

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for rate )  
increase in Brevard, Charlotte/ )  
Lee, Citrus, Clay, Duval, )  
Highlands, Lake, Marion, )  
Martin, Nassau, Orange, )  
Osceola, Pasco, Putnam, )  
Seminole, Volusia, and )  
Washington Counties by SOUTHERN )  
STATES UTILITIES, INC.; Collier )  
County by SPRING HILL UTILITIES )  
(Deltona); and Volusia County )  
by DELTONA LAKES UTILITIES )  
(Deltona) )

DOCKET NO. 920199-WS



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FILED  
JULIA H. ELLER  
FEDERAL DISTRICT COURT  
TALLAHASSEE, FLORIDA

PROCEEDINGS: Prehearing Conference  
BEFORE: COMMISSIONER BETTY EASLEY  
Prehearing Officer  
DATE: Monday, October 26, 1992  
TIME: Commenced at 8:00 a.m.  
Concluded at 11:30 a.m.  
PLACE: 101 East Gaines Street  
Tallahassee, Florida  
REPORTED BY: JANE FAUROT  
Notary Public in and for the  
State of Florida at Large

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**APPEARANCES:**

KENNETH A. HOFFMAN, Esquire and FLOYD R. SELF, Esquire, Messer, Vickers, et al. 215 South Monroe Street, Tallahassee, Florida, appearing on behalf of Southern States Utilities, Inc.

MR. HARRY JONES and MR. BUDD HANSEN, Cypress and Oak Villages of Homosassa, 91 West Cypress Boulevard, Homosassa, Florida 32646, appearing on behalf of Cypress and Oak Villages of Homosassa.

HAROLD J. McLEAN, Esquire, Office of Public Counsel, 111 West Madison Street, Suite 812, Tallahassee, Florida, 32399, appearing on behalf of the Citizens of the State of Florida.

MATTHEW J. FEIL, Esquire and CATHERINE BEDELL, Esquire, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399, appearing on behalf of the Commission Staff.

CYNTHIA MILLER, Esquire, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399, appearing on behalf of the Commissioners.

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P R O C E E D I N G S

1                                      **COMMISSIONER EASLEY:** Would you read the notice,  
2 please?

3                                      **MR. FEIL:** Pursuant to notice this time and place  
4 has been designated for the prehearing conference in  
5 Docket No. 920199-WS, Application for rate increase by  
6 Southern States Utilities, Inc.

7                                      **COMMISSIONER EASLEY:** Thank you. Take  
8 appearances, please.

9                                      **MR. McLEAN:** My name is Harold McLean, Office of  
10 Public Counsel, 111 West Madison Street, Tallahassee,  
11 Florida 32399, appearing on behalf of the Citizens.

12                                      **MR. HOFFMAN:** Kenneth A. Hoffman, and Floyd R.  
13 Self, Messer, Vickers Law Firm, P. O. Box 1876,  
14 Tallahassee, Florida 32302, appearing on behalf of  
15 Southern States utilities, Inc. and Deltona Utilities,  
16 Inc.

17                                      **MR. JONES:** My name is Harry C. Jones. I'm  
18 President of the Cypress and Oak Villages Association  
19 of Homosassa, Florida. Address, 91 West Cypress  
20 Boulevard, Homosassa, 34446, on behalf of Cypress and  
21 Oak Villages Association.

22                                      **COMMISSIONER EASLEY:** Thank you, sir.

23                                      **MR. FEIL:** Matthew Feil and Catherine Bedell  
24 representing Commission Staff.

25                                      **MS. MILLER:** Cindy Miller serving as advisor to

1 the Commission.

2 COMMISSIONER EASLEY: Apparently the light is not  
3 working, but the microphone is. Okay. Is Nassau County  
4 here? All right. Any preliminary matters?

5 MR. FEIL: Commissioner, there are a few  
6 preliminary matters. On Page 95 of the draft there are  
7 some outstanding motions. There are two requests for  
8 confidentiality which Staff will be dealing with over  
9 the next week. The third item listed there is a motion  
10 for expedited discovery. I believe that the last day  
11 for OPC to respond to this motion is today. I don't  
12 know whether or not OPC or the Company are prepared to  
13 deal with that motion.

