

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

 In the Matter of : DOCKET NO. 980001-EI
 :
 Fuel and purchased power :
 cost recovery clause and :
 generating performance :
 incentive factor. :

PROCEEDINGS: AGENDA CONFERENCE
ITEM NO. 26

BEFORE: CHAIRMAN JULIA L. JOHNSON
COMMISSIONER SUSAN F. CLARK
COMMISSIONER JOE GARCIA

DATE: Tuesday, July 21, 1998

TIME: Commenced at 9:30 a.m.

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

REPORTED BY: JOY KELLY, CSR, RPR
Chief, Bureau of Reporting



1 **PARTICIPATING:**

2 **LESLIE J. PAUGH**, FPSC Division of Legal
3 Services.

4 **JOE JENKINS, TOM BALLINGER, JUDY HARLOW** and
5 **DAVE WHEELER**, FPSC Division of Electric & Gas.

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P R O C E E D I N G S

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2 **CHAIRMAN JOHNSON:** Item 26 is a panel, Clark
3 Garcia and Johnson.

4 **COMMISSIONER CLARK:** Madam Chairman, I
5 apologize, but I still find this a difficult case to
6 get through and I have trouble with the first
7 recommendation, the first issue. We didn't grant
8 their motion for reconsideration because we couldn't
9 exactly figure out what it was.

10 **MS. PAUGH:** That's correct, Commissioner.

11 **COMMISSIONER CLARK:** But we do think there
12 needs to be some change to the Order.

13 **MS. PAUGH:** That's also correct.

14 **COMMISSIONER CLARK:** And that's what you've
15 done in Attachment A.

16 **MS. PAUGH:** That's correct. That's
17 legislative format of the Order that we issued to
18 hopefully clearly show what we propose the changes
19 should be.

20 **COMMISSIONER CLARK:** I'm not sure what we're
21 accomplishing here.

22 **MS. PAUGH:** Well, perhaps a summary would
23 aid you with that.

24 Florida Power and Light's Motion for
25 Reconsideration did not clearly refer to a Commission

1 error or inadvertence, and for that reason we felt we
2 had to deny it because we could not specifically
3 respond to it. It would be just speculation on our
4 part. However, during the oral argument Florida Power
5 and Light identified an issue we looked at much more
6 closely and realized that there may be inconsistencies
7 within the Order that we issued that needed to be
8 corrected.

9 Those inconsistencies went directly to the
10 possible perception that we were determining how
11 broker matches would be made because of the language
12 that related to our preference for incremental system
13 production cost. Does that help?

14 **COMMISSIONER CLARK:** I'm with you so far.

15 **MS. PAUGH:** All right. So what the changes
16 do, where some language was mandatory that these
17 matches shall be made based on incremental system
18 production cost, we changed the "shalls" to "shoulds."
19 We also took out the ordering paragraph that mandated
20 incremental system production cost. By using that,
21 that was not our intent, but it could be perceived as
22 the Commission setting the price of broker sales, and,
23 clearly, that is not within our jurisdiction. That's
24 FERC jurisdiction.

25 **COMMISSIONER CLARK:** And as I understand it

1 each utility then goes to FERC to determine what their
2 wholesale prices should be?

3 **MS. PAUGH:** That's correct.

4 **COMMISSIONER CLARK:** Even on the broker
5 system.

6 **MS. PAUGH:** That's correct.

7 **COMMISSIONER CLARK:** And then they will have
8 to make the case -- some of them included the
9 transmission cost and some of them didn't, right?

10 **MS. PAUGH:** I believe they all included the
11 transmission cost.

12 Pursuant to FERC Order 888 they had to go
13 back to FERC with their transmission tariffs and
14 revise them in accordance with the FERC order. What
15 we have jurisdiction over is the retail treatment of
16 the revenues.

17 **COMMISSIONER CLARK:** Got you.

18 **MS. HARLOW:** Commissioner Clark, you're
19 correct. Some of the utilities had a separate charge
20 for transmission, whereas some of them earmarked
21 dollars that were already within their original quote.
22 So in a sense their quote remains the same, both prior
23 to and after FERC Order 888, and then other utilities
24 had an additional charge.

25 **COMMISSIONER CLARK:** Okay. We take the

1 position that FERC sets the transmission price and
2 they also set the broker price.

