

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of:

REVIEW OF 2007 ELECTRIC INFRASTRUCTURE DOCKET NO. 070297-EI
STORM HARDENING PLAN FILED PURSUANT TO
RULE 25-6.0342, F.A.C., SUBMITTED BY
TAMPA ELECTRIC COMPANY.

REVIEW OF 2007 ELECTRIC INFRASTRUCTURE DOCKET NO. 070298-EI
STORM HARDENING PLAN FILED PURSUANT TO
RULE 25-6.0342, F.A.C., SUBMITTED BY
PROGRESS ENERGY FLORIDA, INC.

REVIEW OF 2007 ELECTRIC INFRASTRUCTURE DOCKET NO. 070299-EI
STORM HARDENING PLAN FILED PURSUANT TO
RULE 25-6.0342, F.A.C., SUBMITTED BY
GULF POWER COMPANY.

REVIEW OF 2007 ELECTRIC INFRASTRUCTURE DOCKET NO. 070301-EI
STORM HARDENING PLAN FILED PURSUANT TO
RULE 25-6.0342, F.A.C., SUBMITTED BY
FLORIDA POWER & LIGHT COMPANY.



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PROCEEDINGS: PREHEARING CONFERENCE

BEFORE: COMMISSIONER NANCY ARGENZIANO
PREHEARING OFFICER

DATE: Friday, September 21, 2007

DOCUMENT NUMBER-DATE

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

3 PLACE: Betty Easley Conference Center
4 Room 148
5 4075 Esplanade Way
6 Tallahassee, Florida

7 REPORTED BY: LINDA BOLES, CRR, RPR
8 Official FPSC Reporter
9 (850) 413-6734
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1 APPEARANCES:

2 JOHN T. BUTLER, ESQUIRE, 700 Universe Boulevard, Juno
3 Beach, FL, 33408-0420, and NATALIE F. SMITH, ESQUIRE, 215 South
4 Monroe Street, Tallahassee, Florida 32301, appearing on behalf
5 of Florida Power & Light Company.

6 JEFFREY A. STONE, ESQUIRE; RUSSELL A. BADDERS,
7 ESQUIRE; STEVEN A. GRIFFIN, ESQUIRE; and ERIC LANGLEY, ESQUIRE,
8 Beggs & Lane Law Firm, Post Office Box 12950, Pensacola, FL
9 32591, appearing on behalf of Gulf Power Company.

10 JOHN T. BURNETT, ESQUIRE, Progress Energy Florida,
11 Inc., Post Office Box 14042, St. Petersburg, Florida
12 33733-4042, appearing on behalf of Progress Energy Florida,
13 Inc.

14 LEE L. WILLIS, ESQUIRE, and JAMES D. BEASLEY,
15 ESQUIRE, Ausley Law Firm, Post Office Box 391, Tallahassee,
16 Florida 32302, appearing on behalf of Tampa Electric Company.

17 TRACY HATCH, ESQUIRE, AT&T, 101 North Monroe Street,
18 Suite 700, Tallahassee, Florida 32301-1549, and JENNIFER S.
19 KAY, ESQUIRE, AT&T Florida, c/o Greg Follensbee, 150 South
20 Monroe Street, Suite 400, Tallahassee, Florida 32303-1556,
21 appearing on behalf of AT&T Florida and TCG South Florida, Inc.

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1 APPEARANCES CONTINUED:

2 ROBERT SCHEFFEL WRIGHT, ESQUIRE, and JOHN T. LAVIA,
3 III, ESQUIRE, Young van Assenderp, P.A., 225 South Adams
4 Street, Suite 200, Tallahassee, Florida 32301, appearing on
5 behalf of the City of Panama City Beach, Florida; the Town of
6 Jupiter Island; Municipal Underground Utilities Consortium
7 (MUUC); Town of Palm Beach, Florida; and The Panama City Beach
8 Community Redevelopment Agency.

