and we'll  
23 reconvene to consider Issue 50.

24 (Recess taken.)

25 Okay. At this point we're back on the record.

1 Staff has passed out a proposed compromise for Issue 50.  
2 And, Mr. Jaeger, if you could speak to that briefly now  
3 that the parties have it.

4 **MR. JAEGER:** Commissioner Skop, what staff  
5 did, we tried to look at really what was, where OPC was  
6 coming from, this was mainly their issue, and tried to  
7 phrase it in as neutral language as we could where that  
8 1.2 million isn't a part of the issue and still advise  
9 the Utility of what they are, of what the issue is. And  
10 so we think this is the most neutral language and gets  
11 to what OPC was going toward and that it is a valid  
12 issue.

13 **COMMISSIONER SKOP:** All right. Very well.  
14 And, Mr. Jaeger, with respect to maintaining neutral  
15 language, I do have two questions on the proposed staff  
16 change.

17 When it speaks to associated companies,  
18 would -- is associated the appropriate word? Would it  
19 more appropriately be affiliated companies?

20 **MR. JAEGER:** Affiliated I think would be more  
21 precise, but I'm not sure if there's other companies  
22 that are not exactly affiliates but might be some way  
23 connected to the Utility. So I really wasn't sure which  
24 would be the better word there, affiliates or  
25 associated.

1           **COMMISSIONER SKOP:** All right. Ms. Helton, do  
2 you have anything to add?

3           **MS. HELTON:** Mr. Chairman, I've listened to  
4 the discussion here today, and it seems to me that the  
5 point that OPC is trying to make is that there could be  
6 a financial impact on the company because of these funds  
7 being appropriated to other companies that are  
8 associated with the Utility. And it seems to me that if  
9 there is a financial impact, that is something that  
10 should be taken up in the rate case and would be an  
11 appropriate issue to address, I guess, the first concern  
12 that the company has raised.

13           It seems to me also that the wording that  
14 staff has proposed for Issue 50 is the most neutral  
15 wording that I have read.

16           **COMMISSIONER SKOP:** Okay. And in terms of the  
17 affiliated versus associated?

18           **MS. HELTON:** I'm sorry. I thought you were  
19 asking more broadly.

20           I am only familiar with this company on a very  
21 high level, and I don't know whether there could be  
22 associated companies or not. I don't know maybe if it  
23 would be appropriate to ask the Utility or ask  
24 Mr. McGlothlin. I mean, affiliated companies, that's  
25 the language that we typically use here. That is our

1 term of art. That's the language that's spelled out in  
2 the statute. But I don't know if associated would be  
3 better or not.

4 **COMMISSIONER SKOP:** All right. Ms. Scoles  
5 briefly, and then Mr. McGlothlin to that point.

6 **MS. SCOLES:** I don't think we have a position  
7 on that, Commissioner.

8 **COMMISSIONER SKOP:** All right.  
9 Mr. McGlothlin.

10 **MR. MCGLOTHLIN:** First of all, Commissioner,  
11 we have looked at the staff's language and we can accept  
12 it as our, our reformulation of Issue 50.

13 As to associated versus affiliated, I would  
14 just make this comment. Typically or perhaps more  
15 typically the Commission sees examples of holding  
16 companies with subsidiaries. That is not the precise  
17 relationship between this Utility and the other entities  
18 that have been described, and the term associated has  
19 been used within the case to describe that relationship  
20 and that's why we used it in the, in the issue itself.

21 **COMMISSIONER SKOP:** Okay. But Public Counsel  
22 is in principle okay with staff's proposed language?

23 **MS. SCOLES:** Commissioner?

24 **MR. MCGLOTHLIN:** We can accept, we can accept  
25 the staff's language.

1                   **COMMISSIONER SKOP:** Ms. Scoles.

2                   **MS. SCOLES:** I'm sorry. I was speaking on  
3 the, just the term associated versus affiliated.

