

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20200051-GU

PETITION FOR RATE INCREASE BY
PEOPLES GAS SYSTEM.

_____ /

DOCKET NO. 20200166-GU

PETITION FOR APPROVAL OF 2020
DEPRECIATION STUDY BY PEOPLES
GAS SYSTEM.

_____ /

PROCEEDINGS: SERVICE HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN GARY F. CLARK
COMMISSIONER ART GRAHAM
COMMISSIONER JULIE I. BROWN
COMMISSIONER DONALD J. POLMANN
COMMISSIONER ANDREW GILES FAY

DATE: Wednesday, October 7, 2020

TIME: Commenced: 6:30 p.m.
Concluded: 7:42 p.m.

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

REPORTED BY: DEBRA R. KRICK
Court Reporter

PREMIER REPORTING
114 W. 5TH AVENUE
TALLAHASSEE, FLORIDA

1 APPEARANCES:

2 ANDREW M. BROWN, ESQUIRE, Macfarlane Ferguson
3 & McMullen, P.O. Box 1531, Tampa, Florida 33601,
4 appearing on behalf of Peoples Gas System (PGS).

5 J.R. KELLY, PUBLIC COUNSEL; CHARLES REHWINKEL,
6 DEPUTY PUBLIC COUNSEL; A. MIREILLE FALL-FRY, ESQUIRES,
7 Office of Public Counsel, c/o The Florida Legislature,
8 111 West Madison Street, Room 812, Tallahassee, Florida
9 32399-1400, appearing on behalf of the Citizens of the
10 State of Florida (OPC).

11 JON C. MOYLE, JR., ESQUIRE, Moyle Law Firm,
12 The Perkins House, 118 North Gadsden Street,
13 Tallahassee, Florida 32301, appearing on behalf of
14 Florida Industrial Power Users Group (FIPUG).

15 KURT SCHRADER, BIANCA LHERISSON, JENNIFER
16 CRAWFORD, ESQUIRES, FPSC General Counsel's Office, 2540
17 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850,
18 appearing on behalf of the Florida Public Service
19 Commission (Staff).

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1 PROCEEDINGS

2 CHAIRMAN CLARK: All right. We will begin the
3 meeting, then, if everyone is ready.

4 Go ahead and call this evening to order --
5 meeting to order. Good evening.

6 I would like to welcome you all to this
7 customer service hearing in the Peoples Gas rate
8 case. Today's service hearing is an important part
9 of the rate case process, and is dedicated to
10 hearing from you, the customer.

11 My name is Gary Clark, and I have the
12 privilege of serving as the Chairman of the Florida
13 Public Service Commission.

14 On the line today are also Public Service
15 Commission Commissioners, Commissioner Brown,
16 Commissioner Fay, Commissioner Polmann and
17 Commissioner Graham. We are here to listen to your
18 comments about the service you receive from this
19 utility, as this is an important element in our
20 decision in this rate case.

21 I would like to give the commissioners an
22 opportunity to make any opening comments if they
23 wish. Any Commissioner have any opening comment?

24 All right. We will proceed along.

25 Staff counsel, would you please read the

1 notice?

2 MR. SCHRADER: Yes, Mr. Chairman.

3 By notice issued on September 17th, 2020, this
4 time and place has been set for a customer service
5 hearing in Docket No. 20200051-GU and Docket No.
6 20200166-GU.

7 CHAIRMAN CLARK: Thank you, sir.

8 All right. We will take appearances of
9 counsel now, beginning with Peoples Gas.

10 MR. BROWN: This is Andy Brown from the law
11 firm of Macfarlane Ferguson, and I am here with --
12 also on the line, not physically here with is Karen
13 Sparkman, the Vice-President of Customer
14 Experience, and Kandi Floyd, the Director of
15 Regulatory.

16 Thank you.

17 CHAIRMAN CLARK: Thank you, Mr. Brown.

18 OPC.

19 MS. FALL-FRY: Good evening. I am A. Mireille
20 Fall-Fry, and I am here on the line with J.R.
21 Kelly, the Public Counsel, and Charles Rehwinkel,
22 the Deputy Public Counsel.

23 CHAIRMAN CLARK: Thank you, Ms. Fall-Fry.

24 FIPUG, are you on the line?

25 MR. MOYLE: We are, Mr. Chairman.

1 Good evening. Jon Moyle on behalf of the
2 Florida Industrial Power Users Group, FIPUG, and
3 look forward to hearing from the customers this
4 evening.

5 CHAIRMAN CLARK: Thank you, Mr. Moyle.
6 Staff counsel.

7 MR. SCHRADER: Kurt Schrader for Commission
8 Staff. I also want to enter an appearance for
9 Bianca Lherisson and Jennifer Crawford.

10 CHAIRMAN CLARK: All right. Than thank you
11 very much. Did we get everyone making an
12 appearance?

13 All right. I want to begin by thanking all of
14 our customers that took time out of their schedule
15 tonight to call into this hearing. We appreciate
16 your interest in the petitions that have been filed
17 by Peoples Gas.

18 As I mentioned, this hearing is designed so
19 that we can hear directly from you, the customers.
20 This is your opportunity to express your thoughts,
21 concerns and comments related to the utility
22 serves. On October 27th through the 29th, the
23 Commission will hold a technical hearing, where we
24 will hear further evidence in this case.

25 The Commission will use your testimony and the

1 evidence from the technical hearing to determine
2 reasonable rates based on the cost of service and
3 Florida law.

4 If you have any specific service or billing
5 issues, the company has provided a representative
6 for you to contact for those participating in this
7 proceeding this evening. Mr. Pam -- Ms. Pam
8 Bayyat, Manager of Customer Experience Center will
9 be listening to the hearing, is available to field
10 customer calls post-hearing. Her contact number is
11 (813)228-1129.

12 The Office of Public Counsel is the group
13 created by the Florida Legislature to provide legal
14 representation for the people of the state in
15 utility related matters. They represent you in
16 this case, and if you have concerns or questions,
17 you may contact them at 1-800-342-0222.

