1	FLOR	BEFORE THE IDA PUBLIC SERVICE COMMISSION
2	1 2010	DOCKET NO. 020384-GU
3	In the Matter	
4		
5	PETITION FOR A RATE BY TAMPA ELECTRIC C	OMPANY D/B/A
6	PEOPLES GAS SYSTEM.	/
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8	l A CON	IC VERSIONS OF THIS TRANSCRIPT ARE VENIENCE COPY ONLY AND ARE NOT
9	THE OFF	ICIAL TRANSCRIPT OF THE HEARING, ERSION INCLUDES PREFILED TESTIMONY.
10		The state of the s
11	PDOOFFDINGS	PREHEADING CONFEDENCE
12	PROCEEDINGS:	PREHEARING CONFERENCE
13	BEFORE:	COMMISSIONER BRAULIO L. BAEZ
14		Prehearing Officer
15	DATE:	Friday, November 22, 2002
16	TIME:	Commenced at 8:40 a.m.
17	1 1112.	Concluded at 9:10 a.m.
18	PLACE:	Betty Easley Conference Center
19	1 5 02.	Room 152
20		4075 Esplanade Way Tallahassee, Florida
21	REPORTED BY:	LINDA DOLES DDD
22	REPORTED BY:	LINDA BOLES, RPR Official FPSC Reporter (850) 413-6734
23		(000) 410-0/04
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FLORIDA PUBLIC SERVICE COMMISSION | 3072 DEC-28

1 | APPEARANCES:

ANSLEY WATSON, JR., MacFarlane, Ferguson & McMullen, P.O. Box 1531, Tampa, Florida 33601, appearing on behalf of Peoples Gas System.

VICKI GORDON KAUFMAN, McWhirter, Reeves, McGlothlin, Davidson, Dekker, Kaufman, Arnold & Steen, 117 South Gadsden Street, Tallahassee, Florida 32301, appearing on behalf of Florida Industrial Gas Users.

ROBERT SCHEFFEL WRIGHT, Landers & Parsons, P.A., 310 West College Avenue, Tallahassee, Florida 32302, appearing on behalf of Auburndale Power Partners.

H. F. RICK MANN, Associate Public Counsel, Office of Public Counsel, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400, appearing on behalf of the Citizens of the State of Florida.

Adrienne Vining, Florida Public Service Commission, Office of the General Counsel, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870, appearing on behalf of the Commission Staff.

1	PROCEEDINGS
2	COMMISSIONER BAEZ: Good morning everyone.
3	MR. WATSON: Good morning.
4	COMMISSIONER BAEZ: Counsel, would you read the
5	notice, please.
6	MS. VINING: Pursuant to notice issued by the Public
7	Service Commission on November 8th, 2002, a prehearing
8	conference was called for Docket Number 020384-GU at this time
9	and place. The purpose of the prehearing conference is further
10	set out in the notice.
11	COMMISSIONER BAEZ: Thank you. We'll take
12	appearances starting on my left.
13	MR. WATSON: I'm Ansley Watson, Jr., of MacFarlane,
14	Ferguson & McMullen, Tampa, Florida, appearing on behalf of
15	Peoples Gas System.
16	MS. KAUFMAN: I'm Vicki Gordon Kaufman of the
17	McWhirter, Reeves Law Firm. I'm appearing on behalf of the
18	Florida Industrial Gas Users.
19	MR. WRIGHT: Robert Scheffel Wright, Landers &
20	Parsons, appearing on behalf of Auburndale Power Partners, LP.
21	MR. MANN: My name is Rick Mann. I'm with the Office
22	of Public Counsel. I'm appearing on behalf of the Citizens of
23	the State of Florida.
24	MS. VINING: Adrienne Vining appearing on behalf of
25	the Florida Public Service Commission.

