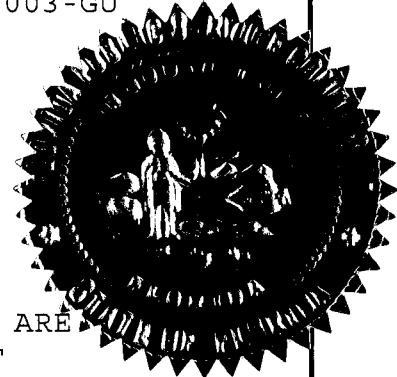


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 050003-GU

In the Matter of
PURCHASED GAS ADJUSTMENT
(PGA) TRUE-UP.



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PROCEEDINGS: PREHEARING CONFERENCE

BEFORE: RUDOLPH "RUDY" BRADLEY
Prehearing Officer

DATE: Monday, October 24, 2005

TIME: Commenced at 9:30 a.m.
Concluded at 12:55 p.m.

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

REPORTED BY: LINDA BOLES, RPR, CRR
FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6734

DOCUMENT NUMBER-DATE

FLORIDA PUBLIC SERVICE COMMISSION

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1 APPEARANCES:

2 BILL L. BRYANT, JR., ESQUIRE, and THOMAS A. RANGE,
3 ESQUIRE, Akerman Senterfitt Law Firm, 106 East College Avenue,
4 Suite 1200, Tallahassee, Florida 32301, appearing on behalf of
5 Florida City Gas.

6 ANSLEY WATSON, JR., ESQUIRE, Macfarlane Ferguson Law
7 Firm, Post Office Box 1531, Tampa, 33601-1531, and
8 MATTHEW R. COSTA, ESQUIRE, Post Office Box 111, Tampa, Florida
9 33601-0111, appearing on behalf of Peoples Gas System.

10 NORMAN H. HORTON, JR., ESQUIRE, Messer, Caparello &
11 Self, P.A., Post Office Box 1876, Tallahassee, Florida
12 32302-1876, appearing on behalf of Florida Public Utilities
13 Company.

14 JOHN R. MARKS, IV, ESQUIRE, Office of Public Counsel,
15 c/o The Florida Legislature, 111 W. Madison St., Room 812,
16 Tallahassee, Florida 32399-1400, appearing on behalf of the
17 Citizens of the State of Florida.

18 MARTHA CARTER BROWN, ESQUIRE, and KATHERINE FLEMING,
19 ESQUIRE, FPSC General Counsel's Office, 2540 Shumard Oak
20 Boulevard, Tallahassee, Florida 32399-0850, appearing on behalf
21 of the 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. We're going to start with
4 Docket 01, fuel and purchased power cost recovery clause and
5 generating performance incentive factor. Could I have the
6 notice read, please.

7 MS. BROWN: By notice issued September 28th, 2005,
8 this time and place was set for a prehearing conference in the
9 following dockets: 050001-EI, fuel and purchased power;
10 050002-EG, energy conservation cost recovery; 050003-GU,
11 purchased gas adjustment; 050004-GU, natural gas conservation;
12 and 050007-EI, environmental cost recovery clause. The purpose
13 of the prehearing conference is set out in the notice.

14 COMMISSIONER BRADLEY: Thank you. Let's take
15 appearances. As I stated, we're on Docket 01. Staff, we're
16 taking appearances for 01. Are we taking appearances for all,
17 from all parties to all of today's dockets? Well, my question
18 is this, are we just taking it for 01 or are we taking
19 appearances for all the dockets?

20 MS. BROWN: I would suggest we take appearances for
21 all the dockets at this time; just go down the list and
22 everyone could say what dockets they're involved in.

23 COMMISSIONER BRADLEY: Okay. Good. What I'm going
24 to do is ask -- I'll start with the company and the
25 representative that I have listed on the script here. We'll

1 start with Progress Energy, Gary Perko.

2 MR. PERKO: Good morning, Commissioner. Gary Perko
3 on behalf of Progress Energy Florida in Dockets 050001,
4 050002 and 050007.

5 COMMISSIONER BRADLEY: Thank you. Florida Power &
6 Light, John Butler and Wade Litchfield.

7 MR. BUTLER: Good morning. Yes. This is John
8 Butler, and I would enter an appearance also. Excuse me. I'm
9 appearing in Dockets 01 and 07. I'd enter an appearance for
10 Wade Litchfield in Dockets 01, 02 and 07 and Natalie Smith in
11 Docket 02; is that correct? Yes. Docket 02. Thank you.

