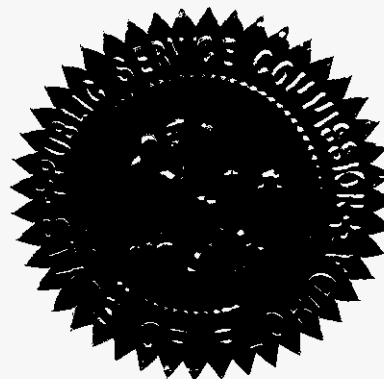


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 090003-GU

PURCHASED GAS ADJUSTMENT  
(PGA) TRUE-UP.



PROCEEDINGS: PREHEARING CONFERENCE

COMMISSIONER PARTICIPATING: COMMISSIONER NATHAN A. SKOP  
PREHEARING OFFICER

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

TIME: Commenced at 9:30 a.m.

DATE: Tuesday, October 20, 2009

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

DOCUMENT NUMBER-DATE

10837 OCT 20 09

FPSC-COMMISSION CLERK

## 1 APPEARANCES:

2 BETH KEATING, ESQUIRE, Akerman Law Firm, 106  
3 East College Avenue, Suite 1200, Tallahassee, FL 32301,  
4 appearing on behalf of Florida City Gas and AGL  
5 Resources, Inc.

6 ANSLEY WATSON, JR., ESQUIRE, Macfarlane,  
7 Ferguson and McMullen, Post Office Box 1531, Tampa,  
8 Florida 33601-1531, and MATTHEW R. COSTA, TECO Energy,  
9 Inc., Post Office Box 111, Tampa, Florida 33601-0111,  
10 appearing on behalf of Peoples Gas System.

11 NORMAN H. HORTON, JR., ESQUIRE, Messer  
12 Caparello & Self, P.A., Post Office Box 15579,  
13 Tallahassee, Florida 32317, appearing on behalf of  
14 Florida Public Utilities Company.

15 PATRICIA CHRISTENSEN, Associate Public  
16 Counsel, Office of Public Counsel, c/o The Florida  
17 Legislature, 111 W. Madison Street, Room 812,  
18 Tallahassee, Florida 32399-1400, appearing on behalf of  
19 the Citizens of the State of Florida.

20 STUART L. SHOAF, St. Joe Natural Gas Company,  
21 Inc., Post Office Box 549, Port St. Joe, Florida  
22 32457-0549, appearing on behalf of St. Joe Natural Gas  
23 Company, Inc.

24

25

## 1 APPEARANCES (Continued):

2 KATHERINE FLEMING, ESQUIRE, FPSC General  
3 Counsel's Office, 2540 Shumard Oak Boulevard,  
4 Tallahassee, Florida 32399-0850, appearing on behalf of  
5 the Florida Public Service Commission Staff.

6 MARY ANNE HELTON, Deputy General Counsel,  
7 Florid Public Service Commission, 2540 Shumard Oak  
8 Boulevard, Tallahassee, Florida 32399-0850, Advisor to  
9 the Florida Public Service Commission.

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## P R O C E E D I N G S

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2           **COMMISSIONER SKOP:** Good morning. I would  
3 like to call this prehearing to order, Commissioner Skop  
4 presiding. If staff could please read the notice.

5           **MS. FLEMING:** Pursuant to notice issued by the  
6 Commission Clerk, this time and place has been set for a  
7 prehearing conference in the following dockets,  
8 090001-EI, 090002-EG, 090003-GU, 090004-GU, and  
9 090007-EI.

10           **COMMISSIONER SKOP:** Thank you. And take  
11 appearances from counsel and staff, please.

12           **MR. WATSON:** I am Ansley Watson, Jr. of  
13 McFarlane, Ferguson and McMullen, and together with  
14 Matthew R. Costa of TECO Energy, Inc., we are appearing  
15 for Peoples Gas System in the 03 and 04 dockets.

16           **COMMISSIONER SKOP:** Thank you. And if each  
17 party, when they make their appearances, could specify  
18 which dockets they are appearing for it would be very  
19 helpful.

20           **MR. BADDERS:** Good morning, Commissioner,  
21 Russell Badders, along with me, Steven R. Griffin and  
22 Jeffrey A. Stone, appearing on behalf of Gulf Power  
23 Company in the 01, 02, and 07 dockets.

24           **MR. BUTLER:** Good morning, Commissioner. John  
25 Butler appearing on behalf of Florida Power and Light

1 Company. Also appearing will be Wade Litchfield in the  
2 01, 02, and 07 dockets. And then additionally, Ken  
3 Rubin in the 02 dockets. So it is 090001, 2, and 7 for  
4 Butler and Litchfield, and then also Rubin in 02. Thank  
5 you.