COMMISSIONER BAEZ: And thank you all. 1 2 Ms. Vining, do we have any preliminary matters? MS. VINING: None that I'm aware of. 4 COMMISSIONER BAEZ: No? Any of the parties? 5 We're -- I take it we're on a short time frame 6 today, so we're just going to try and zip, zip through this 7 prehearing order as quickly as possible. And I think what 8 we're going to do is we'll take the first five sections, and if 9 anyone needs to point out any changes or any corrections that need to be made, let me know. No one is raising their hand, so 10 11 I'11 take that as a no. 12 Section VI. the order of witnesses. Mr. Watson, do 13 you have any changes to your order? 14 MR. WATSON: No change to the order. Just to save 15 time this morning, if we have issue numbers beside each 16 witness's name that should change, I assume we can take that up 17 with Ms. Vining after the conference is over. 18 COMMISSIONER BAEZ: In fact, I would encourage it. 19 Mr. Mann? 20 MR. MANN: No. sir. I have no changes. 21 COMMISSIONER BAEZ: No changes in the order. 22 And staff? 23 MS. VINING: We have no changes. 24 COMMISSIONER BAEZ: I'm sorry. Ms. Vining, does the 25 order say -- have we considered taking both testimonies

1 together to the extent that we can? And it's all the same to 2 me really, but --3 MR. WATSON: You mean in terms of the direct and the 4 rebuttal? COMMISSIONER BAEZ: Direct and rebuttal together. 5 6 I'm not even -- I'm not sure even the names match up, but to 7 the extent that we can. 8 MR. WATSON: Is that, is that something we could 9 think about until the hearing maybe? 10 COMMISSIONER BAEZ: No, that's fine. I just want to throw it out there and leave it for your consideration. 11 MR. WATSON: I know we've done that in the past. 12 And, Commissioner Baez, I do have one change on Section VI, and 13 14 that would be to add at the end, after Mark Cicchetti, Dr. 15 Morin again on his surrebuttal testimony, which was addressed 16 by the order issued yesterday and which was, should have been 17 filed yesterday. 18 COMMISSIONER BAEZ: Okay. I will note that. 19 Do you have issues at this point? 20 MR. WATSON: It would be 19 and 20. And there's 21 another one that I -- let's see. 22 COMMISSIONER BAEZ: All right. If you need to adjust -- if you need to enter the issues, you can just let 23 24 counsel know. 25 MR. WATSON: And that's 19. 20 and 62.

1	COMMISSIONER BAEZ: And 62?
2	MR. WATSON: Yes, sir.
3	COMMISSIONER BAEZ: 19, 20 and 62, let the record
4	show Dr. Morin under surrebuttal proffered by Peoples.
5	Any other changes? No.
6	Section VII, any changes to the basic positions?
7	MS. KAUFMAN: Commissioner Baez
8	COMMISSIONER BAEZ: Yes.
9	MS. KAUFMAN: the Gas Users have a change to their
10	position, and we would just like to strike the last sentence in
11	our basic position.
12	COMMISSIONER BAEZ: Strike the last sentence of the
13	Industrial Gas Users. That will be the last four lines as I'm
14	showing.
15	MS. KAUFMAN: Yes, sir. It's the last, last
16	sentence.
17	COMMISSIONER BAEZ: Okay. Right.
18	MS. KAUFMAN: Four lines.
19	COMMISSIONER BAEZ: Mr. Wright?
20	MR. WRIGHT: Similarly, Auburndale can delete all the
21	preliminary language from its position, so actually
22	Auburndale's position would just be the first sentence as
23	stated. If you begin then in the sixth line that says,
24	"Auburndale's positions are preliminary," you can strike from
25	there to the end of Auburndale's position.

1	COMMISSIONER BAEZ: Okay.
2	MR. WRIGHT: Thank you.
3	COMMISSIONER BAEZ: Mr. Mann?
4	MR. MANN: No, sir, I have no changes to it.
5	COMMISSIONER BAEZ: Staff, any, any changes on this?
6	I'm not showing anything.
7	MS. VINING: Right. We don't have any changes at
8	this time.
9	COMMISSIONER BAEZ: All right. Individual issues,
10	Section VIII. And we'll go party by party, I think.
11	Mr. Watson, if you have any changes along, along the lines,
12	we'll take them all up right now as you see them.
13	MR. WATSON: All of them?
14	COMMISSIONER BAEZ: Well, have you got any changes to
15	the issues?
16	MR. WATSON: At this time we have none. I think the
17	staff will be making some, taking positions on some additional
18	issues which may prompt changes in Peoples' positions.
19	COMMISSIONER BAEZ: All right. Well, then why don't
20	we, why don't we do that. Ms. Vining, can you go over the
21	changes to staff positions?
22	MS. VINING: Sure. The first one is on Issue 4.
23	COMMISSIONER BAEZ: Okay. Am I on? Can you hear me
24	now? I'm sorry.
25	MS. VINING: Okay. As I said, on Issue 4

