

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost : DOCKET NO. 970007-EI
Recovery Clause. :
_____ :

PROCEEDINGS: PREHEARING CONFERENCE

BEFORE: CHAIRMAN JULIA L. JOHNSON
Prehearing Officer

DATE: Monday, August 4, 1997

TIME: Commenced at 2:30 p.m.
Concluded at 3:00 p.m.

PLACE: Betty Easley Conference Center
Room 152
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: LISA GIROD JONES, RPR, RMR

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and Associates*

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BUREAU OF REPORTING

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FPSC-RECORDS/REPORTING

1 APPEARANCES:

2 JAMES A. MCGEE, Esquire, Florida Power
3 Corporation, Post Office Box 14042, St. Petersburg,
4 Florida 33733-4042; on behalf of Florida Power
5 Corporation (FPC).

6 MATTHEW M. CHILDS, Esquire, Steel, Hector &
7 Davis, LLP, 215 South Monroe Street, Suite 601,
8 Tallahassee, Florida 32301; on behalf of Florida Power &
9 Light Company (FPL).

10 JEFFERY A. STONE, Esquire, and RUSSEL A.
11 BADDERS, Esquire, Beggs & Lane, 700 Blount Building,
12 3 West Garden Street, P. O. Box 12950, Pensacola,
13 Florida 33733-4042; on behalf of Gulf Power Company.

14 JAMES D. BEASLEY, Esquire, Ausley & McMullen,
15 P. O. Box 391, Tallahassee, Florida 32302; appearing on
16 behalf of Tampa Electric Company (TECO).

17 Also Present: Mark Laux, Senior Regulatory
18 Consultant (TECO).

19 JOHN W. McWHIRTER, JR., Esquire, McWhirter,
20 Reeves, McGlothlin, Davidson, Rief & Bakas, P.A., P.O.
21 Box 3350, Tampa, Florida 33601-3350; appearing on behalf
22 of Florida Industrial Power Users Group.

23 WILLIAM B. WILLINGHAM, Esquire, Putledge,
24 Ecenia, Underwood, Purnell & Hoffman, P.A., P. O. Box
25 551, Tallahassee, Florida 32302-0551; on behalf of
Florida Public Utilities Company (FPUC).

STEPHEN C. BURGESS, Esquire, Office of Public
Counsel, 111 West Madison Street, Room 812, Tallahassee,
Florida 32399; on behalf of the Citizens of the State of
Florida (OPC).

LESLIE J. PAUGH, Staff Counsel, Florida Public
Service Commission, 2540 Shumard Oaks Boulevard,
Tallahassee, Florida 32399-0850; on behalf of the
Commission Staff.

FPSC Staff Also Present:

Roberta Cass
Todd Bohrmann
David Ging
Katrina Tew

PROCEEDINGS

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CHAIRMAN JOHNSON: Docket 970007. I'm going to call the prehearing conference to order.

Counsel, could you read the notice?

MS. PAUGH: Pursuant to notice issued June 24th, 1997, this time and place have been set for the prehearing in Docket No. 970001-EI, Fuel and purchased power cost recovery clause and generating performance incentive factor, and Docket 970007-EI, Environmental Cost Recovery Clause.

CHAIRMAN JOHNSON: I'll take appearances.

MR. BEASLEY: Madam Chairman, I'm James D. Beasley with the law firm of Ausley & McMullen. P. O. Box 391, Tallahassee, Florida 32302, and I'm representing Tampa Electric Company in the 01 and 07 dockets. With me today is Mr. Mark Laux, Senior Regulatory Consultant with Tampa Electric.

MR. CHILDS: I'm Matthew Childs of the firm of Steel, Hector & Davis, appearing on behalf of the Florida Power & Light Company.

MR. MCGEE: James McGee, Post Office Box 14042, St. Petersburg, 33733 on behalf of Florida Power Corporation.

MR. McWHIRTER: John McWhirter, Jr., of the law firm of McWhirter, Reeves, McGlothlin, Davidson &

1 Bakas. My address is P. O. Box 3350, Tampa, Florida,
2 and the address stated in the prehearing statement is
3 also accurate for our firm. I'm appearing on behalf of
4 the Florida Industrial Power Users Group.

