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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 140166-GU

JOINT PETITION FOR APPROVAL OF
GAS RELIABILITY INFRASTRUCTURE
PROGRAM (GRIP) BY FLORIDA PUBLIC
UTILITIES COMPANY AND THE FLORIDA
DIVISION OF CHESAPEAKE UTILITIES
CORPORATION.

_____ /

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 8

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

DATE: Tuesday, November 25, 2014

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

REPORTED BY: DEBRA R. KRICK
Court Reporter and
Notary Public in and for
State of Florida at Large

PREMIER REPORTING
114 W. 5TH AVENUE
TALLAHASSEE, FLORIDA
(850) 894-0828

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

2 CHAIRMAN GRAHAM: Item Number 8.

3 MS. OLLILA: Good morning, Commissioners. Sue
4 Ollila for Commission staff.

5 Item 8 is a joint petition from Florida Public
6 Utilities Company and the Florida division of
7 Chesapeake Utilities Corporation requesting
8 approval of their gas reliability infrastructure
9 program surcharges for 2015.

10 Staff notes the company is accelerating
11 replacement in higher density areas.

12 The 2015 proposed surcharge for residential
13 customer using 20 therms is \$2.10 for FPUC
14 customers, and \$1.14 for residential customers.

15 Staff notes that the company and Public
16 Counsel are both present.

17 Staff does recommend approval of the
18 surcharge.

19 CHAIRMAN GRAHAM: Thank you.

20 Mr. Rehwinkle, you want to go first, or do you
21 want the utility to go first?

22 MR. REHWINKEL: I think it would be probably
23 appropriate for me to go first.

24 Commissioner, the Public Counsel commends FPUC
25 for their initiative in enhancing the safety of

1 their system. We had agreed in the past to not
2 oppose this rider because it does have those safety
3 benefits for the customers and the state of Florida
4 in general.

5 We don't have any issues with the costs that
6 are being approved by this filing this year. What
7 we are here to ask you today for -- and I have
8 alerted the staff and the company to our position
9 on this, and I don't believe that there is really
10 any disagreement, but they can speak for thistle
11 themselves.

12 We are really at kind of a mature time for
13 what I would consider a first-of-the-kind rider.
14 We have a final -- the first year results are going
15 final, so we have all three cycles before the
16 Commission. We think it's mature enough and ripe
17 for an audit. And it's not because we have
18 questions with the expenses. It's because I think
19 the customers would be comforted, the public would
20 be comforted by knowing that the Commission had
21 done a thorough review of these costs. We don't
22 see any problems, but we think an audit, as a
23 matter of routine, would be in order in the near
24 future. So that's what we are here to ask you do
25 to.

1 Thank you.

2 CHAIRMAN GRAHAM: Thank you.

3 Ms. Keating.

4 MS. KEATING: Thank you, Mr. Chair. Beth
5 Keating with the Gunster firm for FPUC.

6 First off we fully support your staff's
7 recommendation. And Mr. Rehwinkle is correct, we
8 have had conversations, and we are not at all
9 opposed to an audit requirement being imposed. We
10 had actually contemplated that at some point an
11 audit would be conducted, so we are in agreement.

12 CHAIRMAN GRAHAM: Commissioners. Commissioner
13 Balbis.

14 COMMISSIONER BALBIS: Thank you, Mr. Chairman.

15 And, you know, as I am coming to the end of my
16 term, I always look back and reflect on the things
17 that we have accomplished as this Commission. And
18 one of the things I am always -- I always note that
19 I am proud of are these types of programs that have
20 accelerated the replacement of these mains. It's
21 something that my fellow Commissioners has
22 mentioned, that safety is one of the most important
23 things. And so I look at the accelerated
24 replacement of these pipes as being a major
25 accomplishment of the Commission, and something

1 that I was proud of.

2 As far as the issue with an audit, I always
3 tend to agree to add additional work to someone
4 else since I am not going to be here, but I do
5 think that a thorough review of expenditures is
6 always good to ensure sure that customer dollars
7 are being spent prudently. But I fully support
8 staff's recommendation on all issues.

9 CHAIRMAN GRAHAM: Other Commissioners?

10 How are we proposing this audit? Is this
11 going to be more of a staff function and it comes
12 back before us if there is a problem?

13 I guess that question goes to staff.

14 MS. OLLILA: Yes, sir.

15 We have already talked with the auditors in
16 Tallahassee, and told -- and given them a heads up
17 that there might be an audit coming from this, so
18 they are certainly agreeable to performing an audit
19 at your pleasure.

20 CHAIRMAN GRAHAM: Okay. And so there is no
21 reason for it to come back before this board unless
22 it's problematic?

23 MS. OLLILA: That's -- yes, that's correct.

24 CHAIRMAN GRAHAM: Okay. Commissioners.

25 Commissioner Brown.

1 COMMISSIONER BROWN: I am prepared to make the
2 motion, but do we need to make the audit a part of
3 the motion since the parties agree?

4 MS. HELTON: We have -- I think the staff is
5 able to go forward on its own and conduct the
6 audit. It does not need your direction to do so.
7 But if you feel compelled to do that, then that's
8 your prerogative.

9 COMMISSIONER BROWN: I do not feel compelled
10 then.

11 I support the staff recommendation. I think
12 it's an excellent program, and commend the
13 utilities for doing it, not just FPUC, but with
14 that, I move staff recommendation.

15 COMMISSIONER BALBIS: Second.

16 CHAIRMAN GRAHAM: It's been moved and seconded
17 staff recommendation an all items in Item Number 8.

18 Any further discussion?

19 All in favor eye?

20 (Chorus of ayes.)

21 CHAIRMAN GRAHAM: Any opposed?

22 (No response.)

23 CHAIRMAN GRAHAM: By your action, you have
24 approved the staff recommendation.

25 Thank you.

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(Agenda item concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA R. KRICK, Professional Court
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'
attorney or counsel connected with the action, nor am I
financially interested in the action.

DATED THIS 4th day of December, 2014.



DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #EE212307
EXPIRES JULY 13, 2016