18 Mr. Tripp Coston, Economic Supervisor here at
19 the Public Service Commission is the PSC
20 representative for this docket. And there are also
21 additional Commission staff on the line from our
22 Engineering Division, Accounting Division, as well
23 as the General Counsel's Office and the Consumer
24 Affairs Office.

25 This is an official hearing that will be

1 transcribed and become part of the official record.
2 As such, I will swear you in over the phone before
3 you share your comment. Please note that your
4 comments may also be subject to cross-examination;
5 that is, you may be asked questions either by the
6 parties or by one of the Commissioners.

7 For those customers calling in, we also ask
8 that you please mute your connection unless you are
9 speaking.

10 If your line is causing feedback or additional
11 noise, you may be muted or disconnected. If you
12 are disconnected for any reason, please call back
13 in as soon as you can.

14 When speaking, do not use the speaker function
15 on your telephone. Please speak directly into the
16 telephone or use a headset.

17 If you are participating by telephone, it is
18 recommended that you do not attempt to watch the
19 video stream of the event. There is a significant
20 delay between the live stream and the call-in
21 number, which may cause feedback issues.

22 In addition to sharing your comments here, you
23 may also share your comments and any digital
24 materials you would like to submit for the
25 Commission's consideration via email, or you may

1 email the Commission's Clerk at
2 clerk@psc.state.fl.us referencing Docket No.
3 20200051-GU.

4 Whether your comments are made verbally
5 tonight or we receive them in writing, be assured
6 that your comments are taken into consideration in
7 this matter.

8 Now, I would like to give the parties the
9 opportunity to make a brief opening statement. We
10 will begin with Peoples Gas, Mr. Brown.

11 MR. BROWN: I think Ms. Floyd is going to give
12 the opening statement.

13 CHAIRMAN CLARK: Ms. Floyd.

14 MS. FLOYD: Good evening. Good evening,
15 Chairman Clark, Commissioners, and ladies and
16 gentlemen. My name is Kandi Floyd, and I am the
17 director of regulatory for Peoples Gas System. We
18 appreciate having the opportunity to participate in
19 the customer service hearing this hearing.

20 Peoples proudly operates the largest retail
21 natural gas distribution system in the state of
22 Florida, and we provide natural gas to over 400,000
23 residential, commercial and industrial customers.
24 It has been 12 years since Peoples requested an
25 increase in base rates, which includes the customer

1 charge in the distribution component of the bill,
2 and is approximately half of the bill.

3 Peoples has avoided a base rate increase by
4 managing its costs and achieving balance regulatory
5 outcomes, such as the ability to lower base rates
6 by approximately five percent due to federal tax
7 decreases while successfully responding to high
8 customer demand growth.

9 Since the last base rate request, Peoples'
10 system has grown by 2,700 miles of pipeline and
11 over 105,000 customers. While our efforts have
12 prevented an increase to base rates for 12 years,
13 the combination and necessary system investments to
14 meet customer demand and ensure reliability,
15 increased costs, and evolving compliance
16 expectations require the company to now seek a base
17 rate increase.

18 A key strategic principle of Peoples is our
19 commitment do our customers, and we do take pride
20 in serving you, as well as continuing to improve
21 service and reliability.

22 For the eighth year in a row, our residential
23 customers have rated us the highest in customer
24 satisfaction in the South Segment Midsize JD Power
25 2020 Gas Utility Residential Customer Satisfaction

1 Study. Our score was highest in history of the
2 study.

3 Peoples' customers rely on the company to
4 provide a resilient and dependable energy source
5 especially through hurricane season. The majority
6 of Peoples' natural gas distribution system is
7 underground, and provides significant reliability
8 during hurricane events, resulting in minimal
9 outages and providing energy resilience post event.

10 Our current request to increase base rates
11 after 12 years will fund system improvements and
12 cover costs to manage our organization to the high
13 standards that our customers have come to expect.

14 While we understand that most of you will
15 provide input to the Commission about the company's
16 request, if you have any specific questions, as
17 Chairman Clark previously mentioned, please contact
18 Pam Bayyat. We will provide her number towards the
19 end of the hearing. And we also have Karen
20 Sparkman available to answer any questions that you
21 may have.

22 We would like to thank the Commissioners,
23 staff, again, and our customers for participating
24 in this hearing today and providing us the
25 opportunity to listen to our customers' needs.

1 Peoples understands that you have a choice in using
2 natural gas to meet your energy needs, and we do
3 take pride in providing that service throughout
4 Florida, and we appreciate your participation in
5 this hearing.

6 Thank you.

7 CHAIRMAN CLARK: Thank you, Ms. Floyd.
8 Representing OPC, Ms. Fall-Fry.

9 MS. FALL-FRY: Good evening. My name is A.
10 Mireille Fall-Fry, and I work with the Office of
11 Public Counsel.

12 Our office was legislatively created to be
13 separate and independent from the Public Service
14 Commission, and represent you, the customers. I
15 want to welcome you, and thank you for taking the
16 time to be with us today, and more importantly, for
17 taking the time to make your comments to the
18 Commission in this matter.

19 We are here because Peoples Gas is asking for
20 an annual rate increase of approximately \$85
21 million. We do not believe that PGS needs this
22 much money to continue to provide you with safe,
23 adequate and reliable service, nor have they
24 provided the evidence to support that request.

25 We have hired several utility experts who will

1 testify on your behalf. And at this time, we
2 believe that PGS should receive no more than \$42
3 million.

4 PGS is additionally requesting a return of
5 equity of 10.75 percent, which we advocate is
6 totally unreasonable under today's financial and
7 economic conditions, where interest rates are
8 decreasing for everyone else. Our expert is
9 recommending no more than a 9.5 percent return.

10 In addition, our accounting expert has
11 identified several areas of expenses in costs which
12 she believes are overstated, or not supported by
13 the evidence.

