

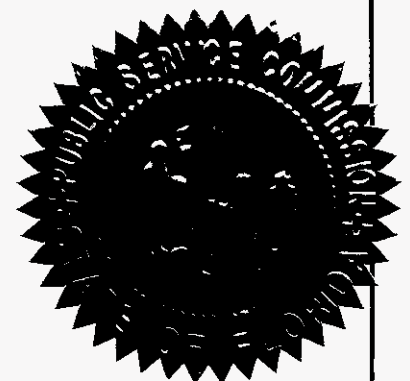
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION FOR INCREASE IN RATES BY PROGRESS ENERGY FLORIDA, INC. DOCKET NO. 090079-EI

PETITION FOR LIMITED PROCEEDING TO INCLUDE BARTOW REPOWERING PROJECT IN BASE RATES, BY PROGRESS ENERGY FLORIDA, INC. DOCKET NO. 090144-EI

PETITION FOR EXPEDITED APPROVAL OF THE DEFERRAL OF PENSION EXPENSES, AUTHORIZATION TO CHARGE STORM HARDENING EXPENSES TO THE STORM DAMAGE RESERVE, AND VARIANCE FROM OR WAIVER OF RULE 25-6.0143(1)(C), (D), AND (F), F. A. C., BY PROGRESS ENERGY FLORIDA, INC. DOCKET NO. 090145-EU



PROCEEDINGS: TALLAHASSEE SERVICE HEARING

BEFORE: CHAIRMAN MATTHEW M. CARTER, II
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER KATRINA J. McMURRIAN
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP

DATE: Monday, September 21, 2009

TIME: Commenced at 9:38 a.m.
Concluded at 9:47 a.m.

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

REPORTED BY: LINDA BOLES, RPR, CRR
Official FPSC Reporter
(850) 413-6734

DOCUMENT NUMBER - DATE

09851 SEP 21 09

FPSC-COMMISSION CLERK

1 APPEARANCES:

2 R. ALEXANDER GLENN, ESQUIRE, and JOHN T.
3 BURNETT, ESQUIRE, Progress Energy Service Company, LLC,
4 Post Office Box 14042, St. Petersburg, Florida
5 33733-4042; JAMES MICHAEL WALLS, ESQUIRE, and DIANNE M.
6 TRIPLETT, ESQUIRE, Carlton Fields, P.A., Post Office Box
7 3239, Tampa, Florida 33601-3239, and RICHARD D. MELSON,
8 ESQUIRE, 705 Piedmont Drive, Tallahassee, Florida 32312;
9 appearing on behalf of Progress Energy Florida, Inc.

10 ROBERT SCHEFFEL WRIGHT, ESQUIRE, and JOHN T.
11 LAVIA, III, ESQUIRE, Young van Assenderp, P.A., 225
12 South Adams Street, Suite 200, Tallahassee, Florida
13 32301, appearing on behalf of the Florida Retail
14 Federation.

15 AUDREY VAN DYKE and ELLEN EVANS, Naval
16 Facilities Engineering Command, Litigation Headquarters,
17 720 Kennon Street, S.E., Building 36, Room 136,
18 Washington Navy Yard, DC 20374.

19 JAMES W. BREW, ESQUIRE, and F. ALVIN TAYLOR,
20 ESQUIRE, Brickfield, Burchette, Ritts & Stone, P.C.,
21 1025 Thomas Jefferson Street, N.W., 8th Floor, West
22 Tower, Washington, DC 20007, appearing on behalf of PCS
23 Phosphate - White Springs.

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25

1 APPEARANCES (Continued):

2 VICKI GORDON KAUFMAN, ESQUIRE, and JON C.
3 MOYLE, JR., ESQUIRE, Keefe, Anchors, Gordon & Moyle, The
4 Perkins House, 118 North Gadsden Street, Tallahassee,
5 Florida 32301, and JOHN W. McWHIRTER, JR., ESQUIRE, Post
6 Office Box 3350, Tampa, Florida, appearing on behalf of
7 Florida Industrial Power Users Group.

8 CECILIA BRADLEY, ESQUIRE, Office of the
9 Attorney General, The Capitol PL-01, Tallahassee,
10 Florida 32399-1050, appearing on behalf of the Citizens
11 of the State of Florida.