5 MR. BURGESS: I'm Steve Burgess for the Office
6 of Public Counsel, 111 West Madison Street, Tallahassee,
7 32399 on behalf of the Citizens of the State of
8 Florida.

9 MR. STONE: I'm Jeffrey A. Stone, and with me
10 is Russell A. Badders. We're with the law firm Beggs &
11 Lane, P. O. Box 12950, Pensacola, Florida 32576, and
12 we're appearing on behalf of the Gulf Power Company in
13 the 01 and 07 dockets.

14 MR. WILLINGHAM: I'm Bill Willingham, with the
15 law firm Rutledge, Ecenia, Underwood, Purnell & Hoffman,
16 here on behalf of Florida Public Utilities in the 01
17 docket.

18 MS. PAUGH: Leslie Paugh on behalf of
19 Commission Staff.

20 CHAIRMAN JOHNSON: We've already taken
21 appearances. If there are no other preliminary
22 matters?

23 MS. PAUGH: None from Staff, Madam Chairman.

24 CHAIRMAN JOHNSON: Any preliminary matters
25 from the parties? Seeing none, let's see if we can run

1 through this draft order. Page 2? Page 3? Page 4?

2 Page 5, Section 4, Order of Witnesses, any
3 changes or corrections, or additions?

4 Seeing none, Section 5, Basic Positions of the
5 Parties? Any changes?

6 Seeing none, Page 6, Section 7, Issues and
7 Positions. Issue 1?

8 MS. PAUGH: Staff can stipulate with FPL and
9 Gulf as to Issue 1.

10 MR. BURGESS: No objection.

11 MR. McWHIRTER: No objection.

12 CHAIRMAN JOHNSON: Very well, Issue 1A.

13 MS. PAUGH: Staff can stipulate with TECO as
14 to position 1A.

15 MR. BURGESS: No objection.

16 CHAIRMAN JOHNSON: FIPUG?

17 MR. McWHIRTER: No objection.

18 CHAIRMAN JOHNSON: Issue 2.

19 MS. PAUGH: Staff has agreed with Gulf, but
20 cannot stipulate at this time with FPL on Issue 2.

21 CHAIRMAN JOHNSON: Okay. And --

22 MR. BURGESS: Madam Chairman, we don't object.
23 and it might be easier just to say, we do not raise any
24 affirmative issues in this docket, and any stipulations
25 that the Staff determines as appropriate with any of the

1 parties we would not object to, we would not object to
2 them being moved into the stipulated section. And I
3 suppose perhaps subject to if something does come up, I
4 will say something, if we do object; otherwise, just a
5 running no objection.

6 CHAIRMAN JOHNSON: To the extent there's not a
7 stipulation reached, how do you want us to handle that?

8 MR. BURGESS: As far as our position, if
9 there's not a stipulation reached, what I would like to
10 do is perhaps either simply not raise it as an issue, it
11 not be an issue in controversy for us, or take the
12 Staff's position on it.

13 CHAIRMAN JOHNSON: Okay. FIPUG? FIPUG?

14 MR. McWHIRTER: I'm okay through Issue 5,
15 Madam Chairman.

16 CHAIRMAN JOHNSON: Okay, we'll reflect that.
17 2A.

18 MS. PAUGH: Sorry, my handwriting can't quite
19 keep up with the agreements. Issue 2A, Staff can
20 stipulate with TECO.

21 CHAIRMAN JOHNSON: Okay. Issue 3.

22 MS. PAUGH: Staff can stipulate with Guif, but
23 not with FPL at this time.

24 MR. CHILDS: Can I inquire as to the Issue 2
25 and 3, whether Staff's inability to stipulate at this

1 point is due to Issue 9?