14 Today is your hearing. It is your opportunity
15 to express on the record your thoughts on this rate
16 increase. Please take advantage of this
17 opportunity. Address the Commissioners, who are
18 here to hear what you have to say, and let them
19 know how you feel about the quality of service you
20 receive from Peoples Gas; and more importantly,
21 your thoughts on this rate increase requested by
22 PGS, and how it will impact you and your family.

23 The Public Service Commission is holding these
24 hearings for the sole purpose of getting your
25 input. If you are watching the live stream of this

1 today and did not get an opportunity to sign up to
2 participate, you have one more chance tomorrow
3 morning. Please call 850-413-7080, or email
4 speaker signup@psc.state.fl.us and get signed up
5 for the hearing tomorrow morning to give your
6 comments. You may also email your comments to
7 clerk@psc.state.fl.us. And if you need assistance
8 doing either of these things, please contact our
9 Office of Public Counsel at 1-800-342-0222.

10 However you choose to participate, please take
11 the opportunity to do so.

12 Thank you.

13 CHAIRMAN CLARK: Thank you, Ms. Fall-Fry.
14 Florida Industrial Power Users Group, Mr.
15 Moyle.

16 MR. MOYLE: Thank you, Mr. Chairman.

17 I just have some -- some brief comments, and I
18 appreciate the opportunity to appear tonight, and
19 to be part of this customer hearing.

20 For the customers, my client -- clients are
21 different from yours in some ways, but then we have
22 some similarities as well. Most of my clients are
23 large users of electricity, and they employ
24 hundreds and hundreds of people, and provide a lot
25 of jobs, and they use natural gas and electricity,

1 we are in a natural gas case, to fuel their
2 operations, and anyway, I just wanted to share that
3 with you.

4 We have similarities in that certain things
5 that the utilities are seeking, like the return on
6 equity that's already been mentioned, would be the
7 same whether it's a residential natural gas
8 customer or an industrial natural gas customer.

9 And as an overview, these rate cases
10 oftentimes can fall -- the things that are being
11 requested can fall into a couple of buckets. I
12 think it's already been mentioned that one bucket
13 is needs, what's absolutely needed, and another
14 bucket is wants. What are things that would be
15 wanted, nice to have. And this Commission and the
16 parties will go through a rigorous process during
17 the technical hearing to -- to discern that.

18 I think one thing I just want to -- I want to
19 emphasize and underscore is we are in a tough
20 economic climate right now. We are in a recession.
21 The Federal Reserve has said that interest rates
22 are between zero and one quarter of a percent. And
23 that is -- you know, you can't get much lower than
24 that without going negative.

25 And that's an important fact when determining

1 what the utilities should earn on its return on
2 equity. What you heard OPC talk about, the return
3 on equity. And they noted that PGS is seeking a
4 return on equity of 10.75, over -- over 10 percent.
5 And there is typically a range with that. It would
6 go 10.75 up to 11.75, or down to 9.75, and as long
7 as they were earning within that range, that would
8 be okay. The Office of Public Counsel was saying,
9 no, that's too high. They actually have some
10 testimony that says it should go down a lot more,
11 but it should go down gradually, and they are
12 saying under 10 is -- is the better number, 9.5
13 percent, and that would be a range down to 8.5 or
14 to 10.5.

15 And we are going to spend time at the -- at
16 the technical hearing really focusing on that, and
17 arguing that given the tough economic situation,
18 given the cost of capital, given what the federal
19 funds rate is, and given what other commissions
20 around the country have been doing recently, that
21 the return on equity needs to be a number that is a
22 single digit number, not something that starts with
23 a 10, but under that.

24 So I just wanted to share that with you, and I
25 appreciate the chance to be here this evening, Mr.

1 Chairman.

2 Thank you.

3 CHAIRMAN CLARK: Thank you, Mr. Moyle.

4 All right. We are going to go into the part
5 of the meeting reserved for customer testimony. I
6 would like to remind the customers that the thing
7 the Commission is most interested in hearing is
8 regarding the quality of service that you, the
9 customer, receives from the utility company, and
10 your thoughts, any thoughts about the financial
11 impact of the rate increase itself.

12 I want to give every customer who has signed
13 up the opportunity to speak. Each customer will
14 have three minutes for public comment so that
15 everyone has a chance to get their comments on the
16 record today. We have a number of customers to
17 hear from, so I will put a timer on each of our
18 customers when you begin. I will give you a
19 warning at the three-minute mark and ask you to
20 wrap it up in about 10 seconds if go over your
21 three-minute allocation.

22 I will call your name when it's your turn to
23 speak in the order that you signed up. When I call
24 your name and you come on the line, I will swear
25 you in to speak before you begin your verbal

1 comments.

2 I would like to remind everyone that once
3 sworn in, the testimony that you provide will be
4 done under oath.

5 When you come on the line, please speak, state
6 your name, address, and state whether you are a
7 Peoples Gas customer, please. Your verbal comments
8 are being transcribed, and they will become part of
9 the official record for this case.

10 With that, I will begin by calling on our
11 customers for their testimony, and we are going to
12 begin with Shacria Deslandes. Shacria, are you on
13 the line? Shacria Deslandes. I am doing my best
14 with the name. I hope I am doing it right,
15 D-E-S-L-A-N-D-E-S.

16 All right. Next we have April Hanley. I have
17 April and Joel both. I don't know if you are both
18 planning to speak or just one of you. Mr. Hanley
19 or Ms. Strauss. I am sorry, Joel Strauss, April
20 Hanley. Neither of these parties on the line.

21 All right. Next sign-up is Luzelena Muñoz.

22 MS. MUÑOZ: Yes, I am here.

23 CHAIRMAN CLARK: Yes, did I pronounce that
24 correct, Ms. Muñoz?

25 MS. MUÑOZ: Yes, sir. Luzelena Muñoz.

1 CHAIRMAN CLARK: Okay. Thank you.

2 Whereupon,

3 LUZELENA MUNOZ

4 was called as a witness, having been first duly sworn to
5 speak the truth and testified as follows:

6 THE WITNESS: Yes.

7 CHAIRMAN CLARK: Okay. Thank you. You may
8 begin. You have three minutes.

9 PUBLIC COMMENT

10 MS. MUÑOZ: Well, basically when I received
11 the notification having the opportunity to
12 participate in this hearing and all of us --
13 (inaudible) -- thank you for the opportunity.