4                   We would suggest one minor word change, and it  
5 sort of goes to what Ms. Helton was saying, looking at  
6 the impact of these transactions on the customers. We  
7 would suggest changing the first "is" to "has" and  
8 changing "inappropriate" to "caused harm to customers."

9                   **COMMISSIONER SKOP:** Okay.

10                  **MS. SCOLES:** And thus it would read, "Has the  
11 Utility's level of investment in associated or  
12 affiliated companies caused harm to customers, and, if  
13 so, what action should the Commission take?"

14                  **COMMISSIONER SKOP:** Okay.

15                  **MS. SCOLES:** We feel like this would make this  
16 more of a rate case issue rather than a broader issue.

17                  **COMMISSIONER SKOP:** All right. Thank you for  
18 your comments and I appreciate those.

19                  I think what I'm inclined to do, I'm trying to  
20 balance the interests of the parties, staff's concerns.  
21 While we're on staff's language for Issue 50, again,  
22 Ms. Helton spoke to the need to frame issues in a  
23 neutral manner. And the term "inappropriate," I'm  
24 wondering whether that may not be better put as  
25 "appropriate."



1           "Is the level, is the Utility's level of  
2 investment in associated companies appropriate? If not,  
3 what action should the Commission take?" Does that --  
4 Mr. Jaeger, do you have anything to add to that?

5           **MR. JAEGER:** Let me check with staff. I think  
6 we're, we could live with any of those changes. Let me  
7 see.

8           **COMMISSIONER SKOP:** Okay.

9           **MR. JAEGER:** Yes, we can live with that, your  
10 change as stated.

11           **COMMISSIONER SKOP:** Okay. All right. And  
12 what I'm also trying to understand, and, Ms. Scoles,  
13 perhaps you can help me out with the Utility's proposed  
14 language, it speaks to non-utility expenses the Utility  
15 is requesting be recovered for rates. So it seems to be  
16 separate and distinct from a level of investment. Would  
17 that be your understanding in terms of your proposed  
18 language?

19           **MS. SCOLES:** Commissioner, it is somewhat  
20 different. But our focus with both our original  
21 question and also our proposed change to staff is to  
22 focus on has there been any harm to customers? We're a  
23 little uncomfortable with the term "inappropriate"  
24 because it's just such a broad term; whereas, what we're  
25 really looking at is have customers been harmed or have

1 they had to pay for expenses that they shouldn't have?  
2 So that's what our focus is on both of those questions.

3 **COMMISSIONER SKOP:** All right. And I believe  
4 the change that I'm going to propose to that should  
5 address that concern because I also have some concerns  
6 about the inappropriate language in terms of neutrality  
7 of the issue.

8 All right. What I'm going to propose is that  
9 Issue 50 be, I won't say bifurcated, but basically split  
10 into Issue 50A and Issue 50B.

11 Issue 50A, the proposed reading would be along  
12 the lines of what staff proposed. Issue 50A, "Is the  
13 Utility's level of investment in associated companies  
14 appropriate? If not, what action should the Commission  
15 take?"

16 Issue 50B would be the Utility's proposed  
17 language, "Are there any non-utility expenses that the  
18 Utility is requesting be recovered through customer  
19 rates? If so, what adjustment should be made?"

20 And I believe, and I'd like to hear from the  
21 parties, but I believe that should be a happy medium to,  
22 to get to not only the concerns expressed by the Utility  
23 but also those raised by Public Counsel.

24 **MR. McGLOTHLIN:** OPC can accept that version  
25 of the issue. And in fact, I've always regarded the

1 Utility's wording to be getting at an issue other than  
2 the one we raised. So I like the way that is broken  
3 out.

4 **COMMISSIONER SKOP:** Okay. And, Ms. Scoles,  
5 the reason for that is, again, a level of investment I  
6 think is separate and distinct from non-utility  
7 expenses. I mean, non-utility expense might be, you  
8 know, a transaction with an affiliate company, not  
9 necessarily a level of investment in the capital  
10 structure. So I think that trying to touch upon what  
11 I'm hearing from both the parties, I think that that,  
12 you know, nicely embodies what I've heard from the  
13 Utility and also Public Counsel. But, Ms. Scoles, if  
14 you have some brief comments before I go to staff.

