DOCUMENT NUMBER-DATE

1	FLODIDA	BEFORE THE A PUBLIC SERVICE COMMISSION
2	FLORIDA	PUBLIC SERVICE COMMISSION
3		DOCKET NO. 090009-EI
4	In the Matter of:	
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13	PROCEEDINGS:	PREHEARING
14	COMMISSIONER	
15		COMMISSIONER KATRINA J. McMURRIAN PREHEARING OFFICER
16		PREMEARING OFFICER
17	DATE:	Thursday August 20, 2009
18	TIME.	Commonand at 0.30 a m
19	TIME:	Commenced at 9:30 a.m. Concluded at 11:00 a.m.
20		Betty Easley Conference Center
21		Room 148 4075 Esplanade Way
22	REPORTED BY:	Tallahassee, Florida
23	VELOVIED DI:	JANE FAUROT, RPR Official FPSC Reporter
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PROCEEDINGS 1 COMMISSIONER McMURRIAN: Okay. Let's call 2 this prehearing to order. 3 And, Mr. Young, will you please read the 4 5 notice. MR. YOUNG: Good morning, Commissioner. By 6 notice issued August 7, 2009, this time and place has 7 been set for a prehearing conference in Docket Number 8 090009-EI. The purpose of the prehearing is set out in 9 10 the notice. COMMISSIONER McMURRIAN: Thank you, Mr. Young. 11 And good morning, everyone. We'll take appearances. Ι 12 quess we'll start with you, Mr. Anderson. 13 MR. ANDERSON: Good morning, Commissioner. 14 COMMISSIONER McMURRIAN: Thank you. 15 16 MR. ANDERSON: Bryan Anderson appearing for 17 Florida Power and Light Company. MS. TRIPLETT: Good morning. Dianne Triplett 18 appearing for Progress Energy Florida. 19 MR. REHWINKEL: Good morning. Charles 20 Rehwinkel on behalf of the Office of Public Counsel. 21 22 MR. BREW: Good morning. James Brew for PCS 23 Phosphate, White Springs. 24 COMMISSIONER McMURRIAN: Good morning. MR. MOYLE: Good morning. Jon Moyle on behalf 25

of FIPUG. 1 COMMISSIONER McMURRIAN: Good morning. 2 MR. JACOBS: Good morning. Leon Jacobs on 3 behalf of the Southern Alliance for Clean Energy. 4 COMMISSIONER McMURRIAN: Okay. And I 5 understand we have some folks with us on the phone. If 6 7 they could identify themselves. MR. WHITLOCK: Good morning. This is Jamie 8 Whitlock also appearing on behalf of the Southern 9 Alliance for Clean Energy. 10 COMMISSIONER McMURRIAN: Thank you, 11 12 Mr. Whitlock. And, Mr. Young. 13 MR. YOUNG: Madam Commissioner, there are 14 15 several preliminary matters. COMMISSIONER McMURRIAN: I was at appearances, 16 17 sorry. MR. YOUNG: I'm sorry, appearances. Keino 18 Young and Anna R. Williams, Commission Staff. 19 20 COMMISSIONER McMURRIAN: Thank you. 21 MS. HELTON: Mary Anne Helton, Advisor to the 22 Commission. COMMISSIONER McMURRIAN: Okay. Thank you. 23 24 And now on to preliminary matters, Mr. Young. MR. YOUNG: Now we're there. Madam 25

Commissioner, there are several preliminary matters. 1 Staff suggests taking each matter in turn. First, it is 2 staff's understanding that we have an agreement on 3 SACE's motion to leave to file supplemental testimony of Arnold Gundersen. We'll let SACE talk about it. 5 Mr. Jacobs. 6 MR. JACOBS: Good morning, Madam Chairman. 7 COMMISSIONER McMURRIAN: Good morning. 8 MR. JACOBS: Due to discussions, I think we 9 have reached an agreement whereby the exhibit, which 10 really was the essence of the supplemental testimony, 11 was an additional exhibit would be admitted into the 12 record, and there will be an opportunity for 13 Mr. Gundersen to address that exhibit in his opening 14 15 statement. COMMISSIONER McMURRIAN: Okay. In his witness 16 17 summary? 18 MR. JACOBS: Yes, ma'am. COMMISSIONER McMURRIAN: Okay. I just want to 19 make sure I understand. 20 So, I guess, Ms. Triplett. 21 22 MS. TRIPLETT: And then the other part of the stipulation -- I agree with that part, and the other 23

part is that Progress' witnesses would be able to

address that exhibit in their summaries for their

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1	rebuttal testimony.
2	COMMISSIONER McMURRIAN: Would it be
3	Ms. Triplett, would it be one witness?
4	MS. TRIPLETT: I believe it would be Mr. Gary
5	Miller and Mr. Hugh Thompson.
6	COMMISSIONER McMURRIAN: And, Mr. Jacobs, is
7	that your understanding, as well?
8	MR. JACOBS: That's consistent that's
9	consistent with my understanding.
10	COMMISSIONER McMURRIAN: Okay. And,
11	Mr. Anderson?
12	MR. ANDERSON: Just with the clarification,
13	it's understood that that it not being offered into the
14	record as to Florida Power and Light Company, is that
15	correct?
16	MR. JACOBS: No, it is being sponsored by
17	SACE.
18	COMMISSIONER McMURRIAN: Well, the letter is
19	with respect to Progress Energy, I think is what Mr.
20	Anderson is thinking of.
21	MR. JACOBS: I see. As to its impact on
22	Progress Energy, I believe the discussions were only
23	regarding Witness Tibitts (phonetic).
24	MR. ANDERSON: Yes. The only point being, it
25	is not being offered or relied upon with respect to any

1	FPL issue, which means we are on the sideline, and we
2	have no problem with what was just described.
3	MR. JACOBS: That is our understanding, as
4	well.
5	MR. ANDERSON: Then we are fine with that.
6	Thank you.
7	COMMISSIONER McMURRIAN: Any other parties
8	want to speak to this?
9	Okay. Mr. Young, what do I need to do with
10	respect to that? Do I need to actually approve that or
11	we just note the agreement of the parties?
12	MS. HELTON: It sounds like that we have an
13	agreement, so I think it would be appropriate for you to
14	just note the agreement of the parties.
15	COMMISSIONER McMURRIAN: Okay. So noted.
16	MR. JACOBS: I'm sorry. I wonder should we
17	file an amended exhibit number on that, or how would you
18	like to do that?
19	MR. YOUNG: You can file an amended exhibit
20	and it will be reflected in the prehearing order.
21	MR. JACOBS: Very well.
22	COMMISSIONER McMURRIAN: It works for me if
23	that works for everyone else. Okay. Thank you.
24	Go ahead, Mr. Young.
25	MR. YOUNG: Just for clarification, I want to

know if Mr. Jacobs is officially withdrawing his motion 1 for the leave to file supplemental testimony based on 2 3 the agreement. MR. JACOBS: Ore tenus I can communicate that 4 we are withdrawing that. We will file official 5 6 paperwork to do that. 7 MR. YOUNG: Thank you. 8 COMMISSIONER McMURRIAN: Thank you. 9 MR. YOUNG: Next, Madam Commissioner, just for the record, both FPL and Progress have filed a joint 10 motion -- a joint petition for variance from or partial 11 waiver of Rule 25-6.0432, Subsection (i)(c)(4). Staff 12 13 recommends that this matter be taken up as a preliminary 14 matter at the hearing. 15 COMMISSIONER McMURRIAN: Okay. Everyone's understanding? It looks like it. Okay. Thank you. 16 17 MR. YOUNG: Also, Madam Commissioner, staff would note that the parties -- the parties want to 18 19 discuss the order of witnesses. The parties have agreed 20 upon an order of witnesses, and staff recommends that 21 the Prehearing Officer approve said order.

The order is as follows: FPL's case will be presented in its entirety prior to Progress Energy Florida's case, before Progress Energy Florida's case is being considered.