2 MS. PAUGH: I'll defer to Staff for that
3 response.

4 MS. TEW: Is that the new project issue?

5 MR. CHILDS: Yes.

6 MS. TEW: Yes, those are the --

7 MR. CHILDS: Because I was going to suggest
8 that if these general issues are affected by one of the
9 later specific issues, it could be helpful in terms of
10 the way it's addressed to reflect that it's pending
11 resolution of the other issue, and whatever the
12 Commission decides on that issue would be reflected in
13 these general issues. That's certainly acceptable with
14 us.

15 MS. TEW: We can show it as a fallout issue
16 based on Issue 9.

17 MR. CHILDS: Right.

18 CHAIRMAN JOHNSON: Very well.

19 MS. PAUGH: For my edification, Mr. Childs,
20 which issues do you wish to see as fallout issues by
21 number?

22 MR. CHILDS: I believe that it's Issue 2, 3,
23 4, 8, and those are the ones.

24 MS. PAUGH: Thank you.

25 CHAIRMAN JOHNSON: Issue 3A.

1 MS. PAUGH: Staff can stipulate with TECO on
2 Issue 3A.

3 CHAIRMAN JOHNSON: Issue 4.

4 MS. PAUGH: There is no stipulation on Issue 4
5 with respect to either utility.

6 CHAIRMAN JOHNSON: Issue 4A.

7 MS. PAUGH: Staff is able to stipulate with
8 TECO on Issue 4A.

9 CHAIRMAN JOHNSON: Issue 5. Mr. McWhirter, is
10 this the one you have a problem with, or after 5?

11 MR. McWHIRTER: I'm okay through 6.

12 MR. BURGESS: He's up through 7 now.

13 MR. McWHIRTER: Not okay on 7.

14 CHAIRMAN JOHNSON: Issue 5.

15 MS. PAUGH: Staff can stipulate with FPL, Gulf
16 and TECO on Issue 5.

17 CHAIRMAN JOHNSON: Issue 6?

18 MS. PAUGH: Just for the record, Madam
19 Chairman, it has just been brought to my attention that
20 there is some question about the meaning of cycle day 3
21 and cycle day 2 in FPL's position for Issue 5. Assuming
22 we can work out the correct meaning of that phrase, this
23 issue will be stipulated.

24 MR. CHILDS: I realize we're on another
25 docket, but that was the point that I wanted to make as

1 to the 01 docket too.

2 MS. PAUGH: Duly noted.

3 CHAIRMAN JOHNSON: All right that was Issue
4 6?

5 MS. PAUGH: That was Issue 5. I'm sorry. We
6 had not quite gotten to 6 yet.

7 CHAIRMAN JOHNSON: Issue 6.

8 MS. PAUGH: Staff will stipulate to Staff's
9 wording on Issue 6 with respect to FPL, Gulf and TECO,
10 if that is acceptable to the utilities.

11 CHAIRMAN JOHNSON: Any comments? Any
12 objections?

13 MR. CHILDS: No.

14 MR. STONE: No objection from Gulf.

15 CHAIRMAN JOHNSON: Florida Power & Light?

16 MR. CHILDS: Pardon?

17 CHAIRMAN JOHNSON: Any objection to using
18 Staff's?

19 MR. CHILDS: No, we'll do that.

20 CHAIRMAN JOHNSON: TECO?

21 MR. BEASLEY: Just a second.

22 CHAIRMAN JOHNSON: TECO?

23 MR. BEASLEY: We would modify our position for
24 Tampa Electric to be no position on this issue.

25 CHAIRMAN JOHNSON: Okay, any other changes,

1 comments?

2 MR. McWHIRTER: FIPUG would like to take a
3 position that investments in environmental equipment
4 that are capital investments should be -- the cost
5 should be allocated as suggested by Gulf on a
6 100 percent demand basis. Those investments which are
7 investments that relate to fuel costs should be
8 allocated on the energy charge. I understand TECO has
9 changed its position to no position?

10 CHAIRMAN JOHNSON: Could you provide that in
11 written form to Staff?

12 MR. McWHIRTER: All right.

13 CHAIRMAN JOHNSON: Thank you.

14 MR. STONE: Chairman Johnson, I understand
15 FIPUG's position, but I'm not sure I understand whether
16 or not that interferes with the stipulation on this
17 issue.

