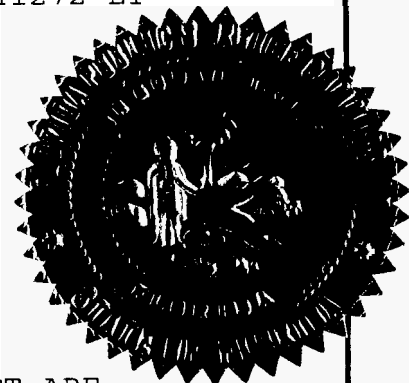


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 041272-EI

In the Matter of:

PETITION FOR APPROVAL OF STORM
COST RECOVERY CLAUSE FOR RECOVERY
OF EXTRAORDINARY EXPENDITURES
RELATED TO HURRICANES CHARLEY,
FRANCES, JEANNE, AND IVAN, BY
PROGRESS ENERGY FLORIDA, INC.



ELECTRONIC VERSIONS OF THIS TRANSCRIPT ARE
A CONVENIENCE COPY ONLY AND ARE NOT
THE OFFICIAL TRANSCRIPT OF THE HEARING,
THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

PROCEEDINGS: TALLAHASSEE SERVICE HEARING

BEFORE: CHAIRMAN BRAULIO L. BAEZ
COMMISSIONER J. TERRY DEASON
COMMISSIONER RUDOLPH "RUDY" BRADLEY
COMMISSIONER CHARLES M. DAVIDSON
COMMISSIONER LISA POLAK EDGAR

DATE: March 30, 2005

TIME: Commenced at 9:35 a.m.
Concluded at 10:35 a.m.

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

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

DOCUMENT NUMBER-DATE

FLORIDA PUBLIC SERVICE COMMISSION 03124 MAR 31 05

FPSC-COMMISSION CLERK

1 APPEARANCES:

2 R. ALEXANDER GLENN, ESQUIRE, Progress Energy, Post
3 Office Box 14042, CX 1D, St. Petersburg, Florida 33733,
4 appearing on behalf of Progress Energy Florida, Inc.

5 JOHN W. MCWHIRTER, JR., ESQUIRE, McWhirter, Reeves,
6 100 North Tampa Street, Suite 2450, Tampa, Florida 33601-3350,
7 appearing on behalf of Florida Industrial Power Users Group.

8 ROBERT SCHEFFEL WRIGHT, ESQUIRE, Landers & Parsons,
9 P.A., 310 West College Avenue, Tallahassee, Florida 32302,
10 appearing on behalf of the Florida Retail Federation.

11 HAROLD MCLEAN, ESQUIRE, JOSEPH MCGLOTHLIN, ESQUIRE,
12 and PATRICIA CHRISTENSEN, ESQUIRE, Office of Public Counsel,
13 c/o The Florida Legislature, 111 West Madison St., Room 812,
14 Tallahassee, Florida 32399-1400, appearing on behalf of the
15 Office of Public Counsel.

16 MICHAEL B. TWOMEY, ESQUIRE, Post Office Box 5256,
17 Tallahassee, Florida 32314-5256, appearing on behalf of Buddy
18 Hansen, Sugarmill Woods Civic Association, Inc., and AARP.

19 JENNIFER BRUBAKER, ESQUIRE, and JENNIFER RODAN,
20 ESQUIRE, FPSC General Counsel's Office, 2540 Shumard Oak
21 Boulevard, Tallahassee, Florida 32399-0850, appearing on behalf
22 of the Florida Public Service Commission Staff.

23

24

25

1	I N D E X	
2	WITNESSES	
3		
4	NAME	PAGE NO.
5	STEVE HOWARD	
6	Direct Statement	21
7	Cross Examination by Mr. McWhirter	24
8	Cross Examination by Mr. McLean	25
9	JOE BLANCHARD	
10	Direct Statement	25
11	Cross Examination by Mr. McLean	27
12	Cross Examination by Mr. McWhirter	28
13	MORRIS STEEN	
14	Direct Statement	29
15	Cross Examination by Mr. McLean	30
16	DAVID FRISBY	
17	Direct Statement	31
18	JIM STANLEY	
19	Direct Statement	32
20	Cross Examination by Mr. McLean	35
21	MARGARET LEVINGS	
22	Direct Statement	36
23	Cross Examination by Mr. McLean	38
24	Cross Examination by Mr. Twomey	39
25	PETER TESCH	
26	Direct Statement	40
27		
28	CERTIFICATE OF REPORTER	49

EXHIBITS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

NUMBER:	ID.	ADMTD.
Documents provided by Mr. Lyle Steady		48
2 Resolution Number 2004-52 from the City of Winter Springs, dated 11-8-04		48
3 Written comments by Mr. Wally Wagoner, Deputy Superintendent of Operations, Marion County School District		48
4 Letter dated 3-16-05 by Mr. Donald Shea, President of St. Petersburg Downtown Partnership, Inc.		48

P R O C E E D I N G S

1
2 COMMISSIONER BAEZ: Good morning. Call this customer
3 hearing to order.

4 Counsel, will you read the notice?

5 MS. BRUBAKER: Pursuant to notice, this time and
6 place has been set aside for the purpose of taking customer
7 testimony in Docket 041272-EI. The purpose of the service
8 hearing is set forth more fully in the notice.

9 COMMISSIONER BAEZ: Thank you, Ms. Brubaker.

10 As I said again, good morning. My name is Braulio
11 Baez. I want to welcome you all to the customer hearing.
12 Those customers that are, that are here, and I'm not sure I can
13 see where all of you are standing with all the suits, so if you
14 want to raise your hand so I can kind of direct -- thank you
15 all. I apologize.

16 This is, this is, this is an interesting setup we
17 have because Progress Energy's service territory does extend
18 into what I believe are the outskirts of Tallahassee. What is
19 normally the case is that we actually have a customer hearing
20 as a prelude to the technical hearing, which is going to take
21 place or begin a little later in the morning hopefully. So I
22 want to welcome those customers here to the customer hearing
23 portion of our day. This is one of as many opportunities as we
24 can take to hear actual input from customers in the affected
25 areas.

1 As you well know, we're considering today the
2 petitions by Progress Energy for recovery of costs that were
3 expended during the four hurricanes of 2004, and your input is
4 very useful to us as customers in the affected areas, and thus
5 considering the different issues that are going to come up.

6 As I said before, my name is Braulio Baez. I'm
7 currently the Chairman of the Public Service Commission.
8 Briefly to my extreme left is Commissioner Lisa Edgar, to my
9 left is Commissioner Rudy Bradley, Commissioner Terry Deason to
10 my right, to the extreme right Commissioner Charles Davidson.
11 I'm sure that they join me in welcoming you as well.