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COMMISSIONER McMURRIAN: Okay. And I think 1 you said we have agreement with that, but I will just 2 give anyone a chance to speak to that now. 3 4 Mr. Moyle. MR. MOYLE: I was not a party to the 5 discussion, but just a point of clarification, is that 6 7 going to include direct and rebuttal going in at the 8 same time? MR. YOUNG: No, it will not be direct and 9 rebuttal. I think Ms. Kaufman was a part of the 1.0 discussion. It would not be direct. The order is FPL 11 12 presents its direct followed by the intervenors, and 13 then FPL would present rebuttal, and the same will be -the order will be the same for Progress Energy Florida, 14 15 excuse me. 16 MR. MOYLE: Okay. That helps. Direct, 17 intervenor, then rebuttal, and then the next company. MR. YOUNG: Yes, sir. 18 COMMISSIONER McMURRIAN: Okay. It sounds like 19 20 everyone is on the same page. So I quess we will -- are there any other preliminary matters at this time? 21 22 Mr. Jacobs. 23 MR. JACOBS: We may want to review that. Dr. Cooper will be coming in on Tuesday afternoon, so we 24 25 may want to take a look at and see if his schedule

doesn't permit him to be here in order for the first round of rebuttal, we may want to have his testimony be all-inclusive when he takes the stand in the second round. I'm sorry, rebuttal, I meant intervenor's testimony. COMMISSIONER McMURRIAN: Okay. MR. JACOBS: It may be irrelevant because the time may work out perfectly. But in that event, we will have discussion with the parties to address that. COMMISSIONER McMURRIAN: So when you say

COMMISSIONER McMURRIAN: So when you say

Tuesday afternoon, do you mean that he will actually be

at the hearing Tuesday afternoon, or his flight -- he

wouldn't plan on being here until the next day?

MR. JACOBS: He will probably be arriving mid-afternoon, so he probably could be here that afternoon late.

COMMISSIONER McMURRIAN: Okay.

Mr. Anderson, do you have any idea whether that will be a problem? I really don't know how long to expect.

MR. ANDERSON: We definitely have cross-examination of Mr. Copper. We would like to definitely do that in the ordinary order rather than have a portion of the FPL case during the Progress case. That's not where we want to be. I think it will all

depend on how much examination people have for direct witnesses Tuesday morning. If we are done with the direct, I think we could probably just take -- you know, whenever Dr. Cooper gets here on Tuesday, we can examine him and be done as to FPL.

COMMISSIONER McMURRIAN: Mr. Young, any thoughts?

MR. YOUNG: I think the order -- I think the notice -- all the parties were aware of the date of this hearing. We have a lot of witnesses, and for one witness to be taken out of turn might be problematic in terms of our order of witnesses, and it might be prejudicial to the company in terms of them being given the opportunity to cross-examine Dr. Cooper.

So at this time, I'm a little hesitant to recommend that you grant leave to SACE to have Dr.

Cooper be taken out of turn, but possibly we can work this out and bring it forward to you at a later time and have it be reflected in the hearing order before it is issued, the final prehearing order.

COMMISSIONER McMURRIAN: Okay. It sounds like, Mr. Jacobs, that Dr. Cooper will be here Tuesday afternoon, and I would probably be surprised -- I'm optimistic, but I would probably be surprised if we were already at the stage of FPL's rebuttal before Dr. Cooper

could get here anyway. So I think --1 MR. JACOBS: I suspect so. 2 COMMISSIONER McMURRIAN: -- that will work. 3 But if plans haven't been made -- and this is something 4 I was going to talk about at the end. I mean, you know 5 what our calendar is, and we do have these days 6 scheduled and we really don't have other days. So we 7 need to have the witnesses here and ready to be on board 8 when they are called to the extent we can. We realize 9 sometimes emergencies and all take place, so we will do 10

a problem.

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MR. JACOBS: I suspect you're correct.

the best we can, but it sounds like it probably won't be

COMMISSIONER McMURRIAN: But thank you for letting us know ahead of time.

> MR. JACOBS: Thank you.

COMMISSIONER McMURRIAN: Okay. Any other preliminary matters before we go through the prehearing order?

MR. ANDERSON: If I could just clarify. exactly as you stated, FPL is happy to work with SACE provided the witness appears during the time of the FPL case. We would strongly object to him being taken up in the context of the Progress as to FPL.

MR. JACOBS: I understand.

COMMISSIONER McMURRIAN: Thank you. Any other 1 2 preliminary matters? 3 Ms. Triplett. MS. TRIPLETT: It just occurred to me, can I 4 just confirm that Dr. Cooper is going to stay and also 5 present his testimony with respect to Progress later in 6 7 the week? 8 MR. JACOBS: That is correct. 9 COMMISSIONER McMURRIAN: Thank you. 10 MS. TRIPLETT: Thank you. COMMISSIONER McMURRIAN: Okay. I guess we 11 12 will proceed through the draft prehearing order. And 13 with respect to these first few sections, we may go 14 through them quickly, so if you have any changes to 15 those sections. Sections I through IV, Case Background, 16 17 Conduct of Proceedings, Jurisdiction, and Procedure for Handling Confidential Information. Any changes with 18 19 respect to those? Okay. 20 Hearing none, moving on to Section V, Prefiled 21 Testimony, Exhibits, and Witnesses. 22 MR. YOUNG: Madam Commissioner, it is my 23 understanding that PCS Phosphate has a correction under 24 the prefiled testimony and exhibits. 25 MR. BREW: Yes, Commissioner. With respect to

the issues for Peter Bradford, it should be limited to 1 2 Issues 21, 21A, 23, 23A, 23B, 30, and 31. 3 COMMISSIONER McMURRIAN: Staff, did you get those? MR. YOUNG: Yes, ma'am. 5 COMMISSIONER McMURRIAN: Okay. All right. 6 7 And that's actually in Section VI, but we can go ahead 8 and take that up, as well. With respect to Section V, 9 though, Staff, what is your recommendation for the 10 witness summaries? MR. YOUNG: Staff recommends that witness 11 12 summaries be limited to five minutes. COMMISSIONER McMURRIAN: Okay. Is everyone --13 14 MR. YOUNG: Per witness. COMMISSIONER McMURRIAN: That's the standard. 15 16 I see nodding of heads. Okay. And, also, I would like 17 to remind parties that that is the section of the 18 prehearing order that refers to duplicative, 19 repetitious, and friendly cross not being allowed. So I 20 just have that reminder there. 21 Any other changes with Section VI, the order 22 of witnesses or the issues with respect to those 23 witnesses' testimony? 24 MR. JACOBS: Madam Chair. 25 COMMISSIONER MCMURRIAN: Mr. Jacobs.

MR. JACOBS: If I may go back to Section V for just a moment.

COMMISSIONER McMURRIAN: Okay.

MR. JACOBS: This issue continues to raise itself, the duplicative and friendly cross. I would, subject to the discretion of the Chair, wonder if we can get some clarity as to exactly what that is.

COMMISSIONER McMURRIAN: Ms. Helton, would you like to help us out with that? I could try, but then she will have to correct me.

MS. HELTON: I was really hoping I wasn't going to have to bring out my treatises today, and I'm not going to bore you all with reading them, but I am going to point you to two sections. One is Professor Ehrhardt's Florida Evidence, I'm looking at the 2009 edition in section -- hold on just a second.

COMMISSIONER McMURRIAN: Okay.

MS. HELTON: Section 612.1 on Direct

Examination, start with paragraph on Page 623, he gives
his interpretation concerning what direct or
cross-examination should be allowed in cases, complex
cases such as this one, where there are multiple parties
and multiple sides. Judge Padovano ckkk from the First
DCA, in his Florida Civil Practice, and I'm looking at
the 2009 Edition, in Section 19.6, the third paragraph

gives his thoughts on how we should conduct ourselves in multi-party very complex proceedings where there are multiple sides, and both of them contemplate that when you have parties that are aligned, that there should not -- that the parties who are aligned should not be allowed to cross-examine each others' witnesses.

We haven't gone that far here I believe in our language. We have incorporated what is appropriate from the Florida Administrative Procedures Act concerning that repetitious and duplicative cross-examination is not appropriate and shall not be allowed. And we have also contemplated that one party who is aligned should not be able to bolster the testimony of an aligned party's witness when that witness could have testified to that him or herself or the party could have prefiled testimony.

This is a means -- as you have noted already today, we have an incredibly full calendar. We have had a lot of complex hearings this year, and this is a means that I think is afforded to you under the APA, the Florida Administrative Code, and the Uniform Rules to expeditiously get through these proceedings and give everyone the rights that are due to them.

So we aren't saying that two aligned parties can't cross-examine each other if there's questions or

confusion on the record, but if the attempt is to 1 bolster the testimony that has already been filed or 2 something that could have been filed by that party, then 3 I don't think that's appropriate. And I hope that 4 5 helped. 6 MR. JACOBS: Thank you. That helps. 7 COMMISSIONER McMURRIAN: Thank you, 8 Mr. Jacobs. Okay. Any other changes to Section VI on the 9 1.0 issues identified by the witnesses or the order? And 11 anyone else that has concerns about witnesses being 12 available, if you would let the other parties know that 13 now we would probably be better off. Okay. 14 Hearing none, I guess that takes us to basic 15 positions. Any changes to basic positions? 16 Mr. Rehwinkel. 17 MR. REHWINKEL: Yes, Commissioner. Public 18 Counsel needs to add a sentence to our basic position. 19 I can read that now or supply it to counsel for staff. 20 MR. YOUNG: Madam Commissioner, before Public 21 Counsel gets to Section VII, staff would like to encourage the parties to work on possibly stipulating 22 23 the witnesses. It's my understanding that FPL can

possibly stipulate staff's witnesses in reference to Mr.

