

1 **APPEARANCES:**

2 **MATTHEW M. CHILDS**, Steel, Hector and Davis,
3 215 South Monroe Street, Suite 601, Tallahassee,
4 Florida 32303-0551, appearing on behalf of Florida
5 **Power & Light Company.**

6 **JEFFREY A. STONE** and **RUSSELL A. BADDERS**,
7 Beggs & Lane, 700 Blount Building, 3 West Carden
8 Street, Post Office Box 12950, Pensacola, Florida
9 32576-2950, appearing on behalf of **Gulf Power Company.**

10 **JAMES D. BEASLEY**, Ausley & McMullen, Post
11 Office Box 391, Tallahassee, Florida 32302, appearing
12 on behalf of **Tampa Electric Company.**

13 **VICKI GORDON KAUFMAN**, McWhirter, Grandoff &
14 Reeves, Post Office Box 3350, Tampa, Florida
15 32601-3350, appearing on behalf of **Florida Industrial**
16 **Power Users Group.**

17 **JOHN ROGER HOWE**, Deputy Public Counsel,
18 Office of Public Counsel, c/o The Florida Legislature,
19 111 West Madison Street, Room 812, Tallahassee,
20 Florida 32399-1400, on behalf of the **Citizens of the**
21 **State of Florida.**

22 **LESLIE J. PAUGH**, Florida Public Service
23 Commission, Legal Division, 2540 Shumard Oak
24 Boulevard, Tallahassee, Florida 32399-0870, on behalf
25 of **Commission Staff.**

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.

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1 **COMMISSIONER CLARK:** All right. We'll take
2 up 07. Are there any changes through Page 4?

3 **MS. FAUGH:** Not from Staff.

4 **COMMISSIONER CLARK:** All right. Any change
5 on the basic positions? Any changes on Issue 1?

6 **MS. FAUGH:** Commissioner, before we get
7 started, I'd like to note that Staff has supplied a
8 memorandum that reflects additional positions Staff
9 has been able to take between today and when the draft
10 Prehearing Order was first issued last Thursday.

11 Staff has now been able to take positions on
12 Issues, 1, 2, 3, 4, and 8. So if you did not receive
13 a copy of the memorandum, there are extra copies on
14 the table at the side.

15 **COMMISSIONER CLARK:** I somehow left that
16 upstairs.

17 **MS. FAUGH:** I'll get you a copy.

18 (Hands document to Commissioner.)

19 **COMMISSIONER CLARK:** All right. Then do we
20 have a proposed stipulation on Issue 1.

21 **MS. FAUGH:** Should we here from OPC and by
22 FIPUG first?

23 **MS. KAUFMAN:** On Issues 1 through 4 FIPUG
24 has no position.

25 **MR. HOWE:** Public Counsel will take no

1 position on all issues except No. 15, where we will
2 agree with Staff.

3 MS. PAUGH: With respect to Issue 1, Staff
4 finds the position taken by TECO to be reasonable and,
5 therefore, accepts the same.

6 COMMISSIONER CLARK: All right. We'll show
7 Issue 1 as a proposed stipulation. Issue 2.

8 MS. PAUGH: The same is true with respect to
9 had you Issue 2.

10 COMMISSIONER CLARK: Issue 3.

11 MS. PAUGH: Staff finds the position taken
12 by TECO to be reasonable and, therefore, it accepts
13 the same.

14 COMMISSIONER CLARK: Show it as a proposed
15 stipulation. Issue 4.

16 MS. PAUGH: Issue 4 is still being resolved.

17 MR. BEASLEY: Tampa Electric will agree with
18 the Staff's number there in the little supplement you
19 referred to, \$2,748,383. We agree with Staff on that
20 number.

21 MS. PAUGH: Thank you.

22 COMMISSIONER CLARK: Show Issue 4 as
23 proposed stipulation. Issue 5.

24 MS. KAUFMAN: FIPUG agrees with Staff.

25 MS. PAUGH: Staff finds the position taken

1 by TECO to be reasonable and, therefore, accepts the
2 same.

3 COMMISSIONER CLARK: We'll show that as a
4 proposed stipulation. Issue 6.

5 MS. KAUFMAN: FIPUG has no position.

6 MS. PAUGH: Staff finds that the position
7 taken by the company is reasonable and, therefore,
8 agrees to same and withdraws Staff's language.

9 COMMISSIONER CLARK: Issue 7.

10 MS. KAUFMAN: Up through Issue 14 FIPUG has
11 no position.

12 MS. PAUGH: Staff finds the position of TECO
13 to be reasonable with respect to Issue 7 if TECO will
14 agree to our language.