18 MR. CHILDS: Well, could I inquire?

19 CHAIRMAN JOHNSON: Certainly.

20 MR. CHILDS: It seems to me that the issue is
21 worded as though it's a general issue, but in fact it
22 relates to the specific proposals. So I don't think
23 we're solving the general -- you know, in general, cost
24 allocation would be any way -- it's for these particular
25 projects.

1 MR. McWHIRTER: Yeah, that's what 7 seems to
2 say. Says "the newly proposed," and I guess that's
3 specific to this one rather than "all newly proposed."

4 MS. PAUGH: That's correct, Madam Chairman,
5 for what it's worth.

6 MR. McWHIRTER: Mine was a general
7 philosophical statement and I'll still put that in
8 writing for you.

9 CHAIRMAN JOHNSON: The general philosophical
10 statement?

11 MR. McWHIRTER: Yes, ma'am.

12 CHAIRMAN JOHNSON: No, that's okay. But thank
13 you. Issue 8.

14 MR. STONE: May I inquire, do we have a
15 stipulation on Issue 7?

16 MS. PAUGH: Yes. Staff is able to stipulate
17 with FPL and Gulf on Issue 7. Would it help if TECO
18 struck its position altogether on Issue 7 since TECO
19 does not have a newly proposed environmental cost?

20 MR. BEASLEY: We would be happy to do that.

21 MS. PAUGH: Thank you.

22 CHAIRMAN JOHNSON: Issue 8.

23 MR. McWHIRTER: I will not give you a
24 supplemental philosophical statement then.

25 MS. PAUGH: We're just saving you some work,

1 Mr. McWhirter.

2 CHAIRMAN JOHNSON: Issue 8.

3 MS. PAUGH: On Issue 8, Staff has been unable
4 to stipulate with FPL or Gulf. Staff is able to
5 stipulate with TECO on Issue 8.

6 CHAIRMAN JOHNSON: FIPUG and OPC, are you
7 just --

8 MR. BURGESS: (Nods affirmatively.)

9 MR. McWHIRTER: FIPUG takes no position on
10 Issue 8.

11 MR. STONE: May I presume that Staff's
12 position on Issue 4 with regard to Gulf and Issue 8 with
13 regard to Gulf is a fallout of Issue 10?

14 MS. PAUGH: That's correct.

15 MR. STONE: I'll be patient.

16 CHAIRMAN JOHNSON: Issue 9?

17 MS. PAUGH: Staff has no position pending
18 outstanding discovery on Issue 9.

19 CHAIRMAN JOHNSON: Okay, when will Staff be in
20 a position to provide a written position, or --

21 MS. PAUGH: It's my understanding that the
22 discovery has been received just recently. We should be
23 able to provide a written position within a week.

24 CHAIRMAN JOHNSON: Okay, the same week for --

25 MS. PAUGH: Apparently we have not received

1 FPL's, but we have received Gulf's, so we would like
2 several days after receipt of FPL's discovery to provide
3 a position, possibly a week from the date of receipt.

4 CHAIRMAN JOHNSON: Okay. Any other comments
5 on 9?

6 MR. McWHIRTER: No comment.

7 CHAIRMAN JOHNSON: 9A.

8 MS. PAUGH: There are no stipulations at this
9 time on Issue 9A.

10 MR. CHILDS: We have -- it is my
11 understanding, we have been asked -- my understanding is
12 there were some errors in the schedules that FPL
13 submitted, and I think the numbers were something like a
14 total of 20-, \$23,000 difference. And we have been
15 asked to do the recalculation and do the schedules over
16 again, and we're going to do that, to address those
17 errors. I don't think it affects the factor because of
18 the size, but the Staff was concerned that we refile,
19 and we will, as soon as we can.

20 CHAIRMAN JOHNSON: Very good.

21 MS. PAUGH: If upon the refiling Staff agrees
22 with the calculations, it will be possible to stipulate
23 at this time. If we do, we'll notify the parties of
24 that.

