1

 1

 2 BEFORE THE

 FLORIDA PUBLIC SERVICE COMMISSION

 3

 DOCKET NO. 070703-EI

 4

 In the Matter of:

 5

 REVIEW OF COAL COSTS FOR PROGRESS

 6 ENERGY FLORIDA'S CRYSTAL RIVER

 UNITS 4 AND 5 FOR 2006 AND 2007.

 7 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_/

 8

 9

 10

 11

 12

 13

 14

 15 PROCEEDINGS: PREHEARING

 16 BEFORE: CHAIRMAN MATTHEW M. CARTER, II

 PREHEARING OFFICER

 17

 18 DATE: Tuesday, March 24, 2009

 19

 TIME: Commenced at 1:30 p.m.

 20 Concluded at 1:45 p.m.

 21 PLACE: Betty Easley Conference Center

 Room 148

 22 4075 Esplanade Way

 Tallahassee, Florida

 23

 24 REPORTED BY: JANE FAUROT, RPR

 Official FPSC Reporter

 25 (850) 413-6732

 FLORIDA PUBLIC SERVICE COMMISSION

 2

 1

 2 APPEARANCES:

 3 JOHN T. BURNETT, ESQUIRE, Progress Energy

 4 Service Company, LLC, Post Office Box 14042, St.

 5 Petersburg, Florida 33733-4042, appearing on behalf of

 6 Progress Energy Florida, Inc.

 7 VICKI GORDON KAUFMAN, ESQUIRE, Keefe Anchors,

 8 Gordon and Moyle, 118 North Gadsden Street, Tallahassee,

 9 Florida 32301 and JOHN W. McWHIRTER, ESQUIRE, Post

 10 Office Box 3350, Tampa, Florida 33601, appearing on

 11 behalf of the Florida Industrial Power Users Group.

 12 JOE McGLOTHLIN, ESQUIRE, Office of Public

 13 Counsel c/o The Florida Legislature, 111 W. Madison

 14 Street, Room 812, Tallahassee, Florida 32399-1400,

 15 appearing on behalf of the Citizens of the State of

 16 Florida.

 17 LISA BENNETT, ESQUIRE, and KEINO YOUNG,

 18 ESQUIRE, FPSC General Counsel's Office, 2540 Shumard Oak

 19 Boulevard, Tallahassee, Florida 32399-0850, appearing on

 20 behalf of the Commission Staff.

 21 CECILIA BRADLEY, ESQUIRE, Office of the

 22 Attorney General, Tallahassee, Florida, appearing on

 23 behalf of the Citizens of Florida.

 24

 25

 FLORIDA PUBLIC SERVICE COMMISSION

 3

 1

 2 APPEARANCES (continued):

 3

 4 MARY ANNE HELTON, ESQUIRE, Florida Public

 5 Service Commission, 2540 Shumard Oak Blvd., Tallahassee,

 6 Florida 32399-0850, Advisor to the Commission.

 7

 8

 9

 10

 11

 12

 13

 14

 15

 16

 17

 18

 19

 20

 21

 22

 23

 24

 25

 FLORIDA PUBLIC SERVICE COMMISSION

 4

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

 2 CHAIRMAN CARTER: Good morning to one and all.

 3 I'd like to call this prehearing conference to order.

 4 First of all, staff, would you please read the

 5 notice.

 6 MS. BENNETT: Yes, Mr. Chairman.

 7 By notice duly given, this date and place and

 8 time has been set for the prehearing conference in

 9 Docket Number 070703, review of coal costs for Progress'

 10 Crystal River Units 4 and 5 for 2006 and 2007.

 11 CHAIRMAN CARTER: Now let's take appearances.

 12 MR. BURNETT: Good morning, Mr. Chairman.

 13 John Burnett for Progress Energy Florida.

 14 MR. McGLOTHLIN: Good morning. Joe McGlothlin

 15 with the Office of Public Counsel for the Citizens of

 16 the State of Florida.

 17 MS. KAUFMAN: Good morning, Mr. Chairman.

 18 Vicki Gordon Kaufman with the law firm of Keefe Anchors

 19 Gordon and Moyle on behalf of the Florida Industrial

 20 Power Users Group, and I'd like to also enter an

 21 appearance for John McWhirter on behalf of FIPUG.

