

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of	:	DOCKET NO. 960502-GU
Application for	:	
Rate Increase by City	:	
Gas Company of Florida	:	



PROCEEDINGS: MIAMI SPRINGS SERVICE HEARING

BEFORE: COMMISSIONER J. TERRY DEASON
COMMISSIONER JOE GARCIA

DATE: Monday, September 9, 1996

TIME: Commenced at 6:30 p.m.
Concluded at 7:17 p.m.

PLACE: Crown Sterling Suites Hotel
Key Largo Room
3974 N.W. South River Drive
Miami Springs, Florida 33142

REPORTED BY: ROWENA NASH HACKNEY
Official Commission Reporter

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1 **APPEARANCES:**

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3 Rief and Bakas, 117 South Gadsden Street, Tallahassee,
4 Florida 32301, Telephone No. (904) 222-2525,
5 appearing on behalf of City Gas Company of Florida.

6 **VICKI JOHNSON**, Florida Public Service
7 Commission, Division of Legal Services, 2540 Shumard
8 Oak Boulevard, Tallahassee, Florida 32399-0850,
9 appearing on behalf of the Commission Staff.

10 **JOHN ROGER HOWE**, Deputy Public Counsel,
11 Office of Public Counsel, 111 West Madison Street,
12 Room 812, Tallahassee, Florida 32399-1400, Telephone
13 No. (904) 488-9330, appearing on behalf of the
14 Citizens of the State of Florida.

15
16 **ALSO PRESENT:**

17 **CHERYL BULECZA-BANKS**, FPSC Division of
18 Electric and Gas.

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I N D E X

MISCELLANEOUS

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1 really say I'll make an appearance on the public's
2 behalf at this hearing, but I'm certainly attending on
3 their behalf.

4 COMMISSIONER DEASON: Thank you. And I
5 understand that you'll be sponsoring the public
6 witnesses; is that correct?

7 MR. HOWE: Yes, sir.

8 COMMISSIONER DEASON: Very well.

9 MS. JOHNSON: I am Vicki Johnson appearing
10 on behalf of the Commission Staff. With me tonight is
11 Cheryl Banks, who is the chief of gas regulation; and
12 Owen Bowser, he's the safety engineer.

13 COMMISSIONER DEASON: Thank you.

14 Let me take this opportunity to welcome
15 everyone to the hearing this evening concerning the
16 requested rate increase by City Gas. Let me introduce
17 myself. My name is Terry Deason. I'm a member of the
18 Public Service Commission. I'll be chairing the
19 hearing this evening.

20 And seated with me to my right is
21 Commissioner Joe Garcia. We will constitute the panel
22 of Commissioners which will hear this matter this
23 evening.

24 In addition to the Commissioners, we have a
25 number of Staff personnel here this evening. They

1 have just introduced themselves; they are seated at
2 the table to my left. There are also personnel at the
3 rear of the auditorium who greeted you when you came
4 in. Any of these persons would be more than happy to
5 answer any of your questions that you may have, and I
6 would encourage you, if you do have questions that you
7 would like to discuss one on one, that you take
8 advantage of the opportunity. And any of these people
9 would be more than happy to help you in any way that
10 they can.

11 The purpose of the hearing this evening is
12 to give the public an opportunity to address the
13 Commission concerning the quality of service provided
14 by City Gas and concerning the increase in rate which
15 is currently pending before the Commission. The
16 testimony that you will give this evening will become
17 part of the record in this case. It will constitute
18 evidence upon which the Commission can and will rely
19 in making its decision in this case. This is an
20 official hearing of the Public Service Commission and,
21 as such, it is being recorded by a court reporter.

22 As you entered the rear of the auditorium,
23 you should have been provided a special report which
24 has been printed on yellow paper; it looks like this.
25 If you have not received one, I would encourage you to

1 get a copy of this. It contains background
2 information on this case, and I'm sure it would be
3 helpful to you. Also, the last page of this special
4 report is designed so that it may be detached, and if
5 you wish you may provide written comments to the
6 Commission. You can provide the written comments on
7 this page, fold it, it has already been addressed, and
8 you may mail it to the Commission. And this would
9 become part of the correspondence side of the docket.

10 Let me take just a moment to describe the
11 procedure which we will be following this evening.
12 After I conclude my opening remarks, we will begin
13 with a brief opening statement by City Gas. Following
14 their opening statement, Mr. Howe will be calling
15 persons from the public who have signed up to testify.
16 If you have not yet signed up and do wish to make a
17 statement this evening, I would encourage you to do
18 that at the table at the rear of the auditorium.

19 Before we take the public witnesses, it will
20 be necessary to swear in members of the public who
21 wish to testify. This is done so that your testimony
22 will become part of the record in this proceeding and
23 will be evidence, as I indicated earlier.

24 Mr. Howe will call your name. When your
25 name is called, we ask that you come to the podium

1 directly in front of the Commissioner's table and
2 begin by giving us your name and your address. And if
3 you think it would be helpful to the court reporter,
4 you may wish to spell your name so that it is accurate
5 in the record. You may then proceed to give your
6 statement.

7 We are not imposing any strict time limits
8 on your presentation. The only thing that we ask is
9 that you be mindful that there are many other people
10 who are waiting for an opportunity to address the
11 Commission, so be mindful of them and make your
12 remarks direct and succinct so that others that are
13 waiting may have their opportunity as well.

14 At the conclusion of your statement, wait
15 for just a moment, there may be some clarifying
16 questions either from the Staff of the Commission or
17 from the Public Counsel's office or from City Gas or
18 from the Commissioners. I believe that pretty much
19 describes the procedure we are going to follow this
20 evening.