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Fisher.

1	MR. ANDERSON: Yes.
2	COMMISSIONER MCMURRIAN: Thank you, Mr. Young.
3	I did skip right over that part. So Mr. Fisher. Are
4	there any objections?
5	MR. YOUNG: I'm sorry. It's Fisher and Rich.
6	It's joint prefiled testimony.
7	COMMISSIONER McMURRIAN: I'm sorry, Mr. Young.
8	Can you repeat that?
9	MR. YOUNG: It's Fisher It's Lynn Fisher
10	and David Rich, the joint staff's joint prefiled
11	testimony.
12	COMMISSIONER MCMURRIAN: Okay.
13	MR. YOUNG: Which addresses Issues 7 and 7A.
14	COMMISSIONER MCMURRIAN: Okay. So with
15	respect to FPL.
16	MR. ANDERSON: We agree, yes.
17	COMMISSIONER McMURRIAN: You agree. Any other
18	concerns of any of the other parties about stipulating
19	the testimony? Okay. Hearing none.
20	MR. REHWINKEL: Are you asking whether the
21	parties stipulate to the witnesses?
22	COMMISSIONER MCMURRIAN: I believe so. I
23	think that's what I'm asking.
24	MR. REHWINKEL: I didn't realize that was a
25	request, and I

COMMISSIONER McMURRIAN: Mr. Young, can you 1 2 repeat what it is? 3 MR. REHWINKEL: No, I understood that. I did not -- I had not had a chance to contemplate that. I 5 did not know that they were going to be seeking that 6 until just now. If I was inattentive, I apologize. And 7 I'm not saying I don't agree, I just need an opportunity 8 to review that issue. 9 COMMISSIONER McMURRIAN: We'll give you a 10 chance to look at it. Then we will --11 MR. YOUNG: Not a problem. 12 COMMISSIONER McMURRIAN: We don't have to 13 decide that now, right? 14 MR. YOUNG: No, ma'am. We just encourage the 15 parties to work on possibly stipulating the witnesses. 16 COMMISSIONER McMURRIAN: So if you can just 17 let Mr. Young or Ms. Williams know later, that will be 18 fine. 19 MR. REHWINKEL: Okay. 20 COMMISSIONER McMURRIAN: And are there any 21 other witnesses proposed for possible stipulation? And, 22 of course, as always, the staff -- after witnesses such 23 as these are identified, staff always checks with the 24 Commissioners to see if they have any questions or 25 concerns about stipulating those witnesses. And if

1 Commissioners have questions, they would not be excused. 2 MS. TRIPLETT: Commissioner, I just wanted to 3 know -- we are working on a couple of stipulations, but 4 I don't have agreement from everyone yet. But we will 5 definitely, you know, keep in contact with Mr. Young 6 and, hopefully, get some of them stipulated. 7 COMMISSIONER McMURRIAN: Okay. Thank you. 8 Okay. Mr. Rehwinkel, if it's just one 9 sentence, I think you can go ahead and read it into the 10 record. I think that would be good. 11 MR. REHWINKEL: Okay. At the end of our 12 position, this would need to be added. 13 COMMISSIONER McMURRIAN: So with respect to 14 FPL. 15 MR. REHWINKEL: With respect to -- I'm sorry, 16 PEF, I apologize. 17 **COMMISSIONER McMURRIAN:** Okay. MR. REHWINKEL: "Additionally, the Commission 18 19 should place PEF on notice that costs expended prior to 20 the issuance of any license amendment request approval could be subject to further prudence review if the 21 22 related LAR(s) are denied." 23 MR. YOUNG: Can you read that one more time? 24 COMMISSIONER McMURRIAN: You could also submit 25 it, as well, but we definitely wanted to get it on the

1 record. But go ahead and read it one more time, Mr. 2 Rehwinkel. 3 MR. REHWINKEL: Okay. We changed a word or 4 two from what I had written, so --5 COMMISSIONER McMURRIAN: Well, actually, let's 6 just have you -- if you will just submit it to Mr. Young 7 later, I think that will work then. 8 MR. YOUNG: That would definitely work. 9 COMMISSIONER McMURRIAN: Thank you. Okay. 10 Any other changes to basic positions? Hearing none. 11 We'll proceed to Issue 1, and I realize that 12 staff has distributed a document with its new positions 13 on several issues. So as we go through these issues 14 one-by-one, we possibly can identify any possible 15 stipulations and whether there might be others. And if 16 there are changes to parties' positions on individual 17 issues, if we --18 Go ahead, Mr. Rehwinkel. 19 MR. REHWINKEL: Commissioner, I would -- I 20 just wanted to ask if the ground rules are going to be 21 the same for hearings, in general, where we have what 22 are called Category I and Category II stipulations. And

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I think I are where everyone agrees affirmatively, and

Category II are where two or more parties agree and the

remaining parties might take a no position, indicating

they do not object to the stipulation going forward being approved by the Commissioner.

COMMISSIONER McMURRIAN: To be shown as agreement. Absolutely.

MR. REHWINKEL: And I am prepared today to make those kind of commitments on especially Category

II. And so, if I can do that -- we can do that if that is useful or helpful to the process.

MR. YOUNG: Yes, it is. I'm not familiar with Category I and Category II. I'm familiar with a partial stipulation, a full stipulation, but I can -- I think I can decipher between both.

never can remember which category is which, but we usually do identify them in the orders when we have a number of parties like this, and we have stipulations among some parties, but the parties don't necessarily want to be noted as being in agreement with the other parties' proposed stipulations.

So perhaps we may not want to use Category I and Category II, but to the extent a party wants to retain no position, then I think that that wouldn't signify that you were in agreement with any stipulation that was proposed.

MR. YOUNG: Not a problem. And all agreements

will reflect the parties who are in agreement and the parties who took no position or the parties who opposed the stipulation.

commissioner mcmurrian: Okay. And we can make sure in the prehearing order that's issued that it's clear who agrees to what.

MR. YOUNG: Yes, ma'am.

COMMISSIONER McMURRIAN: Okay. And,
Mr. Young, is there anything else before we proceed
issue-by-issue?

MR. YOUNG: Yes, ma'am. Staff would note that each party -- each party must take a position by the end of the prehearing conference if they aim to have a position, otherwise the party's position becomes no position. Having said that, there are a few parties that have taken no position at this time on a number of issues. Staff requests that the parties be given leave to take -- if the parties cannot -- if the party's position changes, staff requests that the parties be given leave to take positions at the close of business on Wednesday, August 26th, 2009.

It is my understanding that Mr. Rehwinkel has, on Issues 25 through 27, taken no position pending information adduced at hearing, and Ms. Triplett is in agreement to possibly grant leave for a week to work it

out and see if Mr. Rehwinkel and Ms. Triplett can reach a compromise on the positions.

understanding, as well, but I will also say that with respect to issues that aren't pending some kind of change in the numbers or something that has just arisen, I'm hoping that people have positions today. So I guess what I'm saying is I don't want to suggest that we are waiting on changes in all positions for Wednesday, August 26th. Is that your understanding, Mr. Young?

MR. YOUNG: Yes, ma'am. I think I misspoke on

MR. YOUNG: Yes, ma'am. I think I misspoke on that one.

COMMISSIONER McMURRIAN: Okay. No, I don't think you misspoke. I am just trying to make sure that I am clear.

MR. REHWINKEL: Just to be clear,

Commissioner, there was a late factual change that

through no fault of Progress it was brought to attention

through a response to staff's discovery and the company

has agreed to provide an informal opportunity for us to

explore the ramifications of that so that we can be

comfortable enough to take a position or no position,

and we will do that by a week from today, if not today.

COMMISSIONER McMURRIAN: Okay. Thank you.

MS. TRIPLETT: That's right, Commissioner.