15 **MS. SCOLES:** Well, Commissioner, I don't have  
16 too much to say. Just with our continuing fundamental  
17 concern about raising the issue in a rate case, we can  
18 live with what you have proposed today.

19 **COMMISSIONER SKOP:** All right. Very well.  
20 Staff?

21 **MR. JAEGER:** You're bifurcating A and B, "Is  
22 the Utility's level of investment in associated  
23 companies appropriate?" And then "If not, what actions  
24 should the Commission take?" And then B would just be  
25 the Utility's issue as it's stated in its prehearing

1 statement?

2 **COMMISSIONER SKOP:** That's correct.

3 **MR. JAEGER:** Staff, that's fine with staff.

4 **COMMISSIONER SKOP:** Okay. All right. So show  
5 Issue 50 will now become Issue 50A and Issue 50B.

6 Issue 50A will read, "Is the Utility's level  
7 of investment in associated companies appropriate? If  
8 not, what action should the Commission take?"

9 And Issue 50B will read, "Are there any  
10 non-utility expenses that the Utility is requesting be  
11 recovered through customer rates? If so, what  
12 adjustment should be made?" I believe that'll address  
13 the issues.

14 Okay. Any other concerns on Section VIII  
15 before we move forward?

16 **MR. McGLOTHLIN:** We have some minor tweaks  
17 here and there. If you wish, I'll just give them to the  
18 parties and to staff by e-mail.

19 **COMMISSIONER SKOP:** All right. Very well. Or  
20 you could just, if they're minor, we can read them and  
21 then forward them later.

22 **MR. McGLOTHLIN:** The first one is on page 6,  
23 Issue 1. Please strike the words "No, because" so that  
24 the position begins with the word "OPC's."

25 **COMMISSIONER SKOP:** All right. Any others?

1           **MR. McGLOTHLIN:** I don't see anything. Oh,  
2 yes. Page 8, Issue 6, "OPC adjustments to plant are  
3 reflected in," strike the word "the," insert the word  
4 "other," and then following the word "issue" strike the  
5 word "below." So it reads, "are reflected in other  
6 issues."

7           Page 12, issue 13, following the position  
8 that's stated there now, add, "This amount will need to  
9 be updated to reflect the results of stipulations and  
10 other issues addressed on cross-examination."

11           Issue 27, page 17, second line from the  
12 bottom, after the words "document the business" insert  
13 "use and personal use."

14           **MR. JAEGER:** I'm sorry, Joe. I'm not where  
15 you're at. Say that again, what line you're on.

16           **MR. McGLOTHLIN:** Well, if our pagination is  
17 the same, page 17, Issue 27, and it would be the, on  
18 your copy it would be the last line reading "maintained  
19 in travel logs to document the business." At that point  
20 I would insert "use and personal use of utility-owned,  
21 utility-owned vehicles that are used for both business  
22 and personal use by employees." And then strike what is  
23 the remainder of that position.

24           And I have three or four others, Commissioner.  
25 But rather than take your time, I could just give those

1 in a paper copy by the end of the day.

2 **COMMISSIONER SKOP:** All right. Very well.

3 And be able to do that by the close of business.

4 **MR. McGLOTHLIN:** I can, yes.

5 **COMMISSIONER SKOP:** All right. Very well.

6 Okay. Any other concerns on Section VIII before we move  
7 forward?

8 **MS. SCOLES:** Commissioner, I do have one.

9 **COMMISSIONER SKOP:** All right. Ms. Scoles.