12 J. R. KELLY, PUBLIC COUNSEL, CHARLES
13 REHWINKEL, ESQUIRE, CHARLIE BECK, ESQUIRE, and PATRICIA
14 A. CHRISTENSEN, ESQUIRE, Office of Public Counsel, c/o
15 The Florida Legislature, 111 West Madison Street, Room
16 812, Tallahassee, Florida 32399-1400, appearing on
17 behalf of the Citizens of the State of Florida.

18 STEPHANIE ALEXANDER, ESQUIRE, 200 West College
19 Avenue, Suite 216, Tallahassee, Florida 32301, appearing
20 on behalf of the Florida Association for Fairness in
21 Rate Making.

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1 APPEARANCES (Continued):

2 KATHERINE E. FLEMING, ESQUIRE, KEINO YOUNG,
3 ESQUIRE, CAROLINE M. KLANCKE, ESQUIRE, and ERIK L.
4 SAYLER, ESQUIRE and KEINO YOUNG, ESQUIRE, FPSC, General
5 Counsel's Office, 2540 Shumard Oak Boulevard,
6 Tallahassee, Florida 32399-0850, appearing on behalf of
7 the Commission Staff.

8 MARY ANNE HELTON, ESQUIRE, JENNIFER BRUBAKER,
9 ESQUIRE, ROSANNE GERVASI, ESQUIRE, and SAMANTHA CIBULA,
10 ESQUIRE, Florida Public Service Commission, 2540 Shumard
11 Oak Boulevard, Tallahassee, Florida 32399-0850,
12 appearing as Advisors to the Commission.

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I N D E X

WITNESSES

NAME: PAGE NO.

COMMISSIONER JOSEPH PARRISH

Direct Statement 10

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EXHIBITS

NUMBER:	ID.	ADMTD.
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*****No exhibits marked or admitted*****

P R O C E E D I N G S

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2 **CHAIRMAN CARTER:** Good morning. I'd like to
3 call this hearing to order. Welcome, everyone.

4 First of all, staff, would you please read the
5 notice.

6 **MS. FLEMING:** Pursuant to notice issued by the
7 Commission Clerk, this time and place has been set for a
8 hearing in Docket Numbers 090079-EI, 090144-EI and
9 090145-EI.

10 **CHAIRMAN CARTER:** Okay. Let's take
11 appearances of the parties.

12 **MR. GLENN:** Alex Glenn on behalf of Progress
13 Energy Florida. And with me I have John Burnett, also
14 with Progress Energy Florida. And also enter
15 appearances for Mike Walls with Carlton Fields, Dianne
16 Triplett with Carlton Fields, and Richard Melson. Thank
17 you.

18 **CHAIRMAN CARTER:** Mr. Wright.

19 **MR. WRIGHT:** Good morning, Commissioners. I'm
20 Schef Wright and I represent the Florida Retail
21 Federation in this case. I'd also like to enter an
22 appearance for my partner, John T. Lavia, III. Thank
23 you.

24 **MS. VAN DYKE:** Audrey Van Dyke with the
25 Department of the Navy. And my colleague, Ellen Evans,

1 is on a flight as we speak and she'll be here as soon as
2 the flight gets in.

3 **CHAIRMAN CARTER:** Thank you.

4 Mr. Brew.

5 **MR. BREW:** Good morning. James Brew with the
6 firm of Brickfield, Burchette, Ritts & Stone for White
7 Springs Agricultural Chemicals, PCS Phosphate. I'd also
8 like to note the appearance of Alvin F. Taylor.

9 **CHAIRMAN CARTER:** Mr. Moyle, good morning.

10 **MR. MOYLE:** Good morning, Mr. Chairman. Jon
11 Moyle on behalf of FIPUG, the Florida Industrial Power
12 Users Group. I'm with Keefe, Anchors, Gordon & Moyle
13 law firm. Also appearing on behalf of FIPUG will be
14 Vicki Kaufman. And for the record I'd like to enter an
15 appearance for John McWhirter.

16 **CHAIRMAN CARTER:** Okay. Ms. Bradley, good
17 morning.

18 **MS. BRADLEY:** Good morning. Cecilia Bradley,
19 Office of the Attorney General on behalf of the Citizens
20 of Florida.