21 Are there any preliminary matters that we
22 need to address before we proceed further?

23 MR. McGLOTELIN: I have one brief one,
24 Mr. Chairman. I have the affidavit signifying that
25 the notice of hearing appeared in the Miami Herald, I

1 would like to make that part of the record.

2 COMMISSIONER DEASON: This is the proof of
3 publication; is that correct?

4 MR. McGLOTHLIN: That is correct.

5 COMMISSIONER DEASON: I believe this would
6 be Exhibit No. 3. Do you have a copy of that for the
7 court reporter?

8 MR. McGLOTHLIN: She has it now, yes.

9 COMMISSIONER DEASON: Thank you,
10 Mr. McGlothlin.

11 (Exhibit 3 marked for identification.)

12 COMMISSIONER DEASON: Any other preliminary
13 matters?

14 MS. JOHNSON: No.

15 COMMISSIONER DEASON: Very well.

16 Mr. McGlothlin, you may now proceed with your brief
17 opening statement.

18 MR. McGLOTHLIN: If it's permissible to do
19 so, may I do it from here, Mr. Deason?

20 COMMISSIONER DEASON: That would be fine,
21 Mr. McGlothlin.

22 MR. McGLOTHLIN: As the Chairman indicated,
23 this hearing is the opportunity for customers of City
24 Gas Company to testify concerning the quality of the
25 service they received and the proposed rates being

1 sought by City Gas Company, so my statement will be
2 very brief.

3 First, I want to introduce some
4 representatives of City Gas Company. Seated to my
5 left is Lyle C. Motley, who is president of NUI
6 Corporation, the southern division, which includes the
7 operations of City Gas Company in Florida. Also, I
8 would like to introduce Chris Reardon, who is manager
9 of corporate communications. Also present tonight are
10 several other officers and employees of City Gas,
11 including those who have been most closely involved
12 with the preparation of the rate case that's the
13 subject of this hearing.

14 The reasons for the proposed rate increase
15 were set forth in the detailed documents that were
16 filed with the petition, and I will only highlight
17 them here very briefly. Despite the Company's efforts
18 to control its cost of doing business, the rates
19 approved in this last rate case proceeding have been
20 inadequate to provide a reasonable opportunity to earn
21 a fair rate of return. The efforts that the Company
22 has made to control costs includes careful management
23 of overall payroll expense, they include the
24 formalized bidding procedure designed to procure goods
25 and services at reasonable cost to the Company, they

1 also include strengthening of measures designed to
2 ensure that each capital expenditure is carefully
3 reviewed before the fact to ensure that it's going to
4 be cost effective and economic. Despite those
5 efforts, the rate of return is simply inadequate to
6 enable City Gas Company to continue to provide the
7 quality of service its customers deserve.

8 In the last rate case the Commission
9 determined that the Company should be given an
10 opportunity to earn 7.26% on its investment. For
11 calendar year 1995, the actual earned return was only
12 5.49%; and our information indicates that absent some
13 increase in rates, that earned return will only
14 deteriorate further. The Company must have a
15 realistic opportunity to earn an adequate return,
16 particularly now when it's confronted with the need to
17 continue programs to improve system facilities and
18 also to prepare for the competitive environment being
19 fostered by federal initiatives.

20 With respect to the proposed rate increase,
21 if the Commission were to grant 100% of the rate
22 increase being sought by the Company, a typical
23 residential bill of 20 therms would increase from
24 \$23.01 to \$26.12, an increase of \$3.11. Compared to
25 the cost of other sources of energy, natural gas

1 service from City Gas will continue to be a good value
2 even if the increase is granted. That completes my
3 summary.

4 **COMMISSIONER DEASON:** Thank you.

5 At this point I'm going to ask all members
6 of the public who have signed up and wish to testify
7 this evening to please stand and raise your right
8 hand.

9 (Witnesses collectively sworn.)

10 Thank you. Please be seated. Mr. Howe, you
11 may call your first witness.

12 **MR. HOWE:** Thank you, Commissioner Deason.
13 We would call Mr. Robert Kuehneisen.

14 Sir, would you please state your name and
15 address for the record?

16 - - - - -

17 **ROBERT KUEHNEISEN**

18 appeared as a witness and, having been duly sworn,
19 testified as follows:

20 **DIRECT STATEMENT**

21 **WITNESS KUEHNEISEN:** Bob Kuehneisen, 6360
22 S.W. 50th Street, Miami, Florida 33155,
23 K-U-E-H-N-E-I-S-E-N.

24 Two years ago we were here on this rate
25 increase, and the Public Service Commission was asking

1 for a 50¢ increase from a \$6 customer charge to \$9.
2 Thank goodness you didn't give them that. Today they
3 want a 17¢ increase on that customer charge.

4 Now, as I was reading the yellow form, they
5 have 100,000 customers. At \$6 a customer, that's
6 \$600,000 a month just to send me a bill; or in a
7 year's time, \$7.2 million just to send out bills.

8 Now, City Gas Company, or I should say NUI
9 is the holding Company for City Gas, the stock price
10 of NUI in 1995 was fourteen-and-one-quarter. In 1996,
11 it was twenty, an increase of 40¢. They've paid a
12 cash dividend since 1923, and their earnings in 1995
13 were \$1.13. And in 1996, their earnings are \$2.11.
14 Where they need more money, I don't know.