10 **MS. SCOLES:** In preparing for hearing on our  
11 new Issue 50A, we, the Utility is under the  
12 understanding that the term "appropriate" relates to  
13 harm caused to customers. If there is an additional  
14 nuance or meaning to that term, we would appreciate a  
15 clarification so that we can adequately prepare for  
16 hearing.

17 **COMMISSIONER SKOP:** All right. Very well.

18 Staff, to the choice of words.

19 **MR. JAEGER:** If OPC can go with that cause  
20 harm to customers, I mean the -- I don't know of any,  
21 what do you call it, nuance to that. But I think that  
22 would be up to OPC. Staff could --

23 **COMMISSIONER SKOP:** Well, again, the reason I  
24 looked to staff first is staff came up with the proposed  
25 compromised language. That's staff's own words. And so

1 before I go to --

2 **MR. JAEGER:** Yes. I think what we're just --  
3 is there any inappropriate action that would, and, of  
4 course, if it harms the customers, then the customers  
5 should not have to pay for that.

6 **COMMISSIONER SKOP:** All right.  
7 Mr. McGlothlin.

8 **MR. MCGLOTHLIN:** I prefer the term that, that  
9 you used in the breakout of A and B.

10 **COMMISSIONER SKOP:** Okay.

11 **MR. MCGLOTHLIN:** And perhaps one reason is  
12 that has it caused harm seems to be a backward looking  
13 concept when we are talking about a utility that is  
14 indicating the need to borrow money to finance capital  
15 additions at a time when it has, we contend, placed an  
16 inordinate amount of customers' money in associated  
17 companies. So that's why the appropriateness or the  
18 imprudence of it, prudence or imprudence really is a  
19 better approach than cause harm.

20 **COMMISSIONER SKOP:** Okay. All right.  
21 Ms. Scoles, I guess the issues are going to be framed  
22 as, as I ordered them into Issues 50 and 50A, I mean 50A  
23 and 50B. In terms of trying to define the character, I  
24 guess the issue speaks for itself. So, you know, the  
25 prehearing statement on the, on the issues, it

1 obviously, now that we've created 50A and 50B, the  
2 company, both the company and Public Counsel and any  
3 intervening parties will be able to update their initial  
4 positions on that and brief it appropriately for their  
5 prehearing statement as well as their posthearing  
6 briefs.

7 But, again, the burden is on the Public  
8 Counsel, I would believe, to make a showing that the  
9 costs are either appropriate or they're not appropriate.  
10 So, again, we'll look to the parties and Public Counsel  
11 to, to brief that and make their statements as they deem  
12 appropriate.

13 But I do think the, the issues are pretty  
14 clear and unambiguous as we can make them given the  
15 disagreement amongst the parties. So to me it's  
16 somewhat of a compromise that we took the Utility's  
17 position, but we also took a more neutral statement that  
18 reflected what the Public Counsel wanted to seek to  
19 introduce. So I don't have a full answer for you, but  
20 just exercise your best judgment --

21 **MS. SCOLES:** Okay. Thank you, Commissioner.

22 **COMMISSIONER SKOP:** -- based on the  
23 discussion.

24 Okay. Any other concerns on Section VIII  
25 before we move forward?



1 All right. Hearing none, that takes us to  
2 Section --

3 **MR. McGLOTHLIN:** On Issue 28 --

4 **COMMISSIONER SKOP:** Okay.

5 **MR. McGLOTHLIN:** We, we wondered if staff is  
6 going to take a position on 28 in light of the staff  
7 auditor's testimony?

8 **COMMISSIONER SKOP:** Mr. Jaeger.

9 **MR. JAEGER:** I will check with staff. I  
10 believe that's the auditor's audit finding and we would  
11 check that. But they did have the \$12,020 was removed  
12 in non-utility expenses, and the 12,015 was a part of  
13 that 12,020. But I can check with the staff auditors  
14 and make sure whether we can take an issue on that, take  
15 a position.

16 **COMMISSIONER SKOP:** Mr. McGlothlin, does that  
17 address your concern?

18 **MR. McGLOTHLIN:** Yes, sir.

