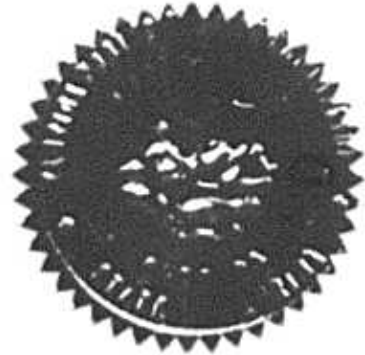


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

 In the Matter of : DOCKET NO. 970261-EI
 :
 Review of nuclear outage at :
 Florida Power Corporation's :
 Crystal River Unit 3 :



PROCEEDINGS: SERVICE HEARING

BEFORE: CHAIRMAN JULIA L. JOHNSON
 COMMISSIONER J. TERRY DEASON
 COMMISSIONER DIANE K. KIESLING
 COMMISSIONER JOE GARCIA

DATE: Thursday, June 26, 1997

TIME: Commenced at 9:40 a.m.
 Concluded at 9:50 a.m.

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

REPORTED BY: JOY KELLY, CSR, RPR
 Chief, Bureau of Reporting

1 **APPEARANCES:**

2 **JAMES MCGEE**, Florida Power Corporation, Post
3 Office Box 14042, 3201 34th Street South,
4 St. Petersburg, Florida 33733, appearing on behalf of
5 Florida Power Corporation.

6 **BOB ELIAS, VICKI JOHNSON and LESLIE PAUGH**,
7 FPSC Division of Legal Services, 2540 Shumard Oak
8 Boulevard, Gerald L. Gunter Building, Tallahassee,
9 Florida 32399-0850, appearing on behalf of the
10 Commission Staff.

11 **JACK SHREVE and ROGER HOWE**, Public Counsel,
12 Office of Public Counsel, c/o The House of
13 Representatives, Claude Pepper Building, 111 West
14 Madison Street, Room 812, Tallahassee, Florida
15 32399-1400, appearing on behalf of the Citizens of the
16 State of Florida.

17 **VICKI GORDON KAUFMAN**, McWhirter, Reeves,
18 McGlothlin Davidson, Rief & Bakas, P.A. Post Office
19 Box 3350, Tampa, Florida 32601-3350, appearing on
20 behalf of Florida Industrial Power Users Group

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1 APPEARANCES CONTINUED:

2 MICHAEL A. GROSS, Office of the Attorney
3 General, PL-01, The Capitol, Tallahassee, Florida
4 32399, appearing on behalf of Robert A. Butterworth,
5 Attorney General of Florida.

6 MONTE BELOTE and LOUIS D. PUTNEY, 4805 Himes Avenue,
7 Tampa, Florida 33611, on behalf of Florida Consumer Action
8 Network.

9 WAYNE R. MALANEY, P. O. Box 7014, Tallahassee, Florida
10 32314, and MICHAEL B. TWOMEY, P. O. Box 5256, Tallahassee,
11 Florida 32314, on behalf of Lake Dora Harbour Homeowners
12 Association.

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I N D E X

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P R O C E E D I N G S

(Hearing convened at 9:40 a.m.)

CHAIRMAN JOHNSON: If everyone could settle in. We're going to convene the customer service hearing.

Counsel, could you please read the notice.

MS. JOHNSON: By notice issued April 15th, 1997, a customer service hearing was scheduled in Docket 970261-EI, review of nuclear outage of Florida Power Corporation's Crystal River Unit 3. The purpose of the customer service hearing is set out in the notice.

CHAIRMAN JOHNSON: Take appearances.

MR. MCGEE: James McGee, P. O. Box 14042 St. Petersburg 33733, appearing on behalf of Florida Power Corporation.

MR. MALANEY: Wayne Malaney, and with me Mike Twomey, Tallahassee, Florida, appearing on behalf of the Lake Dora Harbour Homeowners Association.

