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1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION 2 3 In the Matter of: DOCKET NO. 130001-EI 4 5 FUEL AND PURCHASED POWER COST RECOVERY CLAUSE WITH GENERATING 6 PERFORMANCE INCENTIVE FACTOR. 7 8 9 10 11 12 13 PROCEEDINGS: PREHEARING 14 COMMISSIONER 15 PARTICIPATING: COMMISSIONER EDUARDO E. BALBIS PREHEARING OFFICER 16 17 DATE: Thursday, October 17, 2013 Commenced at 10:22 a.m. 18 TIME: Concluded at 10:40 a.m. 19 PLACE: Betty Easley Conference Center 20 Room 148 4075 Esplanade Way 21 Tallahassee, Florida 22 REPORTED BY: JANE FAUROT, RPR Official FPSC Reporter 23 (850) 413-6732 24 25

1	APPEARANCES

JAMES D. BEASLEY and J. JEFFRY WAHLEN, and ASHLEY M. DANIELS, ESQUIRES, Ausley Law Firm, Post Office Box 391, Tallahassee, Florida 32302, appearing on behalf of Tampa Electric Company.

JEFFREY A. STONE, RUSSELL A. BADDERS and STEVEN R. GRIFFIN, ESQUIRES, Beggs & Lane, Post Office Box 12950, Pensacola, Florida 32591, appearing on behalf of Gulf Power Company.

JOHN T. BURNETT, and DIANE M. TRIPLETT,
ESQUIRES, 106 E. College Ave., Suite 800,
Tallahassee, Florida 32301, appearing on behalf of
Duke Energy Florida, Inc.

JON C. MOYLE, JR., and KAREN PUTNAL, ESQUIRES, c/o Moyle Law Firm, P.A., 118 North Gadsden Street, Tallahassee, Florida 32301, appearing on behalf of Florida Industrial Power Users Group.

JOHN T. BUTLER, KENNETH M. RUBIN, and R. WADE LITCHFIELD, ESQUIRES, Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408, appearing on behalf of Florida Power & Light Company.

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APPEARANCES (Continued):

ROBERT SCHEFFEL WRIGHT and JOHN T. LAVIA,

III, ESQUIRES, Florida Retail Federation, c/o Gardner

Law Firm, 1300 Thomaswood Drive, Tallahassee, Florida

32308, appearing on behalf of Florida Retail

Federation.

BETH KEATING, ESQUIRE, Gunster Law Firm,
215 South Monroe Street, Suite 601, Tallahassee,
Florida 32301-1839, appearing on behalf of Florida
Public Utilities Company.

J.R. KELLY, PUBLIC COUNSEL, PATRICIA A.

CHRISTENSEN, CHARLES REHWINKEL, JOSEPH A. MCGLOTHLIN, and ERIC SAYLER, ESQUIRES, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison

Street, Room 812, Tallahassee, Florida 32399-1400, appearing on behalf of the Citizens of Florida.

JAMES W. BREW and F. ALVIN TAYLOR,

ESQUIRES, PCS Phosphate - White Springs, c/o

Brickfield Law Firm, 1025 Thomas Jefferson St., NW,

Eighth Floor, West Tower, Washington, DC 20007,

appearing on behalf of PCS Phosphate - White Springs.

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1	APPEARANCES (Continued):
2	MARTHA BARRERA and JULIA GILCHER, ESQUIRES,
3	FPSC General Counsel's Office, 2540 Shumard Oak
4	Boulevard, Tallahassee, Florida 32399-0850, appearing
5	on behalf of the Florida Public Service Commission
6	Staff.
7	MARY ANNE HELTON, DEPUTY GENERAL COUNSEL,
8	Florida Public Service Commission, 2540 Shumard Oak
9	Boulevard, Tallahassee, Florida 32399-0850, Advisor
10	to the Florida Public Service Commission.
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PROCEEDINGS

COMMISSIONER BALBIS: Good morning. Welcome
to the clause prehearing conference.

We are going to discuss five dockets today:

Docket Number 130002 with the energy conservation

clause; 130003, the purchased gas adjustment clause;

130004, natural gas conservation clause; 130007,

environmental cost-recovery clause; and 130001, the fuel

and purchased power cost recovery clause.

So I would like to call this hearing to order, and, staff, could you please read the notice.

MS. TAN: By notice issued September 27th, 2013, this time and place is set for a prehearing conference in the following dockets: 130001-EI, 130002-EG, 130003-GU, 130004-GU, and 130007-EI. The purpose of the prehearing conference is set out in the notice.