15 The other companies that we do business
16 with, the public, such as the water company, they
17 don't send us a bill that says customer charge \$6.
18 They send us a bill. The phone company sends us a
19 bill, there's no customer charge on that either.

20 Now, when you talk of rates, I can't argue
21 with the rates, I'm sure they are going to go up. But
22 I have here in 1989 the rate for energy charge was
23 .23720. Today it's going to be nearly two-and-a-half
24 times what it was just seven years ago. That's a
25 pretty steep increase.

1 Also, when you read the back of your bill,
2 it says: "Customer charge, a fixed monthly amount to
3 cover the cost of reading the meter, depreciation of
4 gas lines and meter, plus the administrative cost of
5 billing the account. The charge is applied whether
6 gas is used or not or as long as the account is
7 active."

8 That's a pretty hefty price to pay to keep
9 an active account. 40 years ago when I came here, we
10 had a \$3 fee, but that was incorporated in what you
11 used. In other words if they want to have a \$6 fee,
12 fine. Everybody use \$6 worth of gas or pay a minimum
13 fee of \$6, but stop charging this \$6 every month.

14 Then it says, "Cost of gas charge is the
15 actual gas consumed." And they also have an energy
16 charge. Now, this is what's really the crowning
17 glory. "The base rate for service, this covers most
18 operating costs other than the cost of gas." Now, if
19 this covers everything, what is the customer charge
20 for? I don't understand it. They also have a utility
21 tax which is 10% which goes to the county.

22 Well, my bill says here -- this is last
23 month -- energy charge was \$2.32, cost of gas charge
24 was \$2.28. That came out to, what? \$4.60. The tax
25 for the County is 10%. They charged me a utility tax

1 on \$8.69. How do you arrive at \$8.69 when I arrive at
2 4.60? This is every month. Now, somewhere along the
3 line, money is being vanished somehow, or the CPAs,
4 the great accountants, know all about this.

5 As far as my being here, I only have one
6 request. I don't have any problem, we'll say, with
7 this service. I finally got a new meter after 30
8 years, 1966. Got a new meter, then three days -- for
9 the next two days it leaked. They came out and fixed
10 it, now it seems to be okay. So I don't complain
11 about the service too much.

12 But I also have here my gas service
13 agreement from 1966. And this specifically states,
14 gas is to be delivered to me at the outlet side of the
15 gas company's gas meter serving the premises
16 indicated. Such meter and service line to be
17 installed and operated at the cost of the Company. If
18 located on my property, the site, therefore, to be
19 furnished free of charge by me. Why am I paying 6
20 bucks if I've got a contract that says they are to
21 take care of this? Not me, not all of this other
22 thing.

23 So I respectfully request the Commission not
24 to raise -- not only not to raise the customer charge
25 \$1, but let's start decreasing it by 50%. Let's go

1 back to 3 bucks and maybe next year \$2 and finally get
2 rid of the whole thing. Maybe they might find some
3 way to find the money then. (Audience response.)

4 COMMISSIONER DEASON: Any questions?

5 MR. McGLOTHLIN: We have no questions.

6 COMMISSIONER DEASON: Okay. Thank you.

7 Mr. Howe.

8 (Witness Kuehneisen excused.)

9 - - - - -

10 MR. HOWE: The Reverend Mark Presley.

11 WITNESS PRESLEY: Excuse me, we had Reverend
12 Whipple that would go before me.

13 MR. HOWE: All right. These were just
14 numbered in a different sequence.

15 Reverend Emanuel Whipple.

16 - - - - -

17 REVEREND EMANUEL WHIPPLE

18 appeared as a witness and, having been duly sworn,
19 testified as follows:

20 DIRECT STATEMENT

21 WITNESS WHIPPLE: Good evening,
22 Commissioners. The Reverend Emanuel Whipple. I serve
23 as senior pastor of the Mount Nebo Missionary Baptist
24 Church in South Miami. Also, I'm the president of
25 PULSE. I serve as president for PULSE, people united

1 to lead struggle for equality, spokesperson as well.

2 Our concern for being here tonight is that
3 first of all, PULSE is not only concerned about
4 equality, but we are also concerned about quality.
5 City Gas Company has come before this Commission to
6 ask for an increase of 17%. Our concern on the behalf
7 of the community is that City Gas should not receive
8 an increase.

9 It's been brought to our attention that over
10 the years City Gas has received over millions of
11 dollars to service the community. It has been also
12 brought to our attention that they also have falsified
13 documents as for a service that is supposed to be
14 rendered to the community.

15 It is amazing that they are asking for an
16 increase; and City Gas has also laid off some
17 employees. The cut has moved from 24 to 16. It is
18 amazing that we have our schools and hospitals,
19 shopping malls, churches and residents that have gone
20 neglected over the past eight years, and now City Gas
21 is coming before this Commission asking for an
22 increase.

23 I stand as a representative of the community
24 and as a representative of PULSE to say, no, that City
25 Gas Company should not receive an increase until some

1 of these matters are rectified and cleared up, then we
2 will be able to come together on common grounds to
3 touch and agree that they should get an increase.

4 It is amazing in thinking about the
5 situation that occurred at the Plantation mall, about
6 the fire that occurred at the Plantation mall, simply
7 because it was a leakage. And so we are standing here
8 as citizens of this community to say that we don't
9 want this to pass. We don't want City Gas to receive
10 an increase of 17%. It's amazing that the deficiency
11 of work that's supposed to have been done has not been
12 corrected. City Gas also had their employees, instead
13 of going out in the field to do field work, City Gas
14 had their employees to go out -- or to sit at the desk
15 and falsify information.

