

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of : DOCKET NO. 981591-EG
:
Petition for authority to :
implement Good Cents :
Conversion Program by Gulf :
Power Company :

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PROCEEDINGS: PREHEARING CONFERENCE

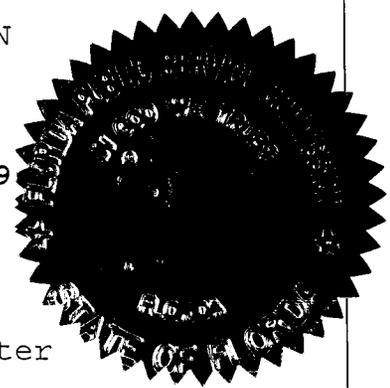
BEFORE: COMMISSIONER J. TERRY DEASON
Prehearing Officer

DATE: Wednesday, September 8, 1999

TIME: Commenced at 1:30 p.m.
Concluded at 1:50 p.m.

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

REPORTED BY: KIMBERLY K. BERENS, CSR, RPR
FPSC Commission Reporter
(850) 413-6736



1 **APPEARANCES:**

2 **RUSSELL BADDERS**, Beggs & Lane, 700 Blount
3 Building, 3 West Garden Street, Post Office Box 12950,
4 Pensacola, Florida 32576-2950, appearing on behalf of
5 **Gulf Power Company (Gulf)**.

6 **ANSLEY WATSON, JR.**, Macfarlane, Ferguson &
7 **McMullen**, P. O. Box 1531, 111 Madison Street, #2300
8 Tampa, Florida 33601, appearing on behalf of **Peoples**
9 **Gas System (PGS)**.

10 **TIFFANY R. COLLINS**, Florida Public Service
11 Commission, Division of Legal Services, 2540 Shumard
12 Oak Boulevard, Tallahassee, Florida 32399-0870,
13 appearing on behalf of the **Commission Staff (STAFF)**.

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P R O C E E D I N G S

(Hearing convened at 1:30 p.m.)

COMMISSIONER DEASON: Call the prehearing conference to order. Can I have the Notice read, please.

MS. COLLINS: Pursuant to Notice issued August 11, 1999 a prehearing conference has been set for this time and place for Docket No. 981591-EG, petition for authority to implement Good Cents Conversion Program by Gulf Power Company.

COMMISSIONER DEASON: Thank you. Take appearances.

MR. WATSON: Ansley Watson of Macfarlane Ferguson & McMullen, P.O. Box 1531, Tampa, Florida 33601, appearing for the Intervenor Peoples Gas.

MR. BADDERS: Russell Badders, Beggs & Lane, 3 West Garden Street, Pensacola, Florida 32501. I'm here appearing on behalf of Gulf Power.

MS. COLLINS: Tiffany Collins representing the Commission Staff.

COMMISSIONER DEASON: Okay. Ms. Collins, are there any preliminary matters?

MS. COLLINS: Commissioner Deason, a draft prehearing order was distributed on September 2, 1999. A revised draft was given to you, as well as the

1 parties, yesterday afternoon and changes and have been
2 incorporated as of this morning. I believe this draft
3 reflects all of those corrections. Are there any
4 corrections?

5 **MR. WATSON:** Did you incorporate the two I
6 called you about this morning?

7 **MS. COLLINS:** Yes. Those charges have been
8 incorporated.

9 **MR. BADDERS:** We have one additional change
10 to Issue No. 5 to the wording on our position. It
11 should now read in the second sentence, "a reduction
12 in annual kWh consumption and/or" --. Instead of just
13 "and" it should be "and/or a reduction in".

14 **COMMISSIONER DEASON:** Which line is that,
15 Mr. Badders?

16 **MR. BADDERS:** It would be Line 3 on Issue 5.

17 **COMMISSIONER DEASON:** And it would be --
18 could you read how it will read?

19 **MR. BADDERS:** Yes, sir. "Yes. The Good
20 Cents Conversion Program meets the requirements of
21 FEECA because the program would result in a reduction
22 in annual kWh consumption and/or a reduction in" --
23 continuing to the end.

24 **COMMISSIONER DEASON:** Okay. Thank you.
25 Mr. Watson, you submitted two changes this morning; is

1 that correct?