14 Yes, I basically have to let -- I know that
15 this is not news to anybody that we are facing a
16 very complicated decision right now economically,
17 and I believe that any increase, even if it's a
18 penny, is going to hurt everybody; because in my
19 case, I own a restaurant, and we -- (inaudible) --
20 we have so many -- you have no idea. And if we get
21 an increase in anything, we are facing increases --
22 (inaudible) -- increasing, and the -- (inaudible)
23 -- cannot even increase the size of the dishes that
24 we have planned to put on the table for people.
25 And I certainly believe that there are people maybe

1 can afford it, but there are people that cannot
2 afford, like is the case -- my case, and I believe
3 that many people that own a business are in the
4 same position, and many people that they leave and
5 they fail to pay a week, it's going to be
6 complicated for them too to support that. It's
7 going to create the crisis to be worse for you and
8 the company to have even more people to fall behind
9 on payment, and people falling behind.

10 CHAIRMAN CLARK: Okay. Anything else, Ms.
11 Muñoz?

12 Thank you very much for your comments.

13 MS. MUÑOZ: Thank you.

14 CHAIRMAN CLARK: All right. Any questions
15 from Commissioners for Ms. Muñoz?

16 Any questions from the parties?

17 MS. MUÑOZ: No.

18 MR. MOYLE: Mr. Chairman, I have a little
19 difficulty hearing the witness, and I wasn't sure.
20 I think she said any increase would hurt -- would
21 hurt her and other consumers. I just wanted to
22 make sure I heard that right.

23 CHAIRMAN CLARK: If I --

24 MS. MUÑOZ: Yes, sir.

25 CHAIRMAN CLARK: Ms. Muñoz, is that a fair

1 summary of your statement?

2 MS. MUÑOZ: It is.

3 CHAIRMAN CLARK: Great.

4 MS. MUÑOZ: And it's not just me. It's -- you
5 know, I have many friends that are in the -- the
6 restaurant business and they are in the same
7 position, where we cannot afford an increase in the
8 bills.

9 CHAIRMAN CLARK: Okay. Any questions from --

10 MR. MOYLE: Thank you.

11 CHAIRMAN CLARK: Any other questions from the
12 parties?

13 All right. Thank you very much, Ms. Muñoz.

14 Next we have Stanley Wulinski. Mr.

15 Wulinski --

16 MR. WULINSKI: Yes, I am here.

17 CHAIRMAN CLARK: Okay. Mr. Wulinski, you
18 have -- let me swear you in first.

19 Whereupon,

20 STANLEY WULINSKI

21 was called as a witness, having been first duly sworn to
22 speak the truth and testified as follows:

23 MR. WULINSKI: Yes, I do.

24 CHAIRMAN CLARK: All right. You have three
25 minutes, sir.

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PUBLIC COMMENT

MR. WULINSKI: Okay. I am here to do -- to dispute what they are saying about the increase. I have been a customer of Peoples Gas for over 30 years. Again, my name is Stanley Wulinski. I live at 1701 NE 42nd Street here in Pompano Beach, Florida.

They claim that the increase has not been availed to them for 12 years, and they are saying that the customer charge at present is \$11.40, the distribution charge is at .25465 percent. And my records I have here in front of me go back to 2009. I have 10 years of records.

In 2009 of May, my distribution charge was at 30 -- .3038, and every year since then it went up. At present, it is now at .46066. They are saying the customer charge didn't go up. My customer charge from -- on -- in May of 2009 went to \$12 and stayed at that \$12 all the way until December of 2018, and then it went to 11.40.

There are other things on my bill as well, where there were taxes put on. I have sent much of my billing to Mr. Coston and showed him, you know, so he could see what I am talking about.

And also I am a single person in a household,

1 and my bills started out, when I first had it for
2 the first 10 years or so, for about roughly \$8 to
3 \$10. Then they have gone up to \$30. And since
4 then, none of my bills have ever been, if you want,
5 the same. They have been all over the place. Even
6 at times when I wasn't here, they would have more
7 usage than at times when I was here using it.

8 So there has been increases in my bills, and
9 even as far as municipal taxes, they have showed
10 that they are charging a local tax and a franchise
11 fee, and then they took that off, and then they put
12 in just the franchise fee and what they called a
13 municipal public service fee. I have neighbors in
14 my area who do not have that on their bills at all.
15 What they have is basically the gross receipt tax
16 and then the PGA tax, distribution and customer
17 charge.

18 So I am very dissatisfied with the service,
19 because every time I call I don't get the proper
20 response. I also was double billed in 2009 for
21 February and March of 2009. I spoke to them, they
22 said there was going to be credit given. The
23 credit really was never given.

24 So I am very concerned about why they are
25 asking for an increase. They are saying they need

1 to put in -- they have put in new lines and
2 everything. That hasn't been done. And most of
3 the times, like I say, the stuff that has been put
4 in, we already paid for that in the past.

5 Thank you very much.

6 CHAIRMAN CLARK: All right. Thank you very
7 much.

8 Commissioners, any questions for Mr. Wulinski?

9 All right. Any of the parties have a question
10 for Mr. Wulinski?

11 Commissioner Brown.

12 COMMISSIONER BROWN: I just have a question,
13 Mr. Chairman. Thank you. I just have a question
14 of the witness.

15 I think he said that he spoke with Mr. Coston.
16 Is that of the Commission staff?

17 CHAIRMAN CLARK: Yes.

18 MR. WULINSKI: That's correct.

19 COMMISSIONER BROWN: Were you able to -- I
20 mean, I -- it's very impressive that you have your
21 bills all the way back for 10 years. Very -- you
22 are very thorough. Was he able to provide you with
23 some guidance on some of those -- some of those
24 things are out of the Commission and Peoples Gas,
25 quite frankly, control, including the municipal tax

1 and the franchise fee, those things are out of
2 everybody that's involved here's control. Was he
3 able to provide you some guidance?