12 Briefly breaking down the customer hearing for you,
13 we are going to have a brief presentation by staff which will
14 try to explain to you the process not just of this customer
15 hearing, but certainly the, the overall docket and our
16 considerations and the types of things that, that we're going
17 to be looking at in the future. We're also going to have
18 opportunities for the different parties, which are the people
19 that you see arrayed on the front -- on the bench opposite us,
20 to give some brief statements, and then we will proceed to
21 swear those customers that have signed up to speak in and they
22 will be giving testimony. I, I remind you, by saying that,
23 that this is -- although this is a customer hearing, you are
24 going to be giving sworn testimony before the Commission, and
25 that's why we've got to swear you in. If anybody that is here

1 hasn't filled out a form to speak, you can go outside and do
2 that now. We have members of PSC staff waiting outside to sign
3 you up, if you, if you do wish to give testimony. If you don't
4 wish to give sworn testimony before the Commission today, you
5 do have an opportunity to make your comments known to us by
6 writing it down. I think outside you may have been handed, as
7 you were walking in, a blue, a blue summary, a Special Report
8 on the docket. The last page of that does have space for you
9 to provide written comments if you do not wish to give actual
10 live testimony for the Commission, and that'll be entered into
11 the file on the correspondence side and we can take a look at
12 it that way. You also have any number of other ways to, to
13 make your comments or your thoughts known to the Commission.
14 You can either sign -- log on to our Web site and enter your
15 comments electronically, you can write them up on your own
16 piece of paper and fax them to us, any way, any way you like
17 it. But we are here -- at least this portion of the morning is
18 to hear from the customers, and that's what hopefully as soon
19 as I can stop talking we can get, get a move on towards.

20 Ms. Brubaker, did I miss anything at this point that
21 can't be corrected later?

22 MS. BRUBAKER: The only thing I might suggest is the
23 staff report.

24 COMMISSIONER BAEZ: I'm sorry?

25 MR. GLENN: If you haven't pointed out the staff

1 report, you might do so.

2 COMMISSIONER BAEZ: The blue --

3 MS. BRUBAKER: The blue --

4 COMMISSIONER BAEZ: I went through that ad nauseam, I
5 think. They're probably tired of hearing it at this point. Is
6 there anything else?

7 MS. BRUBAKER: Not aware.

8 COMMISSIONER BAEZ: If not, then we can get on to the
9 staff presentation. I'll turn your attention to the, to the
10 screen, the projection screen over here on, I guess, your left.

11 MS. BRUBAKER: Thank you, Chairman.

12 As I read from the notice today, we're here to take
13 customer testimony in Docket 041272-EI, which is a petition
14 filed by Progress Energy Florida for the approval of a storm
15 cost recovery clause. The clause is being requested to recover
16 expenditures associated with Hurricanes Charlie, Frances,
17 Jeanne and Ivan.

18 Progress has requested to recover the excess storm
19 damage cost over a two-year period. The clause is also
20 designed to recover storm damage costs that are in excess of
21 the amount that is contained in the utility storm reserve.

22 All of the large investor-owned electric utilities or
23 IOUs have been accruing an annual amount each year through base
24 rates, which goes into the company's storm reserve. After the
25 damage caused by Hurricane Andrew, the Commission allowed the

1 electric companies like Progress to establish storm reserves
2 because insurance for transmission and distribution systems
3 became unaffordable. Progress has been accruing \$6 million per
4 year in its storm reserve.

5 Progress is requesting recovery of approximately
6 \$251.9 million, and in this slide you can see how the company
7 has arrived at that amount. The total damage amounted to
8 \$366.3 million, from which the company removed \$54.9 million
9 which it capitalized. The company is not requesting recovery
10 through this petition for this capitalized portion.

11 The company also removed the non-retail portion of
12 \$12.6 million, then it subtracted the amount that it accrued in
13 the storm reserve over time, \$46.9 million. The final amount
14 is the amount in excess of the storm reserve, which is at issue
15 in this proceeding.

16 Progress has included what they believe to be the
17 expected impact on the average residential customer's bill
18 based on the usage of 1,000-kilowatt hours per month. The
19 first 12 months is expected to be approximately \$3.81 per
20 month. The second year will be slightly less at \$3.59 per
21 month.

22 I'd like to talk next a little bit about the
23 Commission hearing process, and this is how the Commission will
24 process the company's petition to arrive at a final decision.

25 The process starts by the company filing its

1 petition. And after the petition is filed, the Commission
2 staff begins its discovery process, which includes an audit of
3 the storm costs, sending out, excuse me, interrogatories, and
4 deposition of company witnesses. Several intervenors in this
5 docket, including the Office of Public Counsel, the Florida
6 Industrial Power Users Group and the Sugarmill Woods Civic
7 Association, have also conducted their own discovery.

8 The service hearings were scheduled to hear from the
9 customers. A technical hearing will also be held, which is
10 scheduled to begin at the conclusion of this service hearing on
11 March 30th through April 1st. During the technical hearing,
12 the company, parties and staff will present evidence through
13 witnesses as to how the issues should be decided for the case.

14 As I've stated earlier, the purpose of the service
15 hearing today is to hear from the utility's customers. The
16 Commission is very interested in what the customers have to say
17 about the company's request to recover its storm damage costs.
18 The Commission is also interested in the customers' opinion as
19 to how the company's efforts to recover from each hurricane and
20 restore electric service was. This is the customers' hearing.
21 The company and intervenors have their opportunity to present
22 the case through sworn testimony evidence at today's technical
23 hearing.

24 As the Chairman mentioned earlier, because this is a
25 hearing much like a court proceeding, the customers testifying

1 will be asked to be sworn in as a witness so that their
2 comments or testimony can be used in this proceeding and in any
3 future court challenges that might occur.

4 I'd like to also focus a moment on what happens at
5 the technical hearing. Before the hearing each party was
6 responsible for prefiling testimony for any witnesses they
7 intend to present at the technical hearing. The parties are
8 responsible for conducting their own discovery such as
9 deposition of witnesses. They must attend the technical
10 hearing and present their witnesses, who will be subject to
11 cross-examination by all parties. Once the hearing is
12 completed, the parties will be responsible for filing legal
13 briefs, which is a summary of the evidence as they see it and
14 how they believe the Commission based on that evidence should
15 decide the case.

16 When the hearing has concluded, the Commission staff
17 puts together a recommendation based on the evidence presented
18 at the service hearings and the technical hearings. The
19 recommendation is set to be heard at a final agenda conference
20 before the Commissioners. At this point the parties are not
21 allowed to participate. Only staff may participate at the
22 final agenda conference. That agenda conference is currently
23 scheduled to take place on June 14th, 2005.

24 Once the Commission makes its decision, it sets out
25 its rulings in an order, and at that point any party who wishes

1 to contest the Commission's order may do so before the Florida
2 Supreme Court if it feels that kind of action is warranted.

3 I'd also like to comment briefly on other
4 hurricane-related activities currently ongoing at the
5 Commission, and the first deals with underground power lines.
6 Currently customers' existing rates are based on the cost of
7 overhead facilities. The cost of converting to underground has
8 always been borne by the requesting customers to avoid
9 subsidization.