MR. GROSS: Michael Gross, appearing on behalf of the Florida Attorney General's office.

MS. KAUFMAN: Vicki Gordon Kaufman, McWhirter, Reeves, McGlothlin Davidson, Rief & Bakas, appearing on behalf of the Florida Industrial Power Users Group and at American Association of Retired

1 Persons.

2 MR. SHEREVE: Jack Shreve, Public Counsel,
3 and Roger Howe, representing the citizens of the state
4 of Florida, Claude Pepper Building, Tallahassee,
5 Florida.

6 SENATOR CRIST: Charlie Crist, state
7 senator, District 20, representing the people. Thank
8 you.

9 WITNESS ELABER: Joseph Laber, Clearwater,
10 Florida, representing the AARP.

11 MR. PUTNEY: Louis D. Putney, Tampa,
12 Florida, representing the Florida Consumer Action
13 Network.

14 MR. ELIAS: I'm Bob Elias with Vicki
15 Kaufman, representing the Commission Staff -- Vicki
16 Johnson. (Laughter)

17 COMMISSIONER GARCIA: Welcome aboard, Vicki.

18 CHAIRMAN JOHNSON: Okay.

19 MR. SHEREVE: Is Mr. Elias going to take the
20 witness stand this morning? Both sides would like to
21 question him.

22 COMMISSIONER GARCIA: I just want to ask how
23 much people Ms. Kaufman is representing? Industrial
24 Users Group, AARP, as well as the Commission.

25 (Laughter)

1 **CHAIRMAN JOHNSON:** One brief announcement.
2 Commissioner Clark will not be able to attend this
3 hearing this morning. She's had a family emergency
4 that occurred around 6:00 or 6:30 this morning so she
5 won't be able to be here with us today.

6 With that, are there any customers here? We
7 did notice this for 9:30 to take customer comments. I
8 received a few calls from some customers that stated
9 that they would still like to participate before the
10 settlement was, in fact, ruled upon. Are there any
11 customers here today that would like to testify?

12 **MR. BLABER:** I, Commissioner, Johnson, yes.
13 Besides representing AARP, I'm also a customer of
14 Florida Power.

15 **CHAIRMAN JOHNSON:** Okay.

16 **MR. PUTNEY:** Yes. Commissioner Johnson, we
17 have a number of letters from customers that we'd like
18 to put into the record at this time -- or this part of
19 the meeting.

20 **CHAIRMAN JOHNSON:** Okay. Are there any
21 other customers?

22 **SENATOR CRIST:** I'm a customer.

23 **CHAIRMAN JOHNSON:** Okay. Generally for our
24 customer hearings we go ahead and have the witnesses
25 stand and we swear them in so that the comments can be

1 made a part of the official record and relied upon
2 when we make our final decision. We'll go ahead and
3 go through that formality. If any other customers
4 come into the room and would like to testify, I'll
5 also swear them in and allow them that opportunity.

6 Given the fact that we noticed the customer
7 portion for 9:30 and that the technical hearing cannot
8 start -- or that the customer hearing would not start
9 until 10:30, after we've received the comments, we'll
10 probably need to take a short break and wait until the
11 10:30 hour to actually take up this matter so we don't
12 have any Sunshine Law violations or any notice
13 violations.

14 So with that, are there any other questions?

15 If those that would like to testify, if you
16 could stand and raise your right hand.

17 (Witnesses collectively sworn.)

18 **CHAIRMAN JOHNSON:** We generally have the
19 customers after you stand and prepare to testify to
20 take a seat over here. And I know Mr. Belote had
21 signed up first. Again, I know you're at a
22 microphone, so perhaps that would be most convenient
23 if you could, take one of the seats here and use the
24 microphone.

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MONTE BELOTE

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

DIRECT STATEMENT

CHAIRMAN JOHNSON: State your name and
address for the record.

