

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020006-WS

In the Matter of

WATER AND WASTEWATER INDUSTRY
ANNUAL REESTABLISHMENT OF
AUTHORIZED RANGE OF RETURN ON
COMMON EQUITY FOR WATER AND
WASTEWATER UTILITIES PURSUANT TO
SECTION 367.081(4)(F), F.S.



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PROCEEDINGS: PREHEARING CONFERENCE

BEFORE: COMMISSIONER J. TERRY DEASON
 Prehearing Officer

DATE: Monday, November 18, 2002

TIME: Commenced at 3:04 p.m.
 Concluded at 3:12 p.m.

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

REPORTED BY: LINDA BOLES, RPR
 Official FPSC Reporter
 (850) 413-6734

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1 APPEARANCES:

2 MARSHA E. RULE and KENNETH HOFFMAN, Rutledge, Ecenia,
3 Purnell & Hoffman, P. O. Box 551, South Monroe Street, Suite
4 420, Tallahassee, Florida, 32302-0551, appearing on behalf of
5 Florida Water Services Corporation (Florida Water).

6 ADRIENNE E. VINING, Florida Public Service
7 Commission, Office of the General Counsel, 2540 Shumard Oak
8 Boulevard, Tallahassee, Florida 32399-0870, appearing on behalf
9 of the Commission Staff.

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COMMISSIONER DEASON: Call the prehearing conference to order. Could I have the notice read, please?

MS. VINING: Pursuant to notice issued by the Florida Public Service Commission, the prehearing conference for Docket Number 020006-WS was set for this time and place. The purpose of the prehearing conference is more fully set out in the notice.

COMMISSIONER DEASON: Okay. Thank you. Appearances.

MS. RULE: Marsha Rule with the Law Firm of Rutledge, Ecenia, Purnell & Hoffman; also entering an appearance for Ken Hoffman.

MS. VINING: Adrienne Vining appearing on behalf of the Florida Public Service Commission.

COMMISSIONER DEASON: Okay. Are there any preliminary matters we need to address?

MS. VINING: None that I know of.

COMMISSIONER DEASON: Okay. Ms. Rule?

MS. RULE: No, sir.

COMMISSIONER DEASON: Okay. We have a draft prehearing order in front of us. I've had the opportunity to review it.

Counselor, I think you've just indicated to me before we convened that there may be a needed change to, to Page 6. Why don't we go ahead and address that now since it's fresh on

1 my mind.

2 MS. VINING: Okay. Yes. It would be in the Rulings
3 section. That would be Section XII on Page 6. I'd like to
4 strike the portion of the sentence after the semicolon that
5 starts, "instead, I find that it would be more efficient for
6 this case to proceed under Section 120.57(2), Florida
7 Statutes."

8 COMMISSIONER DEASON: What this would do is we would
9 continue to proceed under the normal section of the statutes
10 which, what is that, 120.57. And we were -- as we will discuss
11 later, we can just dispense with actually having the hearing,
12 but we will incorporate testimony into the record under that
13 particular section of the statute; is that correct?

14 MS. VINING: That's correct.

15 COMMISSIONER DEASON: Ms. Rule, is that correct?

16 MS. RULE: Yes, sir.

17 COMMISSIONER DEASON: And you have no objection to
18 that?

19 MS. RULE: No, sir.

20 COMMISSIONER DEASON: Very well. Okay. Well, then
21 it's my intent then to proceed through the draft prehearing
22 order, and we most likely can proceed in a rapid fashion.

23 Why don't we take it section by section. If I move
24 too rapidly, let me know, and we will address any of the
25 concerns that any of the parties may have.

1 And having said that, we will now proceed through the
2 orders beginning with Section I, the Conduct of the
3 Proceedings.

4 Section II, Case Background.

5 Section III, Confidential Information.

6 Section IV, Post-hearing Procedures.

7 Section V, Prefiled Testimony and Exhibits.

8 Section VI, Order of Witnesses.

9 Section VII, Basic Positions.

10 Section VIII, which comprises the individual issues.

11 We will begin with Issue 1. Any changes or corrections?

12 And then Issue 2. Staff, I have a question just for
13 my own edification. Can you describe to me the, the
14 differences in the two cited statutory sections, one in Issue 1
15 being 367.081(4)(F), and then Issue 2 being 367.081(2)(A)? Why
16 are these separate issues?