3 MS. PAUGH: That's correct.

4 COMMISSIONER CLARK: What we're concerned
5 with is how they account for those revenues.

6 MS. PAUGH: That's correct.

7 COMMISSIONER CLARK: So my question is when
8 they separate out the transmission, how are we going
9 to account for the revenues that come from the
10 transmission charge? Is that retail or is that
11 wholesale?

12 MS. PAUGH: Well, traditionally that has --
13 all the revenues from broker sales have gone to the
14 retail jurisdiction because those were considered
15 nonseparated sales. They are short-term sales and the
16 revenues go through the fuel clause.

17 COMMISSIONER CLARK: Right.

18 MS. PAUGH: But that sort of approaches on
19 Florida Power's Motion for Reconsideration and I don't
20 know that you want to go there just now.

21 COMMISSIONER CLARK: Okay. So with Power &
22 Light we're just acknowledging that we don't get to
23 set prices for wholesale.

24 MS. PAUGH: That's correct.

25 COMMISSIONER CLARK: Okay. So the issue

1 is -- has to be decided with respect to the Issue 2.

2 I move Staff on Issue 1.

3 **COMMISSIONER GARCIA:** Second.

4 **CHAIRMAN JOHNSON:** Is there a second on

5 Issue 1? Show it approved without objection.

6 Now the tough one, Issue 2.

7 **MS. PAUGH:** Commissioners, with respect to
8 Issue 2, Florida Power Corporation filed a Motion for
9 Reconsideration that challenges that portion of our
10 Order that rejects their argument that transmission
11 revenues should be separated. In other words, our
12 Order said specifically transmission revenues will not
13 be separated in the retail and wholesale
14 jurisdictions.

15 There is a primary and alternative
16 recommendation. The primary recommendation is that
17 Florida Power Corporation has met the burden for
18 establishing a basis for reconsideration in that there
19 is -- primary staff's conclusion is that there was
20 insufficient evidence to determine if there was
21 inadvertence or not. In other words, the record is
22 not fully developed on this point.

23 Alternative staff's recommendation is
24 essentially that the question regarding the separation
25 of transmission revenues has been asked and answered

1 and they are simply rearguing their case.

2 **COMMISSIONER CLARK:** Mr. Ballinger, are you
3 the alternative?

4 **MR. BALLINGER:** Yes, ma'am.

5 **COMMISSIONER CLARK:** I have to confess to
6 not being -- I'm not real comfortable and I'm not sure
7 I understand what's the best way to approach this.
8 And I'm perfectly happy going to another hearing. I
9 realize that I'm batting a thousand here. I keep
10 suggesting we go to hearing. But maybe this would
11 take a morning or something. But I'm still not
12 comfortable as to -- how do we accomplish what FERC
13 wants to do but make sure the appropriate revenues get
14 allocated?

15 **MR. BALLINGER:** I think I've got the answer
16 for you.

17 **COMMISSIONER CLARK:** Oh. All right.

18 **MR. BALLINGER:** Alternate staff is saying we
19 understand Florida Power's argument. We understood it
20 the first time. It makes a lot of logic and sense,
21 and quite frankly, it makes sense to me on a going
22 forward basis, possibly for other wholesale
23 transactions. However, that did not outweigh our
24 concern of keeping the gains on broker sales the same
25 before and after FERC 888. When we saw the four

1 utilities come in with four different methods of
2 implementing 888, FERC hasn't decided yet on any of
3 these tariffs before them of broker sales, we decided
4 the best overall policy was try to keep the gains --
5 in other words the profits, which the companies keep
6 20% of -- the same before and after so there wasn't a
7 gaming of the system because of this administrative
8 change. That's our overriding goal.

9 So why I think Florida Power makes a pretty
10 valid argument that maybe there should be a
11 separation, I don't think it overcomes the goal of
12 keeping the gains the same just because of a
13 reclassification of revenues that previously were
14 going to the retail ratepayers.

15 **COMMISSIONER CLARK:** It strikes me that we
16 may have no choice. And I realize this is a real case
17 of revenues being shifted from the retail section to
18 the wholesale section. But that's one of the results
19 of Order 888, that you have to separately charge for
20 transmission.

21 **MR. BALLINGER:** Exactly. And Florida Power
22 is not separately charging. They are taking those
23 same dollars and just calling them transmission now,
24 where other utilities added a separate transmission
25 charge and collected it separately. And that plays

1 if you can reclassify the existing production as part
2 of it being transmission.