12 COMMISSIONER BRADLEY: Okay. Thank you. Gulf Power,
13 Jeff Stone.

14 MR. STONE: Commissioner, I'm Jeffrey A. Stone, and
15 I'm entering an appearance on behalf of myself and Russell
16 Badders and Steven Griffin, and we'll be representing Gulf
17 Power Company in the 0001 docket, the 0002 docket and the
18 0007 docket.

19 COMMISSIONER BRADLEY: Okay. Thank you. Tampa
20 Electric Company, Mr. Jim Beasley and Lee Willis.

21 MR. BEASLEY: Yes, Commissioner. James D. Beasley
22 appearing with Lee L. Willis, and we're representing Tampa
23 Electric in the 01, 02 and 07 dockets.

24 COMMISSIONER BRADLEY: Thank you. Florida Public
25 Utilities Company, Doc Horton.

1 MR. HORTON: Yes, Commissioner. Norman H. Horton,
2 Jr., on behalf of Florida Public Utilities Company in Dockets
3 01, 02, 03 and 04.

4 COMMISSIONER BRADLEY: Thank you. Florida Industrial
5 Power Users Group, John McWhirter and --

6 MR. PERRY: This is Timothy Perry. I represent the
7 Florida Industrial Power Users Group along with John McWhirter,
8 and we are appearing in Dockets 01, 02 and 07.

9 COMMISSIONER BRADLEY: Thank you. Office of Public
10 Counsel, Patty Christensen and Joe McGlothlin.

11 MS. CHRISTENSEN: Patty Christensen on behalf of the
12 Office of Public Counsel. Appearing with me also is Joe
13 McGlothlin and Charlie Beck in the 01, 02 and 07 dockets. And
14 I would also like to put an appearance on behalf of John Marks
15 in the 03 docket.

16 COMMISSIONER BRADLEY: Florida Retail Federation.

17 Who was that last person?

18 MS. CHRISTENSEN: John Marks.

19 COMMISSIONER BRADLEY: Okay. Florida Retail
20 Federation, Schef Wright.

21 MR. WRIGHT: Thank you, Mr. Chairman. Robert
22 Scheffel Wright and John T. Lavia, III, Law Firm of Landers &
23 Parsons, appearing on behalf of the Florida Retail Federation
24 in the fuel docket 0001 and the ECRC docket 0007.

25 COMMISSIONER BRADLEY: Okay. AARP, Mike Twomey.

1 MR. TWOMEY: Good morning, Commissioner Bradley.
2 Mike Twomey appearing on behalf of AARP in the 01 docket.

3 COMMISSIONER BRADLEY: Staff, Adrienne Vining and
4 Jennifer Rodan in all dockets.

5 MS. VINING: Yes. Adrienne Vining and Jennifer Rodan
6 appearing on behalf of the Commission in the 01 docket.

7 MS. BROWN: Commissioner, I'm Martha Carter Brown
8 appearing on behalf of the Commission in the 02, 03 and
9 04 dockets. And I'd like to enter an appearance for Katherine
10 Fleming in the 03 docket.

11 Also, I think there are some gas companies who need
12 to make an appearance in those dockets as well.

13 COMMISSIONER BRADLEY: Okay. Who did we miss? Where
14 are the gas companies? I'm sorry. Would you state your name
15 and the dockets that you're appearing in. I'm sorry.

16 MR. WATSON: That's all right. I'm Ansley Watson,
17 Jr., of MacFarlane, Ferguson & McMullen, and also entering an
18 appearance for Matthew R. Costa of TECO Energy in the 03 and
19 04 dockets.

20 COMMISSIONER BRADLEY: Okay. Thank you.

21 MR. RANGE: Thomas Range making an appearance for
22 myself and on behalf of Bill Bryant, and we're representing
23 Florida City Gas in the 03 and 04 dockets.

24 COMMISSIONER BRADLEY: Okay. Did I overlook anyone
25 else?

1 MR. SCHIEFELBEIN: Pardon me, Commissioner. Over
2 here. Good morning. I'm Wayne Schiefelbein, Rose, Sundstrom &
3 Bentley, appearing on behalf of Chesapeake Utilities
4 Corporation, thank you, in the 04 docket only.

5 MAJOR PAULSON: Good morning, Commissioner. Major
6 Craig Paulson representing the Federal Executive Agencies in
7 Docket 01. And I'd also like to enter an appearance for
8 Lieutenant Colonel Karen White in the same docket. Thank you.

9 COMMISSIONER BRADLEY: Thank you. Staff.

10 MS. BROWN: Commissioner, at this time perhaps I
11 should remind everyone that St. Joe Natural Gas Company has
12 been excused from making an appearance at this prehearing
13 conference and in the hearing for the 03 and 04 dockets. You
14 issued a letter to that effect last week.

