

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 120036-GU

JOINT PETITION FOR APPROVAL OF GAS
RELIABILITY INFRASTRUCTURE PROGRAM
(GRIP) BY FLORIDA PUBLIC UTILITIES
COMPANY AND THE FLORIDA DIVISION OF
CHESAPEAKE UTILITIES CORPORATION.

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PROCEEDINGS: COMMISSION CONFERENCE
ITEM NO. 7

COMMISSIONERS
PARTICIPATING: CHAIRMAN RONALD A. BRISÉ
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER ART GRAHAM
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Tuesday, August 14, 2012

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

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

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P R O C E E D I N G S

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2 **CHAIRMAN BRISÉ:** Moving forward to Item
3 Number 7, Docket Number 120036-GU. And as soon as
4 everyone gets settled, Mr. McNulty, you may move
5 forward.

6 **MR. McNULTY:** Commissioners, Item 7 is a
7 joint petition by Florida Public Utilities Company and
8 Chesapeake Utilities Corporation for approval of their
9 proposed gas reliability infrastructure programs, or
10 GRIP. FPUC's proposed GRIP is addressed in Issue 1,
11 and Chesapeake's proposed GRIP is addressed in Issue 2.

12 Staff has an oral modification to its
13 recommendation on Issue 1, and several modifications to
14 Issue 2 to correct bill impact data which we would like
15 to identify at this time. The first such modification
16 is Page 10, third paragraph, last sentence. Delete the
17 word annually. Page 20 is the cite of the next
18 modification. Second full paragraph, second sentence,
19 replace 23 cents with 33 cents.

20 **COMMISSIONER EDGAR:** Excuse me. Could you
21 slow down just a bit?

22 **MR. McNULTY:** Sure.

23 **COMMISSIONER EDGAR:** And may I ask has this
24 been -- I apologize, Mr. Chairman. Was this
25 distributed in writing?

1 **MR. McNULTY:** Yes, it was.

2 **COMMISSIONER EDGAR:** Okay. For some reason I
3 can't put my hands on it, so I need you to move, if I
4 may, just a little more slowly as I'm flipping the
5 pages.

6 **MR. McNULTY:** Not a problem. And I have a
7 copy, if you would like.

8 **COMMISSIONER EDGAR:** If you have an extra
9 one, I will take it. And I apologize that I can't put
10 my hands on it right this very second.

11 **MR. McNULTY:** Not a problem, Commissioner.
12 I'll go slow and we'll get it right.

13 **COMMISSIONER EDGAR:** Thank you.
14 Thank you, Mr. McNulty.

15 **MR. McNULTY:** Sure.

16 **COMMISSIONER EDGAR:** I have Page 10, so if
17 you could start again on Page 20.

18 **MR. McNULTY:** Okay. Page 20, the second full
19 paragraph, second sentence. Replace 23 cents with 33
20 cents.

21 Okay. Then turning to the next page, Page
22 21, the modifications exist here completely in Table
23 2-3 in the fourth and fifth columns, the first and
24 second lines. The first such change is in the fourth
25 column, first row, replace 23 cents with 33 cents.

1 In the fifth column, first row, replace
2 9 percent with 1.3 percent.

3 Then in the fourth column, second row,
4 replace 68 cents with 97 cents.

5 And, finally, in the fifth column, second
6 row, replace 2.7 percent with 3.8 percent.

7 And staff will note that these inadvertent
8 errors that we have just identified do not modify
9 staff's recommendation in any way. And, as you know,
10 parties are here to speak.

11 **CHAIRMAN BRISÉ:** All right. Thank you.

12 Ms. Keating.

13 **MS. KEATING:** Good morning, Mr. Chairman,
14 Commissioners. Beth Keating with the Gunster firm here
15 on behalf of FPUC and Chesapeake. As you are well
16 aware, the programs have been put forward by FPUC and
17 Chesapeake share some distinct similarities with the
18 program that you just took up. And as such, I suppose
19 there are some benefits of coming second in line today.

20 But we echo many of Peoples' comments today,
21 particularly with regard to the efforts of your staff.
22 Your staff has conducted a very thorough analysis and
23 put forth a thoughtful recommendation and we are in
24 full support of that.

25 With me today is Ms. Cheryl Martin, Director

1 of Regulatory Affairs for FPUC, and a number of other
2 company representatives that are fully prepared to
3 address any questions that you may have. And to the
4 extent that Mr. Rehwinkel also has comments with regard
5 to our programs, we would like the opportunity to
6 respond, as well.

7 **CHAIRMAN BRISÉ:** Sure.

8 Mr. Rehwinkel.

9 **MR. REHWINKEL:** Mr. Chairman, Charles
10 Rehwinkel on behalf of the Office of Public Counsel.

11 I have nothing different to say about FPUC's
12 working with our office, as well as our comments on the
13 authority for the rider, if you will, as well as the
14 modifications that we would offer to resolve our
15 technical issues with the program.

16 **CHAIRMAN BRISÉ:** Thank you.

17 Ms. Keating.

18 **MS. KEATING:** Like Peoples, we fully believe
19 that you have complete authority to approve the program
20 that is before you today. The companies are, however,
21 comfortable with the reporting requirement that OPC has
22 suggested and would be willing to move forward with
23 that.

24 **CHAIRMAN BRISÉ:** Commissioner Graham.

25 **COMMISSIONER GRAHAM:** Move staff

1 recommendations with the same modification as we did on
2 Item Number 6.

3 **COMMISSIONER BROWN:** Second.

4 **CHAIRMAN BRISÉ:** Okay. It's been moved and
5 seconded.

6 Any further comments?

7 Commissioner Edgar.

8 **COMMISSIONER EDGAR:** Just an additional brief
9 comment, Mr. Chairman. Thank you.

10 I do believe that we have the clear statutory
11 authority to move forward in this way, but as I
12 commented earlier, I do recognize that the general or
13 fundamental concern that OPC expressed on the earlier
14 item. And, likewise, I do believe that we will
15 continue to look at these type of mechanisms on a
16 case-by-case basis. And I would also like to just
17 comment that the purpose of the programs from the last
18 item and this and for all three companies, I know, is a
19 priority of PHMSA and PHMSA's Administrator, Cynthia
20 Quarterman. I think we have all had the opportunity to
21 have significant additional education on these issues,
22 and I'm, once again, pleased that Florida companies are
23 taking the initiative, and I support the motion.

24 **CHAIRMAN BRISÉ:** All right. It has been
25 moved and seconded. All in favor say aye?

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(Vote taken.)

CHAIRMAN BRISÉ: All right. Let the record reflect that Item Number 7 has been approved by the Commission.

1 STATE OF FLORIDA)

2 : CERTIFICATE OF REPORTER

3 COUNTY OF LEON)

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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.

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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.

10

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.

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DATED THIS 18th day of September, 2012.

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