3 **MR. WHEELER:** On the primary side, if I
4 could respond to that, I think the primary staff took
5 the position that once you cross that Rubicon of
6 saying some of these revenues are transmission, which
7 clearly FERC has said you must earmark. At that point
8 you have to separate them based upon how FERC requires
9 them to credit those revenues when they set wholesale
10 rates.

11 So true, they haven't called part of these
12 revenues transmission in the past, but I think
13 everyone agrees you need a transmission system in
14 order to make these sales, so that some piece of these
15 revenues, however you want to earmark them, are
16 required to be called transmission revenues and,
17 therefore, it makes sense to separate those revenues
18 based on the wholesale retail proportion of supporting
19 the transmission system through their rates.

20 **COMMISSIONER CLARK:** If we just wait for
21 FERC to come out for the order, will that decide it?

22 **MR. BALLINGER:** I don't think so because I
23 think we still have jurisdiction over cost recovery.

24 **MS. PAUGH:** I agree with that response.

25 **MR. BALLINGER:** And I think that's why the

1 order as written now is suggestive that you keep the
2 broker based on production cost. Because that's how
3 we're going to do cost recovery, or we think cost
4 recovery should be done.

5 **CHAIRMAN JOHNSON:** What do we expect to gain
6 from the hearing? I mean, what additional -- I guess
7 Tom is saying there is nothing else that he needs.
8 But what are you looking for on the primary side?
9 What can we expect to learn that will help us make a
10 decision in this regard?

11 **MS. PAUGH:** For starters, we don't have any
12 evidence regarding what effect a jurisdictional
13 separation of transmission revenues would have on the
14 other utilities. And we only have a little bit of
15 evidence with respect to how it would affect Florida
16 Power Corporation. We don't know anything in terms of
17 this policy decision's effect on all of the other
18 utilities.

19 **CHAIRMAN JOHNSON:** This would be a policy
20 shift then?

21 **MS. PAUGH:** Quite possibly yes. There are
22 other orders of the Commission that may come into play
23 and be revised as a result of this. And that's -- an
24 issue identification meeting would be able to nail
25 that down, just the extent to which other orders may

1 that the broker sales are based on being able to
2 compare apples to apples. That you're looking at the
3 same costs for each utility. I don't understand why
4 their methodology is different except that maybe to do
5 it one way benefits one company and to do it another
6 way doesn't benefit them. And it strikes me if FERC
7 figures it out, they will make it uniform.

8 **MR. BALLINGER:** Well, they may or may not.
9 I don't know. We hope that they would see the wisdom.
10 I think that's why we suggested that the purpose of
11 the broker system -- now, remember this is limited to
12 broker sales only -- was to mimic an economic dispatch
13 of the state. And, therefore, it should only be
14 production cost involved. Now, you have other
15 transactions going on off broker all the time. That's
16 a different story.

17 But the whole intent of the broker system
18 and why there's an incentive involved and all of these
19 type of things is centered around economic dispatch of
20 the state. And that's why it probably should be
21 uniform, not have gaming of the system, and it should
22 be based on production cost. FERC may totally ignore
23 that. I don't know.

24 **COMMISSIONER CLARK:** If you took the
25 transmission system and just made it a whole separate

1 charge, whether you do pancake rates or whatever, then
2 you would have accomplished that, because then
3 everyone would have bid into the pool at their
4 production cost, and you'd have to figure out what
5 your transmission costs are.

6 **MR. BALLINGER:** That's what Staff
7 recommended the first go around saying that we thought
8 the correct methodology was what Gulf had, which was
9 keep the production costs the same and then have a
10 transmission adder, and add it on. And that goes into
11 the broker and everybody matches up that way. We
12 thought that was the correct way. It would keep the
13 broker and the gains on the broker the same as they
14 were before 888. Puts everybody on the same field.

15 **COMMISSIONER CLARK:** And what happened?

16 **MR. BALLINGER:** We don't know. FERC hasn't
17 ruled yet. All we can do is suggest to FERC this is
18 how it should be done, but we don't have the authority
19 to set the actual transaction price.

20 **COMMISSIONER CLARK:** Assuming they do that,
21 will we then be able to say all right, here are your
22 transmission costs then we think it's, say, \$100,000
23 and we think 25% of that is attributed to broker sales
24 and we include that generation in the rate base,
25 therefore, that amount of transmission has to be

1 could --

2 **COMMISSIONER CLARK:** Mr. Bohrmann, sure if
3 it's okay with the Chair.