COMMISSIONER BALBIS: Okay, thank you. And now if we can take appearances.

MR. BUTLER: Shall I go?

COMMISSIONER BALBIS: Sure. But before we do that, we have noted twice now that there are five dockets to address today, and we are going to take all the appearances at once. So you should enter your appearance in which docket that you are entering an

appearance to. So, Mr. Butler.

MR. BUTLER: Thank you. John Butler appearing on behalf of Florida Power and Light Company in the 01, 02, and 07 dockets. I would also like to enter an appearance for Ken Rubin in the 01 and 02 dockets; and for William P. Cox and Maria Moncada in the 07 docket; and, finally, for Wade Litchfield in the 1, 2, and 7 dockets. Thank you.

MR. BADDERS: Good morning. I'm Russell Badders on behalf of Gulf Power entering an appearance in the 01, 02, and 07 dockets for myself, Jeffrey A. Stone, and Steven Griffin.

MS. TRIPLETT: Good morning. Dianne Triplett on behalf of Duke Energy Florida appearing in the 01, 02, and 07 dockets. In those dockets I would also like to enter an appearance for John Burnett and Matt Vermeer (phonetic), and in the 07 docket for Gary Perko with the Hopping Green firm. Thank you.

MR. BEASLEY: Good morning, Commissioner. Jim Beasley along with Jeff Wahlen and Ashley Daniels of the law firm of Ausley and McMullen appearing on behalf of Tampa Electric Company in the 01, 07, and 02 dockets.

MR. JACOBS: Good morning, Commissioner. My name is Leon Jacobs. I'm appearing on behalf of Southern Alliance for Clean Energy along with George

Cavros, and that's in the 02 docket.

MR. REHWINKEL: Good morning, Commissioner.

Charles Rehwinkel and Joe McGlothlin with the Office of Public Counsel, and Patty Christensen. Patty

Christensen and I are making an appearance in all dockets, and Mr. McGlothlin is in the O1 and O7 dockets.

MR. WRIGHT: Good morning, Commissioner.

Robert Scheffel Wright and John T. LaVia, III, appearing in the 0001 docket on behalf of the Florida Retail Federation. We are also appearing in the 0007 docket on behalf of DeSoto County Generating Company.

MR. BREW: Good morning, Commissioner. James Brew and F. Alvin Taylor for White Springs Agricultural Chemicals, PCS Phosphate. And we are appearing in the 01, 02, and 07 dockets.

MR. MOYLE: Good morning. Jon Moyle with the Moyle law firm on behalf of the Florida Industrial Power Users Group, FIPUG. I would also like to enter an appearance for Karen Putnal with our firm, and we are in the 01, 02, and 07 dockets.

MR. KEATING: Good morning, Commissioner.

Beth Keating with the Gunster law firm. I'm here today for FPUC in the 01 and 02 dockets, for FPUC and Florida City Gas in the 03 docket, and for FPUC, Indiantown, Florida Division of Chesapeake Utilities, and Florida

1	City Gas in the 04 docket.
2	MR. HORTON: Commissioner, Norman H. Horton,
3	Jr., appearing in the 04 docket for Sebring Gas.
4	MS. TAN: And Lee Eng Tan for the 02 docket.
5	MR. LAWSON: Mike Lawson for the 03 docket.
6	MS. CORBARI: Kelley Corbari, the 04 docket.
7	MR. MURPHY: Charles Murphy for the 07 docket.
8	MS. BARRERA: Martha Barrera and Julie Gilcher
9	for the 01 docket.
10	MS. HELTON: And Mary Anne Helton advising you
11	in all the dockets.
12	COMMISSIONER BALBIS: Okay, thank you. And
13	I'm just curious as to why Ms. Keating has been banished
14	to the
15	MR. KEATING: I know, right?
16	COMMISSIONER BALBIS: witness stand.
17	(Audience laughter.)
18	* * * * * *
19	COMMISSIONER BALBIS: Okay. We will now
20	proceed with the Prehearing Conference for Docket Number
21	130001, the fuel and purchased power cost-recovery
22	clause and generating performance incentive factor.
23	Staff, are there any preliminary matters?
24	MS. BARRERA: Staff has no preliminary
25	matters, Commissioner.

