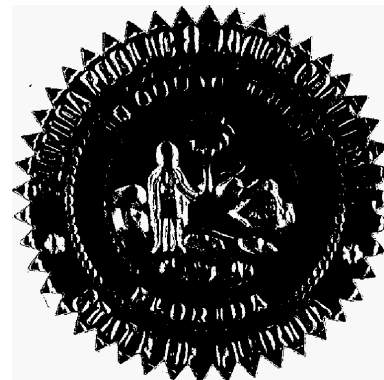


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 041393-EI

In the Matter of

PETITION FOR APPROVAL OF TWO UNIT
POWER SALES AGREEMENTS WITH SOUTHERN
COMPANY SERVICES, INC. FOR PURPOSES
OF COST RECOVERY THROUGH CAPACITY
AND FUEL COST RECOVERY CLAUSES, BY
PROGRESS ENERGY FLORIDA, INC.



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PROCEEDINGS: PREHEARING

BEFORE: COMMISSIONER RUDOLPH "RUDY" BRADLEY
Prehearing Officer

DATE: Thursday, May 26, 2005

TIME: Commenced at 9:30 a.m.
Concluded at 9:47 a.m.

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

REPORTED BY: JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6732

DOCUMENT NUMBER-DATE

FLORIDA PUBLIC SERVICE COMMISSION 05147 MAY 27 '08

FPSC-COMMISSION CLERK

1 APPEARANCES:

2 GARY V. PERKO, ESQUIRE, Hopping Law Firm, P.O. Box
3 6526, Tallahassee, Florida 32314, appearing on behalf of
4 Progress Energy Florida, Inc.

5 RICHARD A. ZAMBO, ESQUIRE, Richard A. Zambo, P.A.,
6 2336 S.E. Ocean Boulevard, #309, Stuart, Florida 34996,
7 appearing on behalf of White Springs Agricultural Chemicals,
8 Inc.

9 JAMES BUSHEE, ESQUIRE, Sutherland Asbill & Brennan,
10 LLP, 1275 Pennsylvania Ave. N.W., Washington, DC 20004-2415,
11 appearing on behalf of White Springs Agricultural Chemicals,
12 Inc.

13 ADRIENNE VINING, ESQUIRE, FPSC General Counsel's
14 Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida
15 32399-0850, appearing on behalf of the Florida Public Service
16 Commission Staff.

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P R O C E E D I N G S

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2 COMMISSIONER BRADLEY: I'd like to call this
3 prehearing conference to order. Could I have the notice read,
4 please?

5 MS. VINING: Pursuant to notice issued by the Florida
6 Public Service Commission, the prehearing conference for Docket
7 041393-EI was set for this time and place. The purpose of the
8 prehearing conference is more fully set out in the notice.

9 COMMISSIONER BRADLEY: Thank you. Let's take
10 appearances.

11 MR. PERKO: Good morning, Commissioner, Gary Perko of
12 the Hopping Green & Sams law firm on behalf of Progress Energy
13 Florida, Inc.

14 MR. BUSHEE: Good morning, Your Honor. James Bushee
15 of the law firm of Sutherland Asbill & Brennan on behalf of
16 White Springs.

17 COMMISSIONER BRADLEY: Thank you.

18 MS. VINING: Adrienne Vining appearing on behalf of
19 the Commission.

20 COMMISSIONER BRADLEY: Thank you. Are there any
21 preliminary matters?

22 MS. VINING: None that I'm aware of.

23 COMMISSIONER BRADLEY: Gentlemen?

24 We're going to proceed through the draft prehearing
25 order section by section. If there are any questions,

1 clarifications, or changes, or anything to be called to my
2 attention, please let me know when we reach the appropriate
3 section. To preserve the record, I'm going to ask each party
4 to provide an oral response for each section. It can just be
5 no changes.

6 I have a draft prehearing order provided by my office
7 dated Wednesday, May 25th, 2005. Does everyone have a copy?

8 MS. VINING: Yes, they should.

9 COMMISSIONER BRADLEY: We'll begin with Section I,
10 the conduct of proceedings. Any comments, changes,
11 clarification?