9 MARIA T. BROWNE, ESQUIRE, and JOHN D. SEIVER,
10 ESQUIRE, Davis, Wright, Tremaine LLP, 1919 Pennsylvania Avenue,
11 N.W., Suite 200, Washington, D.C. 20006, and BETH KEATING,
12 ESQUIRE, Akerman Senterfitt Law Firm, 106 East College Avenue,
13 Suite 1200, Tallahassee, Florida 32301, appearing on behalf of
14 Florida Cable Telecommunications Association, Inc.

15 DULANEY L. O'ROARK, III, GENERAL COUNSEL, Southeast
16 Region Verizon, 5055 North Point Parkway, Alpharetta, Georgia
17 30022, appearing on behalf of Verizon Florida, LLC.

18 SUSAN MASTERTON, ESQUIRE, 1313 Blair Stone Road,
19 Tallahassee, Florida 32301, appearing on behalf of Embarq
20 Florida, Inc.

21 KEINO YOUNG, ESQUIRE; LISA BENNETT, ESQUIRE;
22 KATHERINE FLEMING, ESQUIRE; RICK MANN, ESQUIRE; ADAM TEITZMAN,
23 ESQUIRE; and MARY ANNE HELTON, ESQUIRE, FPSC General Counsel's
24 Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida
25 32399-0850, appearing on behalf of the Commission Staff.

P R O C E E D I N G S

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COMMISSIONER ARGENZIANO: Good morning. Call the, call our prehearing to order.

Good morning. Would staff please read the notice.

MR. YOUNG: Good morning, Commissioner.

COMMISSIONER ARGENZIANO: Good morning.

MR. YOUNG: By notice issued September 4th, 2007, this time and place has been set for a Prehearing Conference in the following dockets: Docket Number 070297-EI, Docket 070298-EI, 070299-EI, 070301-EI, for review of the 2007 electric infrastructure storm hardening plans filed pursuant to Rule 25-6.0342, Florida Administrative Code, submitted by Tampa Electric Company; Progress Energy Florida, Incorporated; Gulf Power Company and Florida Power & Light Company. The purpose of the hearing -- the purpose of this prehearing is set out in the notice.

COMMISSIONER ARGENZIANO: Thank you. Let's take appearances. And please, when stating your appearance, please state who you are representing and which dockets you're appearing in.

MR. BUTLER: Good morning, Commissioner.

COMMISSIONER ARGENZIANO: Good morning.

MR. BUTLER: John Butler and Natalie Smith appearing on behalf of Florida Power & Light Company in Docket 070301.

COMMISSIONER ARGENZIANO: Thank you.

1 MR. BADDERS: Good morning, Commissioner. Russell
2 Badders appearing on behalf of Gulf Power Company in Docket
3 070299-EI.

4 COMMISSIONER ARGENZIANO: Thank you.

5 MR. BURNETT: Good morning, Commissioner. John
6 Burnett appearing on behalf of Progress Energy Florida in
7 Docket Number 070298-EI.

8 COMMISSIONER ARGENZIANO: Good morning.

9 MR. WILLIS: I'm Lee L. Willis, together with
10 James D. Beasley appearing on behalf of Tampa Electric Company
11 in Docket Number 070297-EI.

12 COMMISSIONER ARGENZIANO: Thank you.

13 MR. HATCH: Good morning, Commissioner. Tracy Hatch
14 and Jennifer Kay appearing on behalf of AT&T Florida. We're
15 involved in all four dockets.

16 COMMISSIONER ARGENZIANO: Good morning.

17 MR. O'ROARK: Good morning, Commissioner. De O'Roark
18 on behalf of Verizon, appearing in Docket Numbers 070297-EI,
19 070298-EI and 070301-EI.