10 The Commission has conducted a study of the cost of
11 IOUs converting to underground, and the results of that study
12 was provided to the Legislature at the beginning of the
13 March 2005 session.

14 The second area relates to tree trimming. The
15 Commission routinely monitors the tree trimming practices of
16 the IOUs, and each IOU is required to file an annual
17 distribution reliability report which scrutinize areas like
18 vegetation management, compliance with voltage standards,
19 electric outage causation and customer complaints.

20 In addition to the annual liability review, the
21 Commission initiated a quality service audit of all IOUs in
22 September 2004. This management audit will provide a
23 comprehensive reliability report on current management
24 practices that affect reliability and quality of service. The
25 Progress review is targeted for completion October 2005.

1 Lastly, I want to mention that Progress has notified
2 the Commission in January of this year that it will be filing
3 an application for a general rate increase to its base rates,
4 and they intend to file the application by May 1st, 2005. The
5 service hearing today has nothing to do with that request.
6 When that petition is filed, it'll be handled on a separate
7 docket, and which would include separate service hearings in
8 the future. And, Chairman Baez, that concludes my
9 presentation.

10 COMMISSIONER BAEZ: Thank you, Ms. Brubaker.

11 Mr. Glenn.

12 MR. GLENN: Alex Glenn on behalf of Progress Energy.
13 I wanted to make an initial statement. To any customers who
14 are here, we have customer service representatives in the
15 building who can assist them for any customer-specific
16 information about their accounts on a real-time basis. So to
17 the extent that they have any problems, they can see Mr. David
18 Tomlinson, who will identify himself in the back of the room.

19 At this point I wanted to introduce Progress Energy
20 Florida's Senior Vice President of Energy Delivery, Mr. Jeff
21 Lyash, who will provide an opening statement.

22 MR. LYASH: Good morning. I'd like to thank the PSC
23 staff, the Commission and members of the public who are here
24 this morning for taking the time to focus on this important
25 issue. I'd like to make some brief remarks this morning

1 addressing three things: Our preparedness, the state of our
2 system prior to the unprecedented hurricane season, our
3 performance in restoring the 5 million customers that were
4 impacted by those storms in terms of their electrical power
5 and, lastly, our filing for storm cost recovery that's before
6 the Commission.

7 Preparedness to respond to a series of events such as
8 we saw in the summer of 2004 starts long before then. Over the
9 last three years, Progress Energy has spent over \$120 million
10 on improving the performance of our system. That included work
11 on new facilities, new technology and equipment, and it
12 resulted in substantial benefit to the customers, an
13 approximate 25 percent improvement in reliability and
14 substantial improvement in customer satisfaction as measured by
15 a number of indicators. And we're very proud of the
16 performance that we've produced as a result of those
17 investments. We're proud, but I want to make sure that the
18 Commission understands that we're not done. We're going to
19 continue to work week on week to put this system and our
20 customer service organization in the best possible position.

21 The 2004 hurricane season. Once again, in addition
22 to putting the system in a position to respond physically to a
23 hurricane, we begin our hurricane planning process long before
24 hurricane season. We have established a comprehensive
25 hurricane response plan that addresses all facets of our

1 business. We benchmark that plan against the best practices
2 across the country, and in particular with our sister utilities
3 in the Carolinas where we also have some substantial hurricane
4 experience.

5 We drill the plan. We set out an extensive network
6 of shared resources in the company to be able to staff the plan
7 in preparation for events.

8 In preparing for a hurricane, we begin tracking
9 severe weather at its inception and begin mobilizing, in many
10 cases, a week before the hurricane is projected to make
11 landfall. At the 72-hour point, we are heavily into
12 identifying resources, materials, our supply chain, and in many
13 cases those resources are not just in system or in state or in
14 the southeast US, but in some cases, in fact, in 2004 they're
15 nationwide resources. At the 48-hour point we have people and
16 materials in motion moving to staging and logistic sites that
17 we've established based on our estimates of damage severity and
18 location. And at the 24-hour point we are tuning that
19 deployment, repositioning people, perhaps adding to resources
20 if the storm track has shifted or worsened.

21 When the storm hits, we have some activities we get
22 into immediately, in some cases during lulls in the storm and
23 certainly immediately in its aftermath. One of the most
24 important things we do at this point is partner with local
25 communities, with the local emergency operation centers. We

1 edicate resources to those centers to help law enforcement and
2 mergency workers clear streets so that they have access to
3 espond to members of the public. We enter a damage assessment
4 hase where we use our damage models to predict the damage, and
5 hen we're out on the system statistically sampling damage so
6 hat we can properly deploy resources.

7 We move on from there to the work and we work it in a
8 oriority order. This is more than just most customers in the
9 east amount of time. We work very closely with our elected
10 Officials, community leaders, EOCs to ensure that we're
11 orioritizing first those things that help reduce that emergency
12 esponse burden and get life back to normal as quickly as
13 ossible: Things like water treatment facilities, red lights
14 at major intersections, schools, shelters, hospitals, et
15 cetera. And, lastly, we communicate very aggressively with our
16 ustomers through the media, also through our customer service
17 enter trying to provide restoration times, as soon as we have
18 a sound basis to do so, and then we work to meet or exceed
19 hose restoration times, updating the public at large and
20 ividual customers on our progress.

21 Of course, this slide shows what we all experienced:
22 Four hurricanes intersecting with Florida and the Progress
23 Energy service territory specifically in just six weeks. This
24 affected more than 5 million people in our service territory
25 and affected all 35 counties served by Progress Energy.

1 This -- while we plan for hurricanes, planning for
2 four hurricanes in a six-week period of time is not something,
3 I think, that was really contemplated and considered by
4 utilities in Florida. In this case, the sum of the parts
5 really is greater than the whole. This, this event and series
6 of events forced us to have to cast the net very broadly,
7 bringing resources from as far away as California and in coming
8 up with innovative ways to keep our supplying chain flowing and
9 to do the mass amount of work required to restore the system.

10 This is what -- this kind of performance is what our
11 customers want. They tell us that's what they want. And after
12 the fact, as you've heard in other service hearings, that's
13 what they appreciate.

14 Of course, we're here in Tallahassee, and our
15 northern service territory was affected like the others,
16 particularly by Frances, Jeanne and Ivan. We worked very
17 closely with the elected officials in this area, and, in fact,
18 in Tallahassee here we had very productive relationships and
19 worked well with the state EOCs, the Commission, the staff and
20 elected representatives.

21 So we prepared for these storms. We executed our
22 plan. Our performance, I think, was strong, and we're here
23 today to focus on storm cost recovery.

24 This really was an unprecedented storm season. This
25 is catastrophic damage that was never really contemplated in

1 our base rates. We think we did an outstanding job in
2 restoring service without regard to protecting shareholders or
3 minimizing costs beyond insuring that all dollars spent were
4 reasonable and prudent.

5 The company has assumed significant financial risk.
6 The work that would have otherwise been done during the
7 six-week period of the hurricane does not go away. It rolls
8 forward. We're still working to complete that, often at a
9 premium price, and, of course, the revenues lost are never
10 recovered.