WITNESS BELOTE: Monte Belote. My name is
Monte Belote. I'm the executive director of the
Florida Consumer Action Network. I live in Tampa.
Our office address, 4100 West Kennedy, Suite 128 in
Tampa.

We wanted just to highlight having traveled
the state as the Commissioners themselves have as
well, talking several months ago with one overarching
concern: Customers were concerned that they should
not be paying for the problems at Crystal River 3's
outages. I think that as a result, that message has
been heard loud and clear. FCAN's organizers and
grassroots members from Orlando through Brooksville
have turned out, and you've had wonderful public
comment over this process. We have today more than
100 letters that have been gathered that our attorney,
Lou Putney, has gestured to you we'd like to enter
formally into the correspondence side of the docket.

We also brought -- although I can't have two

1 hands at once -- but this petition alone would span
2 from here to the other side of the room. And those
3 are signed petitions asking primarily to make sure
4 that Florida Power has the responsibility to fix the
5 problems at Crystal River 3 and not Florida's
6 customers.

7 That message again has resonated across the
8 state, and as a result, with the thanks of what we
9 believe to be a dream team of Florida's consumer
10 advocates, ranging from the Office of Public Counsel,
11 the Attorney General, right down to local homeowners
12 associations and folks that we know that are planning
13 to be here today for public comment, have all joined
14 unanimously to provide a good sounding board and an
15 opportunity to provide a proper settlement and
16 literally an opportunity to bring goodwill back to the
17 table.

18 We're proud of the responsibility that
19 Florida Power Corporation has taken forth in the last
20 couple of weeks, and ultimately providing to take the
21 responsibility for fixing the concerns of customers,
22 first and foremost, but more importantly to provide
23 the safe and efficient use of the nuclear capabilities
24 at Crystal River 3.

25 We have one more presentation that probably

1 is not quite prudent yet, and since prudence has
2 always been a part of of this case from the beginning,
3 we certainly wouldn't want to let the cat out of the
4 bag, but at the appropriate time later this morning we
5 would like to join Florida Power to have a more
6 informal presentation of the stipulation, and the
7 wonderful historic-making opportunity to put behind
8 the differences and bring forward the ability to cover
9 both Florida Power's financial concerns and customers'
10 concerns through the stipulation that is proposed
11 before you today.

12 If there are any questions that we can
13 offer, we would be happy to, but first and foremost
14 we're most happy to be able to see the positive
15 support of grassroots people from across the state and
16 your opportunity to listen and to act on them. Thank
17 you.

18 **CHAIRMAN JOHNSON:** Thank you. Any
19 questions? Mr. Belote, would you like an opportunity
20 to make another formal presentation after the vote?

21 **MR. BELOTE:** Yes, if we can.

22 **CHAIRMAN JOHNSON:** All right. Very well.
23 If you could, the information that you had, the
24 hundred letters and the petition, if you could give
25 those to the court reporter and they will be filed in

1 the correspondence side of the record.

2 MR. BELOTE: Thank you.

3 CHAIRMAN JOHNSON: Thank you. AARP also,
4 did you have a formal statement?

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6 JOSEPH BLABER

7 appeared as a witness and, having been duly sworn,
8 testified as follows:

9 DIRECT STATEMENT

10 WITNESS BLABER: I'll be very brief on this
11 Commissioner. I certainly don't want to take the time
12 of the Commission nor of this assembly to go into the
13 history from last September on. Nor do I wish in any
14 way --

15 CHAIRMAN JOHNSON: Could you state your name
16 and address for the court reporter.

17 WITNESS BLABER: Joseph Blaber, Clearwater.
18 That's B-L-A-B-E-R, Blaber, Clearwater, Florida.
19 AARP.

20 As I said, I don't want to take the time of
21 the Commissioners nor this assembly to go into the
22 history from last September of CR-3, nor would I in
23 any way attempt to summarize the testimonies that were
24 given late last month to the Commission.