4 **MR. BOHRMANN:** If I could make one comment.

5 The money being transferred from the retail
6 to the wholesale side is only due to the result of the
7 numbers that are specific to Florida Power. If the
8 transmission separation factor was higher than a
9 generation factor, money would be shifting in the
10 opposite direction.

11 **COMMISSIONER CLARK:** But it's because it's
12 75/25 as opposed to 95/5?

13 **MR. BOHRMANN:** Yes. If the numbers were
14 different, there would be shifting in the opposite
15 direction.

16 **MR. WHEELER:** If I could say something. I
17 think you have to understand that -- we are getting
18 confused between, I think, base rate type revenues and
19 adjustment clause revenues.

20 Prior to 888 all of these broker sales
21 revenues were flowing through the clause through fuel.
22 And in the fuel clause a separation is done de facto
23 between retail and wholesale because you include
24 retail and wholesale kilowatt hours in coming up with
25 a levelized fuel adjustment factor.

1 What's changed is that now you're saying
2 these revenues are not all energy-related generation
3 revenues. Now we're saying some of these are
4 transmission revenues which would never really address
5 how you would credit those through an adjustment
6 clause mechanism.

7 When you talk about flowing them through
8 retail operating revenues above the line, that
9 bypasses the whole clause question completely. Those
10 revenues would go, in effect, to the company to
11 reduce -- or would contribute to their earnings or
12 contribute to the bottom line income of the company.

13 What Power Corp is saying in their petition
14 is "We agree. We're going to continue to flow these
15 monies through the clause. We're not going to treat
16 them as additions to operating revenue," which is what
17 some of the other companies have proposed. But they
18 are saying, "We have to make a refinement. Now that
19 we've decided some of these are transmission revenues,
20 we can't treat them as energy-related generation
21 revenues and separate them on that 95/25. Now we have
22 to use a transmission separation factor," which in
23 their particular case, happens to be 75/25.

24 **COMMISSIONER CLARK:** Yeah. But that means
25 that only -- how much is it -- it means that 75 goes

1 to retail and 25 goes to wholesale, where before it
2 would be 95 goes to retail --

3 **MR. WHEELER:** Yes. I agree that the retail
4 ratepayers are a little bit worse off under Power
5 Corp's proposal. I'm not disputing that.

6 **COMMISSIONER CLARK:** But it may be that's
7 what FERC has done, and there's not much that we can
8 do about it. We raised that issue to them, I think,
9 when we commented on 888 but now it's out and --

10 **MR. WHEELER:** Well, again, the perspective I
11 come from is once you say some of these revenues are
12 transmission, however you make that determination,
13 it's appropriate to reflect the fact that your
14 wholesale, your firm, all requirements wholesale
15 customers are supporting 25% of the transmission
16 system through their rates, therefore, they should
17 receive the benefit of that crediting of 25% of
18 revenues.

19 What Power Corp is saying, when we go to
20 FERC, they are going to make us credit 25% to the
21 wholesale rates. And if we can't recover that through
22 our wholesale rates, we're going to be in the hole.
23 We won't be recovering our total.

24 **COMMISSIONER CLARK:** If we say 95 goes to
25 retail and they say it's only 75, they are short some

1 percentage of their revenues just because we can't
2 agree on what the split is.

3 **MR. WHEELER:** Right. Because FERC --
4 they've said that FERC is going to make them credit 25
5 whether they are getting it or not.

6 **COMMISSIONER CLARK:** Is it if I'm confused I
7 can go to hearing and --

8 **CHAIRMAN JOHNSON:** No. I think --

9 **COMMISSIONER CLARK:** I mean, are you
10 concerned --

11 **CHAIRMAN JOHNSON:** I met with Staff
12 yesterday and, in fact, I was -- speaking a lot with
13 our attorney, too, and Tom, also, on the alternative
14 position. But it was sufficiently confusing enough to
15 think that perhaps we should open this back up, not
16 knowing where we're going to end up. We may still end
17 up with the suggestion or the alternative
18 recommendation as our suggestion, but, you know, even
19 when -- Ms. Paugh and I, we were talking about what's
20 not in the record, I was convinced that in order to
21 make an educated decision, even if we're going to do a
22 policy shift, that we need to open this up and further
23 explore it. That we didn't do that. It was not our
24 fault, but we didn't have the opportunity to fully
25 explore the issues and the policy ramifications behind

1 how we should treat these revenues and under what
2 circumstances and even better understanding where FERC
3 may be coming from.

