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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO.: 080318-GU



In the Matter of:  
PETITION FOR RATE INCREASE BY  
PEOPLES GAS SYSTEM.

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PROCEEDINGS: HOLLYWOOD SERVICE HEARING  
BEFORE: Commissioner Katrina J. McMurrian  
Commissioner Nathan A. Skop  
DATE: Monday, February 2, 2009  
TIME: Commenced at 10:07 a.m.  
Concluded at 10:36 a.m.  
PLACE: Hollywood City Commission Chambers  
2600 Hollywood Boulevard  
Hollywood, Florida  
REPORTED BY: JANET M. WILLITZ, RPR, RMR  
Official FPSC Reporter  
(561) 659-7444

DOCUMENT NUMBER-DATE

Everman & Everman, Inc.  
1101 North Olive Avenue, West Palm Beach, FL 33401

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## 1 PARTICIPATING:

2 CAROLYN KLANCKE, ESQUIRE, Florida Public  
3 Service Commission, FPSC General Counsel's Office, 2540  
4 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850,  
5 representing the commission staff.

6 ROGER FLETCHER, Utility Systems Engineer,  
7 Florida Public Service Commission, Division of  
8 Regulatory Compliance and Consumer Assistance, Deltona,  
9 Florida, 32725.

10 CHARLES REHWINKEL, ESQUIRE, Office of Public  
11 Counsel, c/o the Florida Legislature, 111 West Madison  
12 Street, Suite 812, Tallahassee, Florida, 32399-1400,  
13 representing the citizens of the State of Florida.  
14 Florida, 32725.

15 LEWIS M. BINSWANGER and KANDI FLOYD, Peoples  
16 Gas System, Regulatory Affairs, Post Office Box 2562,  
17 Tampa, Florida, 33601-0111, representing Peoples Gas  
18 System.

## 19 ALSO PRESENT:

20 ANSLEY WATSON, JR., ESQUIRE, Macfarlane,  
21 Ferguson & McMullen, Post Office Box 1531, Tampa,  
22 Florida, 33601-1531, representing Peoples Gas System.

23 DAVID BURNS, Civil Engineer, Florida Linen  
24 Services, LLC, 1407 Southwest 8th Street, Pompano  
25 Beach, Florida, 33069.

JESUS VEGA, JR., KENT HOBART, MIKE WALSH,  
MYLENE ARZA, RICHARD WALL, LOUIS MONTERO, ADRIANA  
CARBONI, GARY MARTIN, LANCE HORTON, Teco Peoples Gas.

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1 ALSO PRESENT: (Continued)

2 PAM BAYYAT - Peoples Gas

3 JOHN DECK - City of North Miami Beach, Florida

4 DAN IAMARTINO - City of Sunrise, Florida

5 RONALD BOGUE, University of Miami, School of  
6 Medicine

7 EDWARD CHEVALIER - Fulcrum Management, Miami,  
8 Florida

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I N D E X

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WITNESSES

11

NAME:

PAGE NO.:

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DAN IAMARTINO

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RONALD BOGUE

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EDWARD CHEVALIER

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E X H I B I T S

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Service Hearing Exhibit Number 1  
(Publication of notice of hearing)

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## P R O C E E D I N G S

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2           COMMISSIONER McMURRIAN: I'd like to now call  
3 this meeting to order. My name is Katrina  
4 McMurrian with the Florida Public Service  
5 Commission. We're happy to be with you all here  
6 today, and would the rest of the panel like to  
7 introduce yourselves?

8           COMMISSIONER SKOP: Yes, thank you. My name  
9 is Commissioner Skop, Florida Public Service  
10 Commission. Good morning.

11           COMMISSIONER McMURRIAN: Thank you. Staff  
12 counsel, would you please read the notice?

13           MS. KLANCKE: Certainly. By notice, this time  
14 and place has been set for a customer service  
15 hearing in document number 080318-GU, petition for  
16 rate increase by Peoples Gas System.