MR. YOUNG: And just for a point of 1 clarification, Madam Commissioner, that is on Issues 25, 2 3 26, and 27, correct? MS. TRIPLETT: Correct. MR. REHWINKEL: Those three. 5 COMMISSIONER McMURRIAN: Thank you both. 6 Okay. So go ahead and proceed through 7 issue-by-issue? 8 MR. YOUNG: Yes, ma'am. 9 COMMISSIONER McMURRIAN: Okay. With respect 10 to Issue 1, and I note that that's one of the issues 11 12 that staff has proposed -- or added its position. Are 13 there any changes to the positions on Issue 1? Mr. Jacobs. 14 MR. JACOBS: I'm understanding that staff is 15 16 proposing their language as a stipulation to this, is 17 that correct? COMMISSIONER McMURRIAN: Well, they are 18 proposing their position, and I think whether or not 19 Mr. Anderson is prepared to stipulate to staff's 20 position is up to him. So, I guess --21 22 MR. JACOBS: I see. 23 **COMMISSIONER McMURRIAN:** -- it's proposed, this is their position, and Mr. Anderson, I guess I will 24 be looking to him to see if they are in agreement with 25

1 the staff's position. 2 MR. JACOBS: Thank you. 3 MR. ANDERSON: For Issue 1, FPL has reviewed 4 this. We believe it is accurate and we would accept 5 this. MR. YOUNG: Also, Progress Energy Florida is a 6 7 party to Issue 1, too. 8 COMMISSIONER McMURRIAN: Okay. 9 MS. TRIPLETT: Yes, it is a legal issue, and 10 we, too, have reviewed it and the staff's proposed 11 stipulated change is acceptable to Progress. 12 COMMISSIONER McMURRIAN: Okay. Thank you 13 both. Are there any other changes on positions on Issue 14 1, because I think we would be noting that as a 15 potential stipulation. But to the extent that other 16 parties want to add or change positions at this time. 17 Mr. Rehwinkel. 18 MR. REHWINKEL: We will go to no position, 19 period. 20 **COMMISSIONER McMURRIAN:** Okay. 21 MR. BREW: PCS will also go to no position. 22 COMMISSIONER MCMURRIAN: Okay. Thank you, 23 Mr. Brew. 24 MR. REHWINKEL: Madam Chairman, let me state 25 for the record that our taking of no position is for the

purposes of this hearing and this hearing alone. We don't fully understand the ramifications of this with respect to appropriate AFUDC rates down the road, and there are some legal issues there that we are not fully in understanding of, but for purposes of this hearing our position is no position.

COMMISSIONER McMURRIAN: Okay.

MR. YOUNG: And, Madam Commissioner, that will be reflected as a Category II stipulation between Progress Energy Florida, Florida Power and Light, and staff, with the intervenors taking no position.

COMMISSIONER McMURRIAN: Okay. Mr. Moyle, no position?

MR. MOYLE: No, I think that works so long as we are all on the same page with respect to the ramifications of the Level II agreement, or Level II issue. I mean, the concern we have expressed both here or other dockets and I have expressed again here is, you know, the word stipulation — when it says stipulation leads one to think, okay, everybody agreed to this, and that is not necessarily the case.

We don't dispute it, don't have an issue with it, we will change it to no position, but I don't want it to be perceived as an agreement or a sign-off to the extent that there later developed an issue and we came

back and someone said, wait a minute, you stipulated to 1 That is not the case. 2 it. COMMISSIONER McMURRIAN: And the Commissioners 3 will be aware of that. It will be presented by the 4 staff in such a way that the Commissioners will be clear 5 that it is just a proposed stipulation or agreement 6 between those identified parties and that other parties 7 8 just took no position. Mr. Jacobs, do you want no position? 9 MR. JACOBS: No position, period. 10 MR. YOUNG: And, Madam Commissioner, it will 11 clearly be reflected in the prehearing order of who 12 agreed to the position -- to the stipulation and who 13 14 took no position. 15 COMMISSIONER MCMURRIAN: Okay. Given that, I guess we will show that as a Category II proposed 16 17 stipulation. Okay. Moving on to Issue 2. Any changes? 18 And to the extent we don't discuss any changes, again, 19 20 all no positions at this time will become no position. 21 MR. REHWINKEL: No position. 22 COMMISSIONER McMURRIAN: Okay. 23 MR. BREW: No position. 24 COMMISSIONER McMURRIAN: 25 MR. JACOBS: No position.

MR. REHWINKEL: Commissioner, perhaps this will speed things along. Some of us are trying to get back to an Issue ID in a Progress rate case. Silence as far as I am concerned means I revert to no position.

COMMISSIONER McMURRIAN: Yes, that's what I was -- so if you are shown as no position at this time, it will be changed to no position unless you tell me otherwise, and that will speed this along, I think.

With respect to Issue 4, I see that staff has proposed a position on Issue 4.

MR. YOUNG: Issue 3.

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COMMISSIONER McMURRIAN: Oh, I'm sorry, I did skip 3, didn't I? I apologize.

Issue 3. Any changes?

MR. REHWINKEL: This is one where Public Counsel is not sure about whether this should be an issue in this case or not. And, really, we're -- I think this is more a legal issue, and I don't know that we have formulated our legal position on this one. This is one that I just have to say that we're not prepared to take a position on, because it was -- I think there is some confusion about whether this should be in the rate case docket or in this docket. I don't know where the staff is on that. I just don't know. I think we tend to -- I don't know.

1 COMMISSIONER McMURRIAN: I don't either. 2 Mr. Young. 3 MR. YOUNG: Madam Commissioner, it does --Issue 3 does affect some of the dollars FPL is requesting to recover through the clause, so thus we --5 that is the reason why staff has this issue in there. 6 7 And I think it's relevant -- I mean, I think it is a relevant issue to be teed up, excuse me, for lack of a 8 9 better word, at this juncture, at this hearing. 10 COMMISSIONER McMURRIAN: Mr. Young, is it a 11 legal issue alone? 12 MR. YOUNG: It is a legal issue with some 13 policy implications, so I won't say it's a legal issue 14 alone. 15 COMMISSIONER MCMURRIAN: So is it the type of 16 issue that could just be briefed at the -- I'm not 17 trying to put everyone on the spot. I'm just trying to 18 make sure I understand as well if it is a legal issue or 19 a policy issue. Let me ask it this way. Are FPL and 20 Progress putting on testimony with respect to Issue 3? MR. ANDERSON: Yes, we have. We believe it is 21 22 primarily a legal issue, but we also explain kind of the 23 ins and outs of the significance of the issue. 24 **COMMISSIONER McMURRIAN:** Okay. 25 Ms. Triplett.

MS. TRIPLETT: Progress would agree, yes.

MR. REHWINKEL: It seems to me from the Public Counsel's standpoint that I don't know that it is necessary for the administration of justice in this hearing that the parties fully formulate their legal position on an issue. I think we ought to be entitled to brief it. And, you know, after what we've heard at the hearing this is -- I think this is mostly a legal issue, and I think that their testimony is for explication rather than to kind of, you know, say what the issue ought to be. So we would prefer to have the leave to brief this issue in post-hearing if appropriate, and I don't think that would prejudice anybody's rights.

commissioner mcmurrian: Well, I think to the extent it remains an issue it would be available to be briefed. I guess what I'm struggling with is whether or not -- it seems to me that you should have a position going forward. That if you leave no position, that that is not --

MS. HELTON: I'm not trying to put words in Mr. Rehwinkel's mouth, but what if his position is that he doesn't think this issue is appropriate for this proceeding, which is what it sounds like, and then the parties can brief whether it is and what the outcome

should be.

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MR. REHWINKEL: I just don't want to be foreclosed because I haven't formulated, or our office hasn't taken a legal position on this. I don't think we should waive our right to participate in this issue in post-hearing matters.

commissioner McMurrian: Right. That's what I was suggesting. I am just saying that I don't think you would want to leave your position shown here as no position. You might want to somehow articulate what you have just told us. I don't know. I'm just worried that --

MR. YOUNG: I think if I can -- if we can give a little background on how this issue came about, because it was initially, and it was going to be proposed in the rate case, and all the parties agreed to move it to this docket. And I'll let Mr. Hinton further elaborate on that.

MR. HINTON: I'd be happy to. Yes, this is an issue that, like Mr. Young said, was in the rate cases. It addresses whether the statute provides for a particular AFUDC rate to be applied to these — in this docket. And the issue comes about as to what do you do if that AFUDC rate is different from the company's approved AFUDC rate, whether it should be recorded and

accounted for later when the project rolls into rate base or whether there is just a single AFUDC rate to be applied across the board to these projects.

Initially, when it was brought up in the rate cases, we thought that that is where it belonged, because it really didn't have an impact on recovery through this clause, because it was dealing with a difference between, you know, what we are dealing with in the clause and what would be handled in rate base later on. But then looking more closely, we realized that actually there is some impact this year for FPL because of some items being put into rate base this year. So we did feel -- we changed our thinking on that and decided that, yes, it actually is appropriate for this docket because it does impact some transition into rate base for FPL this year.

what I was trying to say was I just want it to be clear to the Commissioners when they get the prehearing order that OPC and perhaps other parties don't take no position. They perhaps have a position about whether or not this should be here or whatever position you want to take. I'm not trying to put words in your mouth, I'm just trying to make it where everyone will understand where you all are with respect to this.

MR. BREW: I would note there may have been discussions with parties in the FPL rate case, but it was never brought up and discussed with parties just to this docket.

COMMISSIONER McMURRIAN: In this docket.