1 COMMISSIONER BAEZ: Issue 4. 2 MS. VINING: -- the position will now read. "Yes. 3 The test year Plant in Service, Accumulated Depreciation, and 4 Depreciation Expense should be reduced \$14,512,000, \$394,000 5 and \$612,000, respectively, to reflect cancelled, delayed and 6 underbudget additions." 7 COMMISSIONER BAEZ: Okay. 8 MS. VINING: The next change would be to Issue 6. 9 which would now read, "No adjustment should be made." 10 Next is Issue 7. Staff now takes the position of "No," and, in fact, they feel that the issue can be dropped. 11 12 COMMISSIONER BAEZ: Okay. Let's hold, let's hold off 13 on the issue because I'm also showing that you're thinking 14 about Issue 5 being dropped as well. So if we can hold off the dropping of issues -- is that, is that accurate, Ms. Vining? 15 16 Okay. 17 MS. VINING: That's correct. Staff would now 18 represent that Issue 5 can be dropped. 19 COMMISSIONER BAEZ: We'll hold those off, discussion 20 on that off. Go ahead with your next change. 21 MS. VINING: Next would be Issue 8. The position would now read, "No. Peoples' test year projected retirements 22 23 recognize the ongoing retirement of inactive service lines in 24 accord with Rule 25-12.045, Florida Administrative Code."

And last we have Issue 9 where Staff's position

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1 should now read, "Yes. An adjustment to test year Plant in 2 Service for meters and regulators to reflect cost savings 3 related to strategic alliances are \$246,609 decrease and 4 \$13,112 decrease respectively. Additionally, adjustments to 5 accumulated depreciation and depreciation expense should be 6 made." 7 Those are all the changes that I have. 8 COMMISSIONER BAEZ: No other changes? All right. Mr. Watson? And I know it's short time, 9 10 but if you --11 MR. WATSON: On Issue 4. and this assumes that, that 12 whether or not Issue 5 is dropped, that Issue 5 indicate that 13 it is subsumed in Issue 4. Peoples would agree with staff on 14 Issue 4. 15 And assuming Issue 5 is not dropped and the staff 16 position is that Issue 5 is subsumed in Issue 4, Peoples would 17 agree with staff on Issue 5. 18 On Issue 6, "Peoples agrees with staff." Issue 7, "Peoples agrees with staff." 19 20 Issue 8, "Peoples agrees with staff." 21 And Issue 9, "Peoples agrees with staff." 22 COMMISSIONER BAEZ: Any other changes, Mr. Watson? 23 MR. WATSON: Not at this time. 24 COMMISSIONER BAEZ: Okay. Ms. Kaufman?

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MS. KAUFMAN: Thank you, Commissioner. I believe

1 that we have just been omitted from Issue 38, but we would take 2 no position on that issue. 3 And our, our only other change is on Issue 79, on which we would take no position. 4 5 COMMISSIONER BAEZ: I'm sorry. That was Issue 6 seventy --7 MS. KAUFMAN: Nine. 8 COMMISSIONER BAEZ: -- nine. Okay. Then let's let 9 the order reflect FIGU's no position on -- that was Issue 38? 10 MS. KAUFMAN: Yes. sir. And 79. 11 COMMISSIONER BAEZ: And 79. 12 Mr. Wright? 13 MR. WRIGHT: On Issue 75, now that Peoples agrees 14 with staff, Auburndale should be listed as agreeing with staff. 15 There was a slight difference in the positions as initially 16 stated in the previous draft. 17 COMMISSIONER BAEZ: Very well. 18 MR. WRIGHT: And then on Issue 86. Auburndale should be listed as "Agree with staff." Other than that, our 19 20 positions are correctly shown. 21 MS. VINING: What was the first issue that you --22 MR. WRIGHT: 75. It was customer charges. We had 23 agreed with Peoples and Peoples now agrees with y'all, so just 24 put us as agreeing with staff. 25 And then 86. the new issue on the correction of