 22 CHAIRMAN CARTER: Are you entering also for

 23 Mr. Moyle? Is he going to be a part of your team?

 24 MS. KAUFMAN: No, he will not.

 25 CHAIRMAN CARTER: Just you and Mr. McWhirter?

 FLORIDA PUBLIC SERVICE COMMISSION

 5

 1 MS. KAUFMAN: Yes, sir.

 2 CHAIRMAN CARTER: Thank you. Let me make a

 3 note to that effect.

 4 MS. BENNETT: And Lisa Bennett and Keino Young

 5 on behalf of the Commission staff.

 6 MS. HELTON: And Mary Anne Helton, advisor to

 7 the Commission.

 8 CHAIRMAN CARTER: Okay. So we've got

 9 everybody here. Let's deal with our preliminary

 10 matters.

 11 MS. BENNETT: The first preliminary matter we

 12 have, Madam Chair -- or, Mr. Chairman, I'm sorry, the

 13 Attorney General's Office filed a petition to intervene

 14 this morning. I was contacted by Cecilia Bradley. She

 15 stated that she has another hearing at 10:30, but will

 16 try and be here.

 17 Although normally we wait for seven days to

 18 see if there are any objections to a petition, if all

 19 the parties are here and there is no objection you could

 20 rule on that motion or petition to intervene today.

 21 CHAIRMAN CARTER: Okay. Any objection to the

 22 Attorney General participating?

 23 MR. BURNETT: No, sir. Realizing the fact

 24 that I've not seeing the petition, I'm assuming it's in

 25 the standard form it would be, and recognizing that the

 FLORIDA PUBLIC SERVICE COMMISSION

 6

 1 A&G would take the case as they find it, no objection at

 2 all, sir.

 3 MR. McGLOTHLIN: No objection.

 4 MS. KAUFMAN: No objection.

 5 CHAIRMAN CARTER: Okay. So show it done, and

 6 we will get the order and get that signed and served on

 7 all the parties. Okay.

 8 Ms. Bennett.

 9 MS. BENNETT: The next item that I would like

 10 to advise the Chairman and the parties is that we were

 11 notified yesterday -- staff was notified yesterday by

 12 OPC that OPC will be filing a motion in limine and a

 13 motion to strike some of Progress' rebuttal testimony,

 14 but that's not going to be a matter before you today

 15 because normally parties are given seven days to respond

 16 in writing to a motion. It's a matter that can be taken

 17 up by separate order.

 18 CHAIRMAN CARTER: Okay. I look forward to

 19 reading it.

 20 MR. McGLOTHLIN: We filed it this morning, Mr.

 21 Chairman. It is no attempt to surprise anyone. It's a

 22 matter of meeting the technical deadline, which is

 23 today, and we will submit it on the pleadings.

 24 CHAIRMAN CARTER: Okay. Thank you.

 25 Again, as I said, I look forward to reading

 FLORIDA PUBLIC SERVICE COMMISSION

 7

 1 this. Every now and then I get to do some legal stuff.

 2 Okay. Any other preliminary matters?

 3 MS. BENNETT: No other preliminary matters

 4 from staff.

 5 CHAIRMAN CARTER: Any preliminary matters from

 6 Mr. Burnett?

 7 MR. BURNETT: No, sir.

 8 CHAIRMAN CARTER: Mr. McGlothlin?

 9 MR. McGLOTHLIN: No, sir.

 10 CHAIRMAN CARTER: Ms. Kaufman?

 11 MS. KAUFMAN: No, Mr. Chairman.

 12 CHAIRMAN CARTER: I should say Gordon-Kaufman.

 13 Is that the way I should say it?

 14 MS. KAUFMAN: Kaufman is fine. Thank you.

 15 CHAIRMAN CARTER: Good.

 16 It has been awhile since you guys have seen me

 17 in the prehearing perspective, but you know I like to go

 18 through each one of the sections section-by-section. If

 19 there is nothing pertaining to it, you don't have to say

 20 anything, we will just go on though it.