4 MR. WULINSKI: He basically had asked me to
5 send some of the billing to him, which I did on
6 emails so that he could look at it and then he
7 would get back to me. As of yet, he still hasn't
8 gotten back to me, but I told him to take his time,
9 and he said he would use whatever he had when he
10 goes before the Commission or when he goes before
11 whoever to speak with Peoples Gas on it.

12 COMMISSIONER BROWN: And he is a very diligent
13 employee, so he will absolutely follow up with you.
14 And thank you for your participation today.

15 MR. WULINSKI: Thank you very much for your
16 hearing me.

17 CHAIRMAN CLARK: Thank you, Commissioner
18 Brown.

19 MR. WULINSKI: I appreciate it?

20 CHAIRMAN CLARK: Commissioner Polmann, do you
21 have a question for the witness?

22 COMMISSIONER POLMANN: Thank you, Mr. -- yeah.
23 Thank you, Mr. Chairman.

24 I understand that you had registered a number
25 of complaints or -- or made inquiries about your

1 billing, you said you were double billed. Did I
2 hear you correctly?

3 MR. WULINSKI: That's correct.

4 COMMISSIONER POLMANN: And you did not get a
5 satisfactory response?

6 MR. WULINSKI: That is correct.

7 COMMISSIONER POLMANN: Okay. Did you -- did
8 you get responses at all and they simply didn't
9 work out the way you wanted?

10 MR. WULINSKI: I did not receive any -- like I
11 said, I did not get back the response that I
12 wanted, and it wasn't really clarified, and I
13 thought it was, but apparently, as I look back on
14 these things, it wasn't.

15 And like I said, there were raises to my bill.
16 I don't understand why my customer charge was at
17 \$12 for almost 10 years and they are saying that it
18 was supposed to be under. They are saying the
19 present amount was 11.40. As I just said, the
20 11.40 only appeared on my bill in February of 2019.
21 Prior to that, from 2018 all the way back to 2009,
22 it was \$12. So there is an increase there. And
23 then also distribution charge was increased as
24 well, where I never had a distribution charge.
25 What they are saying there is a present one of

1 .25465. I have never had that on any of my bills
2 from 2000 -- in the last 10 years, actually.

3 Like I said, prior to 10 years ago, the bills
4 used to be on a small card. I paid roughly \$8 to
5 \$10. And then since then, I have been averaging
6 almost \$30 for less or the same amount of thermal
7 usage, because I don't go over 99 usage -- thermal
8 usages a year in an RS-1 class.

9 COMMISSIONER POLMANN: Okay. Okay. Well,
10 thank you.

11 It's probably appropriate for the customer
12 service representatives that are participating
13 here, the folks from Peoples Gas, to follow up with
14 that. Kandi, I don't know how you want to deal
15 with that, so I will just leave that with you.

16 MS. FLOYD: Sure, Commissioner Polmann. Thank
17 you.

18 Briefly, I can explain the 2019 -- the
19 customer charge, \$12 that was reduced to -- hold on
20 just a moment, I apologize -- \$11.40.

21 In 2019, we did, as a result of the tax jobs
22 increase reduction, we did provide a reduction too
23 that did affect the customer charge, so that did
24 impact residential and commercial bills from the
25 customer charge perspective, so that's why there

1 was a decline in 2019.

2 I do not know double billing back in 2009. We
3 would certainly be happy to look into that, Mr.
4 Strauss, and see if we can accommodate and
5 determine what the concern may have been there.

6 But as far as the other -- the other issue
7 that you had talked about, the 25-cent distribution
8 charge component, there are other components
9 included in the total volumetric charge that
10 includes clauses for energy conservation programs
11 and cast iron bare steel programs that make up the
12 total distribution volumetric component that will
13 show up on the bill as a total cents per therm
14 rate. And so what we are talking about in this
15 particular rate case is the -- the base component
16 of the 25 cents that's being adjusted. So
17 therefore, it may appear not in total what you
18 are -- what you are seeing on the bill, but there
19 are other components that are included in that
20 volumetric distribution rate that are outside of
21 what's being addressed in this rate case.

22 MR. WULINSKI: Well, it's just that there is
23 the aspect of transparency. It's not showing that,
24 as I see it. And like I said, the \$12, I -- you
25 are saying -- in this letter, you had said that

1 there hasn't been an increase in those charge over
2 12 years. Well, that's not true according to what
3 I have on my -- from my billings. That's what I am
4 disputing, and that's why I am saying, if there is
5 more clarity maybe, or more transparency, that
6 would be a different story.

7 But none of my bills, like I said, are the
8 same. They fluctuate unbelievably. And when I
9 look at most of them, they come out to around \$30
10 or so for the usage that I have, which is minimal,
11 you know. So that's all I am trying to get at.
12 And I can't see an increase, especially in these
13 economic times, and especially when you have
14 been -- you know, the company has charged more
15 before without being very transparent about it.
16 That's all I am saying.

17 Thank you very much.

18 MS. FLOYD: Thank you.

19 CHAIRMAN CLARK: All right. We will ask our
20 staff, if they would, to please make contact back
21 with Mr. Wulinski. Mr. Coston is here in the room
22 with us tonight, and he was nodding that he is
23 working on that, so we will ask him to please make
24 contact and see if we can get some clarification on
25 a couple of those things.

1 Other questions from Commissioners? Anyone?
2 Commissioner Fay.

3 COMMISSIONER FAY: Mr. Chairman, thank you.
4 And I think I would defer for your recommendation.
5 I just want to make sure the issue of the double
6 charge that he was told he would be credited gets
7 resolved, so whatever you think the best way to
8 proceed with that would be, but that's concerning
9 to me.

10 CHAIRMAN CLARK: Yes, sir. We are going to
11 ask staff to take a look at that and give us a --
12 give us some analysis on that as well.