6 **MR. BEASLEY:** Good morning, Commissioner.  
7 James D. Beasley along with Lee L. Willis, both of the  
8 law firm of Ausley and McMullen in Tallahassee,  
9 representing Tampa Electric Company in the 01, 02, and  
10 07 dockets.

11 **COMMISSIONER SKOP:** Thank you.

12 **MR. HORTON:** Good morning. Norman H. Horton,  
13 Jr., Messer, Caparello and Self, appearing on behalf of  
14 Florida Public Utilities Company in the 01, 02, 03, and  
15 04 dockets, and for Sebring Gas System in the 04 docket.

16 **MR. BURNETT:** Good morning, sir. John Burnett  
17 for Progress Energy Florida appearing in the 01, 02, and  
18 07 dockets, along with Alex Glenn, and Gary Perko,  
19 appearing in the 07 docket.

20 **MS. CHRISTENSEN:** Patty Christensen on behalf  
21 of the Office of Public Counsel appearing in the 03  
22 docket, and Patty Christensen and Charlie Beck on behalf  
23 of the Office of Public Counsel appearing in the 01, 02,  
24 and 07 dockets.

25 **MS. KEATING:** Good morning. Beth Keating,

1 Akerman Senterfitt, here today on behalf of Florida City  
2 Gas in the 03 and 04 dockets, and the Florida Division  
3 of Chesapeake Utilities in the 04 docket.

4 **MR. McWHIRTER:** John McWhirter on behalf of  
5 the Florida Industrial Power Users Group in the 01, 2,  
6 and 7 dockets. I am in association with the law firm of  
7 Keefe Anchors Gordon and Moyle, whose names and  
8 addresses also appear on the prehearing statements.

9 **MR. TAYLOR:** Alvin Taylor, and also making an  
10 appearance is James Brew on behalf of White Springs  
11 Agricultural Chemicals, doing business as PCS  
12 Phosphate - White Springs, appearing in the 01 and 02  
13 dockets.

14 **COMMISSIONER SKOP:** Great. And then it is  
15 also my understanding that we have Captain McNeill on  
16 the phone. Is that correct, Captain? Can you hear us?

17 **CAPTAIN McNEILL:** Yes, Commissioner Skop.  
18 Good morning. Captain Shayla McNeill and Captain Allan  
19 Jungles on behalf of the Federal Executive Agencies.

20 **COMMISSIONER SKOP:** Very well. Thank you.  
21 Staff.

22 **MR. WRIGHT:** Mr. Chairman.

23 **COMMISSIONER SKOP:** I'm sorry.

24 **MR. WRIGHT:** Robert Scheffel Wright, Young van  
25 Assenderp, appearing on behalf of the Florida Retail

1 Federation in the fuel docket 0001, and also appearing  
2 on behalf of Indiantown Gas Company in the 0004 gas  
3 conservation docket. Thank you.

4 **COMMISSIONER SKOP:** Thank you. You were  
5 hiding over there, I didn't see you. I apologize.

6 Any other parties before I go to staff?  
7 Seeing none, staff.

8 **MS. BENNETT:** Lisa Bennett, Erik Sayler, Keino  
9 Young, and Anna Williams in the 01 docket.

10 **MS. BROWN:** Martha Carter Brown and Anna  
11 Williams in the 07 docket.

12 **MS. FLEMING:** Katherine Fleming in the 02, 03,  
13 and 04 dockets.

14 **MS. HELTON:** Mary Anne Helton, advisor to the  
15 Commission.

16 **COMMISSIONER SKOP:** Thank you. Okay. Just as  
17 an introductory matter in terms of the ordering of the  
18 dockets, is there a revised order that staff would like  
19 to proceed in?

20 **MS. FLEMING:** Yes, Commissioner. We would  
21 propose that the order of dockets taken up today would  
22 be 03, 04, 07, 02, and 01.

23 **COMMISSIONER SKOP:** Very well. Also, any  
24 excusals?

25 **MS. FLEMING:** Yes, Commissioner. We would

1 like to note for the record that St. Joe Natural Gas  
2 Company has been excused from the prehearing and hearing  
3 in the 03 and 04 dockets.

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

5 Let's proceed with the 03 docket.

6 Okay. Ms. Fleming, any preliminary matters  
7 that we need to discuss with the 03 docket?

8 **MS. FLEMING:** I'm not aware of any preliminary  
9 matters. As we just stated, St. Joe has been excused  
10 from the prehearing in this docket, and I would like to  
11 note for the record that the parties and staff are  
12 proposing stipulations on all issues, noting that OPC is  
13 taking no position.

14 **COMMISSIONER SKOP:** Very well.

