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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20220069-GU

Petition for rate increase
by Florida City Gas.

_____ /

PROCEEDINGS: SERVICE HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN ANDREW GILES FAY
COMMISSIONER MIKE LA ROSA
COMMISSIONER GABRIELLA PASSIDOMO

DATE: Wednesday, September 14, 2022

TIME: Commenced: 6:00 p.m.
Concluded: 6:15 p.m.

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

REPORTED BY: DANA W. REEVES
Court Reporter

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

1 APPEARANCES:

2 JOEL T. BAKER and CHRISTOPHER T. WRIGHT,
3 ESQUIRES, Florida Power & Light Company, 700 Universe
4 Boulevard, Juno Beach, Florida 33408; BETH KEATING,
5 ESQUIRE, Gunster Law Firm, 215 South Monroe Street,
6 Suite 601, Tallahassee, Florida 32301; appearing on
7 behalf of Florida City Gas (FCG).

8 RICHARD GENTRY, PUBLIC COUNSEL; CHARLES
9 REHWINKEL, DEPUTY PUBLIC COUNSEL; MARY ALI WESSLING,
10 ESQUIRE, OFFICE OF PUBLIC COUNSEL, c/o The Florida
11 Legislature, 111 West Madison Street, Room 812,
12 Tallahassee, Florida 32399-1400, appearing on behalf of
13 the Citizens of the State of Florida (OPC.).

14 WALTER TRIERWEILER and MATTHEW JONES,
15 ESQUIRES, FPSC General Counsel's Office, 2540 Shumard
16 Oak Boulevard, Tallahassee, Florida 32399-0850,
17 appearing on behalf of the Florida Public Service
18 Commission (Staff).

19 KEITH HETRICK, GENERAL COUNSEL; MARY ANNE
20 HELTON, DEPUTY GENERAL COUNSEL, Florida Public Service
21 Commission, 2540 Shumard Oak Boulevard, Tallahassee,
22 Florida 32399-0850, Advisor to the Florida Public
23 Service Commission.

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I N D E X

| WITNESS: | PAGE |
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| ALICIA ALONSO | 14 |

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

2 CHAIRMAN FAY: All right. Good evening
3 everyone. I have six o'clock. We will get started
4 with this evening's customer service meeting. I am
5 the Chair of the Public Service Commission. My
6 name is Andrew Fay, and I have Commissioner Mike La
7 Rosa and Commissioner Gabriella Passidomo here with
8 me tonight. And, Commissioner La Rosa or
9 Passidomo, if you'd like to make just some brief
10 comments, you're welcome to do so.

11 Commissioner La Rosa, you're recognized.

12 COMMISSIONER LA ROSA: Thank you, Chairman.
13 And, you know, as I stated earlier, certainly an
14 important part of the rate case process, so
15 certainly appreciate all those that have jumped on
16 to give us their opinion, their thoughts, and what
17 they have to say. Certainly goes into what we
18 think and what we feel and what we see in front of
19 us. So, again, thank you for your participation,
20 and I look forward to hearing from the folks that
21 have signed up.

22 CHAIRMAN FAY: Great. Thank you.

23 Commissioner Passidomo.

24 COMMISSIONER PASSIDOMO: Thank you, Chairman
25 Fay. I'd just like to echo Commissioner La Rosa's

1 comments, as well, and to thank those customers
2 that signed up for both this morning and this
3 evening. And -- or this afternoon, this evening,
4 and those who have written in and just let those
5 customers know all the written comments are also
6 placed into the docket file and we will review
7 those independently, and those go into our
8 evaluations also. We appreciate you taking the
9 time to write in.

10 CHAIRMAN FAY: Thank you.

11 Staff, you please read the notice?

12 MR. TRIERWEILER: By notice issued on August
13 24th, 2022, this time and place has been set for
14 hearing in Docket No. 20220069-GU. The purpose of
15 this service hearing is more fully set out in the
16 notice.

