

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080318-GU

In the Matter of:

PETITION FOR RATE INCREASE BY
PEOPLES GAS SYSTEM. /

ORIGINAL

PROCEEDINGS: CHARLOTTE SERVICE HEARING

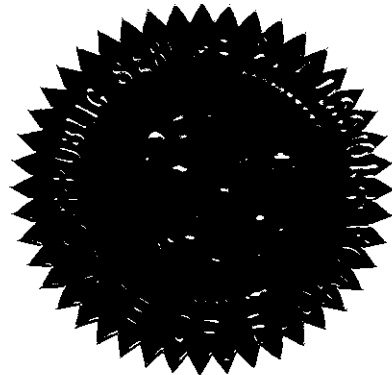
BEFORE: COMMISSIONER LISA POLAK EDGAR
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP

DATE: Tuesday, January 14, 2009

TIME: Commenced at 6:00 p.m.
Concluded at 6:32 p.m.

PLACE: Charlotte County School Board
Meeting Room
Murdock Center
1445 Education Way
Port Charlotte, FL 33948

REPORTED BY: Dawn M. Roush, Court Reporter
Official FPSC Reporter
(941) 575-9533



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PARTICIPATING:

CHARLES J. REHWINKEL, ESQUIRE, Associate Public
Counsel, Office of Public Counsel, 490 Teenie Court,
Tallahassee, Florida, 32312-1044

LEWIS M. BINSWANGER, Director Strategic Planning and
Regulatory, Peoples Gas, 702 North Franklin Street, Tampa,
Florida 33602

1 COMMISSIONER EDGAR: I'll call this customer service
2 meeting to order, and I'll begin by asking our staff to
3 read the notice.

4 MS. KLANCKE: By notice this time and place has been
5 set for customer service hearing in docket number
6 08-0318-GU, Petition for Rate Increase by Peoples Gas
7 System.

8 COMMISSIONER EDGAR: Thank you. And let's take
9 appearances of the attorneys on this matter.

10 MR. REHWINKEL: Charles Rehwinkel, Associate Public
11 Counsel, Office of the Public Counsel, on behalf of the
12 citizens of Florida.

13 MR. BINSWANGER: Lewis Binswanger, 702 North
14 Franklin Street, Tampa, Florida, on behalf of Peoples
15 Gas.

16 COMMISSIONER EDGAR: Thank you. And our staff.

17 MS. KLANCKE: Caroline Klancke on behalf of
18 commission staff.

19 MR. WILLIS: Marshall Willis, technical staff.

20 COMMISSIONER EDGAR: Thank you. Welcome all. We're
21 glad to be here in Port Charlotte. And we are here today
22 to hear from customers about any service concerns,
23 quality of service, and also any comments about the
24 proposed rate increase that is pending before the Public
25 Service Commission. My name is Lisa Edgar, and with me

1 are my colleagues, Commissioner Nancy Argenziano and
2 Commissioner Nathan Skop.

3 COMMISSIONER SKOP: Good evening.

4 COMMISSIONER EDGAR: This matter is going to be a
5 part of the record of this case. We have a court
6 reporter with us who will be transcribing everything that
7 we do here. Customers will be called from the sign-up
8 sheet that is outside. Mr. Rehwinkel will call from that
9 customer sign-up list here in just a few moments. We
10 also have company representatives and we have staff
11 representatives from the commission here if anybody has
12 any concerns that they can help address. Please let us
13 know and take advantage of that resource. Right now,
14 Ms. Klancke, let's go ahead and take up the exhibit that
15 we have so I can get that out of the way. My
16 understanding is we have notice of the publication
17 offered by Peoples Gas, and that will be Exhibit Number
18 6.

19 MS. KLANCKE: Yes. That's correct.

20 COMMISSIONER EDGAR: Thank you. Okay. Let's move
21 right along. And what I'd like to do is give a brief
22 opportunity for the company to speak for us tonight and
23 also for the record. And then, Mr. Rehwinkel, we will
24 look to you and then we'll move along. Why don't you
25 come forward.

1 MR. BINSWANGER: Thank you. Shall I face --

2 COMMISSIONER EDGAR: Yes, please, you may.

3 MR. BINSWANGER: Face the --

4 COMMISSIONER EDGAR: Face the audience, yes, sir.

5 MR. BINSWANGER: Thank you.

6 COMMISSIONER EDGAR: You're welcome.

7 MR. BINSWANGER: Good evening, commissioners and
8 ladies and gentlemen. My name is Lewis Binswanger. I am
9 Peoples Gas System Director of Regulatory Affairs. We
10 appreciate having the opportunity to participate in the
11 service hearing which is part of the commission's process
12 of evaluating Peoples Gas's request to increase base
13 rates.

