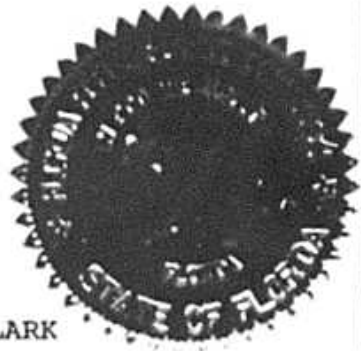


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of :  
Purchased Gas Adjustment :  
true-up. :

DOCKET NO. 980003-GU



PROCEEDINGS: PREHEARING CONFERENCE

BEFORE: COMMISSIONER SUSAN F. CLARK  
Prehearing Officer

DATE: Monday, February 16, 1998

TIME: Commenced at 1:45 p.m.

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

REPORTED BY: JOY KELLY, CSR, RPR  
Chief, Bureau of Reporting  
(904) 413-6732

DOCUMENT NUMBER - DATE  
02383 FEB 1998  
FPSC - RT-CORPS-REPORTING

1 **APPEARANCES:**

2                   **KENNETH A. HOFFMAN**, Rutledge, Ecenia,  
3 Underwood, Purnell and Hoffman, P. O. Box 511, 215  
4 South Monroe Street, Suite 420, Tallahassee, Florida  
5 32302-0551, appearing on behalf of **Florida Public**  
6 **Utilities Company.**

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

12                   **MICHAEL PALECKI**, NUI Corporation, Southern  
13 Division, 955 East 25th Street, Hialeah, Florida  
14 33013, on behalf of **City Gas Company of Florida.**

15                   **WAYNE L. SCHIEFELBEIN**, Gatlin, Schiefelbein  
16 and Cowdery, The Mahan Station, 1709-D Mahan Drive,  
17 Tallahassee, Florida 32308, appearing on behalf of  
18 **Chesapeake Utilities Corporation, Florida Division.**

19                   **NORMAN H. HORTON, JR.**, Messer, Caparello & Self,  
20 P.A., Post Office 1876, Tallahassee, Florida 32302, appearing  
21 on behalf of **South Florida Natural Gas Company and Sebring Gas**  
22 **Systems, Inc.**

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1 **APPEARANCES CONTINUED:**

2           **DAVID M. NICHOLSON**, Macfarlane, Ferguson &  
3 McMullen, Post Office Box 1531, Tampa, Florida 33601,  
4 appearing on behalf of **Peoples Gas Company of Florida.**

5           **WM. COCHRAN KEATING**, Florida Public Service  
6 Commission, Legal Division, 2540 Shumard Oak  
7 Boulevard, Tallahassee, Florida 32399-0870, on behalf  
8 of **Commission Staff.**

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## P R O C E E D I N G S

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2           **COMMISSIONER CLARK:** Let's call the  
3 prehearing to order. Counsel, would you please read  
4 the notice.

5           **MR. KEATING:** Pursuant to notice issued  
6 January 13th, 1998, this time and place have been set  
7 for a prehearing in Docket Nos. 980001-EI, fuel and  
8 purchased power cost recovery clause and generating  
9 performance incentive factor; Docket No. 980002-EG,  
10 conservation cost recovery clause; Docket  
11 No. 980003-GU, purchased gas adjustment PGA true-up  
12 and Docket No. 980007-EI, environmental cost recovery  
13 clause.

14           **COMMISSIONER CLARK:** We'll take appearances,  
15 starting with you, Mr. Palecki.

16           **MR. PALECKI:** Michael Palecki, City Gas  
17 Company of Florida, 955 East 25th Street, Hialeah,  
18 Florida 33013.

19           **COMMISSIONER CLARK:** Which docket are you  
20 appearing in?

21           **MR. PALECKI:** Appearing in 002 and 003.

22           **MR. BEASLEY:** James D. Beasley, of the law  
23 firm of Ausley & McMullen, P. O. Box 391, Tallahassee,  
24 Florida 32301. I'm representing Tampa Electric  
25 Company in the 980001, 2 and 7 dockets.

1           **MR. MCGEE:** James McGee, P. O. Box 14042  
2 St. Petersburg 33733, and with me is Ronald M. Bright,  
3 Class B Practitioner. Mr. Bright is appearing in the 01  
4 docket, and I'm appearing in the 01 and 02 docket on  
5 behalf of Florida Power Corporation.

