

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 130256-GU

JOINT PETITION FOR APPROVAL
OF TERRITORIAL AGREEMENT IN
DUVAL AND ST. JOHNS COUNTIES
BETWEEN PEOPLES GAS SYSTEM
AND THE CITY OF JACKSONVILLE
BEACH D/B/A BEACHES ENERGY
SERVICES.

_____ /

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 3

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

DATE: Tuesday, February 4, 2014

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

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

P R O C E E D I N G S

CHAIRMAN GRAHAM: Staff, Item Number 3.

MS. KING: Good morning, Commissioners. Laura King with Commission staff.

Item 3 is a joint petition for approval of a territorial agreement in Duval and St. Johns Counties between Peoples Gas and Beaches Energy. Absent the Commission's approval of the agreement, the plans of Peoples and Beaches for providing natural gas service in these counties might overlap. Therefore, the agreement will assist in avoiding future disputes, uneconomic duplication of facilities, and will expedite the handling of consumer requests for service.

No customers will be transferred upon approval of the agreement. However, as outlined in the agreement, a future transfer of customers may occur from Peoples to Beaches. Those customers have received notice of the possible future transfer.

Staff believes the proposed agreement eliminates potential uneconomic duplication of facilities, will not cause a decrease in the reliability of gas service provided, and will not cause a detriment to the public interest. Staff recommends approval of the petition.

CHAIRMAN GRAHAM: Thank you, staff.

1 Commissioner Brown.

2 **COMMISSIONER BROWN:** Thank you.

3 A question about the Neptune Beach facilities.
4 It doesn't indicate, what is the depreciated book value
5 upon transfer?

6 **MS. KING:** We don't have that number today.
7 If and when the transfer happens, it would be whatever
8 the value is on the books, the depreciated book value at
9 that time.

10 **COMMISSIONER BROWN:** A rough estimate? Do you
11 have a rough estimate?

12 **MS. KING:** I don't, I'm sorry.

13 **COMMISSIONER BROWN:** Also, would those
14 customers then be paying less or more?

15 **MS. KING:** We don't know, because we don't
16 know when that transfer will occur. Currently -- if the
17 transfer occurred today, residential customers would pay
18 a little less, commercial customers would pay a little
19 more.

20 Since the companies do not know when and if
21 this transfer will actually occur, those rates could be
22 very different at that time. The company has committed
23 to renounce the customers and follow any rules that are
24 in place at that time with regard to noticing, so
25 customers will get another notice if and when that

1 transfer does occur.

2 **COMMISSIONER BROWN:** Okay. Thank you.

3 **CHAIRMAN GRAHAM:** Commissioner Balbis.

4 **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.

5 And just to follow-up on Commissioner Brown's
6 line of questioning, the notice that was issued for this
7 transfer, did it include the difference in rates?

8 **MS. KING:** Yes, sir. It included rate tables
9 and rate comparisons.

10 **COMMISSIONER BALBIS:** Okay. So customers
11 should not be surprised when and if the transfer takes
12 place?

13 **MS. KING:** Yes, sir. And it was very clear
14 that these are the rates. In the notice it was very
15 clear that these are the rates in place today. When
16 that future transfer occurs, the rates may be different,
17 but you would receive -- there will be another notice.

18 **COMMISSIONER BALBIS:** Okay. Thank you.

19 **CHAIRMAN GRAHAM:** Any other questions about
20 Item Number 3?

21 Seeing none, can I get a motion?

22 **COMMISSIONER BROWN:** Move staff approval.

23 **CHAIRMAN GRAHAM:** It has been moved and
24 seconded, staff approval of Item Number 3. Any further
25 discussion?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

All in favor say aye.

(Vote taken.)

CHAIRMAN GRAHAM: Any opposed?

By your action you have approved Item

Number 3.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

STATE OF FLORIDA)

: CERTIFICATE OF REPORTER


COUNTY OF LEON)

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 6th day of February, 2014.



JANE FAUROT, RPR
Official FPSC Hearings Reporter
(850) 413-6732