MR. BREW: Until it appeared.

establishing procedure contemplates that you don't have to take a position for good case shown. The discussion I have heard today, it sounds like that the parties truly have not had an opportunity to flesh out where they stand here, so I think this may be one of those times when they are not required to take a position.

ask this, though, should they take a position by the August 26th deadline we're talking about, or leave it no position throughout the hearing? I guess that's my confusion. I don't have any problem with them waiting, and I'm not sure if I have any problem with them taking no position throughout. I just want to be clear.

MR. YOUNG: Madam Chairman -- I mean, Madam Commissioner, excuse me, this issue was in the issue ID meeting. This issue was brought up, raised, the parties discussed it at the Issue ID meeting. Staff has sent out a proposed list of issues, I think going on three

weeks now. So I would recommend that the parties take a position by Wednesday, August 26th, because of the length of time that the parties have had to contemplate this issue. We have testimony on this issue. It affects FPL's rate -- the possible dollars FPL can possibly recover through the clause this year. So staff will recommend that you make a ruling that the parties have a position by the 26th of August, 2009.

COMMISSIONER McMURRIAN: Mr. Brew.

MR. BREW: Given that at least with respect to Progress they framed it as a statutory matter, I would support OPC's notion that the parties be allowed to brief it.

MR. MOYLE: On behalf of FIPUG, we would also want the ability to address it in post-hearing briefs. I mean, it's interesting in some respects in that Florida Power and Light says yes and PEF says no. So there is going to be testimony on it from an intervenor's perspective. Having witnesses up would provide the opportunity to explore it a little bit further, and just by taking no position today to be foreclosed from subsequently addressing it, I kind of agree with Mr. Rehwinkel. But, I guess, however you want to do it, I mean, you know, FIPUG would take a position that the AFUDC rate, which has the lowest

impact on consumers should be adopted. If that position needs to be stated to preserve the ability to brief it, we would take that, but I would think the better way to do it would just be to allow parties the opportunity to brief it since it does appear largely to be a legal issue. That will be shaped by some testimony, but ultimately it will be a legal issue.

MR. YOUNG: Just for point of clarification,
Madam Commissioner, staff was not suggesting the parties
if they take a position today that they wouldn't be able
to brief it in post-hearing briefs, just to clarify
that. Staff is just saying by August 26th staff
recommends that you take a position. That's simple.
That's it.

commissioner mcMurrian: I wasn't suggesting that, either, but it does feel like we are all talking past each other, but maybe I'm just confused.

Mr. Rehwinkel, if you can help me. Because when you were talking about briefing it, I assumed you meant at the end of the case.

MR. REHWINKEL: Yes, Commissioner. I think
Mr. Keino's suggestion is a fair one. I will say that I
do recall this being discussed at the Issue ID, and I
know Mr. Hinton expressed an opinion about it. We were
not sure where this had landed. It appears to have

handed here, and we can provide a position by next week that, you know, will be tentative, and it will also preserve for us the ability to brief this. I think the contrast is rather stark between the two companies here, so there is a dispute as to how to interpret the statute. And it probably would be helpful to the Commission to have the input of the companies and the intervenors as to how this ought to be interpreted, because it's an issue that will live on for years.

MR. HINTON: Commissioner, if I could clarify something in my dialogue on how this issue came to be. I did leave out something that I realized after I had pushed away from the microphone. Originally, there was discussion about moving this out of the rate cases into this docket. And we initially didn't agree with that, because we didn't feel like it affected recovery in this docket. But we did suggest that parties raise this issue in a motion for declaratory statement. That we agreed that, yes, it didn't actually need to be in the rate case, but it didn't affect things in this clause, so let's deal with it as a declaratory statement.

But subsequent to that, shortly thereafter, we realized this -- we caught where it does impact this clause, and then we said, yes, this is the appropriate thing. So while it was discussed, yes, it wasn't

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necessarily as clear-cut. I just realized that.

COMMISSIONER McMURRIAN: Okay. And I think -given that, I think parties should have some time to decide how they want to reflect their positions similar to what we were talking about before. I do think it would be helpful instead of retaining no position to have some kind of indication. Again, I'm not trying to tell you what it needs to say or how tentative it can be, I think it just needs to be something beyond no position if you contemplate having one.

MR. JACOBS: If I may, Madam Chair.

COMMISSIONER McMURRIAN: Yes, Mr. Jacobs, sorry.

MR. JACOBS: I think it's instructive to hear staff's background on this because this issue probably doesn't lend itself to just an easy yes or no answer. So, I think while I receive -- and I think it's a good objective to get a position on this statement, on this issue, I think what intervenors are telling you is that we -- there is probably some latitude necessary where a yes or a no, up or down on this needs a deeper answer than that, and so we would want to reflect that in our positions.

COMMISSIONER McMURRIAN: Well, let me ask a procedural question of the attorney. A party is

entitled to, after evidence has been gained at the
hearing, to change their position in their briefs
regardless, right? I mean, that's already a fundamental
right in a sense.

MR. YOUNG: Yes, ma'am.

COMMISSIONER MCMURRIAN: So to the extent they
take a somewhat tentative position by August 26th and

COMMISSIONER McMURRIAN: So to the extent they take a somewhat tentative position by August 26th and they have a firm position after the hearing, they can so note that position in their briefs.

MR. YOUNG: Yes, ma'am.

all on the same page, then. Thank you. So everyone will get language to Mr. Young or Ms. Williams by August 26th. Does that work for everyone? Thank you. I think that did help, so I appreciate everyone's cooperation. Okay.

Issue 4. We're starting into the FPL specific issues. And, again, I note that the staff has passed out a position on Issue 4. Mr. Anderson.

MR. ANDERSON: It is agreeable to FPL.

COMMISSIONER McMURRIAN: Okay. Do other parties want to change their positions on Issue 4, other than the normal? Okay. Hearing none, I suppose we could show that as a Category II stipulation between staff and FPL.

1 MR. YOUNG: Yes, ma'am. 2 COMMISSIONER McMURRIAN: Okay. And moving on 3 to Issue 5. And I see that staff has proposed a 4 position here, as well. 5 Mr. Anderson. MR. ANDERSON: FPL is agreeable to this one, 6 7 as well. 8 COMMISSIONER McMURRIAN: Okay. Are there 9 changes to any of the other parties' positions with 10 respect to Issue 5? Okay. 11 MR. JACOBS: I am going to need to reserve our 12 position until the deadline that has been stated because 13 there are some ramifications, I believe, of this to some 14 other issues that we are dealing with. So if you would, 15 we will keep our no position at this point, but I want 16 leave to modify that by the 8/26 deadline. 17 COMMISSIONER McMURRIAN: Okay. And your 18 reasoning for that is because you want to be able to 19 contemplate the staff's proposed position? Is that what 20 you are saying, Mr. Jacobs? 21 MR. JACOBS: Yes, ma'am. 22 COMMISSIONER McMURRIAN: Okay. So by 23 August 26th you will get your position on Issue 5 to the 24 staff? 25

MR. JACOBS: Yes.

1	COMMISSIONER McMURRIAN: Okay.
2	MR. YOUNG: And just for point of that is
3	only Mr. Jacobs. FIPUG and OPC takes no position.
4	COMMISSIONER MCMURRIAN: I understand.
5	Okay. Issue 6. Again, we have a proposed
6	we have a position proposed by the staff. Mr. Anderson.
7	MR. ANDERSON: FPL agrees with staff's
8	position.
9	COMMISSIONER McMURRIAN: Okay. Any other
10	changes to parties' positions on Issue 6 other than the
11	no position? Hearing none, I suppose we could show that
12	as a Category II stipulation.
13	MR. YOUNG: Yes, ma'am.
14	COMMISSIONER McMURRIAN: Okay. Issue 7. Any
15	changes?
16	MR. MOYLE: FIPUG would concur with OPC.
17	COMMISSIONER McMURRIAN: Okay. Any others?
18	Okay. Issue 7A.
19	MR. YOUNG: Just for clarification, sorry for
20	the holdup, Commissioner, but SACE takes no position?
21	MR. JACOBS: This is on Issue 7?
22	MR. YOUNG: Yes, sir.
23	MR. JACOBS: We would say no position.
24	COMMISSIONER McMURRIAN: Mr. Young, what we
25	talked about earlier was if no one speaks up, and they

1	have no position at this time, we will just show it as
2	no position.
3	MR. YOUNG: Thank you. Sorry about that.
4	COMMISSIONER McMURRIAN: That's all right.
5	So, Issue 7A, any changes?
6	Okay. Issue 8, any changes?
7	Issue 8A, any changes?
8	Issue 9. I see the staff has passed out a
9	position on Issue 9. Mr. Anderson.
10	MR. ANDERSON: FPL agrees with staff's
11	position on Issue 9.
12	COMMISSIONER McMURRIAN: Okay. Any other
13	changes on Issue 9? Okay. I suppose we will show that
14	as a Category II stipulation, as well.
15	Issue 10. I see staff has passed out a
16	position on Issue 10.
17	MR. JACOBS: I'm sorry.
18	COMMISSIONER McMURRIAN: Mr. Jacobs.
19	MR. JACOBS: Issue 9.
20	COMMISSIONER McMURRIAN: Okay.
21	MR. JACOBS: As I'm looking at that now, we
22	probably want to I want to reserve that one, as well,
23	and we will keep it at no position at this time, but by
24	the 26th we will have a final position on that.
25	MR. YOUNG: Just for point of clarification,

is that because of staff's proposed language?