imbalances, we agree with staff. 1 2 MS. KAUFMAN: I'm sorry. Commissioner, I neglected 3 to discuss a new issue. I can -- if you want to do that now, I 4 can give you our position on that, too. 5 COMMISSIONER BAEZ: Hold off. New issue? Hang on. 6 Okay. Mr. Mann? 7 MR. MANN: Thank you, Commissioner. I do have a number of changes to make. 8 9 COMMISSIONER BAEZ: Mr. Mann, just a question. To 10 the extent that they're simple agreements with positions that 11 are already on the order, we can take them. But if they're 12 lengthy agreements -- if they're lengthy positions, I mean, I 13 guess it would just be -- for everybody's convenience, you can submit them to staff counsel after the, after the prehearing. 14 I leave that to your judgment though. 15 16 MR. MANN: Issue 1, our position now is "No 17 bosition." 18 Issue 4, in our position "4A" should read "Issue 5," which will now read "Issue 4," if that's subsumed. 19 20 COMMISSIONER BAEZ: Say that again. 21 MR. MANN: On our position statement for Issue 4 --22 COMMISSIONER BAEZ: Uh-huh. 23 MR. MANN: -- Citizens' response to Issue 4A, strike "4A." And if 5 is subsumed into Issue 4, then that should read 24 "4" rather than "4A." 25

1	COMMISSIONER BAEZ: Okay. Let me let's just get
2	that out of the way real quickly. Are there any objections to
3	subsuming Issue 5? I don't see any. We'll make that
4	MS. VINING: I'll reflect Issue 4 as subsuming those
5	issues in 5.
6	COMMISSIONER BAEZ: Okay. And, Mr. Watson?
7	MR. WATSON: No objection.
8	COMMISSIONER BAEZ: So we can make that clear, let's
9	leave Issue 5 and just refer back.
10	Okay. I'm sorry, Mr. Mann. Go ahead.
11	MR. MANN: You tell me, if you will, Commissioner, if
12	this is one of the lengthy ones you're speaking of.
13	On Issue 6, I'm adding to "No position at this time,"
14	"(comma) pending further development of the record."
15	COMMISSIONER BAEZ: That's not too long, I don't
16	think.
17	MR. MANN: Issue 7, "No position."
18	Issue 8, "No position."
19	Issue 10, I'm adding, "(comma) pending further
20	development of the record."
21	Issue 12 on Page 17, assuming everybody's pages were
22	printed on the same printer, after "the impact of \$9,957,000
23	reduction to the beginning plant in service balance addressed
24	in Issue," I have, "4A," that needs to be stricken, substituted
I	I

1 In the last paragraph of that same Issue 12 where I 2 speak of Paul Higgins' rebuttal, the last sentence, "reflected 3 in Citizens' recommendation," "(comma) at this time," is added, 4 "(comma) at this time." 5 Issue 17, Citizens' position is, "This is a fallout 6 issue and will be based upon the calculations and decisions of 7 other issues." 8 Issue 18, I'm adding at the end of the sentence after 9 "Schedule B-1 (period)," next sentence, "This is a fallout 10 issue." 11 Issue 23. my witness for that issue is Cicchetti. C-I-C-C-H-E-T-T-I. 12 COMMISSIONER BAEZ: I'm sorry. That was Issue 23? 13 14 MR. MANN: 23, yes, sir. 15 Issue 24, our position is "No position." 16 Issue 35, again, I'm striking an issue referred to in 17 the position. It's the last, last word, last number in that, 18 in that position, and that is Citizens -- "further addressed in Citizens' position in Issue 40A." "40A" should be stricken. 19 20 That is correctly "54," five-four. 21 Issue 37, stricken from that is the bold type in 22 parentheses. That is my own note to myself. I'm adding at the end of "No position at this time," "(comma) pending further 23 development of the record." 24

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Issue 38, the third from last -- well, the last