19 **COMMISSIONER SKOP:** All right. Very well.  
20 Any other questions on Section VIII before we move  
21 forward?

22 All right. Hearing none, Section IX, Exhibits  
23 List. Staff.

24 **MR. JAEGER:** We've been working on, first of  
25 all, the Comprehensive Exhibit List, and I think we

1 finished it just before I came down here. But we were  
2 looking through it one more time and we'll try to get  
3 that out to all the parties as quickly as we can.

4 And staff also intends to prepare a proposed  
5 stipulated exhibit list composed of certain discovery  
6 responses and deposition transcripts which it will  
7 provide to the parties in advance of the hearing.

8 **COMMISSIONER SKOP:** All right. Very well.  
9 Any other concerns on Section IX before we move forward?

10 **MR. McGLOTHLIN:** I think I heard staff say at  
11 the outset that we're going to add Andrew Woodcock's  
12 exhibits to the list.

13 **MR. JAEGER:** Yes. That was inadvertently left  
14 out. ATW-1 through 5 will be on the exhibit list.

15 **COMMISSIONER SKOP:** Any other concerns,  
16 Mr. McGlothlin?

17 **MR. McGLOTHLIN:** That's all.

18 **COMMISSIONER SKOP:** All right. Very well.  
19 Any other concerns on Section IX? Hearing none, Section  
20 IX will be adopted.

21 And that takes us to Section X, Proposed  
22 Stipulations. Staff.

23 **MR. JAEGER:** In addition to the issues that we  
24 went through earlier, there's two other stipulations.  
25 One is the parties agree that no used and useful

1 adjustment for water plant facilities and storage is  
2 required. And then also staff witnesses will be present  
3 as of 11:00 on the second day of the hearing. And then  
4 we were going, we were discussing that we would try to  
5 take them up that afternoon, if possible.

6 **COMMISSIONER SKOP:** All right. So  
7 acknowledged. Any other concerns on Section X? All  
8 right.

9 Hearing none, that takes us to Section XI,  
10 Pending Motions. Staff.

11 **MR. JAEGER:** About lunchtime today, we  
12 discussed this, OPC filed a motion to strike, and so  
13 that would be, that would change to the motion to strike  
14 as pending.

15 **COMMISSIONER SKOP:** All right. Very well.  
16 There's a motion to strike pending. I guess,  
17 Ms. Scoles, you probably just received this also; is  
18 that correct?

19 **MS. SCOLES:** Yes, Commissioner.

20 **COMMISSIONER SKOP:** I assume you'd want some  
21 opportunity to review it so you could respond.

22 **MS. SCOLES:** Yes, please.

23 **COMMISSIONER SKOP:** All right. Very well.  
24 All right. So we will not take the pending motion up at  
25 this time. I will give the parties opportunity to

1 respond to the motion and I'll make my ruling via order  
2 at the appropriate time. Any other concerns on Section  
3 XI, Pending Motions?

4 All right. Hearing none, that takes us to  
5 Section XII, Pending Confidentiality Matters. Staff.

6 **MR. JAEGER:** None that we know of.

7 **COMMISSIONER SKOP:** Okay. And I think we've  
8 recently addressed one; is that correct?

9 **MR. JAEGER:** Yes. We issued a confidentiality  
10 order on September 22nd.

11 **COMMISSIONER SKOP:** All right. Very well. No  
12 other questions on Section XII.

13 All right. Hearing none, we'll move to  
14 Section XIII, Posthearing Procedures. And number of  
15 words in the posthearing brief, typically 50 is  
16 provided. Any concerns from the parties?

17 **MR. McGLOTHLIN:** I request 80.

18 **COMMISSIONER SKOP:** All right. Ms. Scoles?

19 **MS. SCOLES:** No objection.

20 **COMMISSIONER SKOP:** All right. Very well.  
21 We'll allow the number of words to be 80 on the  
22 posthearing positions.