15 MR. BEASLEY: I think I will, subject to
16 check, I'll do that and confirm.

17 COMMISSIONER CLARK: Okay. We'll show it as
18 a proposed stipulation, subject to check.

19 MS. PAUGH: With respect to Issue 8, I have
20 a question of counsel.

21 COMMISSIONER CLARK: Go ahead and finish up,
22 Mr. Beasley, then we'll go to 8.

23 MS. PAUGH: Issue 8 your categories RS and
24 RST, did you mean for that number to be something
25 other than .333?

1 MR. BEASLEY: Yes, that should be 0.033.

2 MS. PAUGH: We will show that correction.

3 COMMISSIONER CLARK: Can we show a proposed
4 stipulation?

5 MS. PAUGH: That's correct, with the
6 correction.

7 COMMISSIONER CLARK: Issue 9.

8 MS. PAUGH: Staff finds the position of the
9 Company to be reasonable and can agree to it if the
10 Company will agree to our language specifically.

11 MR. BEASLEY: Yes, we agree with the Staff's
12 language.

13 COMMISSIONER CLARK: Issue 10.

14 MS. PAUGH: Same is true with respect to
15 Issue 10, if the Company agrees with our language we
16 agree with their position as reasonable.

17 MR. BEASLEY: Issue 10. Yes. We agree with
18 that. And we can revisit 7 and stipulate with the
19 Staff on that as well.

20 COMMISSIONER CLARK: Thank you.

21 COMMISSIONER CLARK: Issue 11.

22 MS. PAUGH: If the Company will agree with
23 our language, we agree with their position as
24 reasonable.

25 MR. BEASLEY: Yes.

1 **COMMISSIONER CLARK:** Issue 12.

2 **MS. PAUGH:** If the Company will agree to our
3 language, we can agree that their position is
4 reasonable.

5 **MR. BEASLEY:** Stipulated.

6 **COMMISSIONER CLARK:** Issue 13.

7 **MS. PAUGH:** The same is true with respect to
8 Issue 13.

9 **MR. BEASLEY:** We agree.

10 **COMMISSIONER CLARK:** Issue 14.

11 **MS. PAUGH:** If the Company will agree to our
12 language, we can find their position to be reasonable.

13 **MS. KAUFMAN:** We have no position.

14 **MR. BEASLEY:** We will stipulate as well.

15 **COMMISSIONER CLARK:** Proposed stipulation on
16 14. Issue 15.

17 **MS. PAUGH:** I'm sorry, Commissioner, I have
18 been advised that the figure in Staff's language in
19 Issue 14 that says 160,249 should be changed to
20 160,429; apparently those numbers were transposed. We
21 apologize.

22 **MR. BEASLEY:** Sounds reasonable.

23 **COMMISSIONER CLARK:** We did Issue 15. Issue
24 16.

25 **MS. KAUFMAN:** Excuse me, I'm sorry. Did we

1 do Issue 15? If we did I missed it. We agree with
2 Staff, FIPUG does, on Issue 15.

3 COMMISSIONER CLARK: Okay.

4 MS. PAUGH: Staff finds the position of the
5 Company to be reasonable if they will agree to our
6 language.

7 MR. BEASLEY: We will.

8 COMMISSIONER CLARK: Show that as a proposed
9 stipulation. Issue 16.

10 MS. PAUGH: This is the annualization issue.
11 Staff's position is that it should be spun out into a
12 separate docket.

13 COMMISSIONER CLARK: We'll show that in a --
14 spun out into the separate docket and to be handled as
15 expeditiously as possible.

16 MS. PAUGH: Thank you, Commissioner.

17 COMMISSIONER CLARK: Okay. Thank you.

18 We're done with 01 and 07, so for those of
19 you who aren't here on 02 and 03, you may be excused.

20 MS. PAUGH: Just a reminder to the parties
21 in the 01 docket that we do need to meet right after
22 this prehearing.

23 MR. STONE: Commissioner, may we clarify
24 that the witnesses in 07 have been excused?

25 COMMISSIONER CLARK: It's all proposed

1 stipulations; is that right? All right. We'll
2 indicate that they will be excused from appearing, but
3 we will stipulate the evidence and testimony into the
4 record.

5 MR. STONE: Thank you.

6 COMMISSIONER CLARK: I always wonder what
7 happens if some Commissioner says no, they don't agree
8 with the stipulation, what we'll do.

9 MR. STONE: Let's hope we never find out.

10 COMMISSIONER CLARK: Well, I guess what we
11 need to do is let the two other Commissioners know
12 that these things have been stipulated, and unless
13 they want a witness there, they will not be there.
14 Okay?

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

3 I, JOY KELLY, CSR, RPR, Chief, Bureau of
Reporting, Official Commission Reporter,
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5 DO HEREBY CERTIFY that the Prehearing
Conference in Docket No. 980007-EI was heard by the
Prehearing Officer at the time and place herein
6 stated; it is further

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

10 DATED this 18th day of February, 1998.

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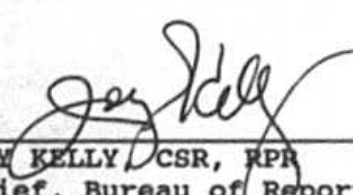
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JOY KELLY, CSR, RPR
Chief, Bureau of Reporting

(904) 413-6732