11 Our filing is consistent with, with the accumulation
12 of reasonable and prudent costs and with the process that was
13 set up after Hurricane Andrew to provide the mechanism and the
14 regulatory policy for recovering these costs. And so we
15 believe it is consistent with that precedent.

16 This calendar is just a visual representation of that
17 two-month period, and what you see here in red, green and
18 yellow is the, the days of those months where we were either
19 preparing for, in the middle of or restoring customers as a
20 result of six major hurricanes.

21 In summary, I'd just say that the company feels we
22 were prepared for this challenge, we had a plan, and we
23 executed it well and we delivered results, and that our focus
24 now is to recover the cost consistent with the process that's
25 been in place for each major storm since 1993.

1 Thank you very much.

2 COMMISSIONER BAEZ: Thank you, Mr. Lyash.

3 Mr. McLean.

4 MR. McLEAN: Good morning, Mr. Chairman and members
5 of the Commission. My name is Harold McLean. I'm Florida's
6 Public Counsel. I appear on behalf of the citizens of the
7 state of Florida. My address is 111 West Madison Street,
8 Tallahassee, Florida 32399. With me this morning are attorneys
9 Joe McGlothlin and Patty Christensen, and we will be assisted
10 by Earl Poucher.

11 The good people that I have the honor to represent
12 take no issue with the adequacy or the rapidity of the storm
13 recovery performed by Progress. That's not what we've gathered
14 here today to discuss. We have gathered here today to discuss
15 how much they spent in the process. We will put evidence
16 before you that says they might have spent too much and,
17 indeed, some of it was already paid in base rates. That's what
18 our case is.

19 Secondly, the second issue is whether the proprietors
20 of this firm should share in the burden of restoration, just as
21 any proprietor of any firm in the state of Florida would have
22 to share. Do they share -- do the proprietors pay all of it or
23 do the customers pay all of it or is there a rational sharing
24 to be had? We will present evidence to you in this case that
25 supports the notion that the risks and the burdens of a

1 catastrophic storm and catastrophic storms which were
2 unquestionably experienced, whether that burden should be
3 shared among the proprietors and among the customers. That's
4 the gist of our case. Again, this case isn't about the
5 adequacy, it isn't about the rapidity of the recovery. The
6 people I represent are happy with that. **This is about how much**
7 and who pays. Thank you very much.

8 COMMISSIONER BAEZ: Thank you, Mr. McLean.

9 Mr. Wright.

10 MR. WRIGHT: I agree with Mr. McLean. Robert
11 Scheffel Wright with Landers and Parsons appearing on behalf of
12 the Florida Retail Federation, an association of more than
13 10,000 members in Florida. I don't have anything to add to
14 what Mr. McLean said at this time. Thank you.

15 COMMISSIONER BAEZ: Thank you, Mr. Wright. And I
16 missed Mr. McWhirter sitting over there. Good morning, sir.

17 MR. MCWHIRTER: Good morning, Mr. Chairman.
18 Mr. McLean speaks as well for the industrial consumer group
19 that's here.

20 COMMISSIONER BAEZ: And Mr. Twomey?

21 MR. TWOMEY: Mr. Chairman, Commissioners, good
22 morning. Mike Twomey appearing on behalf of Bud Hansen
23 individually, Sugarmill Woods Civic Association, Inc., and
24 AARP, which was granted intervention yesterday. Thank you. We
25 will adopt Mr. McLean's opening and reserve some time for the

1 actual technical hearing opening to preserve time. Thank you.

2 COMMISSIONER BAEZ: And there's no need to reserve.
3 I mean, we're going to -- there's two different hearings today.

4 MR. TWOMEY: Yes, sir. I appreciate that too, but
5 we'll -- Mr. McLean said it well for all of us.

6 COMMISSIONER BAEZ: Fair enough.

7 At this point, Commissioners, we can entertain
8 testimony from the customers that are, that have signed up to
9 speak. If they are in the room, at this point I'll swear the
10 witnesses in, that is the witnesses, the customer witnesses, so
11 if you'd please stand and raise your right hand.

12 (Witnesses collectively sworn.)

13 COMMISSIONER BAEZ: Thank you. All right. And we're
14 going to -- I have a list of those that signed up to speak,
15 Commissioners. The first person I have signed up is Mr. Steve
16 Howard. Mr. Howard, I think that, that far -- I guess the
17 second chair with the microphone on it would be good. Yeah.
18 The green light has to be on.

19 STEVE HOWARD

20 was called as a witness on behalf of the Citizens of the State
21 of Florida and, having been duly sworn, testified as follows:

22 DIRECT STATEMENT

23 MR. HOWARD: Good morning.

24 COMMISSIONER BAEZ: Good morning.

25 MR. HOWARD: My name is Steve Howard, and I am here

1 today representing Florida Rock Industries, Incorporated,
2 155 East 21st Street, Jacksonville, Florida, 32206, and I am
3 the Director of Corporate Purchasing for Florida Rock.

4 Florida Rock Industries is a major basic construction
5 materials company concentrated in the southeast and
6 mid-Atlantic states. We presently operate in 11 states and
7 Canada. We have approximately 95 of our 180 operational
8 locations in the state of Florida. Progress Energy provides
9 electrical service to approximately 38 of these locations in
10 Florida, which include limestone quarries, sand plants, one
11 chemical line plant, ready mix cast (phonetic) plants, block
12 plants and related facilities such as sales offices and truck
13 center shops. We spend approximately \$1,625,000 per annum with
14 Progress Energy for electrical services.

15 We are here today to testify to Florida Rock
16 Industries' experience with Progress Energy during the
17 hurricane season of 2004, more specifically, Charlie, Frances
18 Jeanne and Ivan. Our experience with Progress Energy can be
19 summed up in a letter previously sent to the Director of the
20 Division of Commission Clerk and Administrative Services of the
21 Public Service Commission, which we would like to read into the
22 record at this time.

23 "To Whom it May Concern: I am writing this letter to
24 acknowledge the outstanding performance Progress Energy and
25 their associates demonstrated during the recent hurricanes.

1 During the second hurricane our facility was without power for
2 six days. Progress Energy stayed in constant contact with me
3 to let me know when we would have power restored. From the
4 customer service representatives receiving the trouble calls to
5 the linemen repairing the lines, I was extremely impressed with
6 Progress Energy's professionalism. Their willingness to
7 overcome the harsh conditions and safely restore the power
8 shows a lot about the character of their people. I'm happy to
9 acknowledge Progress Energy's superior performance during the
10 recent hurricanes, and I'm proud that they are our utility
11 company." And this letter was signed by Michael Rakowski
12 (phonetic), who is our plant manager at the Weirsdale sand
13 plant in Marion County, Florida.