MR. JACOBS: Primarily, and my principals haven't had a chance to review that language.

MR. YOUNG: Okay.

commissioner McMurrian: Okay. Mr. Jacobs, I suppose -- I guess my only confusion is, is staff's statement is a one sentence position on Issue 9. It just seems to me that parties should be prepared today to take an issue whether or not they have seen -- I guess I see some difference in when staff has taken sort of more detailed positions, especially with respect to these policy issues, but it seems to me that today you should be prepared to take an issue on how you see Issue 9.

MR. JACOBS: If I did today, Madam Chair, sitting here today, I would probably take a no position. And here is why: This position seems to be a fairly broad and inclusive approval of the matters included there. And because of the breadth of that approval, I'm very concerned about deeper ramifications. So if I were to take a position today, I would probably take a no position.

COMMISSIONER McMURRIAN: Well, I will go ahead and give you the chance to look at it and consult your client and provide that on August 26th. I guess that

was more of an editorial comment.

MR. JACOBS: No, I understand. I understand.

COMMISSIONER McMURRIAN: But thank you,

Mr. Jacobs. We'll look forward to getting that from you
on August 26th.

Issue 10. And I see staff has proposed a position on that, as well. So, Mr. Anderson, are you changing your position or not?

MR. ANDERSON: Let me provide just a little information and see how we go.

COMMISSIONER McMURRIAN: Okay.

MR. ANDERSON: Looking at Issue 10, the first paragraph, the numbers check absolutely fine. The second paragraph, we haven't presented the numbers in quite that way in our positions, so we would need to check the numbers. And we don't have any reason to doubt that they are accurate, but we would like to — what I would suggest is that we agree with staff's position, subject to check, and calling back to staff and others if there are any differences in the figures.

And then, you know, of course, staff or anybody else would be free to change their mind. But because these are the dollar and cent points, without having a chance to look at the particular, for example, capacity cost-recovery clause over and under and things,

I am just not in a position to have done that math here 1 2 today. That's fine. So for COMMISSIONER McMURRIAN: 3 now we will just show staff's position as reflected on 4 the handout, and your position can stay as is and you 5 all can work to see if you can get there or not. But, 6 no, I'm not trying to encourage anyone that they have to 7 make up their mind today about all of this. It is just 8 trying to see if we can identify proposed stipulations, 9 then we will. And if we can't, we can't. 10 11 12

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MR. ANDERSON: Right. And just from a process perspective, Mr. Young, we just want to have people check the numbers. I will get back to staff in this circumstance. And, you know, I expect our position will be that this is fine, but I just wanted to make sure we check it.

MR. YOUNG: Not a problem.

COMMISSIONER McMURRIAN: Do any of the other parties have changes to their positions on Issue 10, or want to get language to us on August 26th?

> Okay. Issue 11. Any changes? Hearing none, Issue 12. Any changes? Hearing none, Issue 13.

Hearing nothing, Issue 14. Let's see, the staff has proposed a position on Issue 14.

Mr. Anderson. 1 MR. ANDERSON: I would like to do the same 2 thing, just check the numbers and get back to staff. 3 COMMISSIONER McMURRIAN: Okay. Any other 4 changes at this time? 5 Okay. Issue 15. Here again, staff has 6 proposed a position. 7 Mr. Anderson. 8 MR. ANDERSON: I would suggest the same 9 10 approach, just calling out any --COMMISSIONER McMURRIAN: Okay. Any other 11 12 changes from the parties? Issue 16. 13 14 Hearing none, Issue 17. And the staff has proposed a position here, as well. Mr. Anderson. 15 16 MR. ANDERSON: That one we do have the 17 information to check it. It is accurate, and we agree 18 with that. 19 COMMISSIONER McMURRIAN: So you want to show 20 agrees with staff? 21 MR. ANDERSON: Yes, please. 22 COMMISSIONER McMURRIAN: Okay. All right. 23 Any other parties? 24 Mr. Jacobs, do you want to maintain your 25 position as noted?

MR. JACOBS: This is on Issue 16? 1 COMMISSIONER McMURRIAN: 2 MR. JACOBS: 17, I'm sorry. 3 COMMISSIONER McMURRIAN: That's all right. 4 MR. JACOBS: Yes. 5 COMMISSIONER MCMURRIAN: Okay. Anyone else? 6 MR. JACOBS: If there is any changes, I will 7 make sure I get it to the staff ASAP. 8 COMMISSIONER McMURRIAN: Okay. All right. So 9 10 we will not show that as a stipulation. We have a disagreement definitely on that issue between SACE and 11 12 the staff position, at least at this time, I think. 13 MR. YOUNG: Just for point of clarification, 14 given the fact that SACE has a position, do you still 15 want to adopt staff's language or do you want to keep 16 your language? 17 MR. ANDERSON: Let me see. You know what, let 18 me reconsider that and get back to you along that line, 19 also, if that's okay. 20 COMMISSIONER McMURRIAN: Okay. Just take a 21 look, and we will either show it as agrees with staff's 22 or leave the language that's there, just let us know 23 which. 24 MR. ANDERSON: Thank you.

COMMISSIONER McMURRIAN: Issue 18.

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MR. ANDERSON: With a small change in the 1 first line of FPL position. 2 COMMISSIONER McMURRIAN: Okay. 3 MR. ANDERSON: The figure which says 4 62,792,990 should be 62,789,984. And that's just a 5 brand new corrected number. 6 COMMISSIONER McMURRIAN: Okay. 62,789,984? 7 MR. ANDERSON: Yes, that's right. 8 COMMISSIONER McMURRIAN: Thank you. Any other 9 10 changes? Okay. Moving on to Progress Energy specific 11 12 Issue 19. And I see that staff has proposed a issues. 13 position here. So Ms. Triplett. 14 MS. TRIPLETT: Staff's proposed language is 15 acceptable to PEF. 16 COMMISSIONER McMURRIAN: Okay. So agrees with 17 staff. Any other parties to modify their positions at 18 this time? 19 MR. BREW: PCS would have no position. 20 COMMISSIONER McMURRIAN: Thank you, Mr. Brew. 21 So I guess we can show that as a Category II 22 stipulation. 23 MR. YOUNG: Yes, ma'am. 24 COMMISSIONER McMURRIAN: Thank you. 25 Issue 20. Ms. Triplett.

1	MS. TRIPLETT: We also agree with staff on
2	Issue 20.
3	COMMISSIONER McMURRIAN: Okay. Any other
4	parties?
5	Mr. Brew, to the extent you have these that
6	agree with the position of OPC, do you want
7	MR. BREW: No, it would still move to no
8	position.
9	COMMISSIONER McMURRIAN: Okay. No position.
10	MR. BREW: Just as OPC's silence moves to no
11	position.
12	COMMISSIONER McMURRIAN: Okay. All right.
13	Understood. Thank you.
14	MR. MOYLE: And FIPUG is on that same page.
15	Just because we are not verbally saying something, and
16	we take no position at this time, it would, I guess, be
17	treated the same way.
18	COMMISSIONER McMURRIAN: Right. I understood
19	that. I guess my confusion was with respect to
20	Mr. Brew's, because you will note, Mr. Moyle, that many
21	of his positions agree with and adopt the position of
22	OPC, which is no position at this time. I just wanted
23	to be clear.
24	Thank you, Mr. Brew.
25	Okay. So that would be identified as well as

1	a Category II stipulation?
2	MR. YOUNG: Yes, ma'am.
3	COMMISSIONER McMURRIAN: Issue 21.
4	MR. REHWINKEL: Commissioner.
5	COMMISSIONER McMURRIAN: Go ahead, Mr.
6	Rehwinkel.
7	MR. REHWINKEL: The Public Counsel on August
8	18th submitted a revised position on this issue, and I
9	just would ask that it be incorporated. It's a lengthy
10	paragraph.
11	COMMISSIONER MCMURRIAN: Issue 20 or 21?
12	MR. REHWINKEL: I'm sorry, 21. I thought we
13	were on 21.
14	COMMISSIONER MCMURRIAN: We were. I just
15	wanted to make sure. 21. So August 18th you provided
16	that?
17	MR. REHWINKEL: Yes.
18	MR. YOUNG: August 26th.
19	COMMISSIONER McMURRIAN: No, he was saying
20	that he has already provided something on August 18th
21	that is not incorporated under Issue 21.
22	MR. YOUNG: Oh, okay.
23	MR. REHWINKEL: Yes, and Dr. Jacobs is the
24	witness.
25	COMMISSIONER MCMURRIAN: Okay.