17 CHAIRMAN FAY: Great. Thank you, Mr.
18 Trierweiler.

19 Next we will take appearances. Florida City
20 Gas.

21 MR. BAKER: Good evening, everyone. This is
22 Joel Baker appearing on behalf of Florida City Gas.
23 I'd also like to enter an appearance for
24 Christopher Wright and Beth Keating of the Gunster
25 Law Firm.

1 CHAIRMAN FAY: Great. Thank you. Office of
2 Public Counsel.

3 MS. WESSLING: Good evening. My name is Ali
4 Wessling. I'm with the Office of Public Counsel,
5 and I'd also like to enter an appearance for
6 Richard Gentry and Charles Rehwinkel.

7 CHAIRMAN FAY: Great. Thank you.
8 Staff Counsel.

9 MR. TRIERWEILER: Walt Trierweiler and Matt
10 Jones for staff.

11 CHAIRMAN FAY: Great. Thank you so much.

12 Next, we will move to the overview of the
13 proceeding, so -- and we have a short customer list
14 tonight, but I still want to go through a few
15 things before we get to those components. So as I
16 mentioned, the hearing is designed for -- to hear
17 directly from customers. So with this opportunity,
18 I want to make sure customers express their
19 thoughts as it relates to this docket. In
20 December, we will have a technical hearing which
21 includes the substance and the evidence that will
22 be presented in this case. We do have some
23 contacts for both our agency and the utility. FCG
24 customer representatives are available from 8:00
25 a.m. to 5:00 p.m. at (305)835-3645. And our office

1 also has a specific representative, Emily Knoblaue,
2 who is available through our -- for our staff and
3 purposes of customers who reach out. Her number is
4 (850)413-6632.

5 Just to go through a few things for the
6 customer component of this. This is an official
7 hearing, so it will be transcribed as part of the
8 record. This is just a reminder that those
9 comments will be transcribed, which also means that
10 cross-examination can take place for those who
11 speak today, which essentially means that the
12 parties can ask questions following your comments.
13 We just ask you to be respectful to other callers,
14 make sure you keep your phone on mute. Don't make
15 any noise when others are speaking. And if you are
16 listening to the hearing itself, either by video or
17 audio, please make sure that you mute that so we
18 don't have any feedback on our end.

19 And, as always, just respect those who are
20 speaking in the professionalism that we apply here
21 at the Commission and the parties that are involved
22 today. We do want to make sure you understand that
23 in addition to providing comments through this
24 process, the Commission will then take comments
25 through mail or through email. If you would like

1 to email to our agency, the email is
2 clerk@psc.state.fl.us. Just make sure to reference
3 docket 20220069, so we can put those materials into
4 the docket to be reviewed.

5 And, just a reminder, all the comments
6 provided either verbally or within submission
7 through email or mail will be reviewed by the
8 Commission before making a determination in this
9 docket.

10 With that, we'll move on to opening
11 statements. Florida City Gas, you're recognized
12 for your opening statement.

13 MR. BAKER: Thank you, Chairman Fay. For our
14 opening, I'll turn it over to Kurt Howard, who is
15 the General Manager of Florida City Gas.

16 CHAIRMAN FAY: Great. Mr. Howard, you are
17 recognized.

18 MR. HOWARD: Good evening, and thank you
19 again, Chairman, and Commissioners for conducting
20 this hearing. And I thank you to the customers who
21 have taken the time out of their evening to join
22 us. My name is Curt Howard and as the General
23 Manager of Florida City Gas, I want to express my
24 gratitude for the opportunity to serve you.

25 Florida City Gas, or FCG, is a regulated

1 utility, which means the Public Service Commission
2 oversees our rates and operations to ensure we
3 deliver safe and reliable service at fair prices.
4 FCG has requested Commission approval of new base
5 rates. The need for this proceeding is driven
6 primarily by investments the company has made to
7 support new growth and maintain exceptional system
8 reliability. It's been about five years since
9 FCG's last rate proceeding. So, of course,
10 inflation is also a factor.

