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FPSC - COMMISSION CLERK

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of: DOCKET NO. 130079-GU  
  
PETITION FOR APPROVAL OF SPECIAL  
CONTRACT WITH THE FLORIDA  
DEPARTMENT OF CORRECTIONS, BY  
SEBRING GAS SYSTEM, INC.

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In the Matter of: DOCKET NO. 130130-GU  
  
PETITION FOR APPROVAL OF SPECIAL  
CONTRACT WITH THE FLORIDA  
DEPARTMENT OF CORRECTIONS -  
DESOTO CORRECTIONAL INSTITUTION,  
BY SEBRING GAS SYSTEM, INC.

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PROCEEDINGS: COMMISSION CONFERENCE AGENDA  
ITEMS NOS. 6 and 7

COMMISSIONERS  
PARTICIPATING: CHAIRMAN RONALD A. BRISÉ  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER ART GRAHAM  
COMMISSIONER EDUARDO E. BALBIS  
COMMISSIONER JULIE I. BROWN

DATE: Tuesday, July 30, 2013

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

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

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

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2           **CHAIRMAN BRISÉ:** Moving on to Item Number  
3 6. Commissioner Edgar.

4           **COMMISSIONER EDGAR:** Mr. Chairman, just a  
5 suggestion. We might want to ask staff to present  
6 Item 6 and 7 together just because -- although they  
7 are separate, they are, they are very similar. That  
8 might be more efficient.

9           **CHAIRMAN BRISÉ:** That's not a bad idea.  
10 We can, we can do that, handle 6 and 7 together.

11           **MS. KING:** Good morning again,  
12 Commissioners. Laura King with Commission staff.  
13 And we would like to introduce 6 and 7 together  
14 since they are both petitions by Sebring for  
15 approval of special contracts for the transportation  
16 of natural gas with the Florida Department of  
17 Corrections.

18           Item 6 addresses the contract with Hardee  
19 Correctional Institute, and Item 7 addresses  
20 the contract to serve the DeSoto Correctional  
21 Institution. Both contracts have substantially  
22 similar terms and conditions; however, the cost to  
23 serve the facilities differ.

24           The facilities currently use propane to  
25 provide heat, hot water, cooking, and laundry

1 services, but would like to convert to natural gas.  
2 Because the DOC was not willing to pay any upfront  
3 cost, the infrastructure needed to serve the -- for  
4 the infrastructure needed to serve the facilities,  
5 Sebring determined that it could not provide the  
6 services under its current tariffs and therefore the  
7 special contracts were needed.

8 Staff reviewed the data provided by the  
9 company regarding its initial investment to serve  
10 both facilities as well as the contract terms and  
11 believes they are reasonable. The contracts each  
12 generate annual revenues that exceed the annual cost  
13 to serve, and the revenue stream will recover the  
14 up-front infrastructure costs in a reasonable amount  
15 of time.

16 Staff recommends approval of both  
17 contracts. We're here to answer any questions. And  
18 Mr. Horton is here to answer any questions on behalf  
19 of the company.

20 **CHAIRMAN BRISÉ:** Okay. Thank you.

21 Any questions, Commissioners, on these two  
22 items?

23 Commissioner Edgar.

24 **COMMISSIONER EDGAR:** Thank you. And I  
25 recognize that this may be slightly beyond our

1 jurisdiction; however, would it be correct to  
2 presume that for the correctional facilities that  
3 the conversion to natural gas from propane will  
4 ultimately be a savings to those facilities?

5 **MS. KING:** Yes, ma'am, that's correct.

6 **COMMISSIONER EDGAR:** Thank you. And is it  
7 also correct to say that if we were to approve these  
8 two items, that there would be -- there is not  
9 expected to be a negative financial impact to  
10 current ratepayers?

11 **MS. KING:** That's correct. Currently  
12 there's not. If the contract goes to term, we  
13 expect there to be no issues.

14 **COMMISSIONER EDGAR:** Thank you.

15 **CHAIRMAN BRISÉ:** Commissioner Balbis.

16 **COMMISSIONER BALBIS:** Thank you,  
17 Mr. Chairman.

18 I just want to recognize Sebring for  
19 working with these institutions and providing the  
20 financing options so that they can receive the  
21 benefit of natural gas. And I just wanted to point  
22 that out, and at the proper time I'd move staff's  
23 recommendation on all the issues for these two  
24 items.

25 **CHAIRMAN BRISÉ:** Okay. Are there any

1 further comments? If there aren't, then we have a  
2 motion on the table. Is there --

3 **COMMISSIONER EDGAR:** Second.

4 **CHAIRMAN BRISÉ:** It's been moved and  
5 seconded. Once again I'll give you an  
6 opportunity -- any further comments? Seeing none,  
7 all in favor, say aye.

8 (Vote taken.)

9 All right. Thank you. Thank you very much.

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1 STATE OF FLORIDA )  
2 : CERTIFICATE OF REPORTER  
3 COUNTY OF LEON )

4 I, LINDA BOLES, CRR, RPR, Official Commission  
5 Reporter, do hereby certify that the foregoing  
6 proceeding was heard at the time and place herein  
7 stated.

8 IT IS FURTHER CERTIFIED that I  
9 stenographically reported the said proceedings; that  
10 the same has been transcribed under my direct  
11 supervision; and that this transcript constitutes a  
12 true transcription of my notes of said proceedings.

13 I FURTHER CERTIFY that I am not a relative,  
14 employee, attorney or counsel of any of the parties,  
15 nor am I a relative or employee of any of the parties'  
16 attorney or counsel connected with the action, nor am I  
17 financially interested in the action.

18 DATED THIS 15<sup>th</sup> day of August,  
19 2013.

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21 \_\_\_\_\_  
22 LINDA BOLES, CRR, RPR  
23 FPSC Official Commission Reporters  
24 (850) 413-6734  
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