17 MS. VINING: For Issue 1 the particular section
18 that's cited, 367.081(4)(F), is the section where the
19 Commission is granted the authority to reestablish the leverage
20 formula on an annual basis.

21 And then in Issue 2, Section 367.081(2)(A) is a
22 general rate setting authority that the Commission has been
23 given by the Legislature.

24 COMMISSIONER DEASON: Very well. Ms. Rule, you agree
25 that these should be two separate issues?

1 MS. RULE: Yes, sir.

2 COMMISSIONER DEASON: Very well. Issue 3. Issue 4.
3 Section IX, Exhibit List.

4 Section X, Proposed Stipulations. I see here where
5 it is proposed that the record in this case shall include the
6 prefiled testimony and exhibits filed by Florida Water and
7 Staff and that cross-examination of the witnesses is waived. I
8 assume that this is still the position of all the parties?

9 MS. RULE: Yes, sir.

10 COMMISSIONER DEASON: Very well. And then
11 Section XI, there are no pending motions; correct?

12 MS. VINING: That's correct.

13 COMMISSIONER DEASON: Okay. And then Section XII we
14 have already addressed. Any other discussion on Section XII?

15 Hearing none, then let me ask is there anything else
16 to come before the prehearing officer?

17 MS. VINING: None for us.

18 COMMISSIONER DEASON: Now let me ask this. Is it
19 going to be necessary to actually convene the hearing to put
20 this in the record, or by what we're doing here today, we're
21 actually comprising the record?

22 Ms. Rule, do you have any thoughts on that?

23 MS. RULE: Well, I haven't given any thought to that
24 actually. It's a good question. I assume that you can
25 recognize the stipulation right now to stipulate testimony and

1 exhibits. And in that case, if you accept the stipulation now
2 and order it, then I don't think there's any need for the
3 hearing.

4 MS. VINING: That was Staff's thought as well.

5 COMMISSIONER DEASON: Okay. Let me ask this. Staff,
6 you may want to, to check with the other Commissioners to see
7 if there are questions that Commissioners have that -- and, if
8 there are, it may be necessary to actually convene the hearing.
9 There may not be. But obviously I think it may be advisable to
10 give Commissioners that opportunity.

11 If -- assuming that the other Commissioners agree
12 that there is not a need to actually convene the hearing, I
13 think that it would just be an unnecessary time and expense to
14 actually convene the hearing just to incorporate prefiled
15 testimony into the record.

16 MS. RULE: I agree, and I would so move.

17 COMMISSIONER DEASON: Okay.

18 MS. VINING: Yes. I had previously, maybe two or
19 three weeks ago, sent an e-mail to all the aides for all the
20 Commissioners giving them an update on the stipulation that the
21 parties and Staff had agreed to, and I haven't heard anything
22 from any of the aides as to questions the Commissioners might
23 have.

24 COMMISSIONER DEASON: Okay. You may want to
25 reconfirm that. And assuming that is the case then, I think

1 there's no need to convene the hearing at all. We will have a
2 record in front of us.

3 It will be sufficient for Staff's needs to review
4 that record and make a recommendation for the Commissioners;
5 correct?

6 MS. VINING: Correct. I'll go ahead and ask again if
7 anybody would have any questions.

8 COMMISSIONER DEASON: Very good. And with that, this
9 prehearing conference is adjourned. Thank you all.

10 MS. VINING: Thank you.

11 MS. RULE: Thank you.

12 (Prehearing Conference adjourned at 3:12 p.m.)
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STATE OF FLORIDA)

COUNTY OF LEON)


CERTIFICATE OF REPORTER

I, LINDA BOLES, RPR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 20th DAY OF NOVEMBER, 2002.


LINDA BOLES, RPR
FPSC Official Commissioner Reporter
(850) 413-6734