14 Peoples Gas System operates the largest retail
15 natural gas distribution system in the state of Florida
16 providing natural gas to approximately 334,000
17 residential, commercial, and industrial customers.
18 Peoples's last request for new rates was in March 2002
19 and was granted permanent rate relief effective in 2003.
20 Since that time the company has continued to expand its
21 pipeline distribution system in order to make natural gas
22 available as a low carbon energy efficient choice to
23 almost 100,000 residential and commercial customers. In
24 addition, Peoples Gas has installed or replaced over
25 1,500 miles of main in over 200 communities it serves.

1 And something interesting about Charlotte County,
2 where we are, is that natural gas service was not
3 available at all to Charlotte County nor Fort Myers or
4 Naples until about the year 2000; so natural gas service
5 is relatively new to the area. Peoples Gas has also
6 offered energy conservation programs to assist customers
7 with the installation of energy efficient natural gas
8 appliances. In fact, since Peoples's last rate increase
9 residential customers have substantially conserved
10 natural gas use and are consuming about 10 percent less
11 natural gas today than they consumed six years ago.
12 That's about the equivalent of one month worth of gas,
13 natural gas, saved per residential customer per year.

14 Peoples has also maintained a very reliable
15 distribution system, even through the active 2004 and
16 2005 hurricane system, with minimal customer service
17 interruptions. The company has enhanced customer service
18 based on input from our customers and now offers extended
19 hours of operation and next day service. Peoples Gas
20 also has two authorized payment centers in Southwest
21 Florida, one in Port Charlotte and one in Fort Myers for
22 our customers' convenience to accept gas bill payments at
23 no charge to the customer.

24 While I understand that most of you are here to
25 provide input to the commission about the company's

1 request, I also understand that some of you may have
2 specific questions about your gas bills; and, as
3 Commissioner Edgar pointed out, we have members of
4 Peoples Gas in the back to help assist you in any
5 questions you may have. Peoples Gas understands that our
6 customers truly have a choice in using natural gas to
7 meet their energy needs, and we take pride in providing
8 reliable natural gas service to our customers here in
9 Charlotte County and throughout Florida and appreciate
10 your participation in today's hearing. Thank you.

11 COMMISSIONER EDGAR: Thank you. Mr. Rehwinkel?

12 MR. REHWINKEL: Thank you, Chairman. My name is
13 Charles Rehwinkel, Associate Public Counsel with the
14 Office of Public Counsel. The Office of Public Counsel
15 is a legislative agency that is independent from the
16 Public Service Commission and is established by the
17 legislature to represent members of the public in matters
18 like this. In this case we have intervened and have
19 filed the testimony of two expert witnesses in the fields
20 of accounting and finances. Our expert witnesses have
21 said that -- have testified that the company should not
22 be entitled to a rate increase of any more than \$5.6
23 million based on the evidence that exists at this time.
24 We will pursue this in the hearing upcoming and will
25 pursue any other evidence that comes to light in making

1 our case at this time. Thank you.

2 COMMISSIONER EDGAR: Thank you, Mr. Rehwinkel. And
3 as I said a few minutes ago, we are here from
4 Tallahassee, three of the commissioners from the Florida
5 Public Service Commission, and we are here to hear from
6 consumers about Peoples's request that's pending before
7 us, any comments about that request and also any comments
8 about customer service or service quality. This will be
9 transcribed and become a part of the legal record of our
10 proceedings. We will use the sign-up sheet to call the
11 names in order. Because it will be a part of the hearing
12 proceeding, we'll need to swear in those of you who would
13 like to speak before us. And we strongly, strongly
14 encourage you to please come up and share with us your
15 comments. So before we call names, what I'd like to do
16 is ask those of you who would like to speak with us this
17 evening to please stand up with me all together and raise
18 your right hand.

19 *(Persons planning to speak were placed under oath.)*

20 COMMISSIONER EDGAR: Thank you very much.
21 Commissioners, any other comments before we call names?
22 Okay, then, Mr. Rehwinkel, please.

23 MR. REHWINKEL: Chairman Edgar, I'll call these
24 witnesses in the order they signed up. And the first
25 witness on the list is Pam Brandt. I believe I

1 pronounced that correctly.