11 Everyone has been facing increased costs
12 lately, and we know no one likes to pay higher
13 prices. At FCG, we work hard to keep our
14 operations efficient while making sure to deliver
15 you safe and reliable service. We are proposing a
16 four-year plan that is designed to provide
17 stability and certainty for our customers. After a
18 single necessary increase in February of 2023, the
19 plan would keep base rates flat until at least
20 January of 2027.

21 You can find more information about our plan
22 online, but today is about hearing from you. Some
23 customers have told us they value the service we
24 provide, and we're grateful for their support, but
25 we also want to hear about ways we can improve and

1 better serve you. As always, we are here to
2 support our customers, and if you need assistance
3 with your service, as Chairman Fay mentioned,
4 please call us at (305)835-3645 and speak with one
5 of our team who is standing by.

6 On behalf of everyone at FCG, I want to thank
7 you for your participation today and we look
8 forward from hearing from you.

9 CHAIRMAN FAY: Thank you. Ms. Wessling, you
10 are recognized for the Office of Public Counsel.

11 MS. WESSLING: Thank you, Chairman.

12 My name is Ali Wessling and I'm with the
13 Office of Public Counsel. For those of you who are
14 not familiar with the Office of Public Counsel, the
15 office was created by the legislature and we
16 represent all the customers of Florida City Gas.
17 We're here today because Florida City Gas has filed
18 a request for a variety of changes to their current
19 rates, including an increase in base rates and
20 charges sufficient to generate a total base rate
21 revenue increase of \$29 million, an incremental
22 base rate revenue increase of \$22 million, a 10.75
23 return on equity, or profit, an equity ratio of
24 59.6 percent, the implementation of something
25 called a reserve surplus amortization mechanism, or

1 RSAM, approval of artificially-derived RSAM
2 facilitating depreciation rates, permission for a
3 mechanism to adjust base rates in the event that
4 tax laws change during or after the conclusion of
5 this proceeding, as well as several other requests.

6 We have intervened for you in this case. We
7 have two expert witnesses who are going to testify
8 on your behalf, and we're going to contest those
9 areas of this request that we do not feel are
10 reasonable or prudent. We will challenge the
11 overall level of the rate increase and it's our
12 expert's opinion that the company is asking for
13 four-and-a-half times what they need in order to
14 provide good service.

15 Our expert has calculated that they need no
16 more than \$4.8 million, instead of the \$22 million
17 that they have requested. One of the largest areas
18 that we will focus on as the RSAM. We, and our
19 experts, believe this is not warranted or
20 reasonable. We also believe that the requested
21 profit is far too high, and our experts will be
22 recommending a much more well-reasoned and
23 appropriate profit rate of 9.5 percent for the
24 Commission's consideration. We also believe that
25 the equity ratio, which is the basis upon which

1 their profits are determined, is far too high and
2 our experts will provide testimony to support a
3 more suitable equity ratio that is close to what
4 they have operated just fine with for the past 20
5 years.

6 There are several other aspects of Florida
7 City Gas' request that we will be taking issue with
8 and providing testimony about. Also, please keep
9 in mind that the law requires Florida City Gas to
10 prove what they are asking for is reasonable and
11 prudent, and we are going to challenge all of those
12 areas that we do not believe are reasonable and
13 prudent.

14 Now today is your hearing. It's not for the
15 Public Service Commission, it's not my hearing,
16 it's not Florida City Gas' hearing. This is your
17 customer hearing. Please take advantage of this
18 opportunity. Speak up, tell the Commissioners how
19 you feel about Florida City Gas, either good or
20 bad. You can talk about the quality of Florida
21 City Gas' service, how you feel about the rate
22 increase, et cetera. Please use your voice to
23 participate, and I look forward to hearing from
24 you. Thank you.