21 **CHAIRMAN CARTER:** Thank you.

22 Mr. Rehwinkel, good morning to you.

23 **MR. REHWINKEL:** Good morning, Mr. Chairman,
24 Commissioners. Charles Rehwinkel, J.R. Kelly, Charlie
25 Beck and Patricia Christensen on behalf of the Citizens

1 of Florida and the Office of Public Counsel.

2 **CHAIRMAN CARTER:** Thank you. Did we get all
3 the parties before I go to staff?

4 Staff, you're recognized to make your
5 appearances.

6 **MS. FLEMING:** Katherine Fleming, Keino Young,
7 Caroline Klancke, and Eric Sayler on behalf of the
8 Commission.

9 **MS. HELTON:** Mary Anne Helton, advisor to the
10 Commission. And, Mr. Chairman, I'd also like to make an
11 appearance for Jennifer Brubaker, Rosanne Gervasi and
12 Samantha Cibula. They will also be advising you during
13 the course of this proceeding.

14 **CHAIRMAN CARTER:** Thank you.

15 Commissioners, before I get into any
16 preliminary matters, let's, let's do this. I think that
17 we had, I think we had one person, Mr. Rehwinkel? Let's
18 do our public comment before we get into the formalized
19 hearing or the technical hearing.

20 Now those of you who have signed up to speak
21 this morning with the public hearing, at the public
22 portion, public hearing portion of the program, would
23 you please stand so I can swear you in, stand and raise
24 your right hand? Okay.

25 (Witness sworn.)

1 Thank you. Please be seated.

2 When you come up to, when you come up to
3 give your -- please give your name and address. And we
4 give you -- you have five minutes. These little lights
5 here, they'll help you with the time. Green is always
6 good, amber means you have two minutes left, and the red
7 light says you have 30 seconds left.

8 **MR. REHWINKEL:** Mr. Chairman, the Citizens
9 call Commissioner Joseph Parrish. Is -- are the -- is
10 the public testimony limited to five minutes? I was not
11 aware. I had not advised him one way or the other when
12 he, when I spoke with him earlier. I just was asking, I
13 wasn't -- I didn't know if there was a limitation placed
14 on it.

15 **CHAIRMAN CARTER:** Well, yes, it is. It's not
16 a limitation on what they can say. It's just a
17 limitation on time, because we have a finite amount of
18 time. Okay.

19 Whereupon,

20 **COMMISSIONER JOSEPH PARRISH**
21 was called as a witness on behalf of the Citizens of the
22 State of Florida and, having been duly sworn, testified
23 as follows:

24 **DIRECT STATEMENT**

25 **COMMISSIONER PARRISH:** Thank you. I'd like to

1 thank the Commission for allowing me to speak this
2 morning. I would also like to thank the Commission for
3 coming down to Apalachicola and Franklin County and
4 holding a public hearing down there. You allowed my
5 constituents time to speak to you on this matter of
6 importance to them.

7 They've asked me to travel here again this
8 morning to reiterate exactly what we said when the
9 Commission came, traveled to Franklin County, and that
10 is that we're vehemently opposed to this rate increase.
11 We're opposed to it from a lot of different standpoints.

12 One major standpoint is from a government
13 standpoint. If these rates are allowed to increase, it
14 means I have to increase the rates that I charge for
15 taxes in Franklin County and to my constituency to try
16 to offset that cost. From the school board's
17 standpoint, as you heard when you were in Franklin
18 County, they also have taxing authority and they also
19 will have to increase the millage rate and the tax rate
20 they charge the consumer down there to offset these
21 costs.

22 We have eliminated \$5.5 million worth of debt,
23 I mean, of tax burden off the taxpayers over the last
24 three years since I was elected there. It's what the
25 Governor and the Legislature, Legislature would like for

1 us to do is to try to relieve some tax burden on the
2 people at this time of economic downturn. We've done
3 our part. We've done that. If this rate increase is
4 allowed to -- if this rate is allowed to be increased,
5 we will have to go back to the drawing board, thereby
6 increasing the taxes that we charge to the people of
7 Franklin County to offset these costs once again.