COMMISSIONER BALBIS: Do any of the parties 1 2 have preliminary matters? 3 Okay. Let's go through the Draft Prehearing 4 Order. If I'm going too quickly, please do not hesitate 5 to stop me. Any questions or comments on Section I, case 6 7 background? Section II, conduct of proceedings. 8 9 Section III, jurisdiction. 10 Section IV, procedure for handling confidential information. 11 12 Section V, prefiled testimony and exhibits; 13 witnesses. 14 Section VI, order of witnesses. 15 MS. BARRERA: At this time, staff is not aware 16 of any witnesses that will be taken out of order. There 17 are -- staff will also note that it believes that staff 18 Witnesses Ileana Piedra, Simon Ojada, Debra Dobiac, and 19 Ronald Mavrides may be excused. The parties have agreed 20 that these witnesses may be excused, and no 21 Commissioner -- we have checked, and no Commissioner has 22 any questions with these witnesses. 23 **COMMISSIONER BALBIS:** Do any of the parties 24 object to those witnesses being excused? 25 Hearing none, are there any other suggestions

for witnesses from the parties to be excused? Okay. 1 2 Let's move on to Section VII, basic positions. 3 Section VIII, issues and positions. 4 MS. BARRERA: Staff will note that the order 5 establishing procedure requires that a party take a position at the prehearing conference unless good cause 6 7 is shown as to why that party can't take a position at this time. 8 Accordingly, if a party's position in the 9 10 draft prehearing order is currently no position at this 11 time, the party must change it at today's prehearing 12 conference or show good cause why it can't take a 13 position. Otherwise, the prehearing order will reflect 14 no position for that party on that issue. 15

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Due to the large number of positions that state no position at this time, staff will suggest that the parties who have heretofore not taken a position or wish to change their position be allowed to submit their position in writing no later than noon tomorrow,

October 18th.

MR. BUTLER: Commissioner Balbis.

COMMISSIONER BALBIS: Yes, sir.

MR. BUTLER: If I could speak to this. Going through the draft prehearing order for FPL, I did not identify any contrary positions to FPL's on the fuel

clause issues, and then there are several on the capacity clause, although not all of them, the same statement would be made as to -- it would really help get this sort of slimmed down for hearing if we can use some process either, you know, here today or something following shortly on it to see where stipulations can be reached and possibly excuse witnesses who don't have a dog in the fight for the issues, the small number of issues that remain.

It doesn't look like we are quite teed up for that, but I hope we don't lose the opportunity to reach some productive stipulations on the issues. And I don't know if you want to go through them issue-by-issue or how we proceed. But, again, I just don't want to lose the opportunity to substantially narrow the proceeding, if possible.

COMMISSIONER BALBIS: No, I agree. Any way we can narrow the proceeding would be appreciated, and staff had recommended by noon tomorrow to submit the parties' positions. I mean, obviously, you could use that time to reach stipulations with the parties unless you need additional time. I'd like to hear from the parties on that. Is everyone okay with noon tomorrow?

MR. MOYLE: That sounds like a good way to proceed from FIPUG's prospective.

MR. BUTLER: Going back one section, I would 1 2 note if stipulations were reached on all of the fuel 3 clause issues, one of our witnesses, Gerry Yupp, I 4 think would be eligible for consideration for being excused, because he only testifies on fuel clause issues 5 and none of those appear, at this point at least, to be 6 7 in dispute. MR. McGLOTHLIN: Who is that, John? 8 9 MR. BUTLER: Gerry Yupp. 10 MR. McGLOTHLIN: I think we can probably 11 discuss this and do something by noon tomorrow. I don't 12 think we can do it on the spot, though. 13 **COMMISSIONER BALBIS:** Okay. 14 MS. BARRERA: Commissioner, if I may. 15 the parties submit their positions, parties and staff 16 submit their positions, I expect that we will negotiate 17 stipulations and have them included in the pretrial 18 order by the time that it's due to be issued, which is 19 October 28th, if you think that's okay. 20 COMMISSIONER BALBIS: Well, I mean, I just 21

want to make sure you're not saying that they have until October 28th to provide their positions, but --

No. No. They have to provide MS. BARRERA: their positions either today or by noon tomorrow.

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COMMISSIONER BALBIS: Or proposed stipulations

by noon tomorrow.

MS. BARRERA: Yes.

MR. REHWINKEL: Commissioner, apart from the exchange between Mr. McGlothlin and Mr. Butler, I think Public Counsel is prepared to default to no position on any issue where we have no position at this time, except I want to note that on Issue 24 in the capacity cost-recovery area, and this may impact some of the other intervenors, I think we are prepared to agree with the position that Duke has stated in here. And, if so, I think that's possible for stipulation. But I just wanted to kind of put folks on note, on alert about that, because I think this is largely a function of stipulation, but we may need to have further discussion with the parties.