16 So we are asking, on the behalf of the
17 community, on the behalf of this organization, that
18 City Gas Company do not receive an increase of 17%.
19 Thank you.

20 **COMMISSIONER DEASON:** Questions?

21 **MR. MCGLOTHLIN:** For the record, Reverend
22 Whipple, very quickly, sir, can you state whether you
23 are personally a customer of City Gas Company?

24 **WITNESS WHIPPLE:** Am I -- excuse me?

25 **MR. MCGLOTHLIN:** Are you a customer of City

1 Gas Company?

2 WITNESS WHIPPLE: Yes, I am.

3 MR. McGLOTHLIN: All right, thank you.

4 COMMISSIONER GARCIA: Reverend, can we ask
5 you to stay at the mike since we're taking this down.
6 It's just so we can have it as part of the record.

7 WITNESS WHIPPLE: Sure.

8 COMMISSIONER GARCIA: And she is hooked up
9 to it, so --

10 WITNESS WHIPPLE: Sure.

11 COMMISSIONER GARCIA: Thank you.

12 MR. McGLOTHLIN: I only have one other
13 question. Do you know whether City Gas serves the
14 Plantation facilities you mentioned in your comments?

15 WITNESS WHIPPLE: Excuse me?

16 MR. McGLOTHLIN: Do you know which utility
17 serves the Plantation establishment that experienced
18 the fire that you referred to?

19 WITNESS WHIPPLE: I didn't hear you.

20 COMMISSIONER GARCIA: And I don't understand
21 you, so why don't you try the whole question again so
22 we --

23 COMMISSIONER DEASON: You may need to get
24 the microphone a little bit closer, Mr. McGlothlin.

25 MR. McGLOTHLIN: I'll try to do better. Is

1 that better?

2 My question is: Do you know which utility
3 serves the Plantation establishment that experienced
4 the fire to which you referred in your statement?

5 WITNESS WHIPPLE: Do I know which
6 Plantation?

7 MR. McGLOTHLIN: Which gas utility serves
8 the Plantation establishment?

9 WITNESS WHIPPLE: No, I don't.

10 MR. McGLOTHLIN: All right. Those are all
11 the questions I have.

12 COMMISSIONER DEASON: Further questions?
13 Thank you, Reverend.

14 (Witness Whipple excused.)

15 - - - - -

16 COMMISSIONER GARCIA: Thank you.

17 MR. McGLOTHLIN: Commissioners, if I could
18 just very briefly comment. Because the purpose of
19 this hearing is limited, I don't intend to get into a
20 lot of testimony about some of the statements of the
21 witness, but we want to go on record as saying, as
22 denying that City Gas instructed anyone to falsify
23 documents. In fact, the employees who did so were --
24 violated Company policy. And because the Commission
25 is aware of that situation, we would just stand ready

1 public to ask the Commission that when City Gas come
2 before them asking for an increase, that you will say
3 no.

4 City Gas received millions of dollars from
5 its customers to do maintenances that were never done,
6 and then we was informed that employees falsified
7 documents in order to save money. And employees were
8 required by the Company to sit at desks in the Company
9 office for weeks filing reports instead of being in
10 the field. And our question also is why?

11 Work got behind in mandatory state and
12 safety inspections to schools, hospitals, shopping
13 malls, churches and residence and were not done for
14 over eight years in some areas. And customers are
15 still paying for safety checks never done. City Gas
16 wants to continue to scam the public and ask for
17 millions of dollars.

18 City Gas was -- said in an interview by news
19 media that they maintain a very safe system. But from
20 information and former employees and some reportings
21 of going out on the sites, these statements seem not
22 to be so. There's a report that was placed before
23 the -- put out by the news media last week.

24 We want to know are the Commission just
25 checking the paperwork as City Gas, or are they

1 checking to make sure that the infractions are cleared
2 up? City Gas has been fractured (phonetic), and we've
3 been penalized for violations of some federal codes
4 that we have information of, and City Gas -- and one
5 recently as November of '95. And some of these
6 infractions goes back as far as 1988.

7 And then a member, according to the news
8 media, Mr. Robert Cunningham of the PSI said on TV,
9 there's a certain level of trust that we deal with in
10 these companies, and information from the PCS with the
11 infractions support that this Company is not
12 trustworthy or safe demonstrated by the infractions
13 that's listed in public documents and by investigative
14 reports. And today we ask that the Commission say no
15 to their increase. Thank you. (Applause)

16 COMMISSIONER DEASON: Excuse me. Questions?

17 MR. MCGLOTHLIN: No questions.

18 COMMISSIONER GARCIA: If I could ask Staff,
19 I don't know if you've got the information with you
20 here, but maybe, could Staff explain what we've done
21 to date? Because obviously there is an interest in
22 this. And if we could just have Staff, just for the
23 citizens here, explain what it is that the Commission
24 has done to date so that we can at least have them --

25 MS. BULECZA-BANKS: When you are saying "to

1 date," are you saying since 1978, or are you saying --

2 COMMISSIONER GARCIA: I'm saying since we
3 became aware of the problem that the citizens are
4 referring to.

5 MS. BULECIA-BANKS: Yes.

6 COMMISSIONER GARCIA: I know we can't give
7 the whole work that we've done, but just a thumbnail
8 of what we've done. And then, clearly, we are going
9 to get back to you on this because we are obviously
10 doing work in this area right now.