14 This letter is indicative of the responsive service
15 that our firm received during the hurricanes of 2004 as well as
16 other trouble calls or problems with Progress Energy over the
17 years. Progress Energy has supported our organization with
18 responsive repair and maintenance crews, along with
19 knowledgeable and helpful customer service representatives who
20 interact exceptionally well with our operational field
21 personnel. Progress Energy continues their fine customer
22 service today with Mr. Bob Phillips, who is our customer
23 service representative at this present time.

24 This concludes my remarks, and I'll be glad to answer
25 any questions that you may have of me at this time.

1 COMMISSIONER BAEZ: Thank you, Mr. Howard.

2 Mr. McWhirter, you were leaning in. Do you have
3 questions of the witness?

4 MR. McWHIRTER: Yes. I'd like to ask a question of
5 Mr. Howard, but I'll defer to others.

6 MR. McLEAN: No.

7 CROSS EXAMINATION

8 BY MR. McWHIRTER:

9 Q Mr. Howard, based on your testimony, it looks to me
10 like in the case that's coming up after this one your
11 customer -- your company is going to be charged about \$85,000 a
12 year to compensate Florida Progress for its efforts in
13 connection with storm damage. Based on that circumstance, are
14 you willing to accept its total claim for storm damage without
15 testing it and asking questions about it?

16 A As I said, I am Director of Corporate Purchasing for
17 Florida Rock, and certainly we do not like to have price
18 increases or pay for anything that, you know, we don't feel is
19 proper. That's why I'm going to let these Commissioners here
20 decide the merits of that case.

21 Q And you'd like the Commission to understand what all
22 the costs were and to be sure that they're fairly allocated to
23 the customer classes?

24 A I'm sure that they will do that.

25 MR. McWHIRTER: I have no further questions.

1 COMMISSIONER BAEZ: Thank you, Mr. McWhirter.

2 MR. McLEAN: I have a brief question.

3 CROSS EXAMINATION

4 BY MR. McLEAN:

5 Q Yes, sir. Mr. Howard, did your own firm suffer any
6 kind of losses because of the hurricanes that came through?

7 A Yes, we did.

8 Q Were you able to price those out the door,
9 Mr. Howard, or did your investors pay some of it?

10 A We are self-insured and the damages that we received
11 from all of the four hurricanes, we had to absorb those costs.

12 MR. McLEAN: Thank you, sir.

13 COMMISSIONER BAEZ: Any other questions? No?
14 Commissioners, questions?

15 Mr. Howard, thank you for coming this morning. We
16 appreciate your comments.

17 MR. HOWARD: Thank you for your time.

18 COMMISSIONER BAEZ: Next we have Mr. Joe Blanchard.

19 JOE BLANCHARD

20 was called as a witness on behalf of the Citizens of the State
21 of Florida and, having been duly sworn, testified as follows:

22 DIRECT STATEMENT

23 MR. BLANCHARD: Mr. Chairman and members of the
24 Commission, thank you for allowing me this opportunity to speak
25 this morning. I am Joe Blanchard, Director of Emergency

1 Management in Wakulla County. And thankfully our county was
2 spared a great deal of the damages from the various hurricanes.
3 But we are served by Progress Energy and, like other counties,
4 we received our share of damages. One of the storms that's not
5 mentioned is, is Tropical Storm Bonnie. And Bonnie brought to
6 our area a considerable amount of rain along with wind. And
7 what that did was soften the ground so that when Hurricane
8 Frances came through, Frances blew down trees, limbs, things
9 that -- trees that hadn't been exercised in a long time and
10 caused us to have over 8,000 power outages.

11 From that emergency Progress Energy responded. Even
12 though we weren't hit as hard as some of the other areas of the
13 state, they brought in people, trucks, and, and were able to
14 restore power to most of those places that, that -- where power
15 was restorable within three days.

16 Most of us can remember the days of Hurricane Kate
17 and the devastation that that brought, which was very similar
18 to Frances, and it was 11 and 12 days before most of us had
19 power restored.

20 We, we then saw the, the coming of Ivan. Ivan again
21 brought many power outages, and again Progress Energy was there
22 with people in trucks and, and restored the power. Soon after
23 that Jeanne came and brought winds probably stronger than
24 anything that we had experienced in the other storms, and --
25 but we did not have as many outages in that period of time

1 that, that we had in the previous storms.

2 So we, we had a representative from Progress Energy
3 in our EOC for each and every one of the storms. We had
4 numbers to call. And while I'm not a proponent either of the,
5 the costs or an opponent of the costs, we do know that, that
6 there were extraordinary time and effort on their part to, to
7 provide the service.

8 And after food and shelter are taken care of, when
9 people go to the wall and they flip that switch, they expect
10 that light to come on. And if it doesn't, then the first one
11 they begin to call is, is the emergency management office. And
12 at that time cost is really not on their mind. All they want
13 is that switch to work. And it's later on when they begin to
14 think of an increase maybe that, that they have second
15 thoughts.

16 But primarily that's, that's one of our biggest calls
17 in the recovery period after a storm is how soon is my
18 electricity going to be back on and when can I run my air
19 conditioning?

20 So I thank you for this opportunity. If you have any
21 questions, I'll be glad to see what I can do.

22 COMMISSIONER BAEZ: Thank you, Mr. Blanchard. Any
23 questions of the witness? Mr. McLean.

24 CROSS EXAMINATION

25 BY MR. McLEAN:

1 Q Good morning, Mr. Blanchard.

2 A Good morning.

3 Q You spoke on behalf of the good people of Wakulla
4 County, and I have the impression that the good people of
5 Wakulla County do not mind paying what they owe Florida
6 Progress for the, for the restoration of the damages. Is that
7 the gist of your testimony, sir?

8 A We're not speaking for or against the recovery of the
9 cost.

10 Q But they certainly wouldn't want to avoid any cost
11 that rightfully should be borne by them, should they?

12 A That's right. And I think that's why you gentlemen
13 are here.

14 Q Yes, sir. Now let me ask you this: Do you know
15 whether they'd have any objection to Florida Progress, Florida
16 Progress paying its share, if they had a share?

17 A If they a share.

18 Q Yes, sir. Do you think the good people of Wakulla
19 County would object to that?

20 A No.

21 MR. McLEAN: Thank you, sir.

22 COMMISSIONER BAEZ: Mr. McWhirter.

23 CROSS EXAMINATION

24 BY MR. McWHIRTER:

25 Q Mr. Howard, who asked you to come and testify today?

1 A No one. My -- I -- in one of six emergency
2 management divisions that are within sheriffs' departments in
3 the state, and as such we, we got the notice of the hearing.
4 and the sheriff and I discussed it; he asked me to attend.

5 MR. McWHIRTER: Thank you.

6 COMMISSIONER BAEZ: No other questions?
7 Commissioners, any questions?

8 Mr. Blanchard, thank you for coming this morning.

9 MR. BLANCHARD: Thank you.

10 COMMISSIONER BAEZ: Next is Mr. Morris Steen. Good
11 morning, sir.

12 MORRIS STEEN

13 was called as a witness on behalf of the Citizens of the State
14 of Florida and, having been duly sworn, testified as follows:

15 DIRECT STATEMENT

16 MR. STEEN: Good morning, Mr. Chairman, members of
17 the Commission. My name is Morris Steen. I'm the president of
18 North Florida Community College located over in Madison County,
19 about 60 miles to the east of Tallahassee. We're one of 28 of
20 Florida's public community colleges. We serve about
21 3,400 students over the course of a year.

