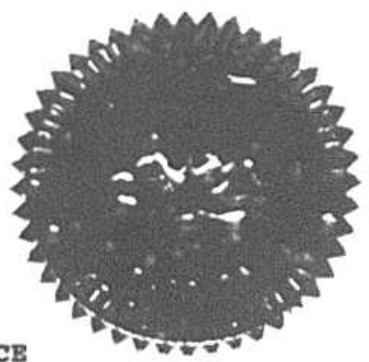


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of	:	DOCKET NO. 970007-EI
	:	
Environmental Cost	:	
recovery clause.	:	



PROCEEDINGS: PREHEARING CONFERENCE

BEFORE: COMMISSIONER J. TERRY DEASON
 Prehearing Officer

DATE: Wednesday, February 5, 1997

TIME: Commenced at 9:30 a.m.

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

REPORTED BY: H. RUTHE POTAMI, CSR, RPR
 Official Commission Reporter

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1 **APPEARANCES:**

2 **JAMES D. BEASLEY**, Ausley & McMullen, Post
3 Office Box 391, Tallahassee, Florida 32302, appearing
4 on behalf of Tampa Electric Company.

5 **VICKI GORDON KAUFMAN**, McWhirter, Reeves,
6 McGlothlin, Davidson, Rief and Bakas, 117 South
7 Gadsden Street, Tallahassee, Florida 32301, appearing
8 on behalf of Florida Industrial Power Users Group.

9 **JOHN ROGER HOWE**, Deputy Public Counsel,
10 Office of Public Counsel, c/o The Florida Legislature,
11 111 West Madison Street, Room 812, Tallahassee,
12 Florida 32399-1400, appearing on behalf of the
13 Citizens of the State of Florida.

14 **VICKI JOHNSON**, Florida Public Service
15 Commission, Division of Legal Services, 2540 Shumard
16 Oak Boulevard, Tallahassee, Florida 32399-0870,
17 appearing on behalf of the Commission Staff.

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1 **COMMISSIONER DEASON:** Thank you. We'll go
2 ahead and take appearances for all of the docket
3 today.

4 **MR. CHILDS:** Commissioner, my name is
5 Matthew Childs with the firm of Steel, Hector and
6 Davis, appearing on behalf of Florida Power & Light
7 Company.

8 **MR. BEASLEY:** Commissioner, I'm James D.
9 Beasley appearing with Lee L. Willis, both of the firm
10 of Ausley & McMullen appearing on behalf of Tampa
11 Electric Company in the 01, 02 and 07 dockets.

12 **MR. PALECKI:** Michael Palecki, City Gas
13 Company of Florida, appearing on the 02 and 03
14 dockets.

15 **MS. KAUFMAN:** Vicki Gordon Kaufman,
16 McWhirter, Reeves, McGlothlin, Davidson, Rief, Bakas,
17 on behalf of the Florida Industrial Power Users Group
18 in the 01, 02 and 07 dockets.

19 **MR. HORTON:** Norman H. Horton, Jr. of the
20 law firm of Messer, Caparello & Self, on behalf of
21 West Florida Natural Gas in the 02 docket, Sebring Gas
22 System, Inc., South Florida Natural Gas, and West
23 Florida Natural Gas in the 03 docket.

24 **MR. MCGEE:** James McGee on behalf of Florida
25 Power Corporation in both the 02 and the 01 dockets.

1 **MR. STONE:** Jeffrey A. Stone, and with me is
2 Russell A. Badders of the law firm Beggs & Lane
3 representing Gulf Power Company in the 01 and 02.

4 **MR. WILLINGHAM:** Bill Willingham of the law
5 firm Rutledge, Ecenia, Underwood, Purnell & Hoffman on
6 behalf of Florida Public Utilities Company in the 01,
7 02 and 03 dockets.

8 **MR. LAVIA:** Jay LaVia with the law firm of
9 Landers & Parsons for People's Gas in the 02 docket.

10 **MR. NICHOLSON:** David Nicholson, law firm of
11 Macfarlane, Ferguson & McMullen, on behalf of People's
12 Gas in the 03 docket.

13 **MR. SHIEFELBEIN:** Wayne Shiefelbein, Gatlin,
14 Schiefelbein & Cowdery appearing on behalf of
15 Chesapeake Utilities Corporation in the 02 and 03
16 dockets.

17 **MR. HOWE:** I'm Roger Howe with the Office of
18 Public Counsel appearing on behalf of the Citizens of
19 the State of Florida in the 01, 02, 03 and 07 dockets.

20 **MS. JOHNSON:** Vicki Johnson on behalf of the
21 Commission Staff in the 01 and 07 dockets.

22 **MR. KEATING:** Cochran Keating on behalf of
23 the Commission Staff in the 03 docket.

24 **MS. WAGNER:** Lorna Wagner on behalf of
25 Commission Staff for the 02 docket.

1 **COMMISSIONER DEASON:** Thank you. If there
2 are no objections, we'll then proceed to the 07 docket
3 as the first docket we'll take up this morning. Are
4 there any preliminary matters in the 07 docket?

5 **MS. JOHNSON:** I'm not aware of any.

6 **COMMISSIONER DEASON:** Okay. Do any of the
7 parties have any preliminary matters in the 07 docket?
8 We'll proceed then into the draft prehearing order.

9 Any changes or concerns with the case
10 background procedure for handling confidential
11 information or Section 3, Prefiled Testimony and
12 Exhibits? Section 4, Order of Witnesses? Basic
13 Positions?