COMMISSIONER BALBIS: Okay. So for Issue 24 --

MR. REHWINKEL: Yes.

COMMISSIONER BALBIS: Let's go through that one more time.

MR. REHWINKEL: I need to confer with the parties, but I believe that we may be in a position to agree to the position that Duke has stated, because I think it is factually correct, but --

COMMISSIONER BALBIS: Okay.

MR. REHWINKEL: -- because some of the other parties have adopted our position, I want to make sure that we are all in concurrence on that. But we'll talk to the parties and staff about that.

COMMISSIONER BALBIS: Okay. Any objections to that?

MR. REHWINKEL: Otherwise, I think we are prepared to default to no position where we have a no position at this time, because I think every other place where we have an affirmative position we have stated it.

MR. MOYLE: FIPUG is willing to talk and work through this. I think the only thing that would be helpful is, you know, we're talking about a number that the Commission has already ordered in the nuclear cost-recovery amount, is that that number be set forth so everyone know what it is, as compared to just referencing a previous action without saying the number. So we can revise a position and have a stipulation to that issue.

COMMISSIONER BALBIS: Okay, I agree with that.

Okay. Now, according to the script there are a number of issues that we should go through, and I'm wondering if that would be appropriate at this time or allow the parties until tomorrow at noon. So, Staff, what are your thoughts?

1 MS. BARRERA: I think to be expeditious we 2 might as well wait until tomorrow at noon, and then we 3 will know at that point in time, since there are some 4 changes, whether or not -- what issues remain to be 5 litigated, it would seem to me. **COMMISSIONER BALBIS:** Okay. Is everyone okay 6 7 with that process? Okay. Hearing no objections, then that is 8 9 what I will allow. 10 So we will move on to Section IX, exhibit 11 list. 12 MS. BARRERA: Staff will note that it's in the 13 process of preparing a comprehensive exhibit list which 14 will be incorporated into the prehearing order, and 15 tomorrow the comprehensive exhibit list will be issued 16 to all the parties and Commissioners. COMMISSIONER BALBIS: Okay. Thank you. 17 18 Section X, proposed stipulations. 19 MS. BARRERA: I believe we have kind of 20 addressed that already. There are no proposed 21 stipulations at this time, except for one issue 22 involving FIPUG, and that is to be decided later. 23 COMMISSIONER BALBIS: Okay, thank you. 24 Section XI, pending motions. 25 MS. BARRERA: There are no pending motions.

1 COMMISSIONER BALBIS: Section XII, pending 2 confidentiality motions. 3 MS. BARRERA: Well, this is the fuel docket, 4 so there is about 63 at this point, or 67 that will be 5 addressed by separate order. And we will try to have them done before the hearing, and, you know, we'll be 6 7 working hard on that. I'd like to get them done, other than the ones that come in after today. 8 9 COMMISSIONER BALBIS: Well, I would hope they 10 be done before the hearing. 11 MS. BARRERA: Yes, sir. Thank you. 12 COMMISSIONER BALBIS: Okay, thank you. 13 Section XIII, post-hearing procedures. 14 MS. BARRERA: Generally, there's a bench 15 decision in this docket, although some issues remain to 16 be probably litigated. So if there are any issues to be 17 briefed, the staff recommends position statements of no 18 more than 50 words. And post-hearing statements and briefs, we have left that open, but it is customary to 19 20 say 40 pages. And the briefs, just to note, will be due 21 on November 15th for the December 3rd, 2013, Agenda 22 Conference. 23 COMMISSIONER BALBIS: Okay. And, Ms. Barrera, 24 what did we do last year as far as the number of pages? 25 MS. BARRERA: I don't know, but I believe it

1 was 40, the same thing.

COMMISSIONER BALBIS: Does anyone have objections?

MS. BARRERA: I don't think we had -- we ended up not having briefs last year.

COMMISSIONER BALBIS: No, but the prehearing order did specify that.

MR. BUTLER: Commissioner Balbis, I would have to say for FPL that if only the issues that we believe will remain to be, you know, adjudicated in the docket actually remain, it's really a handful, two or three, I think the 40 pages would be fine. If for some reason this whole process goes south and we have a large number of issues to address, I'd like to reserve the opportunity to request a larger page limit to address, you know, what might end up being a larger number of issues.