25 CHAIRMAN FAY: Great. Thank you, Ms.

1 Wessling.

2 Next we will move on to the customer testimony
3 portion of the hearing. Just a quick reminder,
4 allocated three minutes for speakers to present.
5 And if we go a little bit over that, we'll wrap it
6 up after that. At this time, we have one
7 individual who has signed up beforehand to speak,
8 Alicia Alonso. I believe -- actually, might have
9 spoken at the past hearing, but Ms. Alonso, are you
10 on the line?

11 MS. ALONSO: Yes, sir.

12 CHAIRMAN FAY: Okay. Ms. Alonso, you are
13 recognized.

14 PUBLIC COMMENT

15 MS. ALONSO: Okay. Thank you. The reason I
16 picked two times was just in case I missed the
17 first one, because my father had doctor's
18 appointments this afternoon, but is Mr. Howard on
19 the line? He is, right? I'd like to ask, were the
20 employees at Florida City Gas sent home in 2020?
21 The day -- were they at the office? Did Florida
22 City Gas have, you know, guarding expenses, office
23 supply expenses --

24 CHAIRMAN FAY: Ms. Alonso.

25 MS. ALONSO: -- janitorial expenses, things

1 that go on in an office building? Do they have a
2 physical office where there was a lot of expenses
3 going on still in 2020, 2021, or was that all
4 saved?

5 CHAIRMAN FAY: Ms. Alonso, I'm just going to
6 interrupt you real quick. So the purpose of the
7 customer hearing is to take in testimony and
8 comments from the customers on the quality of
9 service. So the parties aren't allowed to be
10 questioned by anyone --

11 MS. ALONSO: Oh, I thought I could ask a
12 question. I couldn't ask questions --

13 CHAIRMAN FAY: -- on this portion. No, no. I
14 apologize. I apologize if we -- you know, if the
15 information you had misled you on that, but we are
16 able to take any comments, as --

17 MS. ALONSO: I thought you said questions and
18 comments at the beginning. I misunderstood you?

19 CHAIRMAN FAY: Yeah. So the information that
20 you provide as a customer and presented, this is a
21 proceeding, and so it allows for what's known as
22 cross-examination. So based on the comments that
23 you provide, the parties that are here, which is
24 Florida City Gas and the Office of Public Counsel,
25 could ask you questions in regards to the comments

1 that you provide, so they're able to get clarity as
2 to something that you've provided in your
3 testimony, but the parties themselves aren't --
4 neither party's questioned under this hearing.
5 Procedurally that's --

6 MS. ALONSO: Oh, I see. I misunderstood it
7 totally then. Then what I said this afternoon was
8 enough for me to say that, you know, they did a
9 great job. I just feel that everybody, you know,
10 cooked at home and Florida City Gas made profits.
11 There was really a lot of people cooking at home.

12 CHAIRMAN FAY: Okay. And no apology needed.

13 MS. ALONSO: -- why the rates have to go up?

14 CHAIRMAN FAY: No apology needed, Ms. Alonso.
15 We have your testimony and we'll make sure that,
16 once again, is included in the record for us. And
17 so -- unless you have -- I didn't want to cut your
18 time off. If you had any other comments, you're
19 welcome to provide those at the conclusion.

20 MS. ALONSO: No, that's it. That's all -- I
21 thought I could ask a question.

22 CHAIRMAN FAY: Okay.

23 MS. ALONSO: Thank you very much.

24 CHAIRMAN FAY: No problem. Have a good night.

25 Thank you.

1 MS. ALONSO: You too. Good night.

2 CHAIRMAN FAY: Okay. With that,
3 Commissioners, I don't have anybody else signed up.
4 Let me make sure that there's nobody on the line.
5 Are there any other customers for Florida City Gas
6 that are on the line that would like to provide
7 comments, as it relates to this docket?

8 Okay. With that, Commissioners, anything
9 before we close?

10 With that, then this meeting is adjourned.

11 Thank you so much.

12 (Proceedings concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DANA W. REEVES, 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 28th day of September, 2022.



DANA W. REEVES
NOTARY PUBLIC
COMMISSION #GG970595
EXPIRES MARCH 22, 2024