6           **MR. CHILDS:** Commissioner, my name is  
7 Matthew Childs of the law firm of Steel, Hector and  
8 Davis. I'm appearing on behalf of Florida Power and  
9 Light Company in the 01 and 07 dockets.

10           **MR. STONE:** Commissioner, I'm  
11 Jeffrey A. Stone of the law firm of Beggs & Lane.  
12 With me today is Russell A. Badders. We're appearing  
13 on behalf of Gulf Power Company in the 01 and 02  
14 dockets, and for the limited purpose of addressing the  
15 issue with regard to the annual hearing in the 07  
16 docket.

17           **MR. NICHOLSON:** Commissioner, I'm David  
18 Nicholson of the law firm of Macfarlane Ferguson &  
19 McMullen, appearing for Peoples Gas in the 02 and 03  
20 docket, and also for the former West Florida Natural  
21 Gas Company in the 02 docket.

22           **MR. SCHIEFELBEIN:** Wayne Schiefelbein  
23 appearing on behalf of Chesapeake Utilities  
24 Corporation in the 02 and 03 dockets.

25           **MS. KAUFMAN:** Vicki Gordon Kaufman of

1 McWhirter, Reeves, McGlothlin, Davidson, Rief & Bakas.  
2 I'm appearing on behalf of the Florida Industrial  
3 Power Users Group in the 01, 02 and 07 dockets.

4 **MR. HOWE:** Commissioner Clark, I'm  
5 Roger Howe with the Office of Public Counsel appearing  
6 on behalf of the citizens of the State of Florida in  
7 the 01, 02, 03 and 07 dockets.

8 **MR. HOFFMAN:** Commissioner Clark, my name is  
9 Kenneth A. Hoffman. I'm here this afternoon on behalf  
10 of Florida Public Utilities Company in the 01, 02 and  
11 03 dockets.

12 **MR. HORTON:** I'm Norman H. Horton of Messer,  
13 Caparello & Self. Appearing on behalf of Sebring Gas  
14 System and South Florida Natural Gas in the 03 docket.

15 **MR. GUYTON:** Commissioner, my name is  
16 Charles Guyton with the law firm of Steel, Hector and  
17 Davis, appearing on behalf of Florida Power and Light  
18 Company in the 02 docket.

19 **MS. PAUGH:** Leslie Paugh on behalf of Staff  
20 in the 01 and 07 dockets.

21 **MR. KEATING:** Cochran Keating on behalf of  
22 Staff in the 02 and 03 dockets.

23 **COMMISSIONER CLARK:** Anyone else? Thank you  
24 very much.

25 \* \* \* \* \*

1           **COMMISSIONER CLARK:** 03.

2           **MR. SCHIEFELBEIN:** Commissioner, on Page 1  
3 in the appearances there could be just a change. I'm  
4 appearing on behalf of Chesapeake Utilities  
5 Corporation as opposed to "company."

6           **COMMISSIONER CLARK:** Page 2.

7           **MR. SCHIEFELBEIN:** Page 1, the first  
8 appearance.

9           **COMMISSIONER CLARK:** Corporation. Got you.

10          **MR. SCHIEFELBEIN:** Thank you.

11          **COMMISSIONER CLARK:** All right. Any changes  
12 through Page 5 and down to the end of basic positions  
13 on Page 6? Okay.

14          **MR. KEATING:** I believe this is directed to  
15 Peoples Gas counsel. I believe they filed an amended  
16 prehearing statement, and that perhaps some of the  
17 numbers in its basic position on Page 6 --

18          **COMMISSIONER CLARK:** Wait a minute, that's  
19 Mr. Nicholson.

20          **MR. NICHOLSON:** I just moved down.

21          **COMMISSIONER CLARK:** All right. Some  
22 changes to basic positions?

23          **MR. KEATING:** Yes. I believe that --

24          **MR. NICHOLSON:** Actually believe on Issue 1  
25 on Page 7, those numbers are the corrected numbers.