11 MS. BULECIA-BANKS: Yes, a safety violation
12 was issued to the Company, and they -- as far as that
13 we have our procedures in place, that we required them
14 to leak survey the entire system and to also valve
15 test the system, those are currently underway. The
16 leak survey should be completed by the end of the
17 year, and the valve maintenance similarly was just
18 begun and should be also done by the end of the year.

19 So we are having the Company go through by
20 two independent companies to leak survey the entire
21 system and to valve test this to ensure public safety.

22 COMMISSIONER GARCIA: Let me ask a question.
23 Does that end up being a cost that the ratepayers have
24 to bear?

25 MS. BULECIA-BANKS: That would be an issue

1 before the Commission for them to decide.

2 COMMISSIONER GARCIA: Okay. Thank you.

3 WITNESS PRESLEY: I also want to add, to
4 inform the Commission, that I sat over the committee
5 that chairs grievances and complaints by the
6 community, and last week we had a meeting with the
7 upper management of City Gas and NUI. And in their
8 accusations of discriminations and other complaints
9 that the former employees had, I found that, reviewing
10 both sides of their testimony, that City Gas has a lot
11 of flaws within their Company, and that there is a
12 great matter of discrimination within the Company.
13 And no, we do not want an increase in rates for them
14 if they are not going to abide accordingly. Thank
15 you.

16 COMMISSIONER DEASON: Thank you, Reverend.
17 Mr. Howe, you may call your next witness.

18 (Witness Presley excused.)

19 - - - - -

20 MR. HOWE: Mr. E. C. Everett, Jr.
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1 **E. C. EVERETT, JR.**

2 appeared as a witness and, having been duly sworn,
3 testified as follows:

4 **DIRECT STATEMENT**

5 **WITNESS E. C. EVERETT:** Hello, everybody.

6 Good evening. My name is E. C. Everett, Jr., and I'm
7 here representing my family, which is Evelyn Everett
8 who was terminated due to this falsification.

9 And I believe certainly that the rates, or
10 whatever the case may be, your action concerning this
11 matter, I feel it should not be granted. The reason
12 being because someone stated about you had two
13 independent companies you just had now to survey the
14 area; but why now? It should have been done a long
15 time ago then when they found out what's going on.

16 My wife come forward and tell her
17 supervisor, whoever the case might be, what happened.
18 They had her in the office. When she's supposed to be
19 outside leak surveying, they had her in the office
20 doing paperwork saying everything was done to get it
21 ready to be served to the Public Commission so that
22 when they come to check over there, everything will be
23 all right. And now, all of a sudden, we want to hire
24 two independent companies to take care of the job when
25 they had two people doing this work, doing leak

1 surveying, my wife and another young lady, trying to
2 survey the whole area which was not possible. Then
3 they had them in the office doing this paperwork or
4 whatever, and they was terminated because of that.

5 And, personally, I do know that they're not
6 the only ones that was doing that. There's still some
7 more leaks that need to be taken care of, and there's
8 still some more people in City Gas that still need to
9 be taken out of the Company. If we are going to
10 terminate, let's terminate all. Let's get rid of all
11 the bad stones, not only a few, and throw
12 everything -- want to make like they did everything,
13 but let's get rid of everything. And, also, this is
14 concerning public safety.

15 You know, we don't know how -- I don't know
16 how gas ignites, or whatever, natural gas. But when
17 it come down to stuff iike that, we need to be making
18 sure that it's done correctly. We are talking about
19 hundreds and hundreds of lives of people walking
20 around day by day. You could be walking around
21 smoking a cigarette, drop it on the ground, it can
22 explode or something from this natural gas, from the
23 leaks in the area. We need to make sure that all
24 leaks are taken care of. And if we are not doing
25 that, then we don't need an increase; we need to

1 decrease because we are not doing our job.

2 If you want a job working and you are not
3 doing your job, your supervisor would demote you if
4 you are not doing your correct job. And we need to
5 make sure that if we're not doing a correct job, we
6 need to demote some things instead of trying to
7 increase something. Then when we get an increase, we
8 get a job right, then we can talk about increases.
9 But until then, we need to demote it down. We need to
10 demote it down.

11 And one more issue here. I wanted to talk
12 about these two independent companies that they have
13 now taking care of City Gas. You know we had on the
14 news with Patrick Fraser what's going on with the
15 leaks in the line. And I know everybody probably seen
16 that. There are leaks in the lines, and we need to
17 get that taken care of. That's a serious issue.

18 Very serious also concerning Plantation. I
19 don't know the company, but I think it's People's Gas,
20 I think; but gas is gas. Just like them, they don't
21 need an increase either. They are asking for one from
22 the Public Commission, or whoever they're asking.
23 They don't need one either if we've got leaks like
24 that when half of the mall was destroyed, people's
25 lives in danger over this natural gas. And we need to

1 make sure that it's taken care of, and we don't need
2 to give increases, we need to demote some things until
3 we get it right. Thank you. (Audience response.)

4 COMMISSIONER DEASON: Questions?

5 MR. MCGLOTHLIN: No questions.

6 COMMISSIONER DEASON: Thank you,

7 Mr. Everett.

8 (Witness Everett excused.)

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10 COMMISSIONER GARCIA: Let me ask Staff. I'd
11 like Staff -- I don't know who would do this, but I'd
12 like us to get the report from the TV station that
13 aired just so that I can see it so that I can
14 understand some of the concerns that the people have
15 that are coming before us.

16 MS. BULECZA-BANKS: We have a copy of the
17 video tape that is being sent to us, we should receive
18 it shortly.

19 COMMISSIONER GARCIA: Great, thank you.
20 Thank you. (Audience response.)

21 No, I've already got it. Thank you, though.
22 I appreciate that.

23 COMMISSIONER DEASON: Thank you. Our staff
24 will provide that to us, and I'm sure we both will
25 view that. Mr. Howe.