17           COMMISSIONER McMURRIAN: Thank you, Ms.  
18 Klancke. Let's now take the appearances of  
19 counsel.

20           MR. BINSWANGER: Lewis Binswanger on behalf of  
21 Peoples Gas System.

22           MR. REHWINKEL: Charles Rehwinkel on behalf of  
23 The Office of Public Counsel.

24           COMMISSIONER McMURRIAN: All right. Thank  
25 you.

1 MS. KLANCKE: Carolyn Klancke, commission  
2 staff.

3 MR. FLETCHER: Roger Fletcher, commission  
4 staff, Bureau of Gas Safety.

5 COMMISSIONER McMURRIAN: Thank you. Again,  
6 welcome to all of you, and thank you for joining us  
7 here this morning. We appreciate your interest in  
8 the petition that has been filed by Peoples Gas  
9 System.

10 We're here today because we want to hear from  
11 you. We're very interested in your concerns and  
12 comments to the related company's request, and any  
13 comments or input about the request before us or in  
14 general about the quality of service provided to  
15 you by Peoples Gas, we would love to hear that.

16 We've got company representatives, whom I saw  
17 just a minute ago, and we have staff available to  
18 discuss the rebilling of service issues too, and  
19 several of you may have seen Mr. Dick Durbin  
20 outside. He is also with our staff, and he can  
21 help you if you would like to sign up to speak.

22 This is an official hearing that will be  
23 transcribed and will become a part of our official  
24 record. As such, you'll need to be sworn in before  
25 you present your comments, and we'll take care of

1           that in a few minutes.

2           Please note that your comments will be subject  
3           to cross examination, and that's only that if some  
4           of the parties before us have questions of you,  
5           then they may ask you a couple of questions or the  
6           commissioners might ask you a couple of questions,  
7           but certainly, do not let that deter you.

8           You may have noticed the speaker signup forms  
9           provided by the staff when you arrived, and if you  
10          do plan to speak today, please make sure that you  
11          see Mr. Durbin in the back of the room because he  
12          has got the forms there, and he will have you sign  
13          up.

14          The Office of Public Counsel, with Mr.  
15          Rehwinkel here, will be calling those of you who  
16          want to speak at the appropriate time to present  
17          your comments. If you do not want to provide  
18          verbal comments at this time, you may give us  
19          written comments as well.

20          You may have noticed the green sheets that are  
21          out front, and on the back of the green sheets,  
22          there is a response form for comments that is  
23          preaddressed to the commission, and they can be  
24          used, and if you know someone who couldn't be here  
25          with us today, and they would like to give us some

1 comments, then you can pick up some of these and  
2 take them to them, and they can mail them in, and  
3 then they will be a part of our record as well.

4 Now I would invite the attorneys for the  
5 parties to present brief opening statements. Let's  
6 begin with Peoples Gas System, Mr. Binswanger.

7 MR. BINSWANGER: Thank you, Madam Chair. May  
8 I turn this around and face the audience?

9 COMMISSIONER McMURRIAN: Sure.

10 MR. BINSWANGER: Thank you. Good morning,  
11 Commissioners and ladies and gentlemen. My name is  
12 Lewis Binswanger, and I am Peoples Gas Systems  
13 director of Regulatory affairs. We appreciate  
14 having the opportunity to participate in this  
15 service hearing, which is a part of the  
16 commission's process of evaluating Peoples Gas  
17 request to increase base rates.

18 Peoples Gas System operates the largest retail  
19 national gas distribution system in the State of  
20 Florida, providing natural gas to approximately  
21 334,000 residential, commercial and industrial  
22 customers. Peoples last rate request for new rates  
23 was in March of 2002, and it was granted a  
24 permanent rate relief effective January of 2003.

25 Since that time, the company has continued to

1 expand its pipeline distribution system in order to  
2 make natural gas available as a low carbon, energy  
3 efficient choice to almost 100,000 new residential  
4 and commercial customers. In addition, Peoples Gas  
5 has installed or replaced over 1,500 miles of main  
6 in over 200 communities it serves.

7 Peoples has also offered energy conservation  
8 programs to assist customers with the installation  
9 of energy efficient natural gas appliances. In  
10 fact, since Peoples last rate case, residential  
11 customers have substantially conserved natural gas  
12 use and are consuming about 10 percent less natural  
13 gas today than they consumed six years ago. That's  
14 about the equivalent of about one month's worth of  
15 natural gas saved per residential customer per  
16 year.

17 Peoples has also maintained a very reliable  
18 distribution system, even through the active 2004  
19 and 2005 hurricane seasons, with minimal customer  
20 service interruptions. The company has enhanced  
21 customer service based on input from our customers  
22 and now offers extended hours of operation and next  
23 day service.