20 COMMISSIONER ARGENZIANO: Thank you. Good morning.

21 MR. WRIGHT: Good morning, Commissioner. I am Robert
22 Scheffel Wright, and I would also like to enter an appearance
23 for my partner John T. Lavia, III, both of the law firm Young
24 van Assenderp. In the FPL docket, 070301, we represent the
25 Municipal Underground Utilities Consortium, the Town of Jupiter

1 Island and the Town of Palm Beach. In the Gulf Power docket,
2 070299, we represent the City of Panama City Beach, the Panama
3 City Beach Community Redevelopment Agency and, subject to our
4 pending petition to intervene, the Municipal Underground
5 Utilities Consortium. Thank you.

6 COMMISSIONER ARGENZIANO: Thank you. Good morning.

7 MS. KEATING: Good morning, Commissioner. Beth
8 Keating appearing today on behalf of the Florida Cable
9 Telecommunications Association. I'd also like to enter an
10 appearance for Maria Browne and John Seiver with the Davis,
11 Wright, Tremaine law firm, also appearing on behalf of the
12 Florida Cable Telecommunications Association. I'm appearing
13 only in Dockets 070298 and 070299. Ms. Browne and Mr. Seiver
14 are appearing on behalf of the cable association in all
15 dockets.

16 COMMISSIONER ARGENZIANO: Thank you.

17 MS. MASTERTON: And this is Susan Masterton. I'm
18 representing Embarq Florida, Inc., and we're participating in
19 all four dockets.

20 COMMISSIONER ARGENZIANO: Thank you very much. Okay.

21 Mr. Young, are there any preliminary matters before
22 we get to the Draft Prehearing Order?

23 MR. YOUNG: Yes. Yes, Madam Commissioner. But
24 before we go there, Keino Young, Katherine Fleming, Lisa
25 Bennett, Rick Mann and Adam Teitzman appearing on behalf of

1 staff.

2 MS. HELTON: And also Mary Anne Helton appearing as
3 an advisor to the Commission.

4 COMMISSIONER ARGENZIANO: Thank you. Anything from
5 the parties?

6 MR. HATCH: Commissioner Argenziano, this is Tracy
7 Hatch for --

8 COMMISSIONER ARGENZIANO: Where are you? Right
9 there. Okay.

10 MR. HATCH: One minor addition. Jennifer Kay and
11 Tracy Hatch are also appearing on behalf of TCG South Florida.

12 MR. BADDERS: Commissioner, I also need to enter a
13 couple of additional appearances.

14 COMMISSIONER ARGENZIANO: Please.

15 MR. BADDERS: I need to enter an appearance on behalf
16 of Jeffrey A. Stone, Steven A. Griffin and Eric Langley all on
17 behalf of Gulf Power Company.

18 COMMISSIONER ARGENZIANO: Thank you. Mr. Young.

19 MR. YOUNG: Madam Commissioner, there is a
20 preliminary matter. As Mr. Wright has indicated, MUUC has
21 filed a petition to intervene on September 20th, 2007, in the
22 Gulf docket.

23 COMMISSIONER ARGENZIANO: Thank you. Are there any
24 objections to the, granting the intervention?

25 MR. BADDERS: No objection from Gulf Power.

1 MR. YOUNG: That being said, Madam Commissioner, your
2 decision will be reflected, if you choose to grant the petition
3 to intervene, in the ruling section of the Prehearing Order.

4 COMMISSIONER ARGENZIANO: Hearing no objection, the
5 petition is granted, and please include that in the ruling
6 section.

7 Okay. Let's move on and go through the draft
8 Prehearing Order. Excuse me one second here. Okay. I'll
9 identify the sections, and I want the parties to let me know if
10 there's any, any corrections or changes to be made. So if I'm
11 moving on, please just come right out and holler and let me
12 know.

13 Okay. Section I, case background. Any corrections
14 or changes?

15 Hearing none, Section II, conduct of proceedings, any
16 corrections or changes?

17 Jurisdiction, any corrections or changes in Section
18 III?

19 Section IV, procedures for handling confidential
20 information, any corrections or changes?

21 Section V, prefiled testimony and exhibits and
22 witnesses. Staff, I believe, would like to comment on this
23 section.