-	I sentence of our position on that, two issues I refer to are
2	incorrect. "Issue 35" strike. Correctly that's "Issue 54."
3	Issue 38A is correctly "49."
4	Issue 39, "Citizens agree with staff."
5	Issue 42, last sentence, incorrectly "See Issue 33."
6	33 should be stricken. Correctly that is "Issue 43" I'm
7	referring to.
8	Issue 45, Citizens' position is now "Agree with
9	staff."
10	Issue 46, Citizens' position now is "No position."
11	Issue 51, five-one, Citizens' position is "No
12	position."
13	Issue 53, at the end of our sentence of position it
14	is, "(comma) pending further development of the record."
15	Issue 54, the last paragraph, middle of the way where
16	it reads, "Supplemental Executive Retirement Plan, \$289,975 for
17	restricted stock grants," strike "(also addressed in Issue
18	37C.)"
19	Issue 55, last word in the sentence, "Issue 38."
20	"38" should be stricken. Substitute "36."
21	Issue 56, again issue the last words in that
22	position are "Issue 37C," 37C. Strike "Issue 37C." Substitute
23	"Issue 48."
24	Issue 58, Citizens take no position.
25	Issue 59, toward the end of our position statement I
	1

refer to "Issue 40A." Strike "Issue 40A." Substitute "Issue 1 2 54." 3 Issue 60, OPC's position is, "This is a fallout issue 4 and will be based upon the calculations and decisions of other 5 issues, and the results of the implementation of the new 6 depreciation rates ultimately adopted by the Commission in the 7 company's ongoing depreciation case. Docket Number 010383-GU." 8 DeRonne is still the witness. 9 MS. VINING: Can I ask that Mr. Mann e-mail that one? 10 COMMISSIONER BAEZ: Uh-huh. Mr. Mann. 11 MS. VINING: Thank you. 12 MR. MANN: Certainly. Pardon me. Issue 63, I'm 13 correcting in the last two sentences issues referred to. 14 "Issue 44A" would be "57." "Issue 40A" should be "54." 15 COMMISSIONER BAEZ: I'm sorry. 44A should be? 16 MR. MANN: 57. 17 COMMISSIONER BAEZ: Thank you. 18 MR. MANN: And 40A, 54. 19 Issue 64, again, next to the last sentence, "Issue 40A" should be "54." "Issue 44A" should be "57." 20 Issue 69, "Citizens now take no position." 21 22 Issue 70, "Citizens take no position." 23 71, Issue 71, I'm sorry, "Citizens take no position." 24 Issue 72, "Citizens take no position." 25 Issue 73, "Citizens take no position."

1	Issue 74, "Citizens take no position."
2	Issue 75, "Citizens take no position."
3	Issue 76, "Citizens take no position."
4	Issue 77, "Citizens take no position."
5	Issue 78, "Citizens take no position."
6	Issue 79, "Citizens take no position."
7	Issue 80, "Citizens take no position."
8	Issue 81, in our position statement the last word,
9	although it's not a word, is "Issue 24A" should be
10	corrected, stricken and corrected to "Issue 29."
11	Issue 82, "Citizens take no position."
12	Issue 83, "Citizens take no position."
13	Issue 86, Citizens have no position at this time.
14	Citizens I guess now what reads "Issue 86" should
15	read "Issue 87."
16	MS. VINING: That's correct. The change will be
17	made.
18	COMMISSIONER BAEZ: That's correct.
19	MR. MANN: "Should this docket be closed?" "Citizens
20	take no position."
21	COMMISSIONER BAEZ: All right.
22	MR. MANN: There are also, well, stipulations, but I
23	presume that's later.
24	COMMISSIONER BAEZ: Let's pick them up, because I
25	think we may have to revise the list of stipulated issues.

1	MS. VINING: Correct.
2	COMMISSIONER BAEZ: I knew this was going to happen.
3	Let's get we'll take those up at the end.
4	The exhibit list, Mr. Watson, do you have any
5	changes?
6	MR. WATSON: Just a change in the order of some of
7	them that we can take up with staff counsel after the
8	conference.
9	COMMISSIONER BAEZ: All right. We'll do that.
10	Ms. Kaufman, I'm not sure that you have any.
11	MS. KAUFMAN: I have no witnesses, Commissioner Baez.
12	COMMISSIONER BAEZ: Mr. Wright, you're about the
13	same.
14	Mr. Mann, do you have any changes to the
15	MR. MANN: No changes in the exhibits, Commissioner.
16	COMMISSIONER BAEZ: Okay. And, staff, you don't
17	MS. VINING: No. I just want to note that we're
18	endeavoring to try and stipulate with a list of exhibits for
19	entry at the hearing, and those would be composite exhibits.
20	COMMISSIONER BAEZ: Very well. Okay.
21	All right. On to business. Now do we need to
22	change just a question as to form. Do we need to take all
23	the, accept all the stipulations or, or change the stipulations
24	all at once or if you can just tell me what we need to add.
25	MS VINING. Right now staff has one change to an