 21 Staff, anything further before I proceed

 22 through the draft prehearing order?

 23 MS. BENNETT: No, sir.

 24 CHAIRMAN CARTER: Anything from the parties

 25 before we proceed further?

 FLORIDA PUBLIC SERVICE COMMISSION

 8

 1 MR. McGLOTHLIN: No, sir.

 2 CHAIRMAN CARTER: Okay. Section I, case

 3 background. Any questions, concerns? Okay. Show it

 4 done.

 5 Let's take a moment. (Pause.)

 6 MS. BRADLEY: Good morning.

 7 CHAIRMAN CARTER: I understand that you have a

 8 hearing to go to, so we're going to get you out of here

 9 most expeditiously.

 10 MS. BRADLEY: Thank you.

 11 CHAIRMAN CARTER: You can go ahead on and

 12 enter your appearance. I'll sign the order later on

 13 today.

 14 MS. BRADLEY: Thank you, sir. It's Cecilia

 15 Bradley on behalf of the Attorney General on behalf of

 16 the Citizens of Florida.

 17 CHAIRMAN CARTER: Thank you. And I know it's

 18 a sacrifice to hump it all the way out here when you've

 19 got a hearing downtown, so we'll try to move it as

 20 expeditiously as possible.

 21 MS. BRADLEY: Thank you, sir.

 22 CHAIRMAN CARTER: Yes, ma'am.

 23 Okay. Nothing on case background.

 24 Section II, conduct of proceedings. No

 25 problem there.

 FLORIDA PUBLIC SERVICE COMMISSION

 9

 1 Jurisdiction.

 2 Procedure for handling confidential

 3 information. That will be our standard way of dealing

 4 with that unless there are some changes.

 5 Prefiled testimony and exhibits and witnesses.

 6 Staff, you're recognized.

 7 MS. BENNETT: Mr. Chairman, staff recommends

 8 no more than five minutes per witness for summaries.

 9 CHAIRMAN CARTER: Okay. So, guys, what we're

 10 doing is we're asking you for your witnesses to say up

 11 to five minutes for their summary when they're

 12 summarizing their testimony.

 13 MR. BURNETT: Mr. Chair.

 14 CHAIRMAN CARTER: You're recognized.

 15 MR. BURNETT: Would the Chair potentially

 16 entertain seven minutes?

 17 CHAIRMAN CARTER: Let me hear from the parties

 18 before I --

 19 MR. BURNETT: Yes, sir.

 20 MR. McGLOTHLIN: I'll support that, Mr.

 21 Chairman. The witnesses have a lot of ground to cover,

 22 and, you know, this one-size-fits-all sometimes just

 23 doesn't turn into anything that's helpful to the

 24 Commissioners.

 25 CHAIRMAN CARTER: Okay.

 FLORIDA PUBLIC SERVICE COMMISSION

 10

 1 Ms. Kaufman.

 2 MS. KAUFMAN: We would have no objection to

 3 seven minutes.

 4 CHAIRMAN CARTER: Ms. Bradley.

 5 MS. BRADLEY: No objection, sir.

 6 CHAIRMAN CARTER: You know, I usually am kind

 7 of a stickler for the time, so if we are going to give

 8 them seven minutes, it's not going to be seven minutes

 9 and one second, or seven minutes and fifty seconds, or

 10 eight minutes, or anything like that.

 11 And the reason I do that is not to be

 12 draconian, but the only time we get a chance to discuss

 13 the case is when we are at the bench so we do have a lot

 14 of questions and concerns. We have read the testimony

 15 and gone through the exhibits that have been filed, and

 16 staff has them in their composite, so what I try to do

 17 is give my colleagues as much time as possible to ask

 18 whatever questions that they may have.

 19 So if you think I'm kind of draconian on my

 20 time, it's that I want to give them maximum time,

 21 because this is the only time we can discuss it. You

 22 know, obviously the government in the sunshine is when

 23 we are here on the bench. That is from the

 24 for-whatever-it's-worth department.

 25 So, staff, we'll show it at seven minutes.

 FLORIDA PUBLIC SERVICE COMMISSION

 11

 1 Not more -- it should read not more than seven minutes,

 2 okay.