24 Peoples Gas also has 31 authorized payment  
25 centers in Palm Beach, Broward and Miami-Dade



1 Counties, for our customers' convenience, to accept  
2 gas bill payments at no charge to the customers.  
3 While I understand that most of you are here to  
4 provide input to the commission about the company's  
5 rate request, I also understand that some of you  
6 may have specific questions about your gas bills  
7 that may need assistance, and as Commissioner  
8 McMurrian pointed out, we have representatives in  
9 the back of the room who can help with any types of  
10 questions that you may have.

11 Peoples Gas understands that our customers  
12 truly have a choice in using natural gas to meet  
13 their energy needs, and we take pride in providing  
14 reliable natural gas service to our customers here  
15 in the Miami, Broward and Palm Beach County area  
16 and throughout Florida and we appreciate your  
17 participation at today's hearing. Thank you.

18 COMMISSIONER McMURRIAN: Thank you.

19 Mr. Rehwinkel?

20 MR. REHWINKEL: Commissioner, I have made  
21 opening statements in the past, for the record, and  
22 in the interest in the time, I'll forego that,  
23 other than to say that the Public Counsel's Office  
24 is here to represent the customers in this case,  
25 and we'll be representing them in the hearing in

1 Tallahassee in March. Thank you.

2 COMMISSIONER McMURRIAN: Thank you, Mr.  
3 Rehwinkel.

4 Ms. Klancke, could you handle the notice of  
5 publication?

6 MS. KLANCKE: Yes, Commissioner, Peoples Gas  
7 submitted to us, the notice of publication for the  
8 Hollywood service hearing territory, and as is your  
9 preference, I believe that we should mark that as  
10 Service Hearing Exhibit Number 7.

11 COMMISSIONER McMURRIAN: All right. I'll do  
12 that. Thank you.

13 (Thereupon, the said document was marked for  
14 identification as Service Hearing Exhibit Number 7.)

15 COMMISSIONER McMURRIAN: Now in order to speak  
16 today, please make sure that you have signed one of  
17 the speaker forms that I had mentioned earlier, if  
18 you haven't already, and as I had mentioned, your  
19 name will be called, one by one, by the Office of  
20 Public Counsel, Mr. Rehwinkel, and when it's your  
21 turn to speak, he will call you up in the order  
22 that you have signed up.

23 I'm going to be swearing all of you in at the  
24 same time, and I'm going to go ahead and ask those  
25 consumers who are with us today and who intend to

1 present testimony, would you please stand with me  
2 and raise your right hand?

3 (Indicating.)

4 COMMISSIONER McMURRIAN: For this matter  
5 before the Florida Public Service Commission, do  
6 you swear or affirm to tell the truth?

7 MR. IAMARTINO: I do.

8 MR. BOGUE: I do.

9 COMMISSIONER McMURRIAN: All right. Thank  
10 you. And if you would, when you come to the  
11 microphone, if you would, please state your name,  
12 address and your telephone number because your  
13 verbal comments are being transcribed, as I had  
14 mentioned before, they will become a part of the  
15 official record in this case, and so, Mr.  
16 Rehwinkel, would you call the first customer on the  
17 list, please?

18 MR. REHWINKEL: Yes, Commissioner, at this  
19 point, we have two who have signed up. The first  
20 one is Dan Iamartino.

21 MR. IAMARTINO: Good morning.

22 COMMISSIONER McMURRIAN: Good morning.

23 MR. IAMARTINO: My name is Dan Iamartino, and  
24 I'm the assistant to the director of the City of  
25 Sunrise, and my address is 4401 Northwest 103rd

1 Avenue, Sunrise, Florida, and my phone number is  
2 (954) 572-2299.

3 We are a gas customer. Our experience with  
4 Peoples Gas has been very favorable. During a  
5 project to establish gas service with us, the field  
6 staff, the administrative staff and the supervisors  
7 were professional and consistent and had met our  
8 expectations.

9 Overall, we were very satisfied with the level  
10 of service that we had been provided, and we're  
11 looking actually to interconnect with two more  
12 sponsors of them in this coming year, so I want to  
13 thank you for your time.