15 **MS. CHRISTENSEN:** Commissioner, may I be heard  
16 just briefly on the order? It is correct that we are  
17 taking no position on the issues. I did want to note  
18 one objection in the 03 order -- prehearing order which  
19 would be applicable to the remainder of the orders.

20 Regarding Section V, the last paragraph, I  
21 would object to any language in the order regarding  
22 friendly cross as well as any limitation on  
23 cross-examination as a matter of course as it is an  
24 evidentiary ruling and it appears to be premature at  
25 this time as well as not an objection pursuant to the



1 rules. And if I can make that as a standing objection  
2 to the orders, and I'm sure the Commissioner will make  
3 his ruling as he sees fit.

4 **COMMISSIONER SKOP:** So noted, Ms. Christensen,  
5 and we will get to that as we proceed through the draft  
6 prehearing order.

7 Staff, any other issues?

8 **MS. FLEMING:** No, Commissioner, I'm not aware  
9 of any other issues.

10 **COMMISSIONER SKOP:** Okay. All right. On the  
11 03 docket we are going to proceed now through the draft  
12 prehearing order, and I am going to identify the  
13 sections and I need the parties, if they have any  
14 corrections or changes to be made, please speak up. I  
15 may go quickly through part of this, so, again, if you  
16 do have changes, please identify the changes that you  
17 may have and be recognized to be heard.

18 All right. Section I, Case Background.  
19 Hearing no changes. Staff.

20 **MS. FLEMING:** No changes.

21 **COMMISSIONER SKOP:** Section II, Conduct of the  
22 Proceedings.

23 **MS. FLEMING:** Staff sees no changes.

24 **COMMISSIONER SKOP:** Very well. Section III,  
25 Jurisdiction.

1           **MS. FLEMING:** Staff sees no changes.

2           **COMMISSIONER SKOP:** Section IV, Procedure in  
3 Handling of Confidential Information.

4           **MS. FLEMING:** No changes.

5           **COMMISSIONER SKOP:** Section V, Prefiled  
6 Testimony and Exhibits, Witnesses.

7           **MS. CHRISTENSEN:** Commissioner, this was the  
8 section in which any objection would be applicable.

9           **COMMISSIONER SKOP:** And we've recognized  
10 Ms. Christensen's concerns.

11                   Staff.

12           **MS. FLEMING:** Staff believes that this  
13 language should stay in the prehearing order. This is  
14 based on prior Commission decisions, and I believe that  
15 if the issue of friendly cross comes up during the  
16 hearing that could be addressed in turn.

17           **COMMISSIONER SKOP:** Very well.

18                   Ms. Christensen, I tend to agree with staff on  
19 this matter. If there are specific issues that come up,  
20 you are free to raise those contemporaneously, but the  
21 Commission policy has always been to limit friendly  
22 cross. Certainly we give discretion to the parties but,  
23 again, in the expediency of handling the proceedings, I  
24 tend to agree with staff. So, my ruling is going to be  
25 to leave that in the order as it stands.

1           **MS. CHRISTENSEN:** Well, I would just note that  
2 it doesn't talk about limiting friendly cross, it  
3 eliminates it, but --

4           **COMMISSIONER SKOP:** Okay. I think typically  
5 the presiding officer shows discretion when we get in  
6 those situations, and often we hear objections from the  
7 parties. Again, the rule on friendly cross is as it is  
8 stated as staff has alluded to. And, again, we do allow  
9 flexibility from time to time, but the standard policy  
10 is to limit friendly -- limit or exclude friendly cross,  
11 so I am going to go with the staff recommendation on  
12 that one. Okay.

13           Let's move on to Section VI, order  
14 of witnesses.

15           **MS. FLEMING:** Staff would like to note that  
16 currently all witnesses in this docket are stipulated.  
17 We will check with the Commissioners to see if there  
18 will be any questions, and we will advise the parties  
19 whether those witnesses can be excused as soon as  
20 possible.

21           **COMMISSIONER SKOP:** Very well. Any other  
22 comments on Section VI? Hearing none, we will move to  
23 Section VII, Basic Positions.

24           Hearing no comment from the parties, staff?

25           **MS. FLEMING:** Staff would just note that we

1 will be updating a number in PGS's basic position, and  
2 we can coordinate with the parties after.

3 **COMMISSIONER SKOP:** Very well. That takes us  
4 to Section VIII, Issues and Positions.

5 **MS. FLEMING:** We would just note that all  
6 issues are reflected as stipulated, noting once again  
7 that OPC is taking no position.

8 **COMMISSIONER SKOP:** Very well. So show all  
9 issues being stipulated with OPC taking no position.  
10 Any other comments on Section VIII? Hearing none, move  
11 on to Section IX, Exhibit List.