1 MR. HOWE: Ms. Carrie McKinney.

2 - - - - -

3 CARRIE MCKINNEY

4 appeared as a witness and, having been duly sworn,
5 testified as follows:

6 DIRECT STATEMENT

7 WITNESS MCKINNEY: Carrie McKinney. And I'm
8 here on behalf of a family member, also. I feel like
9 how can you ask for an increase when you have students
10 going to elementary schools and certain areas that
11 City Gas will not go into, that's why the leaks aren't
12 taken care of. Certain areas, if it's a bad area,
13 we'll just fill in that we went there because you are
14 afraid that something might happen to the person
15 that's going there. You know, you have to -- when you
16 sign up for a job, you have to do it and do it
17 correctly. Once you don't do it correctly, you cannot
18 get a raise for something you do not do.

19 And I feel that if a person is fired for
20 falsification, if she's told -- if I'm working on a
21 job and my boss or my supervisor approaches me and
22 say, "Look, do this." And you say, "Well, that's not
23 right, I can't do that." And you say, "Well, if you
24 don't do it, you won't have a job." So you do it, and
25 then you still lose your job. By this happening, it

1 just opened up to let everybody know that there's a
2 lot of bad things going on and people just don't
3 realize it because it's undercover. Once it's opened
4 up and everybody opens their eyes -- when I saw that
5 on the news, it was, like, wow, you know my kids go to
6 school; this can happen. Certain areas, trailer parks
7 that they refuse to go in, and the people come out,
8 it's not just in one area. It's in all areas,
9 different areas. And instead of sending that person
10 there because they can't find the address, or
11 whatever, it's still -- you know, you need to sit down
12 and say, "Well, look, I can't send this person out
13 here to work for me." If she can't work, she don't
14 need the job. If she can work, fine. But when you
15 want a raise and not work for it, come on.

16 I just say no. I don't think that it's
17 possible. If they were granted the money that they
18 want, it would be like taking somebody's life. That's
19 how I see it because I wouldn't want to get paid and
20 kill somebody at the same token.

21 COMMISSIONER DEASON: Questions?

22 (Witness McKinney excused.)

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24 MR. MCGLOTHLIN: No questions. In fact, I
25 would like to reiterate that we disagree with some of

1 the statements of the witness, and we'll be happy to
2 provide the Commission any information required
3 concerning the way we maintain the entire system.

4 **COMMISSIONER GARCIA:** All right. Then let's
5 do that. I'd like the Company to -- obviously, they
6 are doing it for our Staff, but let's make it part of
7 the record so people can access this information. If
8 the Company can give us a response to some of the
9 allegations that have been raised here. Clearly, we
10 have been to another service area where we did not
11 have this problem. We were made aware of this. If
12 the Company could just have a brief description that
13 it could file with the Commission. And obviously,
14 it's to the Chairman's pleasure, but I'd like to see
15 it.

16 I guess as the hearing officer, I could
17 probably demand it on my own, but I'd like to see it
18 sometime next week so that we can provide it for these
19 citizens who have raised these questions, as a direct
20 answer to some of the issues that they've raised here.
21 I know that the Company has tried to meet and discuss
22 these issues, and I understand that it's something
23 that's whirling around, and there are still positions
24 being delineated by all sides. But let's have just a
25 brief submitted to us so that we can give to all those

1 citizens who come before us with some interest.

2 Likewise, I'm sure Mr. Howe has all their
3 addresses there, because not all of them have given
4 their addresses, so we can send them something.

5 COMMISSIONER DEASON: Commissioner Garcia, I
6 think you are entirely correct. It's certainly within
7 your prerogative to ask for additional information,
8 and I agree with you that this is an area where
9 additional information is sorely needed. And I'm sure
10 that the Company will be forthcoming with that request
11 and will provide that information to all the parties
12 and all the interested people here as well.

13 And, Ms. Johnson, make sure that
14 procedurally we are correct in this, but I assume that
15 it will be like a discovery request, except it would
16 just be coming from a Commissioner as opposed from our
17 Staff.

18 MS. JOHNSON: (Nodding head.)

19 COMMISSIONER DEASON: Very well.

20 Mr. McGlothlin, do you understand what the
21 Commissioner is requesting?

22 MR. MCGLOTHLIN: I believe I do.

23 COMMISSIONER GARCIA: Thank you.

24 COMMISSIONER DEASON: Mr. Howe.

25 MR. HOWE: We call Ms. Evelyn McKinney

1 Everett. Could you please state your name and address
2 for the record, please?

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4 **EVELYN MCKINNEY EVERETTE**

5 appeared as a witness and, having been duly sworn,
6 testified as follows:

7 **DIRECT STATEMENT**

8 **WITNESS EVELYN EVERETTE:** Good afternoon, my
9 name is Evelyn McKinney Everett. My address is 10545
10 S.W. 216th Street, Apartment E, in Miami, Florida.
11 I've been in the Company for five-and-a-half years.
12 In 1991 I was a meter reader and I had a little
13 incident in Hollywood which had happened to me in
14 which they changed me over into the distribution
15 department because I got choked and I got a scar on my
16 right neck. Due to the fact that City Gas thought
17 probably I might have would have sued them or anything
18 like that, but they put me in a department. When I
19 got over there --

20 **COMMISSIONER GARCIA:** Sorry. Let me just --
21 so that I can understand. Over here.