14 COMMISSIONER McMURRIAN: All right. Thank  
15 you.

16 Any questions?

17 (No response.)

18 COMMISSIONER McMURRIAN: All right. Thank  
19 you, Mr. Iamartino.

20 MR. IAMARTINO: Thank you.

21 COMMISSIONER McMURRIAN: Yes, sir, come right  
22 on up.

23 Is this our next witness?

24 MR. REHWINKEL: Yes, and this is Ron Bogue.

25 COMMISSIONER McMURRIAN: Thank you.

1 Mr. Bogue?

2 MR. BOGUE: Thank you. Good morning. My name  
3 is Ronald Bogue, and I'm the vice president of the  
4 facilities and support services for the University  
5 of Miami, School of Medicine. My address is 1400  
6 10th Avenue, Miami. I put my home address on there  
7 incorrectly. My phone number (305) 243-2841.

8 What I would like to say today, as a  
9 substantial customer of Peoples Gas, is that we  
10 surely don't like to see rate increases, as it has  
11 a substantial impact on our budgetary processes as  
12 a large consumer. However, I must also state for  
13 the record that Peoples Gas has been very  
14 responsive and responsible to our needs.

15 We're in the process of opening a 20,000-ton  
16 chiller plant, in which we're going to have biofuel  
17 for the purposes of hurricanes and many other  
18 catastrophic events that may happen with the City  
19 of Miami or any other power outages. We have a  
20 fifteen-megawatt power plant inside of that, and so  
21 we're going to do the biofuel thing and others, and  
22 I would also address the fact that periodically,  
23 with all of the major construction that we've had,  
24 there have been some interruptions to gas, but  
25 they've been very responsive to those interruptions

1 as a result of operator error. For whatever  
2 reason, backhoe drivers seem to make mistakes once  
3 in a while. That's all I have to say.

4 COMMISSIONER McMURRIAN: Thank you, Mr. Bogue.  
5 Are there any questions for Mr. Bogue?

6 (No response.)

7 COMMISSIONER McMURRIAN: All right. Thank  
8 you.

9 Mr. Rehwinkel, do you have anything more?

10 MR. REHWINKEL: At this time, I have no other  
11 witnesses who have signed up to speak.

12 COMMISSIONER McMURRIAN: So let me ask this:  
13 Are there any folks here who haven't signed up, but  
14 who would like to address the commission on this  
15 matter today?

16 (No response.)

17 COMMISSIONER McMURRIAN: Seeing none, I think  
18 that perhaps that we should take a little bit of a  
19 break here, and see if anyone else is going to show  
20 up because I know that it takes a few minutes to  
21 get through security and such, and so we'll take a  
22 short recess, and we'll take about fifteen minutes,  
23 and then we'll just resume, and so we're now on  
24 recess.

25 (Thereupon, a brief recess was taken from

1 10:17 a.m. to 10:31 a.m. after which the following  
2 proceedings were had:)

3 COMMISSIONER McMURRIAN: All right. I would  
4 call this meeting back to order. I believe that  
5 since we broke, we have had one more customer  
6 signed up to speak.

7 Mr. Rehwinkel, would you please call him?

8 MR. REHWINKEL: Yes, that's correct. This is  
9 Peter Chevalier.

10 COMMISSIONER McMURRIAN: I'm not even going to  
11 try to pronounce that name. Come on up. Now you  
12 weren't here when I swore everyone else in, and so  
13 if you would, please raise your right hand.

14 MR. CHEVALIER: (Indicating.)

15 COMMISSIONER McMURRIAN: In this matter before  
16 the Florida Public Service Commission, do you swear  
17 or affirm to tell the truth?

18 MR. CHEVALIER: I do.

19 COMMISSIONER McMURRIAN: Thank you. Please  
20 state your name and address first, if you would.

21 MR. CHEVALIER: Yes, I'm Peter Chevalier, and  
22 I would like to share our experience with Teco Gas.  
23 I work for Fulcrum Management, with offices at 888  
24 Brickell Key Drive, Miami. The project -- We are  
25 an owner/rep firm.

1           The project that we interacted with Teco Gas  
2 with was at 125 Ocean Drive, Miami Beach. It's  
3 called the South of 5th project. The project  
4 itself involves gas service to thirty apartments.