13 COMMISSIONER FAY: Okay. Great. Thank you.

14 CHAIRMAN CLARK: Thank you.

15 All right. Other questions for this customer?

16 MS. FALL-FRY: Yes, Mr. Chair.

17 CHAIRMAN CLARK: Yes, Ms. Fall-Fry.

18 MS. FALL-FRY: Mr. Wulinski, would it be okay
19 if I gave you a call tomorrow? Because OPC would
20 also like to get involved, but probably don't want
21 to spend time reading my very long email address.

22 MR. WULINSKI: Sure. That's no problem.
23 Uh-huh.

24 MS. FALL-FRY: Okay. Thank you. And I will
25 make sure that the Commission gets copied on

1 anything we get.

2 MR. WULINSKI: Thank you very much. I
3 appreciate.

4 CHAIRMAN CLARK: Thank you as well, Ms.
5 Fall-Fry.

6 All right. Any other questions for Mr.
7 Wulinski?

8 MR. MOYLE: Mr. Chairman, I just had a
9 clarifying question, if I could.

10 CHAIRMAN CLARK: Mr. Moyle.

11 EXAMINATION

12 MR. MOYLE: Sir, I was trying to follow your
13 discussion where you said your bills were, you
14 know, around \$10, and then they went up to \$30.
15 The timeframe of that, was that all within the last
16 12 years, and you are -- you just heard tonight
17 where Peoples has said, well, we hadn't had any
18 increases in, you know, 12 years, and you are
19 saying, no, wait a minute, my bill has been -- was
20 \$10 for a long time, and then it went up to 30,
21 was -- was the change that you saw, the increase
22 that you saw from 10 to 30 within that 12-year
23 period?

24 MR. WULINSKI: Yes, it was. Yes. From 2009
25 all the way up. Prior to 2009, it was below -- it

1 was below, like I said, between \$8 and \$10.
2 Beginning with 2009, it went up to 30 -- around
3 \$30. Sometimes it was 40. Then it would go down
4 again, and back and forth.

5 I mean, I sent -- like I said, I sent this
6 information to Mr. Coston, so he -- he has a copy
7 of it and he can, you know, he can show you if you
8 want clarification of all the different bills that
9 I had, and the usage; and where sometimes the same
10 usage and you would have -- like here is one, I
11 have 5.2 usage, and the bill on this one is \$20.86,
12 and then again 5.2 and it's 29.92, so it doesn't
13 make sense.

14 MR. MOYLE: Okay. And did you raise this
15 issue with peoples at all and get it -- if you did,
16 did you get --

17 MR. WULINSKI: Yes, I did.

18 MR. MOYLE: -- a response at all?

19 MR. WULINSKI: Yes, several times I raised the
20 issue. They said, oh, you will be receiving a
21 credit, and I never really checked to see, but I
22 didn't get any credit as I looked through it, so --
23 or maybe they did something. I don't know. You
24 know, like I said, some of the bills I don't even
25 know if they were estimated bills or actual bills,

1 so I can't even tell.

2 MR. MOYLE: Okay. Thank you.

3 MR. WULINSKI: You are welcome. Thank you.

4 CHAIRMAN CLARK: Thank you, Mr. Moyle.

5 Any other questions?

6 All right. Thank you, Mr. Wulinski, for
7 participating with us this evening.

8 MR. WULINSKI: Okay. Thank you, sir. Good
9 night.

10 CHAIRMAN CLARK: All right. Next up is
11 Mr. Ralph Hirschhorn. Mr. Hirschhorn, are you
12 available? Mr. Hirschhorn.

13 I also have a Ms. Madeline Hirschhorn. Are
14 either of you on the line?

15 Okay. We will move to our next speaker, GT
16 Goros. Mr. or Ms. Goros, G-O-R-O-S.

17 All right. And next is Kenneth Pierce,
18 Mr. Pierce.

19 MR. PIERCE: Yes, I am on the line.

20 CHAIRMAN CLARK: Is this Mr. Pierce? Mr.
21 Pierce, is this you?

22 MR. PIERCE: This is Ken Pierce. Can you hear
23 me?

24 CHAIRMAN CLARK: Yes, Mr. Pierce, we can hear
25 you.

1 MR. PIERCE: Okay. I just took it off
2 speakerphone as you requested. Can you still hear
3 me?

4 CHAIRMAN CLARK: Yes, we can hear you now loud
5 and clear. Let me swear you in, Mr. Pierce.

6 MR. PIERCE: Excellent.

7 Whereupon,

8 KENNETH PIERCE

9 was called as a witness, having been first duly sworn to
10 speak the truth and testified as follows:

11 MR. PIERCE: Yes, I do.

12 CHAIRMAN CLARK: All right. Thank you, sir.
13 You have three minutes.

14 PUBLIC COMMENT

15 MR. PIERCE: Okay. I appreciate your
16 consideration and inviting the public to comment
17 on -- in a hearing like this. And for a number of
18 reasons, I strongly oppose, and I believe that the
19 PSC is duty-bound to oppose the TECO rates and
20 service charges that are proposed in this docket.

21 I think the TECO proposal is spectacularly
22 excessive on its face. For example, in rate class
23 RS-1, TECO proposes to raise the customer charge by
24 42 percent, and the distribution charge by
25 35 percent, and the extreme excesses don't stop

1 there. If you look at rate classification RS-2,
2 the proposal is to go to 38 percent, and under the
3 RSG generator class, they go to 46 percent.

4 So the numbers are very high in the abstract,
5 but you notice that TECO justifies their, what I
6 regard as a wild proposal by saying that they have
7 not raised rates for 12 years. So I looked at the
8 all Consumer Price Index, CPI, over the last 12
9 years. Guess what, it's only risen 18.7 percent in
10 the past 12 years, nowhere near TECO's request for
11 increases that are 42 and 46 and 35 percent.