1	MR. MOYLE: We would agree with ord.
2	COMMISSIONER McMURRIAN: Okay. Thank you,
3	Mr. Moyle.
4	And, Mr. Brew, in this case do you want to
5	maintain agreement with OPC?
6	MR. BREW: Yes, Commissioner.
7	COMMISSIONER McMURRIAN: Okay. Any other
8	changes to Issue 21?
9	Okay. Issue 21A. Any changes?
10	Hearing none, Issue 22. Ms. Triplett.
11	MS. TRIPLETT: We agree with staff's language
12	on Issue 22.
13	COMMISSIONER McMURRIAN: Okay. Any other
14	changes besides the normal? Hearing none, I guess we
15	can identify that as a Category II stipulation.
16	Issue 23. Any changes?
17	Hearing none, Issue 23A.
18	Hearing none, Issue 23B.
19	Hearing none, Issue 24. We have a staff
20	proposed position.
21	Ms. Triplett.
22	MS. TRIPLETT: We agree with the staff's
23	language on Issue 24.
24	COMMISSIONER McMURRIAN: Any other changes?
25	Issue 25. Oh, I didn't identify 24 as a Category II

stipulation, did I? 1 MR. YOUNG: Yes, ma'am. 2 COMMISSIONER McMURRIAN: Okay. We will do 3 that. 4 Okay. Issue 25. Any changes? 5 MR. YOUNG: Just for clarification, Madam 6 7 Commissioner, this is one of the issues that Mr. Rehwinkel is going to e-mail me a position by the 8 9 26th. COMMISSIONER McMURRIAN: Okay. 10 11 MR. REHWINKEL: Correct. 12 COMMISSIONER McMURRIAN: And do the other 13 parties want to maintain no position or --14 MR. BREW: PCS has not taken a position on the 15 uprate issues. 16 **COMMISSIONER McMURRIAN:** Okay. 17 MR. BREW: So it remains no position. 18 COMMISSIONER McMURRIAN: Okay. Mr. Moyle. 19 MR. MOYLE: We'd like to reserve the right to 20 see the position that OPC takes, and if in agreement 21 with OPC, take that position when OPC digests those 22 numbers and submits additional information. 23 COMMISSIONER McMURRIAN: Okay. Well, do you 24 think you can also let us know by that August 26th 25 deadline, or will you need time beyond when OPC submits

theirs?

MR. REHWINKEL: I will share with Mr. Moyle in advance. I can do that.

COMMISSIONER McMURRIAN: Okay. Thank you.

MR. JACOBS: I think we'll take the same position on that. No position at this moment, but we reserve the right to modify by the 26th and consistent with OPC's position.

MR. REHWINKEL: Same offer.

COMMISSIONER McMURRIAN: Thank you.

Okay. Issue 26, I guess will be the same discussion. We expect to get a revised position on Issues 25, 26, and 27 from the Office of Public Counsel, and perhaps the other parties by August 26th.

Okay. So I think that takes us to Issue 28.

MS. TRIPLETT: Yes, ma'am. And with respect to staff's proposed stipulated language, we are in a similar position to FPL. We can verify some of the numbers, but we just need some more time to check the other numbers. So perhaps we can have by the 26th, although we might be able to get you, you know, clarification on that earlier.

COMMISSIONER McMURRIAN: Okay. Thank you.

MS. TRIPLETT: And the same thing for 29, as well.

COMMISSIONER McMURRIAN: Okay. Any other 1 changes to 28 and 29? 2 MR. JACOBS: On 29, just one moment. 3 COMMISSIONER MCMURRIAN: Okay. 4 MR. JACOBS: That's one I think I want to 5 reserve, too. We will keep it at this time no positon 6 with the right to comment by the 26th. 7 COMMISSIONER McMURRIAN: Okay, Mr. Jacobs. 8 9 Issue 30. Any changes? Hearing none, Issue 31. 10 11 Hearing none, Issue 32. Ms. Triplett. 12 MS. TRIPLETT: With respect to staff's 13 proposed stipulated language, we think we may be able 14 to, but we want to just give it some more thought, just 15 because there are some moving parts there. So if we 16 could just, perhaps, have until the 26th to let staff 17 know. 18 **COMMISSIONER McMURRIAN:** Okay. 19 MR. YOUNG: Madam Commissioner, I see Mr. Brew 20 has taken a position on this Issue 32, too. 21 MR. BREW: Commissioner, the PCS position 22 should be to adopt OPC's position, so that should be 23 revised. 24 COMMISSIONER McMURRIAN: Okay. Adopt OPC's 25 position for PCS Phosphate.

MR. BREW: That's correct. 1 COMMISSIONER McMURRIAN: Any other changes on 2 32? Mr. Young. 3 MR. YOUNG: Just a point of clarification. 4 Does Mr. Brew want it to be adopt OPC's position, or no 5 position, because OPC's position is we do not have a 6 position on determination of carrying costs associated 7 with the voluntary deferral of the cost recovery 8 9 approved. MR. BREW: No. It should be adopt OPC's 10 position for exactly the reasons that is stated by the 11 OPC. 12 13 MR. YOUNG: Okay. Not a problem. MS. TRIPLETT: Commissioner, another point of 14 15 clarification. If we agree to staff's proposed 16 stipulated language, would that make this a Category II 17 stipulation, or maybe a Category III? 18 COMMISSIONER McMURRIAN: I think that was why 19 Mr. Young was asking the question of Mr. Brew, just to 20 try to make sure. Because it looks as if OPC has no 21 position, but not quite simply no position. So I guess 22 we need to -- Mr. Rehwinkel. 23 MR. REHWINKEL: Yes. I don't think that our 24 position would interfere with the Commission's ability 25 to treat this as a Category II for purposes of granting

the alternative relief that Progress seeks. 1 COMMISSIONER McMURRIAN: Okay. So we will 2 just wait and see what we get from the parties on the 3 26th. 4 MR. YOUNG: Yes, ma'am. 5 COMMISSIONER McMURRIAN: Issue 32A. Any 6 7 changes? Hearing none, Issue 32B. Any changes? 8 And I think that completes our list of issues. 9 MR. MOYLE: If FIPUG on 23B could be noted --10 rather than no position, if we could be noted as 11 12 concurring with OPC that would be appreciated. 13 MR. YOUNG: On --14 MR. MOYLE: 23B. 15 MR. YOUNG: 23B. 16 COMMISSIONER McMURRIAN: On Page 33, 17 Mr. Moyle? 18 MR. MOYLE: Yes. 19 COMMISSIONER McMURRIAN: Concur with OPC on 20 23B. Thank you. 21 Any other changes to any of the issues at this 22 time? Okay. I think that moves us to the exhibit list. 23 MR. YOUNG: Madam Commissioner, staff would 24 note for the record that we will prepare a Comprehensive 25 Exhibit List consistent with all prefiled exhibits for

the purpose of numbering and identifying the exhibits at 1 the hearing. Staff will provide an exhibit list to the 2 party as soon as possible. 3 Staff also intends to prepare a proposed 4 Stipulated Exhibit List, which will be provided to the 5 parties in advance of the hearing. And additional 6 stipulated exhibits containing discovery responses may 7 be added during the hearing, if the parties agree. 8 COMMISSIONER McMURRIAN: Okay. Nothing? Move 9 on to Section X, Proposed Stipulations. 10 11 MR. JACOBS: One addition. We would go ahead 12 and note now that we would identify Mr. Gundersen's 13 exhibit as AG-9, pursuant to the stipulation. COMMISSIONER McMURRIAN: Which exhibit -- oh, 14 15 you are talking about the stipulated additional exhibit? 16 MR. JACOBS: Yes. 17 COMMISSIONER McMURRIAN: Are there any 18 concerns with that? Mr. Jacobs, are you proposing that 19 it's essentially -- you are not proposing that it is 20 essentially added to Mr. Gundersen's testimony, as an 21 exhibit to his testimony, are you? I want to make sure 22 I understand. 23 MR. JACOBS: I thought that was the context of 24 the agreement.

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COMMISSIONER McMURRIAN: Is that it, that it's

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added?

MS. TRIPLETT: Correct. If that is possible procedurally. If we could just reflect it as, you know, AG-9, and treat it as though he had filed it originally, but there is no additional testimony, there is only the verbal and the summary.

MR. JACOBS: There is no text added in the testimony, just this exhibit.

commissioner mcmurrian: I understood that. I just wasn't clear on it being identified as one party's exhibit or the others. Okay. So that was where I was confused. Okay. So we will show it as AG-9. It will be added to the list.