12 MR. PERKO: No changes.

13 MR. BUSHEE: No changes, Your Honor.

14 COMMISSIONER BRADLEY: Section II, case background.
15 Same question.

16 MR. PERKO: No changes.

17 MR. BUSHEE: No changes, Your Honor.

18 COMMISSIONER BRADLEY: Thank you. Section III,
19 jurisdiction.

20 MR. PERKO: No changes.

21 MR. BUSHEE: No changes, Your Honor.

22 COMMISSIONER BRADLEY: Thank you. Section IV,
23 procedure for handling confidential information. I just want
24 to point the parties' attention to this section and make sure
25 everyone takes the time to understand the Commission's

1 procedures for handling confidential material and reading --
2 excuse me, I'm having an allergic reaction to something. Those
3 procedures are laid out in the prehearing order. And if you
4 have any questions, I'm sure staff counsel will be more than
5 happy to guide you through the process or explain specifics.

6 Are there any changes to this section?

7 MR. PERKO: No changes.

8 MR. BUSHEE: No changes, Your Honor.

9 COMMISSIONER BRADLEY: Thank you. Section V,
10 post-hearing procedures.

11 MR. PERKO: No changes.

12 MR. BUSHEE: No changes, Your Honor.

13 COMMISSIONER BRADLEY: Thank you. Section VI,
14 prefiled testimony, exhibits, and witnesses.

15 MR. PERKO: No changes.

16 MR. BUSHEE: No changes.

17 COMMISSIONER BRADLEY: Thank you. Section VII, order
18 of witnesses.

19 MR. PERKO: Commissioner, I would just like to point
20 out that Samuel Waters also has supplemental testimony which
21 would be direct, but I just want to make sure that that would
22 be included in the record as well.

23 MS. VINING: I can reflect that in the prehearing
24 order.

25 COMMISSIONER BRADLEY: Thank you. Any other changes

1 or clarifications? Section VIII, basic positions.

2 MR. PERKO: No changes.

3 MR. BUSHEE: No changes, Your Honor.

4 COMMISSIONER BRADLEY: Section IX, issues and
5 positions. Do we want to deal with each issue individually or
6 in block?

7 MS. VINING: I think you could ask each of the
8 parties if they have any changes. And, if not, we could just
9 deal with this section as a whole.

10 COMMISSIONER BRADLEY: Okay. Any changes as it
11 relates to Issue 1 through --

12 MS. VINING: 7.

13 COMMISSIONER BRADLEY: 1 through 7.

14 (Pause.)

15 MR. PERKO: No charges from Progress, Your Honor.

16 COMMISSIONER BRADLEY: Beg your pardon?

17 MR. PERKO: No changes from Progress Energy.

18 COMMISSIONER BRADLEY: Thank you.

19 MR. BUSHEE: White Springs has no changes, Your
20 Honor.

21 COMMISSIONER BRADLEY: Thank you. Let the record
22 reflect that there are no changes as it relates to issues and
23 positions 1 through 7.

24 MS. VINING: So noted.

25 COMMISSIONER BRADLEY: On Section X, the exhibit

1 list.

2 MR. PERKO: Mr. Commissioner, the --

3 COMMISSIONER BRADLEY: Please identify yourself for
4 the record.

5 MR. PERKO: I'm sorry, it's Mr. Perko on behalf of
6 Progress Energy.

7 Section X reflects the correct witnesses and exhibits
8 for Progress Energy. I would just point out that the direct
9 testimony of Mr. Waters does include some confidential
10 information.

11 COMMISSIONER BRADLEY: Noted.

12 MS. VINING: Yes, it's noted in there.

13 MR. PERKO: The testimony, itself, as well as the
14 exhibits.

15 MS. VINING: Okay.

16 COMMISSIONER BRADLEY: Mr. Zambo.

17 MR. BUSHEE: Your Honor, we have no changes. And I
18 would simply note that we will be using exhibits during
19 cross-examination. And we'll be identifying later today the
20 exhibits that may be confidential to the parties.

21 COMMISSIONER BRADLEY: And, just for the record,
22 would you please identify yourself.

23 MR. BUSHEE: For White Springs, Your Honor.

24 COMMISSIONER BRADLEY: I know who you are, but we are
25 recording this so we need to know who is speaking, just for the

1 sake of the recorder. Thank you.