24 MR. YOUNG: Yes, Madam Commissioner. The four
25 dockets were previously consolidated for purposes of the

1 hearing and some of the parties have only intervened in a
2 specific utility's docket. To that end, Madam Commissioner,
3 staff has worked with all the parties to agree on a process to
4 facilitate an efficient hearing. Each witness's testimony,
5 each witness's testimony summary should make clear the storm
6 hardening plans to which his or her testimony pertains.

7 Intervenor witnesses who have prefiled testimony in multiple
8 dockets shall summarize their testimony separately for each
9 such docket and will then be cross-examined with respect to
10 that docket before proceeding to present testimony in other
11 dockets. Only those parties that have intervened in a specific
12 docket, storm hardening plan docket may cross-examine the
13 witness presenting their testimony. The cross-examining party
14 shall clearly specify on the record to which storm hardening
15 plan cross-examination is directed.

16 COMMISSIONER ARGENZIANO: Anything from the parties?
17 Okay. Moving on to Section VI, any changes or corrections?

18 MR. HATCH: Commissioner, with respect to AT&T's
19 witness, TCG's witness Kirk Smith, I believe that we have
20 reached an accommodation with all the parties to stipulate
21 Mr. Smith's testimony into the record and waive
22 cross-examination. I wanted to take that up now.

23 COMMISSIONER ARGENZIANO: Mr. Young.

24 MS. FLEMING: Commissioner, we can designate that in
25 the Prehearing Order, and we will contact all the Commissioners

1 to see if any of the Commissioners will have questions for the
2 witness. If there are no questions from the Commissioners,
3 then we'll e-mail the parties and let them know whether their
4 witness may be excused.

5 MR. HATCH: With respect to that in terms of the
6 order of witnesses, Mr. Smith's testimony, and to the extent
7 that there are any Commissioner questions, really only relates
8 to a third-party attachment process that we also want to take
9 up at some point as a stipulation. If there are any
10 Commissioner questions, we would request that he be taken up
11 very first thing at the hearing, get him up, get him out and
12 let him go on his way, if that's possible.

13 COMMISSIONER ARGENZIANO: Okay. I'm sure we could
14 accommodate that. Okay. Okay. Moving on to Section VII, any,
15 any corrections or changes?

16 Hearing none, Section VIII, any corrections or
17 changes?

18 Section IX, exhibit list. I'm sorry. Any
19 corrections or changes?

20 Staff, I think, would like to note for the record --

21 MR. YOUNG: Thank you, Madam Commissioner. For the
22 record, staff would note that we're preparing a comprehensive
23 exhibit list consisting of all prefiled exhibits for the
24 purpose of numbering and identification at the hearing. Staff
25 will provide an exhibit list to the parties prior to the

1 hearing. Staff also intends to prepare a staff composite
2 exhibit list which would include certain discovery responses
3 and deposition transcripts. We'll provide a comprehensive
4 exhibit list in advance to the parties.

5 COMMISSIONER ARGENZIANO: Okay. Okay. Section X, I
6 believe. Yes, Mr. Young.

7 MR. YOUNG: Madam Commissioner, the parties have
8 entered a proposed stipulation of the process to engage
9 third-party attachers. Staff recommends that the proposed
10 stipulation be taken up as a preliminary matter at the hearing.

11 COMMISSIONER ARGENZIANO: Okay. Do the parties want
12 to be heard on this section?

13 Okay. Duly noted.

14 I believe it is possible that PEF and, PEF and FCTA
15 may want to mention that they are in discussions on possible
16 stipulations, and, Ms. Keating.

17 MS. KEATING: That is correct, Madam Commissioner.
18 We are currently having very productive discussions and
19 anticipate that we will be able to reach a resolution that we
20 can bring to the Commission prior to the hearing.