8 And you have to realize that the consumer is
9 not only going to be hit at their homes with this tax
10 increase, they're going to be hit by all sectors of the
11 economy, from the manufactured goods, they're going to
12 have to pass that, that increase off to the consumers
13 once again. And the consumer is actually going to be
14 taxed about, they're going to be charged ten times over
15 for this, because anything they buy, anything they, any
16 goods they purchase, they're going, the increase is
17 going to be passed on to the consumer.

18 So the consumer is not going to just only pay
19 for an increase at their homes, they're going to pay for
20 it all the way down the line, because these businesses
21 and the manufactured goods to anything else is going to
22 pass its increase down to the consumer. So the consumer
23 is going to be detrimentally affected by any kind of
24 tax, I mean any kind of increase, rate increase that you
25 allow here.

1 And, you know, in my particular position, the
2 people can't afford it. They cannot afford -- in my
3 county we don't have any manufacturing jobs. Everything
4 is done through our natural resources and our seafood
5 industry, and those prices we are not allowed to
6 increase to offset the cost of these additional rate
7 increases.

8 So I would just humbly ask that you deny this
9 rate increase that is being requested by Progress
10 Energy. Thank you.

11 **CHAIRMAN CARTER:** Thank you. Would you remain
12 there for a moment? First, Commissioners, before I come
13 to the bench, I'm going to ask any of the parties if
14 they have any questions.

15 **MR. GLENN:** No questions.

16 **CHAIRMAN CARTER:** Commissioners, any
17 questions?

18 Commissioner Edgar, you're recognized.

19 **COMMISSIONER EDGAR:** Just a comment. Thank
20 you, Commissioner, for coming from Franklin County to
21 visit with us this morning and speak for your
22 constituents again. I remember the customer meeting
23 that we had there in your area very, very well. We had
24 just an excellent turnout. And, you know, thank, thank
25 you to you and to your constituents for participating in

1 our process.

2 We had a number of speakers that were speaking
3 as residents on behalf of themselves and their families,
4 a number who were speaking for small businesses, and a
5 number of local government officials who participated,
6 and it was a really good turnout and I am very
7 appreciative of your support for helping us to hear from
8 those people. So thank you.

9 **COMMISSIONER PARRISH:** Thank you.

10 **CHAIRMAN CARTER:** Anything further from the
11 bench?

12 Commissioner, thank you for coming, and also I
13 appreciate the fact that you talked about the impact of
14 a rate increase, how it would impact, first of all,
15 among the individuals in your constituency, but secondly
16 in terms of the impact to the business in an area that's
17 been hit, as we all know, with a lot of economic
18 downturn in the seafood industry as well as some of the
19 tourism kinds of things. But we do appreciate you being
20 here.

21 Anything you'd like to add further before we
22 close out?

23 **COMMISSIONER PARRISH:** No, sir. I'd just like
24 to thank y'all for allowing me the opportunity to speak
25 here. As you can tell, I'm kind of nervous.

1 **CHAIRMAN CARTER:** That's all right. That's
2 all right.

3 **COMMISSIONER PARRISH:** But I just wanted to
4 come, and once again, based on the -- my constituency
5 requested that I come here once again this morning to
6 reiterate exactly what was said in Apalachicola, that we
7 are vehemently opposed to this rate increase and we just
8 can't absorb it. Thank you for allowing me to speak.

9 **CHAIRMAN CARTER:** Thank you very much. Thank
10 you very much.

11 Mr. Rehwinkel.

12 **MR. REHWINKEL:** Mr. Chairman, at this time,
13 I'm not aware that there are any other members of the
14 public that would like to speak.

15 **CHAIRMAN CARTER:** Let me ask, is there anyone
16 here in the room, a member of the public that would like
17 to speak in our public hearing portion of this matter
18 before we go into the technical portion?

19 Staff, I'm going to need someone to go out
20 front and check with Mr. Durbin to see if anyone has
21 signed up to speak, that we don't have the information.
22 I think Bev is going to do that. Thank you.

23 (Pause.)

24 No more? We have, we have no, no one else
25 here to speak on the public portion of the hearing?

1 Okay. All right. Let's do this. I'm going to gavel
2 the public portion closed, but don't nobody go anyplace.

3 (Service hearing concluded at 9:47 a.m.)
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STATE OF FLORIDA)
 :
COUNTY OF LEON)

CERTIFICATE OF REPORTER

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 24th day of September, 2009.

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