MR. YOUNG: Yes, ma'am. And just for a point of clarification, do you want the title to be NRC Letter? That works for us, a description.

COMMISSIONER McMURRIAN: I think the Chairman would like that.

MS. TRIPLETT: If I could, in the proposed supplemental testimony they labeled it NRC Scheduling Letter, 7-28-09, and we are okay with that.

MR. JACOBS: We can be consistent with that.

COMMISSIONER McMURRIAN: We tend to like short titles during the hearing, which I will talk about in a minute. But NRC Letter and perhaps the date, I think,

1	would work, the date of the letter.
2	MR. YOUNG: So it will be NRC Letter,
3	July 28th, 2009.
4	COMMISSIONER MCMURRIAN: Does that work for
5	everybody? Thank you.
6	MR. JACOBS: That sounds good.
7	COMMISSIONER MCMURRIAN: Okay. Section X,
8	Proposed Stipulations. I suppose this will reflect the
9	Category II stipulations we have talked about earlier.
10	MR. YOUNG: Yes, ma'am.
11	COMMISSIONER McMURRIAN: And Section XI,
12	Pending Motions.
13	MR. YOUNG: Staff would note the remaining
14	motions are our motions for temporary protective order
15	and each will be addressed by separate written order.
16	COMMISSIONER McMURRIAN: That means I have
17	work to do. Thank you, Mr. Young.
18	And, Section XII, Pending Confidentiality
19	Motions. There again, we have several pending
20	confidentiality requests.
21	MR. YOUNG: Yes, ma'am. And each will be
22	addressed by separate written order.
23	COMMISSIONER McMURRIAN: Okay. Section XIII,
24	Post-hearing Procedures.
25	MR. YOUNG: Staff suggests post-hearing

positions be limited to 50 words, and post-hearing 1 briefs be limited to 50 pages. 2 COMMISSIONER McMURRIAN: Okay. Does that meet 3 with everyone's approval? I see nodding of heads. 4 MR. JACOBS: Yes. 5 COMMISSIONER McMURRIAN: Great. Thank you. 6 And Rulings section, I guess we need to talk 7 about the opening statements. Staff, do you have a 8 recommendation there? 9 MR. YOUNG: Yes, ma'am. Staff suggests that 10 you make a ruling that opening statements, if any, 11 12 should not exceed five minutes per party. 13 COMMISSIONER McMURRIAN: Mr. Brew. 14 MR. BREW: Commissioner, I would suggest that 15 given the nature of the issues and the fact that many of 16 them are coming up for the first time, that the opening 17 statements be ten minutes. 18 **COMMISSIONER McMURRIAN:** Okay. Anyone else? 19 Mr. Rehwinkel. 20 MR. REHWINKEL: A slight variation on what 21 Mr. Brew has suggested. I would offer our -- we have 22 one witness, and he may have to come down here twice, 23 depending on the length of the hearing and the timing of 24 things. I would prefer that I at least be given five 25 minutes per company, because it is as if we are going to

have two different cases all smashed into one hearing.

So either ten minutes up front, or five and five, because it is going to be treated as a new -- and I'm not asking that somehow there be an accommodation that, you know, we take him out of order and unravel that sweater, if you will. But I would prefer that we give an -- since we are treating them separately, that we be given an opportunity to address the Commission separately rather than mix them all up at the front.

commissioner McMURRIAN: I was contemplating we do opening statements for the FPL case and then before we got into the witnesses on the Progress side that we would do opening statements for the Progress case.

MR. YOUNG: Yes, ma'am.

COMMISSIONER McMURRIAN: And that each party -- and you are suggesting each party would have five minutes each time.

MR. YOUNG: Each time, yes, ma'am. Because it
is -- although it's one docket, it's two separate cases.

COMMISSIONER McMURRIAN: Right. Anyone else on the length of opening statements? Mr. Brew, you believe you need ten minutes for opening statements?

MR. BREW: Actually, yes. I think in past cases I have rarely used the time allotted.

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COMMISSIONER McMURRIAN: That's true.

MR. BREW: But in the context here, I think a little bit more than five minutes is appropriate. You have prudence issues that have been deferred, you have the first time talking about the extended scope of the feasibility analysis. I think a little bit more time in the opening statements is warranted.

COMMISSIONER McMURRIAN: Ms. Triplett.

MS. TRIPLETT: We were okay with five minutes, but, of course, if Mr. Brew is afforded ten minutes, we would ask --

COMMISSIONER McMURRIAN: You want ten minutes, as well.

MS. TRIPLETT: Absolutely.

COMMISSIONER McMURRIAN: I understand.

MR. MOYLE: We could probably do it in five minutes, but to support Mr. Brew, it's probably a better start to the proceeding to have them come in under the time frame than run over a five-minute time frame. you give ten and you come in at seven, it's probably a better tenor than five and it comes in at seven, and you ran two minutes over. But we don't have strong feelings on it.

COMMISSIONER McMURRIAN: It is probably a good time for me to mention that the -- you see the box here

at the Chairman's seat, that we are using that for the hearings now. So to the extent we have ruled on five-minute witness summaries or ten-minute opening 3 statements, he uses that box to indicate whoever is making the statements at the time how much time they 5 have left. 6

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Generally with the witness summaries, when you get to the middle light, you have two minutes left. When you get to the red light, time is 30 seconds. And then it blinks when you are done. And then Chris will turn it off, turn the mikes off at five. So if you could, and I didn't mention that earlier, but if you could instruct your witnesses to make sure they stay within the five minutes allotted, that would be helpful and necessary, I would say.

I suppose we could do -- let me Mr. Anderson. Mr. Anderson, are you interested in having ten minutes as well on your side, or do you -- or if everyone is fine with respect to FPL on five minutes, we can stay at five minutes with FPL and we could do ten minutes for Progress.

MR. ANDERSON: If everybody is good for five for FPL, we're good for five.

COMMISSIONER McMURRIAN: Okay. We will do five minute opening statements per party with FPL, and

for Progress we will do ten minutes per party. 1 MR. BREW: That's good. 2 MR. JACOBS: Thank you, Madam Chair. 3 COMMISSIONER McMURRIAN: You're welcome. 4 MS. TRIPLETT: Commissioner, can I just ask 5 for -- going back to the possible witness stipulations, 6 could I just ask, perhaps, that everyone could look at 7 that and maybe let others know by next Wednesday, so 8 that we could potentially move that forward and clear up 9 10 witnesses' calendars? COMMISSIONER McMURRIAN: I see nodding of 11 12 heads. So, thank you, Ms. Triplett. 13 MS. TRIPLETT: Thank you. 14 COMMISSIONER McMURRIAN: And let's see, I 15 think the only other things -- we had a couple of --16 staff, could you pass out the sample exhibit cover 17 sheet? 18 MR. YOUNG: Yes, ma'am. 19 COMMISSIONER McMURRIAN: And at some recent 20 hearings I have noticed that maybe perhaps one way to 21 move things along, and most -- and many of you use 22 these, but because we take a lot of time in identifying 23 the exhibits, marking the exhibits, getting them passed 24 out, I thought that if staff could share a draft of what 25 they often use, if you would use something like this and

go ahead and come up with a short title. The Chairman is usually going to ask you for a short title, so please try to think about that ahead of time.

exhibits late, that you don't have time to do all of this with, but to the extent that you can, and that helps move us along. We are going to be running short on time. And to the extent that you don't need ten minutes for opening statements, or five minutes for witness summaries, I think that that would help move us along, as well. So I appreciate everyone's cooperation on that.

We have already talked about availability of witnesses. With respect to confidential data, if there are going to be any issues with using that at the hearing, of course, let everyone know as soon as possible. And if there are just any procedural issues that come up, please call the staff attorneys, and they will be glad to help with any issues that arise. But I know most of you have practiced here before us many times and are ready to go and make this as efficient as possible. So I appreciate everyone's cooperation today.

MR. YOUNG: Just one item, Madam Commissioner.

Staff would request that to the extent the parties'

positions change or are added due to the discussion here at the prehearing conference, that they provide any such changes to the staff by the close of business on the 26th, August 26th, which is Wednesday, next Wednesday. This is necessary so that the prehearing order can be completed before the hearing.

COMMISSIONER McMURRIAN: Thank you. And thanks to everyone again for your agreement with respect to the exhibit and the other things that we have noted today. It was a very smooth prehearing.

Thank you very much. And this is adjourned. Thank you.

(Prehearing adjourned at 11:00 o'clock.)

1 2 STATE OF FLORIDA 3 CERTIFICATE OF REPORTER COUNTY OF LEON 4 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 24th day of August, 2009. 15 16 17 al FPSC Hearings Reporter (850) 413-6732 18 19 20 21 22 23 24

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