21 COMMISSIONER ARGENZIANO: Great.

22 MR. BUTLER: Madam Commissioner, I'm not sure if this
23 is the appropriate time to talk about stipulations of
24 particular issues. But with respect to FPL, I have conferred
25 with the other parties and believe that the first issue for us,

1 which is Issue 40 dealing with basic NESC compliance, I don't
2 believe there is any question or dispute about FPL's compliance
3 with the NESC, and I believe therefore that that issue can be
4 stipulated.

5 COMMISSIONER ARGENZIANO: Thank you. Thank you very
6 much. And I would encourage you to continue the discussions
7 and please let staff be aware if there are any changes.

8 MR. WILLIS: Commissioner, likewise, Tampa Electric
9 has circulated a proposed stipulation to all parties within the
10 Tampa Electric docket. I have received responses to that, that
11 proposal. And it looks like that we will be able to reach a
12 stipulation on Issues 1 through 6 and 8 through 10 with FCTA.
13 Verizon has indicated that with respect to Issue 1, and Issue 9
14 and 11 that they would enter into the stipulation and not
15 object to the, the stipulation that's proposed with respect to
16 the other issues. The same position with Embarq, identical to
17 Verizon, and AT&T would not object to -- not entering into but
18 not object to the entering into the stipulation. We will
19 continue to work with staff, and hopefully these positions can
20 be, or the stipulation can be substituted in the Prehearing
21 Order with respect to those issues.

22 COMMISSIONER ARGENZIANO: Great. Just keep staff
23 aware, if you would, please.

24 MR. BADDERS: And the same is also true -- Russell
25 Badders on behalf of Gulf Power Company. The same is also true

1 with Gulf. We have several issues that appear to be, in the
2 position that may stipulate, and we will get that to staff as
3 soon as we have that so it can be incorporated.

4 COMMISSIONER ARGENZIANO: Staff, did you have
5 comment?

6 MS. FLEMING: Yes. Staff will continue to work with
7 the parties to compile a list of the proposed stipulations so
8 we can make that available to the Commissioners. And also
9 staff will encourage the parties to keep us informed so that
10 way if any issues or any positions change with respect to the
11 issues based on these proposed stipulations, we can properly
12 reflect those positions in the final Prehearing Order.

13 COMMISSIONER ARGENZIANO: Very good. Thank you.
14 Okay.

15 Let's move on to Section XI under pending motions.

16 MR. YOUNG: There are no pending motions, Madam
17 Commissioner.

18 COMMISSIONER ARGENZIANO: Okay. Section XII, pending
19 confidentiality matters.

20 MR. YOUNG: There are no pending confidentiality
21 matters.

22 COMMISSIONER ARGENZIANO: Okay. XIII on posthearing
23 procedures. The parties may want to modify, is that what I
24 understand, some of the words, or are we all happy? Speak now
25 or forever hold your peace. Okay.

1 Section XIV, rulings, any changes or corrections?

2 MR. YOUNG: Yes, Madam Commissioner. Staff
3 recommends that opening statements, if any, should not exceed
4 five minutes per party. Staff is aware that there may be
5 attorneys representing multiple parties. Staff recommends that
6 the opening statements continue to not exceed five minutes per
7 party.

8 COMMISSIONER ARGENZIANO: Any comments from parties?
9 Hearing none, okay, we'll move on to --

10 MR. YOUNG: Staff -- Madam Commissioner, staff also
11 recommends that the witness summaries not exceed five minutes.

12 COMMISSIONER ARGENZIANO: Not to exceed five minutes.
13 Any comments or changes or suggestions? Okay.

14 Hearing none, let's move on to other matters. Are
15 there any other matters to address in this docket?

16 MR. YOUNG: To that end, Madam Commissioner, staff
17 requests that to the extent that a party's position changes due
18 to discussions at today's Prehearing Conference, that they
19 provide any such changes to staff by the close of business
20 Monday, September 24th, 2007.

21 COMMISSIONER ARGENZIANO: Okay. If there are no
22 other comments, then we are adjourned. Thank you.

23 (Prehearing Conference adjourned at 9:47 a.m.)
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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 25th day of September, 2007.

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