25 CHAIRMAN JOHNSON: Issue 10.

1 MS. PAUGH: Staff has no position on Issue 10
2 at this time.

3 MR. STONE: Chairman Johnson, it's my
4 understanding that Staff has received the discovery from
5 Gulf that relates to this issue, and I was wondering if
6 we might either have an opportunity to speak with Staff
7 or if we might have some indication of when the position
8 might be taken so we can determine whether or not it
9 will be necessary for witnesses to attend the
10 proceeding.

11 CHAIRMAN JOHNSON: Staff?

12 MS. PAUGH: Staff has advised me that they
13 anticipate going to hearing on this issue.

14 CHAIRMAN JOHNSON: And when will Staff have a
15 position?

16 MS. PAUGH: Within a week of receipt of
17 discovery. I understand that we do have the discovery,
18 so it will be no more than a week.

19 CHAIRMAN JOHNSON: A week from today?

20 MS. PAUGH: A week from today, yes.

21 CHAIRMAN JOHNSON: That was Issue 10, right?

22 MS. PAUGH: That's correct.

23 CHAIRMAN JOHNSON: 10A.

24 MS. PAUGH: Staff is willing to stipulate with
25 Gulf on Issue 10A if they agree to use our wording on

1 this stipulation -- or on this issue.

2 CHAIRMAN JOHNSON: Gulf?

3 MR. STONE: Their wording is incorporated into
4 the issue. I see no problem with that.

5 CHAIRMAN JOHNSON: Then I'm assuming FIPUG and
6 OPC are taking no position?

7 MR. BURGESS: (Nods affirmatively.)

8 CHAIRMAN JOHNSON: 10B?

9 MS. PAUGH: Staff is willing to stipulate this
10 issue, again, if the utility will agree to our wording.

11 CHAIRMAN JOHNSON: Gulf?

12 MR. STONE: I guess you're asking for an
13 admission that it was an inappropriate allocation in the
14 Plant Daniels' SO2 allowances? Because that's the only
15 difference I see in the wording. The fact that we've
16 already made the adjustment --

17 MS. TEW: I just thought it was more
18 explanatory about why. We understand the correcting
19 entries have been made. I just -- I think it makes for
20 a better record to include why.

21 MR. STONE: We'll agree with Staff.

22 MS. PAUGH: Okay.

23 CHAIRMAN JOHNSON: 10C.

24 MS. PAUGH: Staff will agree to stipulate with
25 Gulf on this issue. However, we would like our

1 wording. Again, we feel it's very important that the
2 case-by-case analysis be retained as stated in our
3 position.

4 MR. STONE: We agree with Staff.

5 MR. McWHIRTER: FIPUG's position is that our
6 legal expenses would be 10 percent of the legal expenses
7 incurred by the utilities to be shared equally with OPC
8 and FIPUG.

9 CHAIRMAN JOHNSON: Okay.

10 MR. STONE: For the record --

11 MR. McWHIRTER: For the public's interest.

12 MR. STONE: For the record, the legal expenses
13 referred to this issue are not incurred by the law firm
14 of Beggs & Lane.

15 MR. McWHIRTER: How about 5 percent for you?

16 MS. PAUGH: Touche, Mr. Stone.

17 CHAIRMAN JOHNSON: Issue 10D.

18 MS. PAUGH: Again, Staff can stipulate to this
19 issue if Gulf will agree to our wording.

20 CHAIRMAN JOHNSON: Gulf?

21 MR. STONE: If we could defer this issue for a
22 moment so -- I understand there is some concern about
23 the language. We may be able to resolve it, but I need
24 to have some time to speak with --

25 CHAIRMAN JOHNSON: We'll come back to 10D.

1 11?

2 MS. PAUGH: Staff is unable to stipulate with
3 TECO on this issue. We have been unable to verify the
4 figures at this time.