14 COMMISSIONER EASLEY: OPC, will you all have a  
15 response?

16 MR. McLEAN: No, ma'am.

17 COMMISSIONER EASLEY: No response at all, or just  
18 no response now?

19 MR. McLEAN: Well, we're still working on the  
20 answers, so, I mean, I don't think a motion to expedite  
21 is going to change it much because we're doing what we  
22 can. The activities in this docket don't lend itself  
23 to a lot of extracurricular activities, that's for  
24 sure. And we'll get the answers to them as soon as  
25 possible, but we can't get any sooner with an order and

1 we won't get it any later without one, so does that  
2 make sense?

3 COMMISSIONER EASLEY: Well, I think it does.

4 MR. McLEAN: We are trying to figure out how much  
5 it's going to rain this year.

6 COMMISSIONER EASLEY: I beg your pardon?

7 MR. McLEAN: One of the questions we were asked  
8 is how much it's going to rain this year and we're  
9 still working on that one.

10 COMMISSIONER EASLEY: You should have known that  
11 one off the top of your head, Mr. McLean.

12 MR. McLEAN: I know how much I wish it would  
13 rain.

14 COMMISSIONER EASLEY: All right. We'll deal with  
15 that when the answer comes in.

16 MR. FEIL: Also, Commissioner, I noticed on the  
17 case management system that Citrus County filed a  
18 petition to intervene on the 23rd. I don't know  
19 whether or not any of the other parties are aware of  
20 that.

21 COMMISSIONER EASLEY: Is Citrus County  
22 represented?

23 MR. JONES: No, but I'm aware of the filing.

24 COMMISSIONER EASLEY: Mr. Hoffman.

25 MR. HOFFMAN: Going back to the motion to expedite

1 for just a moment. What we requested was that the  
2 responses be hand-delivered to my office on October  
3 28th in order to give us a week or so to digest those  
4 responses before the final hearing starts. I  
5 understand Mr. McLean's concern. I just want to get  
6 some type of ruling or something on the record as to  
7 when we can expect those responses or at least the bulk  
8 of those responses.

9 COMMISSIONER EASLEY: Well, Mr. McLean, have you  
10 given him all the answer you can give him today?

11 I assume the time for responding to the motion is  
12 close of business today. Is that the actual deadline?

13 MR. McLEAN: I think so, but we're not going to  
14 insist upon any position in responding to a motion.  
15 We, too, have outstanding discovery and we can probably  
16 cut a deal to get what we can get on a particular day.  
17 I think some of Mr. Hoffman's interrogatories are  
18 objectionable and I don't know when we're going to  
19 argue about that. But we're giving it a good faith  
20 effort to comply with what we can. If we can come up  
21 with a date that we can exchange the discovery, that's  
22 fine with me.

23 COMMISSIONER EASLEY: I tell you what let's do,  
24 let's hold on this motion for now. We'll undoubtedly  
25 be going long enough to warrant a break. At the break

1 I suggest the two of you discuss it and see if there is  
2 a date, if you both have requests for discovery sitting  
3 out there there ought to be a way to work something  
4 out, and then we'll deal with it after you all have had  
5 a chance to visit a little bit.

6 MR. McLEAN: I think there's plenty of room for  
7 agreement.

8 COMMISSIONER EASLEY: That's very encouraging.  
9 All right. Anything else?

10 MR. FEIL: I don't believe there are any other  
11 outstanding motions or preliminary matters.

12 COMMISSIONER EASLEY: Let's start through the  
13 prehearing order, then. You have all had an  
14 opportunity, I hope, to review the draft. Does anybody  
15 have any changes or corrections to the case background?

16 MR. HOFFMAN: Commissioner Easley?

17 COMMISSIONER EASLEY: Yes.

18 MR. HOFFMAN: We reviewed the draft and have  
19 compiled a document which we titled modification to the  
20 draft prehearing order which, I believe, you have a  
21 copy of, which we have distributed to the parties, and  
22 which essentially fills in all the blanks on behalf of  
23 Southern States and makes the revisions that we believe  
24 are necessary in response to this draft prehearing  
25 order.

1           COMMISSIONER EASLEY: Has everybody had this long  
2 enough to take a look at it?

3           MR. HOFFMAN: I don't know, ma'am, we just  
4 distributed it this morning.

5           COMMISSIONER EASLEY: Mr. Jones is indicating that  
6 he has not had it long enough to take a look at it.  
7 Mr. McLean?