22 I'm here today to testify regarding the reliability
23 and the responsiveness of Progress Energy to our needs during
24 the storms of '04. We suffered feeder line outages, which
25 resulted in power outages to the college. Progress Energy was

1 notified, immediately responded, and within six hours restored
2 the power to the college.

3 During the period of the college -- during the period
4 of the storms we suffered no loss of school days due to power
5 outages, and that was in contrast to many of the school
6 districts in the six counties that we serve.

7 I've always found Progress Energy to be very
8 responsive to any of our needs, any of our requests, and that's
9 my testimony today.

10 COMMISSIONER BAEZ: Thank you, Mr. Steen. Any
11 questions of the witness?

12 MR. McLEAN: Yes, sir. Just one.

13 CROSS EXAMINATION

14 BY MR. McLEAN:

15 Q Good morning, sir. Did you discuss your testimony
16 this morning with anyone?

17 A I did not.

18 MR. McLEAN: Thank you, sir.

19 COMMISSIONER BAEZ: Commissioners, any other
20 questions?

21 Mr. Steen, thank you very much for coming this
22 morning.

23 MR. STEEN: Thank you very much.

24 COMMISSIONER BAEZ: Next is Mr. David Frisby. I'm
25 sorry. Officer Frisby.

1 MR. FRISBY: Chief Frisby.

2 COMMISSIONER BAEZ: Chief, Chief Frisby. I'm sorry
3 twice. My apologies.

4 DAVID FRISBY

5 was called as a witness on behalf of the Citizens of the State
6 of Florida and, having been duly sworn, testified as follows:

7 DIRECT STATEMENT

8 MR. FRISBY: My name is David Frisby. I'm the
9 elected Police Chief of Monticello, Florida. I'm here to speak
10 about Progress Energy during the four hurricanes that brushed
11 Monticello. Thank you for hearing me, Commission.

12 My testimony is pretty simple. I was a police
13 officer in Tallahassee for 24 years. I've been the Police
14 Chief in Monticello for nine. Monticello is an old town with a
15 delicate old infrastructure, and in my excess of 30 years of
16 police experience I've not experienced the high level of
17 service until this last hurricane season that I experienced in
18 Monticello out driving during the hurricanes, looking at the
19 damage that was being done, calling it in, participating in the
20 EOC conferences with Florida Power -- with Progress Energy
21 always there. I've never experienced that level of help until
22 then. I don't have any expertise on what money was spent, I
23 don't know what money was spent, I don't even know if it was
24 spent wisely. But just as a simple philosophical position,
25 when someone does an outstanding job, you need to pay them.

1 The details of that I have confidence in this Commission to
2 handle. I'm not trying to tell you how to do your job. I'm
3 just saying these people were excellent. They weren't just
4 excellent, they were outstanding during the series of
5 emergencies that we had. As I said, our infrastructure is old
6 and delicate and we lost power three out of four hurricanes.
7 And when I was out there riding the streets, there were
8 emergency services, government emergency services and there was
9 Progress Energy.

10 And that's the sum of my testimony, unless anyone has
11 any questions.

12 COMMISSIONER BAEZ: Thank you, Chief Frisby. Any
13 questions of the chief? Commissioners? Thank you for coming
14 this morning.

15 MR. FRISBY: Thank you.

16 COMMISSIONER BAEZ: Mr. Jim Stanley.

17 JIM STANLEY

18 was called as a witness on behalf of the Citizens of the State
19 of Florida and, having been duly sworn, testified as follows:

20 DIRECT STATEMENT

21 MR. STANLEY: Good morning. My name is Jim Stanley.
22 I'm the Emergency Management Director for Madison County,
23 Florida. I've had this position for approximately 15 years. I
24 recently, January the 1st, retired as manager of T. J. Beggs
25 and Company for 30 years. The company has served the Madison

1 community for 155 years. Even though the funeral homes are
2 still in business, the company, the mercantile side has decided
3 to close.

4 My little grandson, Sam, is the sixth generation born
5 in Madison County. Our family has been there for a long time.
6 We were impacted by two of the hurricanes this past summer:
7 The first of September, Frances; the last of September, Jeanne.
8 We were very fortunate in not having a lot of damage as
9 compared to some counties in the state of Florida; however, we
10 did receive from FEMA a public assistance in the amount of
11 \$200,000 for damages to infrastructure, as well as
12 reimbursement for overtime to emergency services. We also had
13 700 families that applied for individual assistance during
14 Hurricane Jeanne. The families were approved for \$1,250,000.
15 So we were impacted, though as not severely as some counties.

16 One thing that comes to mind for Progress Energy is
17 the fact that just as Jeanne was getting -- things were picking
18 up, the weather was getting bad, we lost the power to our
19 emergency operating center. This is also our communications
20 center which communicates all the emergency services in Madison
21 County. I called Eddie Hulman (phonetic), who is the
22 supervisor for Progress Energy. Within less than an hour they
23 had us back on. We had power generators, but the generators
24 didn't work exactly the way they were supposed to. We lost our
25 911 system, which you cannot do when you have a hurricane

1 coming.

2 We have had an excellent relationship with Progress
3 Energy. I have been personally a customer with this company,
4 the old Florida Power, now Progress Energy for 38 years. They
5 supply energy also to our emergency operating center and our
6 office uptown.

7 Just as soon as the storms were over, I noticed that
8 they started a huge mitigation project, Progress Energy did, in
9 Madison of trimming trees. This past weekend, I don't know if
10 you live in this area or not, but we went under tornado watches
11 and warnings and also severe thunderstorm watches and warnings.
12 I believe we had one customer in Madison County that was
13 without electricity this past weekend.

14 As the gentleman asked the question a few minutes
15 ago, does the people of Madison County want a rate increase? I
16 can't answer for the people in Madison County. I don't want to
17 pay higher prices for anything. But as Joe Blanchard told you
18 a few minutes ago, when you turn that switch on, you want the
19 lights to work. And that's what we want in Madison County, we
20 want the lights to work, and Progress Energy has always done
21 that for us. And thank you for your time.

22 COMMISSIONER BAEZ: Thank you, Mr. Stanley.

23 Questions of the witness?

24 MR. McLEAN: Yes, sir.

25 COMMISSIONER BAEZ: Mr. McLean.

CROSS EXAMINATION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BY MR. McLEAN:

Q Yes, sir. You mentioned a FEMA grant of \$200,000, did you not?

A Yes, sir. That was a public assistance grant that the county applied for.

Q Yes, sir.

A It was reimbursement to the county public works for infrastructure damage and also for overtime to emergency responders.

Q Did that pay all of it or just some of it?

A No. It just paid some of it.