22 You said that you got choked in the neck, it
23 was while you were inspecting?

24 **WITNESS EVELYN EVERETTE:** Well, I was a
25 meter reader at that time, but I'm telling you how I

1 got over to the distribution department.

2 COMMISSIONER GARCIA: Got you. And it was
3 while you were working for them, something happened --

4 WITNESS EVELYN EVERETTE: Right. Yeah, I
5 was a meter reader. That's how I got over into the
6 distribution department.

7 COMMISSIONER GARCIA: Got it. Thank you.

8 WITNESS EVELYN EVERETTE: If you all want to
9 see the scars, I'll wait till --

10 COMMISSIONER GARCIA: No, no. I just wanted
11 to get the story.

12 WITNESS EVELYN EVERETTE: However, when I
13 first got over there in the distribution department,
14 it was a lot of misunderstanding that they had a
15 couple of guys that mistrained me, improperly, of how
16 to leak survey. They just used to tell me to touch
17 the fence and come back. So I know one of the
18 supervisors probably wanted to send me back to meter
19 reading saying that I don't have the knowledge or
20 anything of learning how to do the leak surveying;
21 however, I went to one of the employees and explained
22 myself about I want to get trained properly.

23 One of the employees taught me how to
24 understand the print and how to read it and how to
25 detect leaks. How could you detect leaks if you don't

1 know what where the line run at? And I feel like
2 this, I used to always locate the line before I leak
3 surveyed because in order for you to detect a leak,
4 you have to know where the line runs at.

5 So after that, it's like five other guys
6 came right behind me in which I was about the only one
7 that was detecting Class 1 leaks. If they still got
8 the leak reports and they're filed, they'll see
9 Mueller could explain to them that the majority of
10 those leaks that was underground, Class 1 leaks, was
11 Evelyn McKinney's name on it, if you all didn't throw
12 it away.

13 However, like I was very upset and mad
14 because not only that I was overlooked, but I was
15 being discriminated, is that I went to Cocoa in 1995,
16 which is -- Randy Harris is my witness, and also they
17 should have one in the file. If I didn't know what I
18 was doing, determining my job, why you all sent me to
19 Cocoa to train a white male and come back with a good
20 report?

21 I also went to advanced distribution school,
22 made the honor roll and everything to represent the
23 Company, and this all what I get?

24 Not only that, the guys who I trained,
25 several guys that I trained, making more money than

1 me, and here it is they didn't even go to advanced
2 distribution school. So what is the problem?
3 Discriminating on my gender? I feel like I've been
4 overlooked.

5 Not only that, the only way they give me
6 line locations, if it's in a black community, like
7 Liberty City, Opa-locka, Carol City, or whatever, so
8 they look like they were just using me for the color
9 of my skin, in which I feel that is wrong. If I
10 wasn't the only one that go in Liberty City, Opa-locka
11 and those other areas that needed to be leak surveyed,
12 I guess it would have never been done because all the
13 complaints I got in that neighborhood, they is very
14 upset and mad. We've got C49, which is off of 32nd --
15 between 37th Avenue and 27th Avenue.

16 COMMISSIONER GARCIA: I'm sorry, stop for a
17 second. What is C49?

18 WITNESS EVELYN EVERETTE: That's just like
19 different prints in different areas.

20 COMMISSIONER GARCIA: Why don't you give
21 us -- because we are probably not holding that. Just
22 give me an idea more or less what you are talking
23 about, an area.

24 WITNESS EVELYN EVERETTE: That's just like
25 in a black neighborhood which they call Brownsville.

1 **COMMISSIONER GARCIA:** Okay.

2 **WITNESS EVELYN EVERETTE:** A lot of people,
3 they don't want to go in those communities because --

4 **COMMISSIONER GARCIA:** Got you.

5 **WITNESS EVELYN EVERETTE:** I mean, you know,
6 because they're scared.

7 **COMMISSIONER GARCIA:** So C49 is more or less
8 the Brownsville area?

9 **WITNESS EVELYN EVERETTE:** Yeah, Brownsville;
10 and then you got Print C69 which is Liberty City off
11 of 62nd Street, up in there.

12 **COMMISSIONER GARCIA:** Okay.

13 **WITNESS EVELYN EVERETTE:** But that's what I
14 was just trying to explain. It's just that I've been
15 overlooked.

16 **COMMISSIONER GARCIA:** Got you. (Tendered
17 document.)

18 **WITNESS EVELYN EVERETTE:** And I also want to
19 find out also, in 1992 who was vice president of the
20 Company? Because, like, as you looked at the news
21 with Alina Alimo, she wasn't even in the Company in
22 1992, so how could -- who would they think would have
23 wrote her name in 1992? Who was vice president in
24 1992? I know Julio Companioni probably wasn't. And
25 that's the thing that we want to find out.

1 This been going on before we even came in
2 the department, and we want to questionize (phonetic)
3 these things. And she also made honor roll, and she
4 been in the Company like eight years. So both of us
5 been overlooked in which we feel that is wrong.

6 COMMISSIONER GARCIA: Just so that I
7 understand it better, you were let go by the
8 Company --

9 WITNESS EVELYN EVERETTE: Yes. I was.

10 COMMISSIONER GARCIA: -- because of these --

11 WITNESS EVELYN EVERETTE: Yes. And I also
12 want to questionize is that when you see your
13 supervisors walking from next door, waiving good
14 morning, wouldn't you questionize them, saying that
15 why you are in here in an office and your job is out
16 there to detect leaks? Not only that, it just made us
17 feel bad. How could one female do all those valve
18 maintenance by herself, and it takes like two or three
19 guys to shut it off when it's a line break? That
20 don't make no sense.