1 The 3,911,759 with the notation that that figure  
2 includes West Florida's 103,000 underrecovery.

3           **MR. NICHOLSON:** I was referring to their  
4 Statement of Basis Position that's on Page 6. I don't  
5 think that some of the numbers in that statement of  
6 basic position reflect the numbers from their amended  
7 prehearing statement. I think they are reflected in  
8 each of the individual issues and positions after that  
9 point.

10           **MR. NICHOLSON:** That is correct. So those  
11 should be changed and we'll stipulate that they be in  
12 agreement with the later issues.

13           **COMMISSIONER CLARK:** The basic positions,  
14 the numbers in the basic position will be changed to  
15 conform with what is in the numbered issues. All  
16 right. Issue 1. OPC.

17           **MR. HOWE:** Public Counsel will take no  
18 position on all issues.

19           **COMMISSIONER CLARK:** Okay.

20           **MR. KEATING:** Staff finds that the positions  
21 taken by all of the parties are reasonable and,  
22 therefore, accepts those positions.

23           **COMMISSIONER CLARK:** On Issue 1.

24           **MR. KEATING:** On Issue 1.

25           **COMMISSIONER CLARK:** Show it as a proposed



1 stipulated issue. Issue 2.

2           **MR. KEATING:** Staff would like to add at the  
3 end of its position on Issue 2 a sentence that reads  
4 "Peoples estimated true-up amount includes \$23,492  
5 overrecovery associated with West Florida Natural  
6 Gas."

7           **COMMISSIONER CLARK:** Mr. Nicholson.

8           **MR. NICHOLSON:** That's correct. And also, I  
9 guess, on Issue 2, does that mean we take out on  
10 Staff's position the \$23,000 for West Florida?

11           **MR. KEATING:** Yes, that's correct. We would  
12 eliminate the bottom line on the table.

13           **COMMISSIONER CLARK:** Okay. With those  
14 corrections we show Issue 2 as a proposed stipulated  
15 issue. Okay. Issue 3.

16           **MR. PALECKI:** Commissioner Clark, on Issue 3  
17 City Gas would add the word "underrecovery" after the  
18 number on Page 8 to agree with Staff's position. We  
19 just omitted the word "underrecovery" in our  
20 prehearing statement.

21           **COMMISSIONER CLARK:** All right. With that  
22 change, is there agreement on this issue?

23           **MR. KEATING:** I believe Staff would like to  
24 make a change to its position on this issue. Again,  
25 we would delete the last line in the column for West

1 Florida Natural Gas, and add a sentence to the note  
2 below our position, that since -- it would read  
3 "Peoples projected true-up amount includes \$80,177  
4 underrecovery associated with West Florida Natural  
5 Gas."

6           **COMMISSIONER CLARK:** Okay. With that change  
7 we'll show it as a proposed stipulated issue. Issue  
8 No. 4.

9           **MR. KEATING:** Staff agrees with the  
10 positions of the parties and would accept those as  
11 reasonable.

12           **COMMISSIONER CLARK:** You would show the same  
13 change with respect to West -- you already show it as  
14 merged. Okay. We'll show that as a proposed  
15 stipulated issue. Issue 5.

16           **MR. KEATING:** I believe that Issue 5 can  
17 also be shown as a proposed stipulation.

18           **COMMISSIONER CLARK:** Okay. Issue 6.

19           **MR. SCHIEFELBEIN:** Chesapeake, CUC, would  
20 take no position on Issue 6.

21           **MR. NICHOLSON:** As would Peoples Gas.

22           **COMMISSIONER CLARK:** That should be taken up  
23 in the generic proceeding, so it should be eliminated  
24 as an issue. Is there anything else we need to take  
25 up with 03?



1 STATE OF FLORIDA)  
: CERTIFICATE OF REPORTER  
2 COUNTY OF LEON )

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

5 DO HEREBY CERTIFY that the Prehearing  
6 Conference in Docket No. 980003-GU 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 18th day of February, 1998.

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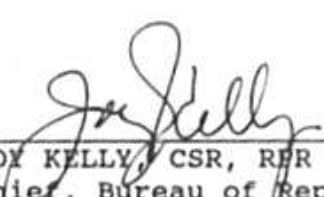
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JOY KELLY, CSR, RPR  
Chief, Bureau of Reporting

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