5 MS. TEW: Since this issue refers to the
6 docket that will be decided at agenda tomorrow, we
7 wanted time to not only be able to review those factors,
8 if that is the result of the docket. And then also we
9 wanted to look at the methodology. So really, this
10 issue incorporates more than just the fallout from that
11 docket. So we wanted to review the methodology, and we
12 may need more time to do that than by this hearing. So
13 that's why we wanted to defer it until the spring.

14 MR. LAUX: Is the suggestion that if the
15 Commission addresses the appropriate methodology for the
16 SO2 allowances in that docket, that the Commission would
17 also need to look at a different methodology, or whether
18 or not that -- the methodology that the Commission had
19 approved in the wholesale sales, whether or not that
20 would be appropriate to use in this docket?

21 MS. TEW: Whatever determination the
22 Commission makes tomorrow will be incorporated into this
23 docket. We just wanted to make sure that we had all the
24 details ironed out before we agreed to an appropriate
25 methodology for any company.

1 MR. LAUX: We're in the same position on this
2 one as to when you actually recognize that change, and
3 depending on what the Commission's vote is, it may be
4 something that you can recalculate quickly. It may be
5 something that's -- to where you may want to do a
6 mid-course correction, or it may be an incidental amount
7 to where you would recognize it in the next fuel
8 adjustment as a trueup.

9 CHAIRMAN JOHNSON: Okay. So what are we going
10 to do on this? Are we going to wait until after
11 tomorrow and y'all are going to confer and then probably
12 come up with something that's reasonable?

13 MS. PAUGH: I believe that's appropriate.

14 CHAIRMAN JOHNSON: We'll let all the parties
15 know. Okay. 11A.

16 MS. PAUGH: Staff is prepared to stipulate to
17 Issue 11A provided our wording is used.

18 CHAIRMAN JOHNSON: TECO?

19 MR. BEASLEY: That's acceptable.

20 CHAIRMAN JOHNSON: Very good. 11B.

21 MS. PAUGH: Again, Staff is prepared to
22 stipulate, provided our wording is used in the
23 stipulation.

24 MR. BEASLEY: We accept that.

25 CHAIRMAN JOHNSON: 11C.

1 MS. PAUGH: Staff requests that the wording of
2 11C, the Staff position, be changed to add the sentence
3 at the end, "Staff will continue to review payroll
4 expenses on a case-by-case basis." With that revision,
5 Staff would be prepared to stipulate, provided Staff's
6 wording as amended is used.

7 MR. BEASLEY: That's acceptable to Tampa
8 Electric.

9 CHAIRMAN JOHNSON: Okay, show that --

10 MR. McWHIRTER: FIPUG will defer to Staff's
11 audit responsibility.

12 CHAIRMAN JOHNSON: Very good.

13 Okay, going back to 10D. Gulf, are you
14 prepared to respond?

15 MR. STONE: Yes, Chairman Johnson. If Staff
16 would be willing to add three words to the end of the
17 first paragraph, we could have a stipulation from the
18 company. Those three words would be "and July, 1997,"
19 to take into account that we made one of those adjusting
20 entries in July.

21 MS. PAUGH: Staff agrees with that change.
22 Therefore, this stipulation, as revised -- this can be
23 stipulated as revised.

24 CHAIRMAN JOHNSON: Very good.

25 Now we can continue on to Page 24, Section 8.

1 We will use the same general language and approach that
2 we've always used with respect to stipulation and
3 excusing witnesses.

4 MS. PAUGH: Yes.

5 CHAIRMAN JOHNSON: Pending motions?

6 MS. PAUGH: There are no pending motions at
7 this time.

8 CHAIRMAN JOHNSON: Okay, very good. Any other
9 matters?

10 MR. BEASLEY: Commissioner, I had one item
11 that relates back to the 970001 docket, and it has to do
12 with issues pertaining to transmission cost revenues.

13 CHAIRMAN JOHNSON: Anything else in this
14 docket, 07?

15 MR. STONE: Yes, Commissioner. I'm not sure
16 what the nature of the Staff's concern over Issue 10
17 is. With regard to our witnesses, Ms. Cranmer, although
18 she's listed -- well actually, technically, she's not
19 listed on Issue 10. I'm not -- not knowing what the
20 nature of Staff's concern is, Mr. Vick may not be able
21 to carry the burden of testifying on his own. We may
22 have to enlist another witness. We won't know that
23 until we know what Staff's concern about this issue is.
24 I'm not sure how to handle that given the fact that
25 Staff has not taken a position at this time.