23 **MR. McGLOTHLIN:** In addition to that,  
24 Commissioner Skop, you'll see that Issue 12, working  
25 capital, there are many subparts or subissues to that

1 very broad subject, and we request either that the  
2 Commission entertain 50 words per subsection or perhaps  
3 a larger number for the entire issue.

4 **COMMISSIONER SKOP:** Okay. I'm a little  
5 confused there. I usually am following along pretty  
6 well. We allowed 80 words for the posthearing  
7 positions, and then I was going to move on to the number  
8 of pages in the posthearing briefs. But I think that  
9 you indicated there's additional concern?

10 **MR. McGLOTHLIN:** On Issue 12 --

11 **COMMISSIONER SKOP:** Okay.

12 **MR. McGLOTHLIN:** -- which is working capital

13 --

14 **COMMISSIONER SKOP:** Yes.

15 **MR. McGLOTHLIN:** -- there are numerous  
16 individual adjustments which could not be addressed even  
17 in the 80-word limitation.

18 **COMMISSIONER SKOP:** Okay.

19 **MR. McGLOTHLIN:** And you'll see that our  
20 approach has been to identify what I would call subparts  
21 by bullet points there. If we could have 50 per  
22 subpart, that would satisfy us.

23 **COMMISSIONER SKOP:** All right. Ms. Scoles,  
24 are you opposed to having 50 words per subpart on Issue  
25 12?

1           **MS. SCOLES:** No, Commissioner.

2           **COMMISSIONER SKOP:** Okay. All right. For  
3 Issue 12 I will allow 50 words per subpart. And with  
4 respect to the number of pages in posthearing briefs, 40  
5 is typically provided. I'd like to hear from the  
6 parties with respect to the posthearing brief page  
7 requirement.

8           **MR. McGLOTHLIN:** My, my thought is that if we  
9 have 40 issues thereabouts and a page per issue, we're  
10 about to exceed the usual limit. I would request 50.

11           **COMMISSIONER SKOP:** Okay. Very well.

12           Ms. Scoles.

13           **MS. SCOLES:** No objection.

14           **COMMISSIONER SKOP:** All right. Very well.  
15 Posthearing briefs will be limited to 50 pages. You  
16 guys are getting pretty good at reading my mind. All  
17 right. Any other concerns on Section XIII for  
18 posthearing procedures?

19           All right. And that brings us to Section XIV  
20 for rulings. And I'll make a ruling that opening  
21 statements should not exceed ten minutes, unless the  
22 parties have a concern with that.

23           **MR. McGLOTHLIN:** Not a concern, but a  
24 question. Perhaps I should know the answer to this.  
25 But in view of the fact we are going to have customer

1 participation at the outset of the technical hearing,  
2 does the Commission envision two opening statements, one  
3 for the benefit of the customers and one for the more  
4 technical aspects of the case, or a single opening  
5 statement? That's just for guidance. I'm not  
6 requesting one or the other.

7 **COMMISSIONER SKOP:** I'll look to staff. But  
8 typically Public Counsel gives, when we're in the  
9 customer hearing portion, each side gives a little  
10 presentation. It's typically, you know, five or ten  
11 minutes. And then when we conclude the customer hearing  
12 and we go into the technical portion of the hearing,  
13 then typically that's what opening statements refers to.  
14 But I'll look to Ms. Helton.

15 **MS. HELTON:** Mr. Chairman, it's been a while  
16 since I've traveled to one of these hearings. If I  
17 could ask staff's recollection.

18 **COMMISSIONER SKOP:** And Mr. McGlothlin and  
19 Ms. Scoles, if you're making opening statements for the  
20 customer hearing, I mean, certainly it would be ten  
21 minutes, the max, would be required for both sides.

22 **MS. SCOLES:** We'd be willing to waive the  
23 opening in the technical hearing if we've already made  
24 one in the customer hearing, or vice versa.