5           All of the apartments had water, heat and gas  
6 ranges in their kitchen that came with the units,  
7 so it was thirty individual meters in the building,  
8 and so it is quite expensive. Teco was very much a  
9 positive experience, working with them, and there  
10 were pretty much three distinct phases where they  
11 were of assistance, and they were involved in  
12 looking over our design and layout for bringing gas  
13 service into the project and helping us review and  
14 define the scope, and they had it to design and  
15 oversee the fabrication of the manifolds, which  
16 were attached and installed onsite and attached to  
17 the prefabricated meters that they had, which was  
18 an endeavor which involved them following up with a  
19 fabricator and lead times and everything at a very  
20 time sensitive phase in the project because they  
21 come in at the tail end, when we're trying to close  
22 up, and everyone is throwing around the TCO dates  
23 and you go and see which utility is going to be the  
24 culprit, and they managed to pull that off ahead of  
25 schedule, and then also, they oversaw the



1 installation.

2 They came in and installed these manifolds and  
3 they also made the connections from the street, so  
4 there was -- And this project, because there are  
5 several buildings on the site, there was more than  
6 one location where they had to make street  
7 connections and bring services into the building,  
8 and even when there was a mishap from one of our  
9 subs who hit an old gas line, their urgent response  
10 team was right out there with a minimum amount of  
11 down time and waiting time and helping us resolve  
12 the problem so there were no issues with public  
13 safety.

14 And so to sort of wrap this up, it was a very  
15 positive experience. We had been engaged with at  
16 least a half a dozen people from Teco, and all of  
17 them have been very enthusiastic and very  
18 interested in sharing in our cause, which is making  
19 a project come to fruition. Thank you.

20 COMMISSIONER McMURRIAN: Thank you.

21 Are there any questions?

22 (No response.)

23 COMMISSIONER McMURRIAN: All right. Thank  
24 you.

25 MR. REHWINKEL: Madam Commissioner, at this

1 time, we have no further witnesses who have signed  
2 up to speak.

3 COMMISSIONER McMURRIAN: Is there anyone else  
4 here with us today who would like to speak who has  
5 not signed up?

6 (No response.)

7 COMMISSIONER McMURRIAN: Seeing none,  
8 Commissioner Skop?

9 COMMISSIONER SKOP: Yes, I would just like to  
10 thank all of the consumers and customers of Teco  
11 for coming down here and to hear support from each  
12 of you with respect to the case pending before us,  
13 and so we do thank you.

14 COMMISSIONER McMURRIAN: And I'll echo that.  
15 Thank you very much for taking the time from your  
16 schedules to come down here and tell us about your  
17 experience with Teco, Peoples Gas, and we  
18 appreciate hearing from you, and again, I'll make  
19 one last pitch as to these green sheets, which are  
20 our special reports, and if you know of anyone who  
21 would like to share their experience with the  
22 company or just tell us their questions or concerns  
23 about the company or the rate increase in general,  
24 there's this page on the back.

25 Feel free to take some of these to the people

1 that you know who have also been served by the  
2 company, and they can fold it in thirds, and it can  
3 be mailed in, and there's also good information on  
4 the sheet about how to find out information about  
5 the case and about the commission and, in fact,  
6 even on other matters that come before us.

7 It has our website and contact information and  
8 that sort of thing, so feel free to take some of  
9 those, and again, we thank all of you for coming  
10 here today, and we thank you also to all of those  
11 who have helped us today to get this transcribed  
12 and put everything together for the record, and I  
13 guess with that -- Is there anything else, Ms.  
14 Klancke that I'm forgetting?

15 MS. KLANCKE: I don't believe so, Madam Chair.

16 COMMISSIONER McMURRIAN: All right. Then with  
17 that, we're adjourned. Thank you.

18 (Thereupon, the meeting adjourned at 10:36  
19 a.m.)

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## CERTIFICATE

STATE OF FLORIDA )

)SS:

COUNTY OF PALM BEACH)

I, JANET M. WILLITZ, RPR, RMR, certify that I was authorized and did stenographically report the foregoing proceedings and that this transcript is a true record of the proceedings had.

I further certify that I am not a relative, employee, attorney, or counsel for 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 6th day of February, 2009.

  
\_\_\_\_\_  
JANET M. WILLITZ, RPR, RMR