1 CHAIRMAN JOHNSON: What issue is that? I'm
2 sorry.

3 MR. STONE: Issue 10 appears to be the only
4 issue that's outstanding with regard to Gulf. The other
5 issues that are outstanding would be fallout issues
6 related to that issue.

7 MS. PAUGH: Staff is advising me that our
8 position will be available to Gulf by next Monday.
9 Apparently they have questions of both of your
10 witnesses.

11 MR. STONE: The curious thing about that is
12 I'm not sure that Ms. Cranmer is even listed as a
13 witness on Issue 10. We did not identify her as a
14 witness on that issue.

15 MS. PAUGH: She is listed on the fallout
16 issues according to Staff. (Pause)

17 Staff will agree to the witness that is listed
18 for Issue 10. If Gulf Power would like to revise the
19 witness list at the time of the hearing, that motion
20 could be made at that time.

21 MR. STONE: Thank you. We appreciate leave in
22 that regard. My main concern is at that point --
23 Staff -- it's my understanding that we delivered our
24 discovery a week ago. We won't know the position of
25 Staff until, it appears to be, the day before the

1 hearing, or at most two days before the hearing. And if
2 we are to bring a witness with us to that proceeding
3 with two days' notice, I'm not sure that -- I'm
4 concerned about the expense of it being incurred to
5 bring a witness that may be objected to. That's the
6 difficulty we have in trying to know how to respond to
7 what Staff's concerns may be with regard to this issue.

8 MS. PAUGH: If I may interject, Madam
9 Chairman. At the time that Staff makes Gulf aware of
10 their position on this issue, I would suggest that we
11 discuss how best for the utility and Staff to handle the
12 proceeding at that time.

13 CHAIRMAN JOHNSON: Okay. That will be fine,
14 and if you could then get back with my office and we'll
15 make a final determination.

16 MR. STONE: Thank you. With regard to
17 Ms. Cranmer, she does provide testimony on the fallout
18 issues, but we will have someone available to calculate
19 any numbers. And with that assurance by the company,
20 may Ms. Cranmer be excused from the proceeding?

21 CHAIRMAN JOHNSON: Staff?

22 MS. PAUGH: If that's the Company's desire,
23 that's fine.

24 CHAIRMAN JOHNSON: To have someone else there
25 available?

1 MR. STONE: We will have someone available to
2 make the calculations. Generally it's something we
3 can -- once we know what the issues are, we can usually
4 reach a stipulation on the issues and not have to have a
5 witness present.

6 CHAIRMAN JOHNSON: Okay, very well. Florida
7 Power & Light?

8 MR. CHILDS: Commissioner, for Florida Power &
9 Light Company, on one of the issues, Issue 9A, I
10 mentioned we had some revised forms that Staff had asked
11 us to prepare. We have those. They're revised exhibits
12 Appendix 1 and 2, forms 42-1P through 42-7P for Appendix
13 1, 42-1E through 42-80 for Appendix 2. Anyone that
14 wants them, we'll give them today, if you would like
15 them, but we're going to file them with the Staff.

16 And the other thing I had was a question. I
17 suggested to Staff that I believe four of the issues
18 were fallout issues relating to Issue 9. I do not know
19 whether Staff agrees, but if they do, I would ask that
20 they say so, so it might facilitate addressing those
21 issues later on.

22 MS. PAUGH: Staff has agreed that Issues 2, 3,
23 4 and 8 are fallout issues.

24 CHAIRMAN JOHNSON: Any other clarifications on
25 the 07 docket?

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TECO had some questions on the 01?

(Prehearing concluded at 3:00 p.m.)

I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter.

Lisa Girod Jones
Lisa Girod Jones, RPR, RMR

8/6/97
Date