21 How come me, one, checked the whole system
22 in which we got commercial that need to be once a
23 year, we got special and residential need to be at
24 least three years. How could me, one, do all of those
25 by myself? No way. That's why we was complaining.

1 But, see, even though I want an increase,
 2 you all don't even want to pay the people to do the
 3 work. You all don't want to hire no more people. You
 4 all had a cut saying that you all can't hire no more
 5 people. This would have never happened if you all
 6 would have hired some more people, which is wrong.

7 And I feel that, you know, we need to do
 8 something about this because I got papers, I got my
 9 certificates, I got everything in there. And I did my
 10 best. Even if you could ask Joe Fermueller
 11 (phonetic).

12 When I had said, "Is the leak underground,"
 13 it was a leak underground. I never let them spend up
 14 you all's money digging dry holes. And you all should
 15 look in my reports and see all the Class 1 leaks,
 16 because the majority of them wasn't leaks surveying.
 17 They had, maybe at a meter set, what they could spray
 18 the soap bottles out of. But I took my time, and I
 19 really did what I was supposed to do. And that's it.
 20 (Applause)

21 COMMISSIONER DEASON: Questions?

22 MR. McGLOTHLIN: We have no questions.

23 COMMISSIONER DEASON: Thank you,
 24 Ms. Everett. Mr. Howe.

25 (Witness Evelyn Everett excused.)

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MR. HOWE: Commissioner Deason, those are all the names I have at the moment. I would ask: Are there any other members of the audience who would like to testify in this proceeding?

Commissioner Deason, it appears that at this time we have no other witnesses.

COMMISSIONER DEASON: Okay. Thank you. Let the record reflect then that all persons who have indicated they wished to testify have testified.

Let me reiterate one more time that for those persons who did not actually come forward and testify, if you wish, you still may detach the last page and provide written comments to the Commission and fold it and mail it to us and we'll enter that on the correspondence side of this docket.

COMMISSIONER GARCIA: Likewise, I know that certain people stated that they had some evidence that they wanted to present, and I think Reverend Mark Presley said he had some things he wanted to show us. Likewise, Mr. Presley, you can mail it into our office on this address here, and it becomes part of the record. And if there's something else that you want to show us, that's part of the record, and we'll receive that at the Commission. And please send us a

1 copy, just in case, because we get a lot of
2 documentation.

3 I don't know; if you are not going to add
4 anything, clearly, I just want to give the Company the
5 opportunity to answer some of these allegations. I
6 think it behooves all of us that are involved in this
7 to get that, and I think that we'll go from there.

8 MR. MCGLOTHLIN: Commissioner, we will do
9 that gladly and in some detail. There have been
10 several charges and allegations tonight, so that we
11 can put -- plus being talked about here in context.
12 And so that we can have one place in the record where
13 the Company makes its position known, I'd like
14 permission just to make a brief statement regarding
15 these things. And we will use that as kind of a point
16 of departure and respond more fully, and the
17 exhibit --

18 COMMISSIONER GARCIA: As long as you
19 understand, Mr. McGlothlin, that if someone wants to
20 make a comment about your comment, I would be inclined
21 to allow them if it's just going to be left there.
22 That's why I said you could submit it in writing. But
23 if you want to do that, I'd be much more comfortable
24 doing it.

25 MR. MCGLOTHLIN: I'm not trying to prolong

1 the hearing, so perhaps we'll do the written exhibit.

2 **COMMISSIONER DEASON:** Likewise, I think that
3 our Staff probably need to be in communication with
4 other departments at the Commission, the auditing and
5 financial analysis department and perhaps management.
6 Auditing to see if we need to dispatch some personnel
7 to come and do some interviews at the Company and look
8 not only at the financial end of this Company, but
9 operational end as well. And look at some of these
10 allegations and look at some of the management
11 decisions and see if there was proper planning and
12 proper supervision and whether there was adequate
13 personnel to do the required jobs. Those are some of
14 the questions I think we need to be asking. And if
15 need be, they can be issues in this proceeding and
16 maybe determinative of whether there should be an
17 increase; and if there is an increase, how much
18 increase.

19 I want to take this opportunity to thank
20 everyone that came out this evening to provide
21 information to the Commission. This is the second of
22 three public hearings we are going to be having. We
23 have the third hearing in Cocoa Beach on Thursday.
24 And the anticipated time frames for this case are
25 contained in this bulletin.

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Is there anything else to come before the
Commission at this time? Hearing nothing, thank you
all once again. This hearing is adjourned.

(Thereupon, the hearing concluded at
7:17 p.m.)

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STATE OF FLORIDA)
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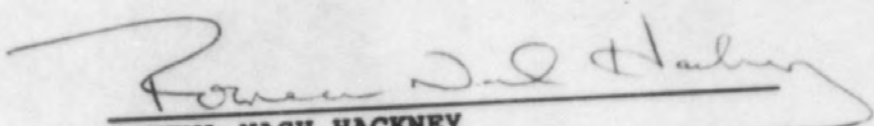
CERTIFICATE OF REPORTER

I, ROWENA NASH HACKNEY, Official Commission Reporter,

DO HEREBY CERTIFY that the Miami Springs Service Hearing in Docket No. 960502-GU was heard by the Florida Public Service Commission 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, consisting of 44 pages, constitutes a true transcription of my notes of said proceedings.

DATED this 12th day of September, 1996.



ROWENA NASH HACKNEY
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