2 **MR. WATSON:** Yes, sir.

3 **COMMISSIONER DEASON:** Okay. The version
4 that I reviewed last night, obviously, does not have
5 those changes. Could you review those changes for me
6 please?

7 **MR. WATSON:** Yes, I could. It's a sentence
8 that starts on the bottom of Page 3. It says, "if a
9 party's position has not changed since the issuance of
10 a prehearing order, a post hearing statement may
11 simply restate the prehearing position; however, if
12 the prehearing position is longer than 50 words" --.
13 We had agreed that that would be changed to 100. "It
14 must be reduced to no more than" -- the 50 should be
15 100. It goes with the change from 50 to 100 on the --
16 in the sentence that precedes that.

17 **COMMISSIONER DEASON:** Okay.

18 **MR. BADDERS:** And I guess we had discussed
19 that at the last meeting. It was my understanding
20 that was for Issue No. 2, not for all the issues. I'm
21 not sure what exactly is the intent here. As written
22 it would be for each of the issues.

23 **COMMISSIONER DEASON:** Do you have an
24 objection?

25 **MR. BADDERS:** I do not. I was trying to

1 make sure exactly what we wanted to be doing.

2 **COMMISSIONER DEASON:** Just change it at this
3 point.

4 **MR. WATSON:** Peoples has no objection if you
5 want to limit that 100 word -- the application of the
6 100 word limit to Issue 2 and make the other issues
7 50.

8 **COMMISSIONER DEASON:** It's just going to be
9 simpler to leave it as 100 for all. We'll just do it
10 that way. So is that the only change that needs to be
11 made to change the wording limit is that one citation?
12 Okay. You have another change, Mr. Watson.

13 **MR. WATSON:** That's the only one.

14 **COMMISSIONER DEASON:** That's the only one.
15 Okay. Do the parties have any preliminary matters?

16 **MS. COLLINS:** Yesterday Peoples Gas filed a
17 motion to strike portions of Ted Spangenberg's
18 testimony. I don't know if we'd like to address that
19 issue now.

20 **MR. BADDERS:** Gulf Power received notice of
21 that yesterday and we have not yet filed a response
22 and we would like the opportunity to do so.

23 **COMMISSIONER DEASON:** When is the time --
24 when does the time run for your response?

25 **MR. BADDERS:** I have not calculated, but we

1 intend to file a response tomorrow.

2 **COMMISSIONER DEASON:** Very well.

3 **MR. WATSON:** I think it's something that
4 could be taken up at the hearing.

5 **COMMISSIONER DEASON:** Well, that would be
6 probably -- that would be my desire unless there's
7 some reason to expedite this motion.

8 **MR. WATSON:** No need.

9 **COMMISSIONER DEASON:** Okay. All right. I
10 have just a few questions concerning the draft
11 prehearing order. Since all of the changes seem to
12 have been incorporated, unless there is an objection
13 by the parties, we'll dispense going issue by issue
14 unless there's some need. Is there any need to go
15 issue by issue, review all of these matters?

16 **MS. COLLINS:** We see no need.

17 **COMMISSIONER DEASON:** Very well. I have
18 just a few questions. The first deals with the order
19 of witnesses on Page 4. At least it's Page 4 of my
20 version. I noticed that the witness for Peoples Gas,
21 Mr. McCormick, he apparently is not addressing Issue
22 4; is that correct?

23 **MR. WATSON:** That's correct.

24 **COMMISSIONER DEASON:** Okay. Well, then that
25 raises another question, Mr. Badders. How can you

1 have rebuttal testimony addressing Issue 4 if there's
2 not a direct witness addressing Issue 4?

3 **MR. BADDERS:** At that time that it was filed
4 this was an issue and we are not aware that they would
5 not take a position. I'm not sure if Staff is going
6 to take a position on this. But you're right. We
7 would not have rebuttal that would address that
8 directly.

9 **COMMISSIONER DEASON:** So you wish to delete
10 Issue 4 then from the rebuttal issues?

11 **MR. BADDERS:** If I may for just a moment
12 check something?

13 **COMMISSIONER DEASON:** Sure.

14 **MR. BADDERS:** I believe we could withdraw
15 that if Peoples was to take no position. What they
16 have at the moment is no position at this time.