 3 Anything further under Section V under

 4 prefiled testimony and exhibits; witnesses?

 5 Hearing none, Section VI, order of witnesses.

 6 Are there any witnesses that you guys agreed to

 7 stipulate on so far?

 8 MR. McGLOTHLIN: No, sir.

 9 MR. BURNETT: No, sir.

 10 CHAIRMAN CARTER: Okay. Well, it's a dynamic

 11 process. If you do so, let staff know and we can kind

 12 of incorporate that and let all the parties know on

 13 that. Okay.

 14 Anything further on order of witnesses?

 15 Mr. Burnett, let me just ask you this in the

 16 context of direct and rebuttal. Are you going to take

 17 it -- are you going to do it separately or together?

 18 MR. BURNETT: Separately, please, sir.

 19 CHAIRMAN CARTER: Okay. That will be fine.

 20 All right. Number VII, basic positions. And I presume

 21 that the basic positions are the ones that were laid out

 22 in the prehearing order, the draft prehearing order,

 23 right? As we identified the issues, Issues 1 through --

 24 staff.

 25 MS. BENNETT: The basic positions are in

 FLORIDA PUBLIC SERVICE COMMISSION

 12

 1 Section VII. It is an overall summary of the case.

 2 CHAIRMAN CARTER: Okay. That will be -- it

 3 goes through Issue 1 through Issue 3. And there are

 4 parts to Issue 1, subparts. Okay. All right, then.

 5 Are we okay on basic positions.

 6 Section VIII, issues and positions. I guess

 7 those are preliminarily laid out in this, as well, is

 8 that correct?

 9 MS. BENNETT: That's correct, they have been

 10 laid out. I don't think that there is any changes that

 11 the parties have asked for other than that that we have

 12 incorporated earlier.

 13 CHAIRMAN CARTER: Okay. Do you guys agree to

 14 that? Okay. Good deal.

 15 How about we go to Section IX, exhibit list.

 16 Staff.

 17 MS. BENNETT: Mr. Chairman, I would note that

 18 we'll prepare a comprehensive exhibit list consisting of

 19 all of the prefiled exhibits for the purposes of

 20 numbering and identifying the exhibits at the hearing.

 21 Staff will also prepare an exhibit list and a group of

 22 exhibits called the composite exhibit, and we'll provide

 23 that to the parties ahead of the hearing and hope that

 24 it is stipulated into the record.

 25 CHAIRMAN CARTER: Okay. And also any proposed

 FLORIDA PUBLIC SERVICE COMMISSION

 13

 1 stipulations or exhibits that are agreed to by the

 2 parties, that will be in there as well. Okay.

 3 Let's move on to Section X, proposed

 4 stipulations. And from talking to you guys this

 5 morning, there are none, right? Okay.

 6 Section XI, pending motions. We have one

 7 pending motion, right?

 8 MS. BENNETT: Correct, the one that we

 9 addressed in the preliminary matters.

 10 CHAIRMAN CARTER: Okay. We'll deal with that

 11 at the appropriate time when the parties have had an

 12 opportunity to review it and staff can make a

 13 recommendation.

 14 MS. BENNETT: We'll address that by separate

 15 order, I believe.

 16 CHAIRMAN CARTER: Okay. By separate order,

 17 then.

 18 Section XII, pending confidentiality motions.

 19 MS. BENNETT: Madame -- or, Mr. Chairman. I'm

 20 going to do that all morning. There are eight pending

 21 confidentiality requests at this time which will be

 22 addressed by separate order, also.

 23 CHAIRMAN CARTER: Do I look like I'm on my

 24 feminine side today? I thought I was doing John Wayne.

 25 (Laughter.)

 FLORIDA PUBLIC SERVICE COMMISSION

 14

 1 I deserve that because I made a comment -- you

 2 know Lisa has new glasses, so you all need to look at

 3 her and tell her they look good, okay?

 4 MS. BENNETT: Maybe I should have the

 5 prescription checked again. (Laughter.)

 6 CHAIRMAN CARTER: Section XIII, post-hearing

 7 procedures.