14 **MS. JOHNSON:** I'll note, Commissioner
15 Deason, that TECO's witnesses are only indicated that
16 they're testifying to Issue 1. I'll let TECO make
17 that correction if necessary.

18 **MR. BEASLEY:** We'll correct that to
19 encompass all the issues they are testifying to.

20 **COMMISSIONER DEASON:** You'll provide that
21 information to Staff?

22 **MR. BEASLEY:** Yes.

23 **COMMISSIONER DEASON:** Very well. Any
24 changes or corrections to Basic Positions?

25 **MS. JOHNSON:** No.

1 COMMISSIONER DEASON: Issue 1? Issue 2?

2 MS. JOHNSON: Issue 1, if FIPUG and OPC are
3 in agreement with Staff, it can be indicated as a
4 stipulated issue.

5 MS. KAUFMAN: FIPUG will just take "no
6 position."

7 MR. HOWE: Commissioner Deason, Public
8 Counsel will take no position on all the generic,
9 environmental, cost recovery issues.

10 COMMISSIONER DEASON: Issue 1 then can be
11 shown as a stipulation?

12 MS. JOHNSON: That is correct.

13 COMMISSIONER DEASON: Very well. Issue 2?
14 Issue 3? Issue 4? Issue 5?

15 MS. JOHNSON: Issue 5 can be indicated as a
16 stipulated issue.

17 COMMISSIONER DEASON: Very well. Issue 6?
18 Is there any difference of opinion on Issue 6?

19 MS. JOHNSON: No. It's just that the
20 language is somewhat different. It can be shown as a
21 stipulated issue.

22 COMMISSIONER DEASON: Do you agree,
23 Mr. Beasley, that it can be shown as a stipulation?

24 MR. BEASLEY: I believe so, yes, sir. In
25 other words, in essence it's using the currently

1 approved appreciation rates.

2 COMMISSIONER DEASON: Very well. Issue 7?
3 Issue 8?

4 MS. JOHNSON: Staff has a correction on
5 Issue 7, our position. The third paragraph of our
6 position states that the cost of the Gannon Station
7 ignition oil tank upgrade should be allocated on a
8 demand, and we should insert "paren, 12CP and 1/3 AD,
9 closed paren, basis."

10 COMMISSIONER DEASON: Very well.

11 MS. JOHNSON: That's 1/13th. Correction.

12 COMMISSIONER DEASON: I was going to ask if
13 we were changing our policy. That was on Issue 7;
14 correct?

15 MS. JOHNSON: That's correct.

16 COMMISSIONER DEASON: Issue 8? Issue 9A?

17 MS. JOHNSON: Excuse me, Commissioner
18 Deason. It's my understanding that TECO's position on
19 Issue 8 for their rate groups RS, RST is currently
20 shown as .333. It's my understanding it should be
21 0.033.

22 COMMISSIONER DEASON: Mr. Beasley, can you
23 double-check that for us?

24 MR. BEASLEY: I'll do that, and we'll work
25 with the Staff on that number.

1 COMMISSIONER DEASON: Very well. Issue 9A?

2 MS. JOHNSON: Staff would like to modify its
3 position slightly, and it's still "No position at this
4 time pending receipt of outstanding discovery."

5 COMMISSIONER DEASON: Do either FIPUG or OPC
6 have a position?

7 MS. KAUFMAN: FIPUG has no position.

8 MR. HOWE: We'll take no position at this
9 time, Commissioner Deason.

10 COMMISSIONER DEASON: Issue 9B.

11 MS. JOHNSON: Staff would make the same
12 change on Issue 9B.

13 COMMISSIONER DEASON: Ms. Kaufman?

14 MS. KAUFMAN: We have no position.

15 COMMISSIONER DEASON: Mr. Howe?

16 MR. HOWE: Public Counsel would take no
17 position at this time.

18 COMMISSIONER DEASON: Are there any other
19 issues?

20 MS. JOHNSON: Staff is not aware of any.

21 COMMISSIONER DEASON: Very well. We'll move
22 then to Section 7, Exhibit List. Any changes or
23 corrections to that list? Very well.

24 There are no proposed stipulations other
25 than those that were just discussed this morning and

1 there are no pending motions; is that correct?

2 MS. JOHNSON: That's correct.

3 COMMISSIONER DEASON: Any other matters to
4 be brought before the prehearing officer in the 07
5 docket?

6 MR. BEASLEY: Commissioner, just one. Staff
7 has requested some discovery from Tampa Electric, and
8 we're proceeding to prepare that on an expedited
9 basis. We'll get it to the Staff and parties, and
10 hope to be able to resolve some of these outstanding
11 issues prior to the hearing.

12 COMMISSIONER DEASON: Very well. That would
13 then conclude the 07 docket.

14 (Thereupon, the hearing concluded.)

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1 STATE OF FLORIDA)
2 COUNTY OF LEON)

CERTIFICATE OF REPORTER

3 I, RUTHE POTAMI, CSR, RPR Official
4 Commission Reporter.

5 DO HEREBY CERTIFY that the Prehearing
6 Conference in Docket No. 970007-EI was heard by the
7 Prehearing Officer at the time and place herein
8 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 11 pages, constitutes a true
13 transcription of my notes of said proceedings.

14 DATED this 7th day of February, 1997.

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H. RUTHE POTAMI, CSR, RPR
Official Commission Reporter
(904) 413-6732