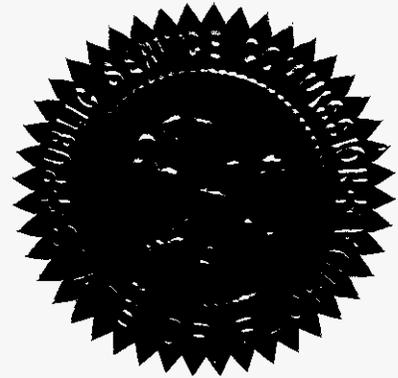


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 100005-WS

ANNUAL REESTABLISHMENT OF PRICE
INCREASE OR DECREASE INDEX OF
MAJOR CATEGORIES OF OPERATING
COSTS INCURRED BY WATER AND
WASTEWATER UTILITIES PURSUANT TO
SECTION 367.081(4) (A), F.S.



PROCEEDINGS: AGENDA CONFERENCE
ITEM NO. 10

COMMISSIONERS
PARTICIPATING: COMMISSIONER NANCY ARGENZIANO
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER NATHAN A. SKOP
COMMISSIONER DAVID E. KLEMENT
COMMISSIONER BEN A. "STEVE" STEVENS III

DATE: Tuesday, January 26, 2010

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

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

DOCUMENT NUMBER (A):

00781 FEB-3-2

FPSC-COMMISSIONER CLERK

P R O C E E D I N G S

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2 **CHAIRMAN ARGENZIANO:** Let's move on to the
3 last item, Item 10.

4 **MR. FLETCHER:** Commissioners, I'm Bart
5 Fletcher with staff.

6 Item 10 is staff's recommendation to
7 approve a 2010 price index of 0.56 percent. Staff
8 is prepared to answer any questions the
9 Commissioners may have.

10 **CHAIRMAN ARGENZIANO:** Commissioner Skop.

11 **COMMISSIONER SKOP:** Thank you, Madam
12 Chair.

13 Just on Page 5 of the staff
14 recommendation, looking at the historical analysis
15 of the price index, and I think at the top part it
16 shows the years 1998 through 2009. Is there a lag
17 in terms of the price index? I mean, we're
18 currently in a recession. I know commodity costs
19 have gone up, but you would think that the index
20 that is being used, the GDP would reflect some of
21 the effects of the recession, and so I was trying to
22 understand -- you know, in 2008 and 2009 I kind of
23 went back up incrementally, and I would expect it to
24 probably be going down, but I'm not an economist, so
25 I thought I would just ask the question.

1 **MR. FLETCHER:** Well, just looking at the
2 GDP in the third quarter, it would be the third
3 quarter in '08, it would remain constant. Like you
4 were saying the effects of maybe deflation, it would
5 remain constant for the GDP, and there was actually
6 a sign in the fourth quarter and the first quarter
7 of '09, there was a reflection of deflation between
8 that period, and then it slowly started to go up in
9 the second and third quarter.

10 **COMMISSIONER SKOP:** Okay. I think that
11 answers my question. I don't really have a problem
12 with the staff recommendation, I just thought it
13 would be good to get a little clarification on that.

14 **CHAIRMAN ARGENZIANO:** Any other
15 discussion? Questions? Do I have a motion?

16 **COMMISSIONER SKOP:** I move to approve the
17 staff recommendation on Issue 10.

18 **COMMISSIONER STEVENS:** Second.

19 **CHAIRMAN ARGENZIANO:** All those in favor,
20 aye.

21 (Vote taken.)

22 **CHAIRMAN ARGENZIANO:** Opposed, same sign.
23 Show it adopted.

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STATE OF FLORIDA)

: CERTIFICATE OF REPORTER

COUNTY OF LEON)

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, 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' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 10th day of February, 2010.



JANE FAUROT, RPR
Official FPSC Hearings Reporter
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