COMMISSIONER BALBIS: Okay, that makes sense. And if -- you have until noon tomorrow to resolve some of the issues, that will be the deadline to get with staff on any changes to 40 pages. And so at this point it will be tentatively set for 40, unless there are additional objections. And if parties cannot resolve the number of the issues, then we can readdress that.

MR. REHWINKEL: Commissioner Balbis, perhaps a

question to staff with respect to the intention of a comprehensive exhibit list stipulation. Are we, for purposes of this prehearing order, identifying and agreeing that this is the comprehensive exhibit list or is this some sort of stipulation that it would go into the record?

MS. BARRERA: Tomorrow you'll get a comprehensive exhibit list. At that point, the parties I assume will have -- you know, we would like the parties to, you know, look them over and see if there is any objected to exhibits, and that way we would know what they are, if that's okay.

MR. REHWINKEL: Okay. I think -- I just wanted to be sure, because there are potentially issues for cross-examination and contention at a live hearing. And it may not be -- it may not be feasible to agree to a list of exhibits that would be stipulated into the record at this time, or until we get to the hearing. So I just don't know exactly what posture it will be, but we will evaluate what comes before us.

MS. BARRERA: I see what you're saying.

Normally, my short experience has been that we don't really stipulate to the entry of the exhibit list until the hearing. So the fact that it's included in the prehearing order does not represent, you know, an

agreement to be admitted. Is that okay?
MR. BUTLER: And also it's not exhaustive.
There obviously could be exhibits added at hearing,
cross-examination exhibits.
MS. BARRERA: Yes.
MR. BUTLER: This is a list of the exhibits as
they stand at the point of the prehearing order.
MS. BARRERA: Right, right.
MR. McGLOTHLIN: Commissioner.
COMMISSIONER BALBIS: Yes.
MR. McGLOTHLIN: With respect to the word
limit on positions, Issue 25B involves FPL's request to
recover the Fukushima costs through the clause, and that
eligibility issue is somewhat novel, and I think would
warrant, perhaps, 100 words instead of the 50 that is
suggested by staff.
COMMISSIONER BALBIS: Any objections to 100
words for that issue? And that was 25B?
MR. McGLOTHLIN: Correct.
COMMISSIONER BALBIS: Okay. Hearing no
objections, we'll allow 100 words for Issue 25B.
Any other questions or comments on
post-hearing procedures?
Hearing none, moving on to Section XIV,
rulings. And to be consistent with the previous

dockets, I am inclined to limit opening statements to five minutes per side, unless there are objections and reasons why we should extend that. And you can always waive the right for opening statements.

Okay. Hearing none, are there any other matters to address in this prehearing conference?

MS. BARRERA: Staff knows of no other matters, Commissioner.

MR. BUTLER: I'm sorry, Commissioner Balbis, on the time for opening statements, I guess I would make the same request with respect to that as I did with respect to the briefing limit. If we proved a lot less successful than I'm hoping at resolving issues, it may turn out that there are, sort of, a broader range of things that would need to be touched upon. And, if so, we would like to reserve the opportunity to request a longer opening statement. I think if it ends up where we are hoping it does in terms of just only a few issues that remain for resolution, the five minutes would be fine.

COMMISSIONER BALBIS: Okay. Then if you cannot resolve those issues, you can go up to ten minutes and just notify staff and we will make that change.

MR. BUTLER: Thank you.

1	MR. McGLOTHLIN: That applies to all parties,
2	Commissioner?
3	COMMISSIONER BALBIS: Yes, sir.
4	MS. BARRERA: Commissioner, I'm sorry, just to
5	clarify, the prehearing order will say ten minutes or
6	just five minutes unless
7	COMMISSIONER BALBIS: No, we are going to wait
8	on the parties to come back to you and other staff
9	members on the proposed stipulations and working out
10	issues. And if they need additional time for the
11	opening statements, we will hold off on that. If they
12	need the additional time, we will set it for ten
13	minutes. Right now as it is now it will reflect five
14	unless changed.
15	MS. BARRERA: All right. Thank you.
16	COMMISSIONER BALBIS: Are there any other
17	matters to address? Okay. Hearing none, I want to
18	thank, again, the parties for working well together in
19	this docket. And this adjourns, or I will adjourn the
20	prehearing conference for the 01 docket. So thank you
21	very much.
22	MS. BARRERA: Thank you.
23	(The prehearing concluded at 10:40 a.m.)
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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 18th day of October, 2013.

JANE FAUROT, RPR

Official FPSC Hearings Reporter (850) 413-6732