12 And there is one other reason I think that it
13 appears to be mandatory that the PSC reject what
14 TECO is proposing in their rate increase, which is
15 that we are living in the midst of a historic
16 long-term reduction in the price of natural gas.
17 In the past 12 years, the average yearly closing
18 market price for natural gas, I looked it up, has
19 dropped by 79 percent.

20 So given these economic facts, TECO should be
21 lowering the distribution charge set 12 years, and
22 I think that the PSC should require that.

23 I have got the prices handy that I looked up.
24 There is a chart on-line from a company called
25 Major Trends that gives you the average annual

1 Henry Hub closing price, which is what I am relying
2 on. And in 2008, for the year, it was \$8.86, and
3 in 2020, it was -- this was September 29th, it was
4 \$1.87.

5 Those are my reasons in short outline, and I
6 thank you for the opportunity to make this case.
7 And I am a TECO customer, and I reside in Sarasota
8 at 1350 Tangier Way in Sarasota, Florida?

9 CHAIRMAN CLARK: Thank you very much, Mr.
10 Pierce.

11 Commissioners, do you have questions for Mr.
12 Pierce? Questions?

13 All right, Commissioner Polmann.

14 COMMISSIONER POLMANN: Thank you, Mr.
15 Chairman.

16 I am just wondering if anyone wants to make a
17 comment about the fuel charge being a separate bill
18 item. I will leave that to your discretion, sir.

19 Thank you.

20 CHAIRMAN CLARK: Yeah, if Mr. Coston, would
21 you like to address that?

22 MR. COSTON: Yes. Thank you, Chairman.

23 MR. PIERCE: I didn't -- I would be happy to.
24 I didn't hear the question clearly. Could he say
25 it -- maybe my phone connection wasn't helpful,

1 could you say it again slowly?

2 CHAIRMAN CLARK: Mr. Pierce, our staff is --
3 Commissioner Polmann asked a question that our
4 staff is going to address. He is going to
5 elaborate on how --

6 MR. PIERCE: I am sorry, okay.

7 CHAIRMAN CLARK: -- the fuel charges work on
8 the bill.

9 MR. COSTON: Thank you, Chairman. Tripp
10 Coston with Commission staff.

11 Yes, the fuel charge -- as it relates to this
12 particular rate case, the fuel charge is what we
13 call a pass-through charge, which means whatever
14 the utility pays for natural gas in any given
15 month, that amount of money is passed on to the
16 customers, that they do not make a profit off of
17 that particular endeavor, and it is completely
18 transferred to the customers appropriately from a
19 distribution perspective.

20 So that -- this particular rate case, and
21 numbers that we are -- the Commission, rather, is
22 considering under this rate case does not include
23 specific costs associated with the natural gas.

24 CHAIRMAN CLARK: Mr. Coston, for the benefit
25 of those listening, would you -- can you elaborate

1 on some of the other charges that are included in
2 the distribution charge besides the energy
3 function -- the bill function?

4 MR. COSTON: Yes, in the distribution charge,
5 the volumetric distribution charge that is
6 included, one of the things -- there is a lot of
7 operational costs, infrastructure costs and
8 different components that the utility must have in
9 place to be able to provide the natural gas to the
10 customers that are in their system, the maintenance
11 of those -- of that infrastructure and such, that
12 is what is being looked at from the -- when we have
13 the energy charge by natural charges as well.

14 CHAIRMAN CLARK: And so the fuel --

15 MS. MUÑOZ: The connection is very poor.

16 CHAIRMAN CLARK: The fuel charge --

17 COMMISSIONER FAY: Mr. Chairman, he might need
18 to move to another mic. I think we are having that
19 same problem we had this morning, where he is
20 cutting out a little bit.

21 CHAIRMAN CLARK: I am sorry, me -- me or Mr.
22 Coston?

23 COMMISSIONER FAY: Mr. Coston.

24 CHAIRMAN CLARK: Okay. So in a -- in a gas
25 bill, the distribution charge will include, you

1 were saying, operational costs will include
2 infrastructure costs, it also includes the cost of
3 purchased gas, purchased gas price; is that
4 correct?

5 MR. COSTON: Yes.

6 CHAIRMAN CLARK: So we would see -- you would
7 expect to see that number fluctuate on a -- do they
8 true-up monthly or quarterly, their pass-through
9 costs?

10 MR. COSTON: I will have to check on that,
11 Commissioner.

12 CHAIRMAN CLARK: Okay.

13 MR. COSTON: But I do know on a monthly basis
14 that that is something that is looked at.

15 CHAIRMAN CLARK: So it is changed on a monthly
16 basis?

17 MR. COSTON: That is correct.

18 CHAIRMAN CLARK: So consumers should expect
19 each month the distribution cost to change, and
20 that would fluctuate -- a portion of that would
21 fluctuate based on the cost to purchase gas?

22 MR. COSTON: Correct, because of the fuel
23 costs associated in that, that is correct?

24 CHAIRMAN CLARK: Okay. Commissioner Polmann,
25 does that answer part of your question at least?

1 COMMISSIONER POLMANN: Well, it answered my
2 question. I am trying to highlight a reason why
3 there could be a fluctuation in the bill even
4 though the thermal use would show that the therms
5 on the bill could be the same but the actual
6 dollars could be different. So I -- for me, that's
7 a clarification. I am hoping for the -- for the
8 customer that it's a clarification.

9 CHAIRMAN CLARK: Yes, sir. So the answer to
10 that was because of the monthly pass-through gas
11 cost, that changes each month, and that -- you
12 could have the same volume, higher price one month,
13 lower price the next month on purchased gas, and
14 that is a direct pass-through, is that the correct
15 answer?

16 Ms. Floyd, you are on the line. I saw you pop
17 in there for a second. Do you want to -- you know
18 your bill better than I do. Do you want to answer
19 that question?