 8 Staff, you're recognized.

 9 MS. BENNETT: Staff suggests post-hearing

 10 positions be limited to 50 words and the post-hearing

 11 briefs be limited to 40 pages.

 12 CHAIRMAN CARTER: Okay. That's fairly

 13 standard.

 14 MR. McGLOTHLIN: Mr. Chairman, I would request

 15 some relief from that 50-word limitation. Some of these

 16 issues involve a description of analyses, and there are

 17 only a handful of issues, so if we had 200 words for

 18 each of those, it would still not be a long or

 19 burdensome thing to read.

 20 CHAIRMAN CARTER: I'll tell you what, Mr.

 21 McGlothlin, I'm feeling very charitable today. You have

 22 100.

 23 MR. McGLOTHLIN: Thank you, sir.

 24 CHAIRMAN CARTER: What is that, a 100 percent

 25 increase, isn't it?

 FLORIDA PUBLIC SERVICE COMMISSION

 15

 1 Staff, we'll just make that 100 words and keep

 2 our limit of 40 pages.

 3 Section XIV, any rulings. Staff.

 4 MS. BENNETT: Yes, staff would suggest that

 5 the prehearing officer make a ruling that opening

 6 statements be limited to five minutes.

 7 CHAIRMAN CARTER: Okay. We are going to give

 8 you guys seven minutes since we gave your witnesses

 9 seven minutes, all right. So, staff, we'll make that

 10 correction to seven.

 11 Okay. Any other matters?

 12 MS. BENNETT: Yes. Because there is a new

 13 party to this proceeding, we'd ask that the Attorney

 14 General's Office provide us with any position statements

 15 on the issues and the basic position no later than close

 16 of business on Friday, March 27th.

 17 CHAIRMAN CARTER: Is that a problem, Ms.

 18 Bradley?

 19 MS. BRADLEY: We'll make it happen. Thank

 20 you.

 21 CHAIRMAN CARTER: Excelente.

 22 Alrighty, Staff, any other matters?

 23 MS. BENNETT: No other matters from staff.

 24 CHAIRMAN CARTER: Any other matters from the

 25 petitioners and the intervenors?

 FLORIDA PUBLIC SERVICE COMMISSION

 16

 1 MR. BURNETT: No, sir.

 2 MR. McGLOTHLIN: Nothing.

 3 MS. KAUFMAN: No, Mr. Chairman.

 4 CHAIRMAN CARTER: Okay. Ms. Bradley, you're

 5 going to make your meeting.

 6 MS. BRADLEY: Yes, sir. Thank you very much.

 7 CHAIRMAN CARTER: Anything further?

 8 MS. BRADLEY: No, sir. Thank you.

 9 CHAIRMAN CARTER: Okay. With that we are

 10 adjourned.

 11 (The prehearing concluded at 9:45 a.m.)

 12

 13

 14

 15

 16

 17

 18

 19

 20

 21

 22

 23

 24

 25

 FLORIDA PUBLIC SERVICE COMMISSION

 17

 1

 2 STATE OF FLORIDA )

 3 : CERTIFICATE OF REPORTER

 4 COUNTY OF LEON )

 5

 I, JANE FAUROT, RPR, Chief, Hearing Reporter

 6 Services Section, FPSC Division of Commission Clerk, do

 hereby certify that the foregoing proceeding was heard

 7 at the time and place herein stated.

 8 IT IS FURTHER CERTIFIED that I

 stenographically reported the said proceedings; that the

 9 same has been transcribed under my direct supervision;

 and that this transcript constitutes a true

 10 transcription of my notes of said proceedings.

 11 I FURTHER CERTIFY that I am not a relative,

 employee, attorney or counsel of any of the parties, nor

 12 am I a relative or employee of any of the parties'

 attorney or counsel connected with the action, nor am I

 13 financially interested in the action.

 14 DATED THIS 25th day of March, 2009.

 15

 16 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 JANE FAUROT, RPR

 17 Official FPSC Hearings Reporter

 (850) 413-6732

 18

 19

 20

 21

 22

 23

 24

 25

 FLORIDA PUBLIC SERVICE COMMISSION