8           MR. McLEAN: We haven't either, but if I could  
9 have a representation or two from Mr. Hoffman; first of  
10 all, there's no purported change of any of the issues,  
11 right? All you're doing is stating your position on  
12 the issues.

13           MR. HOFFMAN: That's correct.

14           MR. McLEAN: And with respect to the proposed  
15 stipulation which appears on Page 23, we'll obviously  
16 need some time to think about those.

17           MR. HOFFMAN: Let me explain, again, what we did  
18 so there's no misunderstanding. We inserted or revised  
19 Southern States' positions. We did not create any new  
20 issues. We placed a witness by each issue, and with  
21 respect to the last part of this, on Page 23, based on  
22 the positions reflected in this draft prehearing order,  
23 many of which had no position, on the part of Public  
24 Counsel, but just based on what was in the draft  
25 prehearing order, we stated that we would be willing to



1 stipulate on those to Staff's position on those issues  
2 based on the positions reflected in the draft. Now, in  
3 some cases, for example, Public Counsel had a position  
4 and Staff would say, we agree with Public Counsel, so  
5 we're tying it all to Staff.

6 COMMISSIONER EASLEY: All right. It sounds like,  
7 unless you all have a problem doing this, it sounds  
8 like we can probably deal with this as we go through  
9 the draft prehearing order, rather than taking 30  
10 minutes to let everybody peruse it if it is as, I'm  
11 sure it is, as represented it sounds like it will be  
12 relatively easy to follow. Do you have a problem, Mr.  
13 Jones, would that be a problem, do you think?

14 MR. JONES: I think most of the issues may not  
15 relate directly to us, anyway, so it should work out.

16 COMMISSIONER EASLEY: All right. We'll do it that  
17 way, then. We'll go through issue-by-issue, if you  
18 have a question as we go along, please, let me know and  
19 we'll get it answered for you. If necessary we'll TP  
20 something, temporarily pass something, and come back to  
21 it. All right. With the exception of the changes  
22 filed, then, by the Company, are there any corrections  
23 right up to Page 5 on the order of witnesses, not  
24 including the order of witnesses? None being heard,  
25 the Company is adding some witnesses on rebuttal.

1 We'll have to deal with the issue list after we get  
2 through with the prehearing order itself, so I guess  
3 the easiest thing to do -- Staff it might be easier on  
4 all of these witness that are shown as Staff, identify  
5 the agency that they are with. I think it might be  
6 easier to follow, please.

7 MR. FEIL: Yes, ma'am.

8 COMMISSIONER EASLEY: All right. Statements of  
9 basic position, any changes or corrections?

10 MR. FEIL: Commissioner, if I may, before we get  
11 there, at Wednesday's meeting I inquired of the Company  
12 as to whether or not they would have a problem with  
13 taking any of the Staff DER/HRS witnesses out of order,  
14 and they didn't seem to indicate any, and the same with  
15 regards to Mr. Shafer, who also asked to be taken out  
16 of order.

17 COMMISSIONER EASLEY: All right, by taking out of  
18 order, are you being specific as to when you want to  
19 take them.

20 MR. FEIL: Well, we suggested to the DER/HRS  
21 witnesses that if their appearance was required that  
22 the 12th of November would be the preferred date for  
23 them to --

24 COMMISSIONER EASLEY: DER and HRS?

25 MR. FEIL: Yes.

1           COMMISSIONER EASLEY: Do you want to identify  
2 those so we will know which ones we are talking about,  
3 please?

4           MR. FEIL: If you turn to Page 6, starting with  
5 Mr. Burghardt, Peter Burghardt, and all the way through  
6 the next page.

7           COMMISSIONER EASLEY: The entire next page?

8           MR. FEIL: Yes, ma'am.

9           COMMISSIONER EASLEY: So, we're talking about,  
10 roughly, 31 witnesses.

11           MR. FEIL: Yes, ma'am. We asked at the Wednesday  
12 pre-prehearing conference if the Utility would let us  
13 know which among these they'd be willing to stipulate  
14 in, and so far they haven't indicated anything to me.  
15 I don't know whether or not they'll have word on that  
16 today or not.

17           MR. HOFFMAN: I don't have word on that today  
18 because I have not seen the rebuttal testimony that is  
19 being prepared in response to some of this testimony,  
20 but our goal is to stipulate as many of these witnesses  
21 as possible, and I can report back to Mr. Feil within a  
22 day or two.