2 COMMISSIONER EDGAR: Ms. Brandt, please come forward
3 and, if you would, for the record spell your last name.

4 MS. BRANDT: It's B-R-A-N-D-T.

5 COMMISSIONER EDGAR: Okay. And if you would come to
6 the --

7 Actually, Marshall, could you help us with the
8 microphone and either try to turn or just pull it down,
9 whatever -- whatever it would be. Because I'm going to
10 need to ask you to --

11 I'm sorry, Ms. Brandt. We're going to see if we can
12 turn it so you can speak directly to us.

13 Larry, can you help Marshall. There we go. I
14 didn't see the wheels down there. I'm glad that was
15 easier than it might have been otherwise. All right.
16 Gentlemen, thank you very much.

17 Ms. Brandt, thank you for giving us a moment there.

18 MS. BRANDT: I am Pam Brandt. I am from the Murdock
19 Circle Apartments. I manage a 264-unit apartment
20 community, and we do use Peoples Gas. We have -- I've
21 been a manager there for a little over a year and just
22 wanted to come, basically, and talk about their service.
23 They're always very, very willing to come out if we think
24 we might have a leak or someone smells gas, they're out
25 in a very timely manner and they take care of any

1 problems. We have a representative of theirs on site
2 weekly, sometimes two or three times a week, depending on
3 people moving in and moving out. And they're always
4 there when they need to be and take care of the problem.

5 COMMISSIONER EDGAR: Thank you.

6 Commissioners?

7 All right. Thank you, Ms. Brandt.

8 Mr. Rehwinkel?

9 MR. REHWINKEL: Yes, Chairman. The next witness
10 that is signed up is Pat McLeod.

11 COMMISSIONER EDGAR: Ms. McLeod, please come
12 forward. Good evening.

13 MS. McLEOD: Good evening. I'm Pat McLeod. I'm the
14 leasing consultant for The Pines in Punta Gorda. That's
15 a 336-unit apartment community for affordable housing
16 community and, of course, we do use Peoples Gas. And our
17 residents have to basically set the gas up, you know, on
18 their own, but we -- in a timely manner the
19 representative comes out to turn on the gas and collect
20 the funds or sometimes we have the funds in the office
21 that the resident would have dropped off. And the --
22 like I said, it's done in a timely manner. And I have
23 nothing but good things to say.

24 COMMISSIONER EDGAR: Thank you.

25 COMMISSIONER ARGENZIANO: You're not getting free

1 gas for this, are you?

2 MS. McLEOD: No. My house is all electric.

3 COMMISSIONER EDGAR: Thank you. We appreciate your
4 comments and we appreciate you coming out this evening to
5 share that with us on the record. Mr. Rehwinkel?

6 MR. REHWINKEL: At this time I have no other
7 witnesses who have signed up. I would just note for the
8 record that Ms. McLeod spells her name M-C-L-E-O-D.

9 COMMISSIONER EDGAR: Thank you. Commissioners, I'm
10 thinking that we may go on recess until 6:30 just
11 realizing that it is dark and after-5:00 traffic and all
12 and give a few minutes to see if there are other
13 customers or speakers and then we'll go from there. So
14 we will be on recess until 6:30 by the clock on the wall.

15 COMMISSIONER ARGENZIANO: Thank you for coming.

16 *(A break was taken from 6:19 p.m. to 6:32 p.m.)*

17 COMMISSIONER EDGAR: Okay. We are going back on the
18 record. And I would like to note for the record that we
19 have waited a significant amount of time; and, to my
20 knowledge, there are no other customers or noncustomers
21 who have come to speak to us. So recognizing that we
22 have given the opportunity to hear from interested
23 persons and parties, I will say that our business is
24 concluded for the evening and this hearing is adjourned.

25 *(The hearing concluded at 6:32 p.m.)*

1 STATE OF FLORIDA)
2 COUNTY OF CHARLOTTE)

3 I, DAWN M. ROUSH, Court Reporter, Notary Public in and
4 for the State of Florida at Large, do hereby certify that a
5 hearing was held in the cause styled in the caption hereto, on
6 Page 1 hereof; that I was authorized to and did attend said
7 hearing and report the proceedings had therein, fully and
8 accurately, and the foregoing transcription consisting of
9 pages numbered 01 through 12, inclusive constitute a correct
10 transcript of my notes of the proceedings taken at said
11 hearing.

12 I FURTHER CERTIFY that I am neither an attorney nor
13 counsel for the parties to this cause nor a relative or
14 employee of any attorney or party connected with this
15 litigation and that I have no interest in the outcome of this
16 action.

17 IN WITNESS WHEREOF, I have hereunto subscribed my name
18 and affixed my seal this the 22nd day of January, 2009.

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Dawn M. Roush
Dawn M. Roush, Court Reporter
Notary Public
State of Florida at Large