1	amount in one of the stipulations that I would hope that the
2	other parties can agree to because it's minor.
3	COMMISSIONER BAEZ: We'll poll the parties after.
4	You can just point us to it.
5	MS. VINING: Sure. It would be in Category 5, Number
6	4. And the change would be in the last sentence. Everybody
7	there?
8	MR. WRIGHT: I'm sorry. We don't have that version
9	of the prehearing order.
10	MS. VINING: Okay. It's
11	COMMISSIONER BAEZ: Could somebody get that's
12	okay, Ms. Vining. Do you have that, Mr. Wright, or, no, you're
13	
14	MR. WRIGHT: Yeah, I do.
15	COMMISSIONER BAEZ: You do. Okay.
16	MS. KAUFMAN: It just moved to a different category.
17	MR. WRIGHT: Substantively we're with you.
18	MS. VINING: It was previously Issue 44.
19	COMMISSIONER BAEZ: Don't bail on me now, Mr. Wright.
20	MR. WRIGHT: No, sir.
21	COMMISSIONER BAEZ: All right. Go ahead with your
22	change.
23	MS. VINING: Have you guys found it now?
24	MS. KAUFMAN: Yes.
25	MS. VINING: Okay. It would be the last sentence of

1 that stipulation or proposed stipulation, "Account 921 should 2 be reduced," and it says right now, "\$19,940." Staff would 3 propose that it should say "\$19,685." 4 And then additionally, "and Account 926 should be 5 reduced \$11,777" currently. Staff would propose that it now 6 state "\$11,626." 7 COMMISSIONER BAEZ: \$11.626? 8 MS. VINING: Correct. 9 COMMISSIONER BAEZ: Are the parties to the 10 stipulation in agreement with those changes? 11 MR. WRIGHT: Yes. sir. 12 COMMISSIONER BAEZ: All right. 13 MS. KAUFMAN: Yes. sir. 14 COMMISSIONER BAEZ: You have no say in the matter; 15 right? 16 Any other changes, Ms. Vining? 17 MS. VINING: None at this time. 18 COMMISSIONER BAEZ: Okay. And I trust you'll go 19 over, now that we've filled in Peoples' position, the Citizens' 20 positions, forgive me --21 MS. VINING: Of course. 22 COMMISSIONER BAEZ: -- as to how that's going to get 23 expanded. Great. 24 Pending motions. 25 MS. VINING: There are none.

1	COMMISSIONER BAEZ: I don't see any confidentiality
2	matters.
3	MS. VINING: No. Peoples filed a notice of intent to
4	request confidential classification, but the actual request
5	hasn't been filed as of yet.
6	COMMISSIONER BAEZ: Uh-huh. Okay. You let me know
7	when or if we can take that to hearing.
8	Opening statements shall not exceed ten minutes per
9	party.
10	And I'm showing nothing else. Do any of the parties
11	have anything that needs addressing?
12	No more issues? All right.
13	Can you fill us in on the coming dates? Do you have
14	the I don't have the procedure order in front of me, so if
15	you can just fill us in.
16	MS. VINING: The remaining dates for the proceeding,
17	December 6th is the discovery cutoff and the hearing date is
18	December 13th.
19	COMMISSIONER BAEZ: Okay.
20	MS. VINING: Those are the only remaining dates.
21	COMMISSIONER BAEZ: And, Mr. Mann, you need to get
22	one, one issue position to, to staff to include in the, in the
23	order.
24	MR. MANN: Yes, sir. Issue 60.
25	COMMISSIONER BAEZ: Issue 60 right All right

If there's nothing else, thank y'all for coming and have a great weekend. And if I don't see most of you, have a great holiday, too. MR. MANN: Thank you, Commissioner. COMMISSIONER BAEZ: We're adjourned. (Prehearing Conference adjourned at 9:10 a.m.)