4 I'd like to be further educated before we
5 move forward on this.

6 **COMMISSIONER CLARK:** It may help us -- we
7 may be able to make a further filing in there -- their
8 issues pending before FERC to say this is how we want
9 it to come out.

10 **MR. BALLINGER:** My only personal opinion, I
11 think you were doing that by this order by saying that
12 we think the way to do the broker is production cost
13 and add transmission on top. That's a Commission
14 statement in an order. I don't think you can get a
15 much stronger statement than that.

16 **COMMISSIONER CLARK:** Then if you do that,
17 though, doesn't it follow it should be a 75/25 split
18 and not a 95/5?

19 **MR. BALLINGER:** No, ma'am. If they added a
20 separate transmission charge on top of the production,
21 maybe.

22 **COMMISSIONER CLARK:** I thought that's what
23 you just said.

24 **MR. BALLINGER:** No. What they have done is
25 taken the -- they've taken the initial production

1 cost -- I know we threw out some numbers, 20, 30 and a
2 gain of 5, okay, in the hearing. A selling price of
3 20, a buying price of 30; it should match at 25. So
4 you have a gain of \$5.

5 What they've done is taken that gain of \$5,
6 it used to be split 20% or \$1 would go below the line
7 to stockholders, \$4 would credit back to the
8 ratepayers of the selling utility, okay? What Florida
9 Power has proposed is taking that same \$5, pull out 75
10 cents, I guess, for transmission; send that to the
11 wholesale side. That leaves four and a quarter left.
12 Then that is split 80/20. So they reduce the gains
13 not only to their stockholders below the line, but to
14 the retail ratepayers as well just because of this
15 ministerial change. That prior to FERC 888 it was all
16 production. After FERC 888, part of it is
17 transmission. That was never the intent of the
18 broker. The broker was to look at production cost and
19 matching it and that's what we're saying, let's keep
20 that whole.

21 **COMMISSIONER CLARK:** I guess what maybe we
22 have to realize is the broker system is no longer cost
23 based, at least if FERC has its say-so.

24 **MR. BALLINGER:** I'll say this and I'll be
25 quiet. That was one reason we rose the issue of the

1 20% incentive may be need to be removed. It's no
2 longer a cost based system. It is getting changed as
3 the industry moves forward. Quite frankly, the broker
4 system now is a wastebasket, if you will, of what they
5 can't sell on the market. They get to 20 minutes
6 before the hour, if they have got some capacity, they
7 throw a broker quote out there and hope they match.
8 It's a last minute, what they can sell. And it may be
9 the hearing needs to be what do we do with the broker
10 system. I don't know. But I understand where you
11 want to go with this to get some more information on
12 the transmission aspect.

13 **COMMISSIONER GARCIA:** Now you're scaring me.

14 **MR. BALLINGER:** I see an opening, I --

15 **COMMISSIONER CLARK:** I think Tom is right.

16 And I think -- I recall Tampa Electric coming in here
17 with their -- although we ultimately decided that they
18 had already cut a deal, that they said it would be
19 separated jurisdictionally or -- that was part of the
20 stipulation they reached. The issue will eventually
21 be out there as to what is the appropriate way to make
22 sure that you have a competitive market. And they
23 took the position that they needed to sell this long
24 term; that they weren't going to be able to sell it on
25 the broker system.

1 **MR. BALLINGER:** Not that they weren't, but
2 under the broker, they could only get so much gains
3 and --

4 **COMMISSIONER CLARK:** Right.

5 **MR. BALLINGER:** -- that was the distinction
6 there. The broker system was kind of confining.
7 Because it was set; this is how you price it. It
8 didn't have the flexibility to be able to negotiate a
9 price.

10 **COMMISSIONER CLARK:** That's it. That's what
11 it was.

12 **COMMISSIONER GARCIA:** I think you have two
13 votes to do it so let's do it. Let's set it for
14 hearing.

15 **COMMISSIONER CLARK:** I move Staff on
16 Issue 2.