25 Rather, I'd just like to say that AARP

1 Florida was extremely pleased to be a party signing
2 onto this settlement. We feel very strongly about it.

3 Late last month the state legislative
4 committee voted unanimously to join the settlement
5 agreement. And if there are any questions I'd be
6 happy to try to answer them.

7 **CHAIRMAN JOHNSON:** Thank you, Mr. Blaber.
8 Any questions? Senator Crist.

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SENATOR CHARLIE CRIST

11 appeared as a witness and, having been duly sworn,
12 testified as follows:

13

DIRECT STATEMENT

14 **WITNESS CRIST:** Thank you, Madam Chair and
15 Commissioners. My name is Charlie Crist. I live at 1
16 Beach Drive, St. Petersburg, Florida 33701.

17 I happen to be a state senator representing
18 a lot of customers of Florida Power, but I also am a
19 consumer of Florida Power myself. And I'm delighted
20 that we're here today. I think it's a tremendous
21 result for the citizens that are serviced by Florida
22 Power Corporation.

23 I want to extend my thanks again to Jack
24 Shreve who's done an extraordinary job and working
25 incredibly hard in this endeavor. Joe Blaber with the

1 AARP, I want to thank you for what you have done.
2 Monte Belote with FCAN. The Attorney General's office
3 has been incredibly instrumental in this. And I want
4 to particularly thank the people.

5 This is one of those situations where the
6 people truly have won. And I don't know if any single
7 individual exemplifies that more than a gentlemen who
8 spoke at the hearings you were kind enough to conduct;
9 the particular hearing in Clearwater.

10 This one gentleman was on a breathing
11 machine. And I think you know when we talk about
12 these big numbers and talk about what this means in
13 terms of accounting and all of those kind of things,
14 the most important thing to bear in mind is what this
15 means to real people, how that it affects them and how
16 it impacts them.

17 That gentlemen spoke about if the rates
18 increase, he may not have the opportunity to continue
19 to have that breathing machine work for him -- brought
20 it home to a real human being and what it really means
21 to people and that's what this is all about.

22 We all work for the people. And the people
23 showed, through their effort and their turning out at
24 the hearings and their correspondence and their effort
25 and their labor, that the people have the power. And

1 that's as it should be in America, and in a great
2 democracy that we have.

3 So I just want to thank them, and I want to
4 thank you. And this is a great day for the people.
5 Thank you very much, Madam Chair. Any questions I'm
6 happy to respond to.

7 CHAIRMAN JOHNSON: Any questions? Thank
8 you.

9 WITNESS CRIST: Thank you, ma'am.

10 CHAIRMAN JOHNSON: Are there any other
11 citizens or customers that would like to speak at this
12 time? Seeing none, are there any preliminary matters
13 that we can entertain at this time?

14 MR. ELIAS: None that I'm aware of.

15 CHAIRMAN JOHNSON: Then we'll stand in
16 recess and we'll convene the technical portion of the
17 hearing the 10:30.

18 (Thereupon, the hearing concluded at
19 10:50 a.m.)

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1 STATE OF FLORIDA)
2 COUNTY OF LEON)

CERTIFICATE OF REPORTER

3 I, JOY KELLY, CSR, RPR, Chief, Bureau of
4 Reporting, Official Commission Reporter,

5 DO HEREBY CERTIFY that the Tallahassee
6 Service Hearing in Docket No. 970261-EI was heard by
7 the Florida Public Service Commission at the time and
8 place herein stated; it is further

9 CERTIFIED that I stenographically reported
10 the said proceedings; that the same has been
11 transcribed under my direct supervision; and that this
12 transcript, consisting of 15 pages, constitutes a true
13 transcription of my notes of said proceedings.

14 DATED this 30th day of June, 1996.

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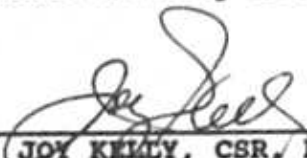
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