12 Staff.

13 **MS. FLEMING:** Staff will prepare a  
14 comprehensive exhibit list consisting of all the  
15 prefiled exhibits for the purposes of numbering and  
16 identifying the exhibits at hearing, and we will provide  
17 that list to the parties as soon as possible.

18 **COMMISSIONER SKOP:** Very well. Any other  
19 additional comments on Section IX? Hearing none, we  
20 move to Section X, Proposed Stipulations. And, staff,  
21 if you could just speak to that briefly.

22 **MS. FLEMING:** Section X just reiterates there  
23 are proposed stipulations on all issues, noting that OPC  
24 has taken no position.

25 **COMMISSIONER SKOP:** Okay. Very well. Any

1 other comments on the stipulations under Section X?  
2 Seeing none, we will move to Section XI, Pending  
3 Motions.

4 Staff.

5 **MS. FLEMING:** There are no pending motions.

6 **COMMISSIONER SKOP:** Very well. Moving on to  
7 Section XII, Pending Confidentiality Matters.

8 **MS. FLEMING:** There are no pending  
9 confidentiality matters.

10 **COMMISSIONER SKOP:** Okay. Moving on to  
11 Section XIII, Post-Hearing Procedures.

12 **MS. FLEMING:** This is just standard language.  
13 However, with the stipulation that the Commission may  
14 render a bench decision in this proceeding.

15 **COMMISSIONER SKOP:** Very well. Any comments  
16 or concerns from the parties as to Section XIII,  
17 Post-Hearing Procedures? Seeing none, we will move on  
18 to Section XIV for rulings.

19 Basically, I am going to limit opening  
20 statements, if any, to five minutes per party. Again,  
21 most of the issues appear to be stipulated with the  
22 exception of OPC. So, again, we may be able to dispense  
23 with some of those. And any concerns from staff?

24 **MS. FLEMING:** No, Commissioners. I think if  
25 opening statements are needed in this docket, they

1 should be limited to five minutes.

2 **COMMISSIONER SKOP:** Okay. Show it done. And,  
3 also, St. Joe Natural Gas has been excused from the  
4 prehearing.

5 **MS. FLEMING:** That is correct.

6 **COMMISSIONER SKOP:** Very well.

7 **MR. WATSON:** Commissioner Skop.

8 **COMMISSIONER SKOP:** Yes.

9 **MR. WATSON:** At this point, since we are going  
10 docket by docket, I am going to go out on a limb here  
11 and do what I did for ten or 15 years up until about  
12 three years ago. And that if this: If witnesses are  
13 excused in this docket, Peoples' witnesses that are -- I  
14 would ask that both I and Matthew Costa, counsel for  
15 Peoples, be excused from appearing at the hearing. Our  
16 appearance at that hearing in view of all the issues  
17 being stipulated and the witnesses being excused, if  
18 that turns out to be the case, would serve only to  
19 increase Peoples' cost. And on that basis, I would ask  
20 that we be excused assuming the witnesses are excused.

21 **COMMISSIONER SKOP:** Very well. Staff?

22 **MS. FLEMING:** We have no objection to the  
23 request. It seems to be a reasonable request, so we  
24 will coordinate with the parties just to advise them if  
25 and when the witnesses can be excused and we will

1 coordinate.

2           **COMMISSIONER SKOP:** And I personally have no  
3 problem with that. If there are multiple dockets that  
4 they are participating in and they need to be here for  
5 one docket, obviously, they are going to have to be here  
6 for that specific docket. But if they are excused from  
7 all and the witnesses are excused, then I have no  
8 problem with them not appearing at the hearing.

9           **MR. WATSON:** Thank you.

10           **COMMISSIONER SKOP:** Thank you. Okay. Moving  
11 on to Section XIV. Actually, we just covered that. So,  
12 again, opening statements, if any, will be limited to  
13 five minutes per party, and that brings us to other  
14 matters.

15           Staff, are there any other matters that we  
16 need to address?

17           **MS. FLEMING:** I'm not aware of any other  
18 matters.

19           **COMMISSIONER SKOP:** Okay. At this point we  
20 are going to -- this concludes the prehearing in the 03  
21 docket, and we are going to adjourn that, and we will be  
22 moving into the 04 docket.

1 STATE OF FLORIDA )

2 : CERTIFICATE OF REPORTER

3 COUNTY OF LEON )

4  
5 I, JANE FAUROT, RPR, Chief, Hearing Reporter  
6 Services Section, FPSC Division of Commission Clerk, do  
7 hereby certify that the foregoing proceeding was heard  
8 at the time and place herein stated.

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

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

20 DATED THIS 26ST day of October, 2009.

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22  
23  
24  
25  


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JANE FAUROT, RPR  
Official FPSC Hearings Reporter  
FPSC Division of Commission Clerk  
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