17 I do have concerns about how that's set up.
18 Because I have concerns if we have witnesses on the
19 stand, you know, they'll give their spiel, they'll be
20 cross examined and there's no opportunity for
21 witnesses for competing sides to sort of argue with
22 each other and write things on the blackboard so we
23 can follow what they are doing. I don't know how -- I
24 guess I'm envisioning the hearing has to be more than
25 how we usually do hearings. It almost has to be a

1 tutorial on what the impacts would be on doing it
2 various ways.

3 **CHAIRMAN JOHNSON:** Leslie and I were talking
4 about if we got to this point, what kind of a hearing
5 we would have and we didn't come up with any answers.

6 **COMMISSIONER CLARK:** You know what it is, it
7 may be that the hearing will be just fine but prior
8 to that I probably need Staff to come in and run
9 through those examples or it -- and maybe it can be
10 the same examples that are used at the hearing for the
11 various parties to take their positions. Maybe that's
12 it.

13 **MR. JENKINS:** Commissioner Clark, one way to
14 solve that question is to pit them against each other
15 in the form of a rule, and that way you focus on the
16 uniformity and they will fight among each other and
17 then you can watch and see which is the best.

18 **COMMISSIONER CLARK:** It sounds like some
19 sort of athletic contest.

20 I think we should just set it for hearing.
21 But I would like Staff, maybe if we could set aside an
22 afternoon and we'll go through -- the way it's being
23 done now and what the impacts are so I can be prepared
24 for the hearing.

25 **MR. BALLINGER:** Would you want like an

1 explanation of the four different methods --

2 **COMMISSIONER CLARK:** Yes.

3 **MR. BALLINGER:** -- what it did before and
4 after?

5 **COMMISSIONER CLARK:** Right.

6 **MR. BALLINGER:** And we're going to try to
7 focus on the transmission separation?

8 **COMMISSIONER CLARK:** Right. Because that's
9 the issue, right?

10 **MR. BALLINGER:** Okay. I'm just making notes
11 so I know what to prepare.

12 **COMMISSIONER CLARK:** I'm sorry. It seems to
13 me if we conclude that it's not something that can be
14 resolved just by dealing with transmission, that we
15 have to relook at the broker system, then that can be
16 something we decide is another docket, frankly.

17 **MR. BALLINGER:** May I suggest then I don't
18 know, since -- this may -- let me go back again.

19 This is a motion for reconsideration of a
20 decision. I'm hearing talk now of expanding to
21 another docket. Looking at the broker in general, do
22 you want a delay on this item, on Issue 2, until we
23 have a chance to talk to you and decide what you want
24 to do with it?

25 **COMMISSIONER CLARK:** No. I'd like --

1 **COMMISSIONER GARCIA:** Go for it.

2 **COMMISSIONER CLARK:** Let's just get this
3 resolved. And it may -- we'll see what happens after
4 that.

5 **MR. BALLINGER:** Fine.

6 **COMMISSIONER CLARK:** There's a motion. Is
7 there a second?

8 **COMMISSIONER GARCIA:** Second.

9 **COMMISSIONER CLARK:** Motion and a second.
10 Any further discussion? Seeing none, show it approved
11 unanimously.

12 **MS. PAUGH:** That's to approve primary, is
13 that correct?

14 **CHAIRMAN JOHNSON:** Yes. Approve primary.
15 That concludes the agenda conference.

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1 STATE OF FLORIDA)
2 COUNTY OF LEON)

: CERTIFICATE OF REPORTER

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

5 DO HEREBY CERTIFY that the agenda item in
6 Docket No. 980001-EU was heard by the Florida Public
7 Service Commission 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 27 pages, constitutes a true
13 transcription of my notes of said proceedings.

14 DATED this 22nd day of July, 1998.

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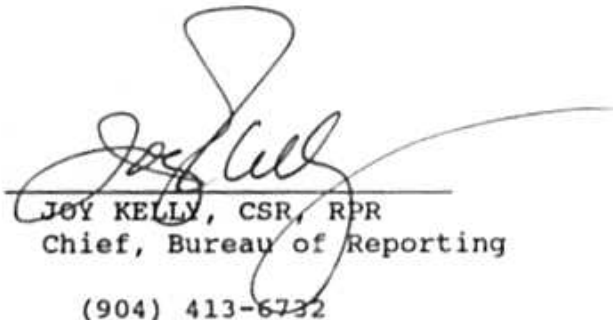
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