2 Section XI, proposed stipulations.

3 MS. VINING: As far as I know, there are no changes
4 to that section. Is that correct, Mr. Perko?

5 MR. PERKO: That's correct.

6 MR. BUSHEE: White Springs has no changes, Your
7 Honor.

8 COMMISSIONER BRADLEY: Thank you.

9 Section XII, pending motions.

10 MS. VINING: That should be correct, all the motions
11 that are pending.

12 COMMISSIONER BRADLEY: Beg your pardon?

13 MS. VINING: That should be all the motions that are
14 pending. The parties can correct me if I'm wrong.

15 MR. PERKO: Mr. Perko on behalf of Progress. I
16 believe that's correct.

17 MR. BUSHEE: For White Springs, Your Honor, I believe
18 that's correct. I would simply note that White Springs filed
19 an answer this morning electronically in response to PEF's
20 request for official recognition.

21 COMMISSIONER BRADLEY: Thank you. Any other pending
22 motions?

23 MS. VINING: None that I'm aware of.

24 COMMISSIONER BRADLEY: Section XIII, pending
25 confidentiality matters.

1 MR. PERKO: No corrections, Your Honor, on behalf of
2 Progress.

3 MR. BUSHEE: For White Springs, no corrections, Your
4 Honor.

5 COMMISSIONER BRADLEY: Staff?

6 MS. VINING: Right. I will just note that those will
7 be resolved before the hearing begins.

8 COMMISSIONER BRADLEY: Okay. Section XIV, rulings.
9 Staff?

10 MS. VINING: Well, I would note that it reflects
11 there that opening statements, if any, shall not exceed ten
12 minutes per party.

13 MR. PERKO: Progress has no objection to that, Your
14 Honor.

15 MR. BUSHEE: White Springs has no objection, Your
16 Honor.

17 COMMISSIONER BRADLEY: Thank you. Is there anything
18 else to come before the prehearing officer at this time?

19 MR. BUSHEE: Commissioner, Gary Perko on behalf of
20 Progress. We may, at the conclusion of the hearing or prior to
21 it, request a bench decision. I just would like to point that
22 out.

23 COMMISSIONER BRADLEY: Let that be noted. Mr. Zambo.

24 MR. BUSHEE: Two issues, Your Honor. One, we would,
25 of course, reserve the right to respond to that request if

1 Progress asked for a bench ruling. And the second issue is I
2 would ask Your Honor when the Commission would dispose of the
3 pending motion for official recognition? If we delay the
4 ruling on that until the date of the hearing, that requires
5 additional preparation.

6 COMMISSIONER BRADLEY: Staff?

7 MS. VINING: It would be my recommendation that that
8 request for official recognition be delayed and put to the full
9 panel on the day of the hearing as a preliminary matter.

10 COMMISSIONER BRADLEY: I would agree with that.

11 MR. BUSHEE: Thank you, Your Honor.

12 COMMISSIONER BRADLEY: Anything else?

13 MS. VINING: Nothing else that I'm aware of.

14 MR. PERKO: Nothing else for Progress, Your Honor.

15 MR. BUSHEE: Nothing for White Springs, Your Honor.

16 COMMISSIONER BRADLEY: Thank you. Hearing nothing,
17 this prehearing is adjourned.

18 Thank you all.

19 MR. PERKO: Thank you.

20 (The prehearing concluded at 9:47 a.m.)

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STATE OF FLORIDA)

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COUNTY OF LEON)

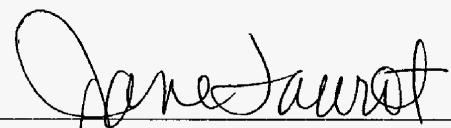
CERTIFICATE OF REPORTER

I, JANE FAUROT, RPR, Chief, Office of Hearing Reporter Services, FPSC Division of Commission Clerk and Administrative Services, 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' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 26th day of May, 2005.



JANE FAUROT, RPR
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FPSC Division of Commission Clerk and
Administrative Services
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