20 MS. FLOYD: Sure. No problem.

21 Yes, sir, that is correct. The purchased gas
22 adjustment, which is the fuel portion of the bill,
23 as Mr. Coston alluded to, it can change every
24 month, that rate can change and fluctuate. So
25 depending on the volumetric use of the customer's

1 bill, they might see fluctuations from month to
2 month if that price does change. Otherwise, your
3 customer charge will remain the same every month,
4 and the distribution component can change again
5 because it's volumetric. And then the PGA, as you
6 said before, that is a price that does change every
7 month and it is not being considered as part of
8 this case, that can also affect the pricing of the
9 bill to change each month as well.

10 MR. PIERCE: If I may, I would like to -- may
11 I clarify something, sir?

12 CHAIRMAN CLARK: Yes, Mr. Pierce.

13 MR. PIERCE: Just to be very clear, the
14 distribution charge is pro -- which does not
15 include the gas, is proposed to increase by 35
16 percent in rate classes RS-1 and 2 at least, and
17 also I think in some others. And the customer
18 service charge -- the customer charge, which has
19 nothing to do with the gas price, under RS-1 is
20 increasing by 42 percent, and under RS-2 by 38
21 percent, and under RSG by 46 percent, so -- and
22 under RSGHP by 47 percent.

23 So I do think that it is useful to realize we
24 are in an industry which -- where the product is
25 declining historically and -- and seriously, but

1 the prices that are increasing here are --
2 shouldn't be confused with the product price issue.
3 These are just huge increases and way above any
4 inflation or other type of cost adjustments that I
5 am familiar with. And that's why I call them
6 wildly excessive.

7 CHAIRMAN CLARK: Yes, sir. I -- you are
8 absolutely correct. I think you quoted the numbers
9 correctly. Those -- those are fair assessments.

10 Other questions?

11 Ms. Floyd, I would ask one other question.
12 We -- we heard tonight I believe one -- I believe
13 it may have been Mr. Pierce talked about the Henry
14 Hub price, and we see that number thrown and a lot
15 in terms of natural gas pricing.

16 When we -- you send out a bill to a customer
17 30 days after the usage has occurred, how does the
18 price that you have contracted compared to Henry
19 Hub? Are you purchasing gas on a daily basis, or
20 do you have contractual agreements that could be
21 higher and lower than what Henry Hub states?

22 MS. FLOYD: We -- we do. Yes, sir, Chairman,
23 we do have -- we do have contracts that we secure
24 for our fuel pricing, which would include Henry Hub
25 pricing, and we also have spot pricing as well.

1 So when you are looking at the total purchased
2 gas adjustment fuel delivered price, not only does
3 that consider what the market price is, but there
4 is also other adders of transportation and
5 commodity costs that are included beyond the Henry
6 Hub to transport that gas to our -- our gate
7 stations potentially.

8 CHAIRMAN CLARK: Okay. Thank you.

9 Other questions for the witness? Any
10 questions for the witness?

11 All right. Any questions from any of the
12 parties for the witness?

13 Okay. I believe that was our last customer.
14 I do want to go back and see if any of the other
15 callers made it on that we may have overlooked.

16 Ms. Hanley or Mr. Strauss, are you on the
17 line?

18 Mr. Ralph Hirschhorn or Madeline Hirschhorn?

19 GT Goros. GT Goros. G-O-R-O-S. I'm probably
20 mispronouncing that as well. Any of you on the
21 line?

22 Okay. Well, thank you again for taking time
23 out of your schedules tonight to call in to the
24 service hearing. Your comments and testimony are
25 very important to the process and we appreciate you

1 assisting us in the proceeding. If you have any
2 questions, feel --

3 MS. FALL-FRY: Mr. Chair.

4 CHAIRMAN CLARK: Yes.

5 MS. FALL-FRY: I am sorry. Shacria Deslandes,
6 we didn't -- you didn't call her again.

7 CHAIRMAN CLARK: I'm sorry.

8 MS. FALL-FRY: I just want to make sure she's
9 not on the line.

10 CHAIRMAN CLARK: I am sorry. I apologize. I
11 did overlook that one.

12 Shacria Deslandes, are you on the line?

13 All right. Still a no.

14 Again, feel free to contact our staff or
15 company represent at this or the Office of Public
16 Counsel, they are the ones that represent you in
17 this case.

18 Any remarks or comments from our staff before
19 we close?

20 Mr. Coston?

21 MR. COSTON: Thank you, Chairman.

22 Again, this is Tripp Coston with Commission
23 staff, and I just wanted to share for those who may
24 be watching or listening today to this hearing that
25 information about this particular case is available

1 on the Commission's website, and our website is
2 floridapsc.com, and you can find that information
3 on our home page. And there is a header called hot
4 topics, it will be the first thing under that
5 header.

6 And I just want to highlight two areas that
7 you can access under the particular rate case on
8 our web page. One is there is a document and a
9 link that is called Rate Case Overview. That is a
10 document that the Commission staff has put together
11 that provides a summary and details on this
12 particular rate case, as well as you will be able
13 to find my contact information, as well as contact
14 information from other technical staff. And if you
15 have any questions, please reach out to us, and we
16 will do everything to be able to answer that
17 question and provide information concerning how
18 this process works.

19 And second, for those who may be listening or
20 watching who were not able to participate directly
21 today, there is another link in this particular
22 section of our web page that is entitled Customer
23 Comment Card. If you click on that, you are able
24 to print out a document that has the Commission's
25 web -- excuse me, mailing address on it. You can

1 complete and provide comments within this document
2 in this form and you can mail those to the
3 Commission, and we will make sure that your
4 comments are included in the docket for
5 consideration in this case.

6 Thank you, Chairman.

7 CHAIRMAN CLARK: All right. Thank you very
8 much.

9 Any other staff?

10 All right. Commissioners, any closing
11 comments this evening?

12 All right. Seeing and hearing none, we will
13 stand adjourned until tomorrow morning at 9:30 a.m.

14 Thank you so much.

15 (Proceedings concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby
certify that the foregoing proceeding was heard at the
time and place herein stated.

IT IS FURTHER CERTIFIED that I
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I FURTHER CERTIFY that I am not a relative,
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DATED this 22nd day of October, 2020.



DEBRA R. KRICK
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