25 **COMMISSIONER SKOP:** All right. Mr. Jaeger or

1 Ms. Helton.

2 **MS. HELTON:** Maybe that makes the most sense,  
3 Commissioner Skop, if they were to give their opening  
4 statements prior to the customers taking the stand for  
5 the public portion of the hearing and then they just  
6 would not do that before the technical portion.

7 **COMMISSIONER SKOP:** Okay. And does staff have  
8 any concerns about the fact that when the customer  
9 portion of the record is open and then we conclude that  
10 portion and move into the technical hearing that there  
11 would be no opening statements?

12 **MS. HELTON:** That doesn't concern me. It's  
13 all part of the same record really, and it's all part of  
14 the competent, substantial evidence that you have to  
15 base your decision on. So, and I don't think if there  
16 were to be an appeal that that would confuse the court.

17 **COMMISSIONER SKOP:** Mr. Jaeger.

18 **MR. JAEGER:** I agree with Ms. Helton.

19 **COMMISSIONER SKOP:** Okay. To the parties,  
20 tell me, tell me what you like and we'll try and find a  
21 way to accommodate it.

22 **MR. MCGLOTHLIN:** I'm fine with the single  
23 opening.

24 **COMMISSIONER SKOP:** Okay.

25 **MS. SCOLES:** That's fine by me.



1           **COMMISSIONER SKOP:** All right. So what we'll  
2 have is we'll have ten minutes single opening per side,  
3 and we'll waive at the technical portion and we'll have  
4 opening statements at the beginning of the customer  
5 portion of the hearing. All right?

6           All right. Any other concerns on Section XIV  
7 before we move forward? All right. Hearing none, that  
8 brings us to any other matters. And, Staff.

9           **MR. JAEGER:** Yes, Commissioner Skop. I guess  
10 the parties are going to give me their new positions on  
11 the two issues and whatever. You know, Mr. McGlothlin  
12 would, by the close of business today, he said he'd do  
13 that.

14           Also where we did partial stipulations, I  
15 would probably, there's like one or two bullet points  
16 that I would probably take out, but you may, if you  
17 could give me a new position with the partial  
18 stipulation sort of included in that position, that  
19 would help. I'm talking about the -- Issue 11 and 12,  
20 if you'll give me a new position on 11 and 12. It may  
21 be just in addition to the partial stipulation noted at  
22 the end of this order, our position is this, or however  
23 you want to phrase that.

24           **COMMISSIONER SKOP:** All right. And to the  
25 parties also, based on staff's concerns, to the extent

1 that the parties' positions have changed by virtue of  
2 the discussion held at the Prehearing Conference, if the  
3 parties could provide such changes to staff by the close  
4 of business on Thursday, September 30th, I believe that  
5 will allow everyone adequate opportunity to change your  
6 positions in accordance with what we need to put in the  
7 Draft Prehearing Order.

8 **MR. MCGLOTHLIN:** Yes, sir.

9 **COMMISSIONER SKOP:** All right. Staff, any  
10 other concerns?

11 **MR. JAEGER:** That's all I have, Commissioner.

12 **COMMISSIONER SKOP:** All right. Mr. Willis, I  
13 saw you engaging in a discussion. Is there anything I  
14 need to know before we -- okay. Nothing I need to --

15 **MR. JAEGER:** Marshall says no.

16 **COMMISSIONER SKOP:** Okay. All right. All  
17 right. Very well. Any other concerns from the parties  
18 before we adjourn? All right. Very well. I'd like to  
19 thank the parties for appearing, and we'll conclude the  
20 meeting. We're adjourned.

21 (Prehearing Conference adjourned at 2:26 p.m.)  
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STATE OF FLORIDA        )  
                                  :                    CERTIFICATE OF REPORTER  
COUNTY OF LEON        )

I, LINDA BOLES, RPR, CRR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

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

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

DATED THIS 30<sup>th</sup> day of September, 2010.

Linda Boles  
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FPSC Official Commission Reporter  
(850) 413-6734