17 **COMMISSIONER DEASON:** I intend to ask that
18 question as well. So, while we're on it, I'll ask it
19 right now. Mr. Watson, do you intend to take a
20 position on Issue 4 or do you intend to take no
21 position?

22 **MR. WATSON:** There will be no position taken
23 by the company.

24 **COMMISSIONER DEASON:** Very well. Staff, you
25 can strike at this time at the end of the Peoples'

1 position on Issue 4 and simply have it read no
2 position. With that change, you can -- okay. Very
3 well. With that change then, we will show that there
4 is not an Issue 4 in the rebuttal phase of
5 Mr. Spangenberg; is that correct? How is that
6 pronounced?

7 **MR. BADDERS:** That's correct.

8 **COMMISSIONER DEASON:** Very well.

9 The next question I have is for Mr. Watson
10 and that deals with Page 7 and your lengthy position
11 in response to Issue 2. It appears to me that there's
12 some duplication. Was that intentional?

13 **MR. WATSON:** Probably not. What happened
14 was that there were originally Issues 6, 7 and 8 that
15 went to the assumptions for summer peak demand,
16 assumptions for winter peak demand and assumptions for
17 kWh consumption. And the parties agreed, I guess, a
18 couple of days ago that we would combine Issue 6, 7
19 and 8 and roll them into Issue 2.

20 **COMMISSIONER DEASON:** I just request that
21 you, to the extent possible, remove the duplication
22 and make that response a little shorter than it is now
23 if that's possible.

24 **MR. WATSON:** It's possible and I can get
25 that up here no later than tomorrow.

1 **COMMISSIONER DEASON:** Very well. On Issue 3
2 there is a statement by Peoples that there's no
3 position at this time, but then it makes an
4 observation about Gulf's analysis. I guess I need
5 some clarification. Is this a position or is this not
6 a position?

7 **MR. WATSON:** I think that position should be
8 changed to, no position on this issue. Well, I don't
9 think we can do that.

10 **COMMISSIONER DEASON:** I'm just trying to get
11 the prehearing order as clear as possible.

12 **MR. WATSON:** I think we can change the
13 position to read "Gulf's analysis indicates that the
14 program is designed to replace electric air
15 conditioning equipment at or near the end of its
16 useful life."

17 **COMMISSIONER DEASON:** Very well.
18 The last question we've already
19 preliminarily addressed, and that is the pending
20 motion to strike, and we'll take that up at the
21 beginning of the hearing. I will just ask parties to
22 be prepared to address that at that time and Staff
23 likewise should be prepared to address that at the
24 beginning of the hearing.

25 Are there any other matters that need to be

1 brought before the prehearing officer at this time?

2 **MS. COLLINS:** Commissioner Deason, we have a
3 question for Peoples Gas. I'm sorry. For Gulf. We
4 noticed that the witness is not proffering any
5 rebuttal testimony to Issue 6 and we'd just like to
6 know if that needs to be corrected?

7 **MR. BADDERS:** There is for Ted Spangenberg.
8 I believe when it was renumbered this may have been
9 dropped out. He should be on Issue 6 also.

10 **MS. COLLINS:** Okay. Thank you.

11 **COMMISSIONER DEASON:** I'm sorry. Clarify
12 that for me, please.

13 **MR. BADDERS:** For Mr. Spangenberg on his
14 rebuttal, as far as the issue, 6 should be added to
15 that.

16 **COMMISSIONER DEASON:** Further questions from
17 Staff?

18 **MS. COLLINS:** No, Commissioner Deason.

19 **COMMISSIONER DEASON:** Let me ask just. For
20 planning purposes we have one day scheduled and we
21 only have two witnesses; two on direct and two on
22 rebuttal. I assume there is no problem concluding
23 this hearing in one day. Do you the parties agree
24 with that?

25 **MR. BADDERS:** We agree. It should be no

1 problem.

2 MS. COLLINS: Yes.

3 COMMISSIONER DEASON: Very well. If there's
4 nothing else then, this prehearing conference is
5 adjourned. Thank you all.

6 MR. WATSON: Thank you.

7 (Thereupon, the hearing concluded at
8 1:50 p.m.)

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