15 COMMISSIONER BRADLEY: Yes, I sure did.

16 Are there any other preliminary matters to be
17 addressed?

18 MS. BROWN: I'm not aware of any.

19 Commissioner, we suggest that you take these dockets
20 in reverse order; take the least complex docket first and then
21 follow through to 01 at the end. So that would be 03, 04,
22 02 and 07 and then 01.

23 COMMISSIONER BRADLEY: Okay. Just a minute. Give me
24 that order again, please. 02?

25 MS. BROWN: 03, 04, 02.

1 COMMISSIONER BRADLEY: Wait just a minute. 03, one;
2 04; two?

3 MS. BROWN: Yes. 02, three; 07, four; and 01, five.

4 COMMISSIONER BRADLEY: Okay. Okay. Let's begin with
5 03. Okay. We're now on Docket 03, and this docket deals with
6 the purchased gas adjustment. Are there any preliminary
7 matters by any of the parties? None?

8 Let's proceed through the draft prehearing order. If
9 there are any questions, clarifications or changes, please let
10 me know at the appropriate time.

11 Let's start with Sections I through IV.

12 MS. BROWN: Commissioner Bradley, if I might just
13 interrupt for a second.

14 COMMISSIONER BRADLEY: Yes, ma'am.

15 MS. BROWN: It appears to us that this docket is
16 stipulated. There are no outstanding issues. I just wanted to
17 point that out to everyone. We all agree on the numbers, and
18 it should be easy at the hearing.

19 COMMISSIONER BRADLEY: Okay. Okay. Well, well,
20 let's just go down through section -- go through this, this
21 issue, docketed matter section by section and we'll, we
22 understand very clearly that it has been stipulated. But just
23 for the record let's go through it.

24 Section V, posthearing procedures, stipulated.

25 MS. BROWN: Yes, Commissioner.

1 COMMISSIONER BRADLEY: Section VI, prefiled testimony
2 and exhibits, stipulated.

3 MS. BROWN: Yes, Commissioner.

4 COMMISSIONER BRADLEY: Section VII, order of
5 witnesses, stipulated.

6 MS. BROWN: Correct.

7 COMMISSIONER BRADLEY: Section VIII, basic positions,
8 stipulated.

9 Section IX, issues and positions, stipulated.

10 Section X, exhibit list, stipulated.

11 Section XI, stipulated.

12 Section XII, stipulated.

13 Section XIII, stipulated.

14 Section XIV, rulings, stipulated. Staff, are there
15 any other rulings that need to be included in this section?

16 MS. BROWN: Commissioner, I would just mention that
17 since the testimony and exhibits will be stipulated into the
18 record, the witnesses can be excused for the hearing, if no
19 other Commissioners on the panel have any questions for them.
20 And I intend to, once we get the prehearing order finalized, I
21 will take it to them and ask the Commissioners if they have any
22 questions, and then I'll inform the parties by the 2nd of
23 November whether they can be excused.

24 COMMISSIONER BRADLEY: Okay. And there is one other
25 ruling I'm going to make as it relates to opening statements.

1 Opening statements --

2 MS. BROWN: It's likely that we won't need them for
3 this docket, but we would suggest ten minutes if we do. That's
4 a standard.

5 COMMISSIONER BRADLEY: Okay. Just in case. Are
6 there any other matters to come before the prehearing officer
7 at this time?

8 MR. WATSON: Yes. Commissioner Bradley, might I ask
9 that in the event all of the witnesses are excused, that
10 counsel in this docket also be excused from appearing?

11 MS. BROWN: We, we have no problem with that, except
12 for, especially for out-of-town attorneys in order to save
13 money for their clients. It's probably a good idea to have
14 somebody here in case something comes up at the hearing.

15 COMMISSIONER BRADLEY: It's probably a good idea.

16 MR. WATSON: If there are going to be no witnesses
17 and no questions, I'll probably feel safe staying at home, but
18 would like leave from the prehearing officer to do so.

19 COMMISSIONER BRADLEY: Well, I think that it might be
20 a good idea if, if you would be here just in case, just in
21 case. But I heard what staff advised and I heard your request,
22 but I think that it might be a good idea to be here just in
23 case. I guess that's not a very, that's not a very clear
24 ruling though, is it?

25 Any other matters to come before the prehearing

1 officer?

2 (Prehearing Conference in Docket 050003-GU

3 concluded.)

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1 STATE OF FLORIDA)
2 COUNTY OF LEON)

CERTIFICATE OF REPORTER

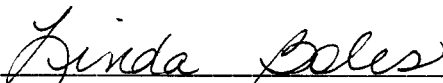
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I, LINDA BOLES, RPR, CRR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

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 28TH DAY OF OCTOBER, 2005.


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