Q Who paid the rest, sir?

A The county has to pick it.

Q So that would be a sharing, would it not?

A Pardon?

Q Would you characterize that as a sharing? Would you accept my characterization that that's a sharing of the damage that was brought to your county?

A To the best of my knowledge, FEMA paid 90 or 95 percent of the damages, and we had to come up with the 5 percent.

MR. McLEAN: Yes, sir. Thank you.

COMMISSIONER BAEZ: Any other questions?

Commissioners, questions of the witness?

1 Mr. Stanley, thank you for coming this morning.

2 MR. STANLEY: Thank you for allowing me to come.

3 COMMISSIONER BAEZ: We appreciate your comments.

4 Next we have Ms. Margaret Levings. Did I get that
5 right?

6 MS. LEVINGS: You did.

7 COMMISSIONER BAEZ: Good morning.

8 MARGARET LEVINGS

9 was called as a witness on behalf of the Citizens of the State
10 of Florida and, having been duly sworn, testified as follows:

11 DIRECT STATEMENT

12 MS. LEVINGS: Good morning. I'm Margaret Levings,
13 and I wanted to talk just a little bit on a personal level and
14 also on a business level about Progress Energy. I have a store
15 in downtown Monticello called Great Adventure Outfitters, and I
16 have to say during the storms we were only without power, say,
17 approximately four to five hours. That's a real big deal to me
18 because if we're without power, we don't do any business, and
19 the person that suffers the loss of that is me personally. So
20 they made sure that the downtown was restored very quickly.
21 You know, and as a result of that we did a ton of business with
22 all the crews coming into town and just local people needing
23 stoves and blankets and gloves and boots and whatever else they
24 needed, you know, we were there. So it actually, you know, as
25 bad as it was for everybody, it actually turned out to be a

1 very good fall for us, so.

2 On a personal level, you know, I was without
3 electricity, I believe the first time ten days, the second time
4 three days. I live on a farm. For those of you that live on a
5 farm, you know if you live on a farm, you have a well. If the
6 well -- if you have no electricity, the well doesn't work. So,
7 you know, I was one of those people out on my deck, you know,
8 bathing late at night. So it was an inconvenience, but in the
9 scheme of things it was really nothing.

10 We have a lot of good, fine people in Jefferson
11 County that work for Progress Energy. Not only are they fine,
12 but they're kind. And when I would call South Florida to see
13 what the status of the electricity was, I'd get the recording,
14 which at times they didn't know, you know, exactly when it was
15 going to be restored and that's understandable. But if I'd see
16 one of my friends on the street, I'd say, well, hey, you know,
17 what do you think? And they'd say, well, you know, we don't
18 know. We hear the truck is down here, or if they had any
19 information that they could, you know, tell us, they would
20 offer that. And they, they were so kind. I don't think I
21 could have done as good a job in that position because I know
22 they had everybody just saying, well, when's my electricity
23 going to be turned on? And come to find out, theirs was not on
24 either, so we were all in the same boat. I was aware that -- a
25 friend of mine told me about a lineman who didn't have

1 Q You probably didn't make any money during that time?

2 A The four, maybe five hours we didn't. That's right.

3 Q Did anybody send you a check for that business that
4 you lost by chance?

5 A Oh, no, sir.

6 MR. McLEAN: Okay. Thank you, ma'am.

7 MS. LEVINGS: Thank you.

8 COMMISSIONER BAEZ: Any other questions? Mr. Twomey?

9 MR. TWOMEY: Yes, sir, Mr. Chairman. Just briefly.

10 CROSS EXAMINATION

11 BY MR. TWOMEY:

12 Q Did you experience any physical damage either to your
13 business establishment or your residence from the, from the
14 storms?

15 A Not to my residence. And the business, well, we
16 always have this ongoing leak in my building and, you know, it
17 drips on my computer once in a while or the, you know, the
18 table near the computer, but we just cover the computer up.
19 But not really.

20 MR. TWOMEY: Okay. Thank you.

21 MS. LEVINGS: Thank you.

22 COMMISSIONER BAEZ: Commissioners, questions of Ms.
23 Levings?

24 Thank you for coming this morning.

25 MS. LEVINGS: Thank you.

1 economic development organization Progress Energy provided
2 excellent service to our community during this extraordinary
3 time, and the impact to our business community.

4 Marion County is fortunate in that we have over
5 300 manufacturers. They range from Fortune 500 operations to
6 mom and pop companies. While those companies did not
7 experience horrific physical damage during the last storms, a
8 lot of them did experience the inability for them to get their
9 workforce to their plants. So such manufacturing operations as
10 Lockheed Martin, Georgia Pacific, Emergency One, Closet Made,
11 all those types of companies that experienced some type of
12 power outages, and because the inability of -- not to get their
13 workforce there.

14 I would like to say that I do support this type of
15 cost sharing, and I think it's reasonable to expect that.
16 While we're trying to keep costs competitive in our community
17 and our state, it's important that we have some type of relief
18 on this extraordinary measure.

19 I do appreciate the opportunity to come before you.
20 I know your time is precious. And if I can offer any other
21 questions that you have of me, I'd be happy to do that, sir.

22 COMMISSIONER BAEZ: Mr. Tesch, thank you.

23 Mr. McLean? No questions? Commissioners, any questions of
24 Mr. Tesch?

25 Thank you for coming out this morning.

1 MR. TESCH: Thank you.

2 COMMISSIONER BAEZ: Commissioners, I don't have
3 anyone else signed up to, to speak. However, if there's anyone
4 out there who wishes to give testimony and, and did not avail
5 themselves of a sign-up sheet, now is your chance. Is there
6 anyone out there that did not sign up that does wish to speak?

7 All right. Seeing no one else, Commissioners, if
8 there's no objection, I will call this -- we'll get ready to
9 adjourn this hearing.

10 Mr. Glenn, I know that you have some matters to
11 press. Hold on, Mr. Glenn.

12 MS. BRUBAKER: Thank you, Chairman. Actually there
13 is one matter -- staff thinks we could either take it up at the
14 service hearing or we could take it up at the technical
15 hearing, at your pleasure.

16 COMMISSIONER BAEZ: What is that?

17 MS. BRUBAKER: There were four exhibits that were
18 identified. They were information letters and resolutions,
19 various items.

20 COMMISSIONER BAEZ: Can you hold on to that?

21 MS. BRUBAKER: Certainly.

22 COMMISSIONER BAEZ: Because I anticipate some
23 discussion over what may or may not wind up being an exhibit.
24 So we may -- you know, there's a potential for change that,
25 Mr. Glenn, you were, you were going to raise something.

1 MR. GLENN: I'd like to at this time move into the
2 correspondence file of the record and the service hearings two
3 binders that we have. These two binders include approximately
4 1,300 letters, notes of thank you, ordinances, proclamations
5 from various customers throughout our service territory that we
6 received during and after the storms thanking us and expressing
7 their appreciation for the efforts that Progress Energy
8 undertook. We compiled these during the, during the
9 hurricanes, posted some of them on our internal Web site to
10 motivate our employees, to boost morale to show that people out
11 there cared for what we were doing. These come from school
12 children to elderly, from condo associations to devastated
13 mobile home parks, they come from small businesses to large
14 ones such as a large hospital company that operates 17
15 hospitals, numerous nursing homes in Central Florida.

