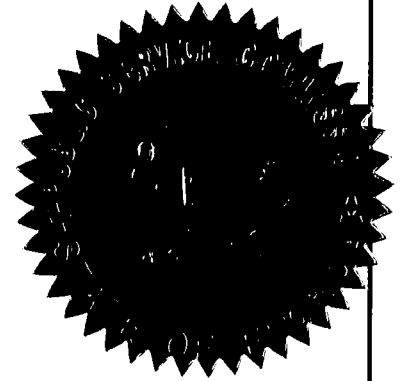


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET 060657-GU

In the Matter of:

PETITION FOR APPROVAL OF ACQUISITION
ADJUSTMENT AND RECOGNITION OF REGULATORY
ASSET TO REFLECT PURCHASE OF FLORIDA CITY
GAS BY AGL RESOURCES, INC.



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PROCEEDINGS: AGENDA CONFERENCE
 ITEM NO. 12

BEFORE: CHAIRMAN LISA POLAK EDGAR
 COMMISSIONER MATTHEW M. CARTER, II
 COMMISSIONER KATRINA J. McMURRIAN
 COMMISSIONER NANCY ARGENZIANO
 COMMISSIONER NATHAN A. SKOP

DATE: Tuesday, October 23, 2007

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

REPORTED BY: JANE FAUROT, RPR
 Official FPSC Reporter
 (850) 413-6732

DOCUMENT NUMBER - DATE

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FPSC-COMMISSION CLERK

1 PARTICIPATING:

2 BETH KEATING, ESQUIRE, representing Florida City Gas.
3 Gas.

4 CHARLES BECK, ESQUIRE, representing the Office of
5 Public Counsel.

6 RALPH JAEGER, ESQUIRE, and ANNE MARSH, representing
7 the Florida Public Service Commission Staff.

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CHAIRMAN EDGAR: That brings us to Item 12.

MS. MARSH: Commissioners, I'm Anne Marsh with the Commission staff.

This item is an acquisition adjustment by Florida City Gas. Staff is recommending approval of the company's proposal.

Late yesterday afternoon we received an e-mail from Public Counsel stating some concerns with Issue 2. It's my understanding that subsequent to that Public Counsel and the company reached agreement over some language to be included as pertains specifically to that issue, and I'm prepared to read that language to you now.

"We will allow above-the-line treatment of these expenses in this case because this company has agreed not to seek rate relief for a period of five years, and the company has agreed to an accelerated amortization period such that these costs will be fully amortized by the end of the five year stay-out period, thus allowing above-the-line accounting of these costs in this case will not raise rates. Approval of this accounting treatment for these transaction and transition costs as specified herein is strictly limited to the facts of this case and shall not be considered precedential for purposes of future Commission proceedings addressing similar costs associated with other utility acquisition adjustment

1 proposals."

2 Both the company and Public Counsel are present and
3 will speak.

4 CHAIRMAN EDGAR: Thank you.

5 Mr. Beck.

6 MR. BECK: Thank you, Madam Chairman.

7 Staff is correct. With that language in the Proposed
8 Agency Action order, it's good with us. We're concerned about
9 the precedent in other cases where the Commission has required
10 transitional and transaction costs to be below-the-line. But
11 in this case those are going to be amortized before the end of
12 the staff period and won't have any effect on rates, and we are
13 good with recommending that language.

14 CHAIRMAN EDGAR: Ms. Keating.

15 MS. KEATING: Good morning, Madam Chair,
16 Commissioners.

17 With me today I just wanted to introduce some of the
18 representatives from Florida City Gas and Atlanta Gas/Light.
19 I've got Mr. Charles Rawson here with me, Mr. Melvin Williams,
20 and behind me is Mr. Ron Hanson, as well as Mr. Jay Sutton.

21 We are, quite obviously, very supportive of your
22 staff's recommendation. We appreciate, as well, your staff's
23 guidance and Office of Public Counsel working with us so
24 diligently and on a very expedited basis so that we could find
25 a solution to our issues and move forward this morning.

1 CHAIRMAN EDGAR: Thank you.

2 Commissioners, any questions for our staff, OPC, or
3 the company representatives?

4 Seeing none, is there a motion?

5 COMMISSIONER ARGENZIANO: So moved.

6 COMMISSIONER CARTER: Second.

7 CHAIRMAN EDGAR: We have a motion and a second in
8 favor of the staff recommendation, which would include the
9 language that our staff has read to us today.

10 Is there any further discussion?

11 Seeing none, all in favor say aye.

12 (Unanimous affirmative vote.)

13 CHAIRMAN EDGAR: Opposed?

14 Show it adopted.

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STATE OF FLORIDA)

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CERTIFICATE OF REPORTER

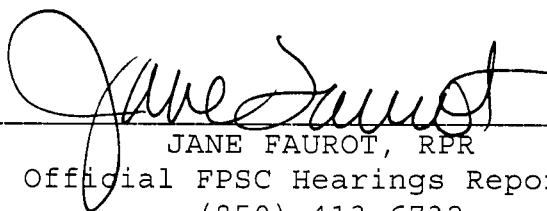
COUNTY OF LEON)

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, 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' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 26th day of October, 2007.



JANE FAUROT, RPR

Official FPSC Hearings Reporter
(850) 413-6732