16 MR. McLEAN: Pardon me. Mr. Chairman, the letters
17 speak for themselves, I believe.

18 MR. GLENN: They come also --

19 COMMISSIONER BAEZ: Yes, you're correct, but I think
20 Mr. Glenn has said the magic words, for the correspondence side
21 of the file."

22 MR. McLEAN: Yes, sir. And we don't object to that,
23 but those letters will speak for themselves where they lay.

24 COMMISSIONER BAEZ: I think Mr. Glenn knows that.
25 I'm going to let him wrap up though. We don't need a laundry

1 list of everything that's included in the binders, Mr. Glenn.

2 MR. GLENN: We have copies available for each of the
3 Commissioners, if you'd like to take a look at these at your
4 convenience.

5 MR. McLEAN: Mr. Chairman, we will object to that.

6 COMMISSIONER BAEZ: And I don't, I don't think we
7 need the specific copies. And the Commissioners know well
8 enough that the correspondence side of, the correspondence side
9 of the file is available to everyone who wants, who wants to
10 inspect it.

11 Mr. McLean, you were going to -- do you have anything
12 more on that?

13 MR. McLEAN: Yes, sir. For about 25 years the custom
14 has been to put those letters into the, and I quote,
15 correspondence side of the docket file, close quote. I believe
16 that's where they should be, and they speak for themselves, and
17 the Commissioners' access to those letters is a matter
18 controlled by law.

19 COMMISSIONER BAEZ: And I think, Mr. Glenn, as I had
20 implied before, I think he, he offered them up in accordance
21 with your statements.

22 Ms. Brubaker, I don't think that these need be
23 marked.

24 MS. BRUBAKER: No, they would not.

25 COMMISSIONER BAEZ: So as an official --

1 MS. BRUBAKER: It's essentially an administrative
2 type --

3 COMMISSIONER BAEZ: As an official matter, as an
4 administrative matter, Mr. Glenn, we'll accept, accept those
5 letters that you're proffering and we'll enter them, have them
6 entered on the correspondence side of the file without
7 objection.

8 Now I guess we can take up the exhibit.

9 MS. BRUBAKER: All right. There were four exhibits,
10 Again, these were offered at the other service hearings not
11 taking place in Tallahassee. Staff is prepared to move them
12 into the record, if that's the preference. Or if the
13 preference is to have them go to the correspondence side of the
14 docket, we can take care of it that way. But they were marked
15 and identified at the service hearings given to us from the
16 customers.

17 COMMISSIONER BAEZ: Before, before I do that, just
18 for my edification, do those, do any one of those four exhibits
19 constitute the notice and affidavit that we needed to --

20 MS. BRUBAKER: The affidavit of publication?

21 COMMISSIONER BAEZ: Yes.

22 MS. BRUBAKER: No, they do not.

23 COMMISSIONER BAEZ: They don't. So at this point
24 I'll ask Mr. Glenn, this was one of those things that was
25 hanging around from all the service hearings, and I'm wondering

1 if you all are going to address that or are able to address
2 that now?

3 MR. GLENN: We have no objection to those going into
4 the correspondence --

5 COMMISSIONER BAEZ: No, I'm not talking about, I'm
6 not talking about what's been -- I asked Ms. Brubaker the
7 question. We've been, we've been sort of waiting along all the
8 --

9 MR. GLENN: Right.

10 COMMISSIONER BAEZ: -- the service hearings for the
11 company to produce copies of the notice, the notice and the
12 affidavit of publication, and that as yet has not materialized.
13 And I'd like to get that --

14 MR. GLENN: We'll provide that.

15 COMMISSIONER BAEZ: When will you provide that?

16 MR. GLENN: Today.

17 COMMISSIONER BAEZ: Okay. Mr. McLean?

18 MR. McLEAN: We've no objection to the notice of the
19 hearings and the evidence that supports that the notice was
20 made being introduced into the record.

21 COMMISSIONER BAEZ: I'm sorry? Okay. I got you.

22 As to the, as to the exhibits, if you're familiar
23 with them, Mr. McLean.

24 MR. McLEAN: Well, if they're testimonials and
25 they're not subject to oath and I can't cross-examine, they

1 don't belong in the record. They belong in the correspondence
2 side of the docket file, I believe.

3 MS. BRUBAKER: I suppose the only comment I would
4 have is that they were offered, with one exception which I'll
5 get to in a second, by customers at the service hearings. They
6 were subject to cross-examination at the time.

7 COMMISSIONER BAEZ: They were actually subject to
8 cross-examination at the time.

9 MS. BRUBAKER: The only exception to that is I
10 believe it's Number 3, which was a staff report. It's a
11 gentleman who came too late to a service hearing. Mr. Earl
12 Poucher took those comments and submitted them on the
13 customer's behalf at the next service hearing.

14 MR. McLEAN: Yes, sir. I recall that. To the extent
15 that it supplemented a customer's testimony who appeared live,
16 we obviously, I mean, we have no objection --

17 COMMISSIONER BAEZ: Right.

18 MR. McLEAN: -- to those coming into the record.
19 That's fine.

20 COMMISSIONER BAEZ: As to the, as to the comments
21 that Mr. Poucher provided, I mean, I can do this either way. I
22 don't have, personally I don't have any queasiness about taking
23 them one way or the other. Mr. Glenn, you're presented again
24 with a question. You can either take them or leave them. If
25 you don't have any objection, then we'll just take the balance

1 f the exhibits and admit them into the record.

2 MR. GLENN: We don't have an objection.

3 COMMISSIONER BAEZ: Very well then. Show those -- I
4 uess, what, are they numbered 1 through 4?

5 MS. BRUBAKER: They are numbered 1 through 4.

6 COMMISSIONER BAEZ: Show them admitted into the
7 record without objection.

8 (Exhibits 1, 2, 3 and 4 admitted into the record.)

9 COMMISSIONER BAEZ: Do we have anything else before
10 we close out the service hearing?

11 MS. BRUBAKER: Staff is aware of nothing at this
12 time.

13 COMMISSIONER BAEZ: Parties? Commissioners,
14 anything?

15 All right. Thank you to the customers that are, that
16 came before us today and may still be in the room. We thank
17 you for your input. It really is an important part of the
18 hearing process for us, and we always welcome the opportunity
19 to hear from customers in impacted area.

20 At this point we will adjourn the service hearing and
21 we will call the, the technical hearing to order at 11:00.
22 That will give everyone time to set up and resolve any issues
23 that might be resolvable. We're adjourned. Thank you all.

24 (Service hearing adjourned at 10:35 a.m.)

25

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


3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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 31st day of MARCH, 2005.


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