23           COMMISSIONER EASLEY: I'd like to have that, if  
24 possible, prior to the issuance of the final prehearing  
25 order, if we can do it. Just to keep it cleaner when

1 we actually go to the hearing. When would that need to  
2 be in, then, Matt, to do that?

3 MR. FEIL: Well, a week before the start of the  
4 hearing would be ideal.

5 COMMISSIONER EASLEY: Well, I didn't bring a  
6 calendar, again. When do we start? A week from  
7 Friday? A week from Friday. By the way, I don't know  
8 that we can do this yet, but I need to get a reaction  
9 from the parties, if it becomes possible to do it. We  
10 had a case go away that was scheduled for Wednesday and  
11 Thursday, would the parties have any problem starting  
12 this proceeding a day early, on Thursday instead of  
13 starting it on Friday, and that way not work on  
14 Saturday. I kind of thought I might get a little  
15 attention with that one. Would anybody have a problem  
16 with a day early?

17 MR. HOFFMAN: Commissioner, I think that we may.  
18 And I say that only because we'll be down doing the  
19 Lehigh case, as you will be, and just in terms of the  
20 period of time we have between the end of that case and  
21 the beginning of this case is very brief, I can't say  
22 here today that the Company is willing to do that. But  
23 I'll talk to them about it.

24 COMMISSIONER EASLEY: Would you do me a favor and  
25 talk to them on the first break, because I'm checking

1 see if the other two Commissioners can do it. It's not  
2 definite yet. Just see if we can, and if we can, would  
3 have you problem, Mr. Jones?

4 MR. JONES: No. The only problem I have is  
5 transportation.

6 COMMISSIONER EASLEY: Well, then, that one  
7 wouldn't get any worse on Thursday than Friday, right?  
8 Mr. McLean, would you have a problem?

9 MR. McLEAN: We have the same problem the Company  
10 does, you know, there's an awful lot of stuff to do and  
11 not an awful lot of time. So, I won't be odd man out,  
12 you know, but if it looks like the Company can do it,  
13 then we'll make our best efforts to join in that. But,  
14 was that an answer?

15 COMMISSIONER EASLEY: Well, it's as much as I'm  
16 going to got.

17 MR. McLEAN: I don't know if that was an answer.  
18 Well, she's going to beat me over the head if I say  
19 yes, and I want to give her time for it to sink in and  
20 all that.

21 COMMISSIONER EASLEY: Well, you all take the time  
22 and after the break if we can get an answer -- maybe by  
23 that time I may be asking a question that's immaterial  
24 if the other two Commissioners can't be here anyway.  
25 Do you all have a problem doing that a day early if we

1 can?

2 MR. FEIL: No, ma'am, we don't have a problem.

3 COMMISSIONER EASLEY: All right. And that means  
4 that the answer on stipulating any witnesses in,  
5 hopefully, by the end of the week?

6 MR. HOFFMAN: Oh, sure.

7 COMMISSIONER EASLEY: Great. All right. Basic  
8 positions. Any changes or corrections to the  
9 statements of basic positions, beginning on Page 8.  
10 Hearing none, we'll move on into the issues.

11 MR. FEIL: Ma'am, if I may, I'm not sure exactly  
12 what you would desire me to put for Nassau's basic  
13 position on Page 10. It's blank, I don't know if you  
14 want me to leave a notation there was no prehearing  
15 statement and Nassau did not appear at the prehearing  
16 conference.

17 COMMISSIONER EASLEY: I don't think you have any  
18 choice. I think we're going to have to put that down.

19 MS. BEDELL: We can put no position.

20 COMMISSIONER EASLEY: None given by them, we don't  
21 know whether they are taking no position or not. I  
22 think it might be wise to so note it.

23 MR. HOFFMAN: Commissioner, I think under the  
24 order establishing procedure, if they're not here or  
25 have not otherwise taken a written position, I think

1 they've waived their right to take a position.

2 COMMISSIONER EASLEY: Are they not permitted to  
3 brief if they have wish to? I think, at least, in the  
4 statements of basic position, it should be acknowledged  
5 that they were not here and, perhaps, a statement made  
6 conforming to the order establishing procedure is  
7 appropriate.

8 All right. Issue 1 of the legal issues, any  
9 changes or corrections?

10 On some of these, Mr. Jones, I gather you will not  
11 be taking a position at all, is that correct?

12 MR. JONES: That's correct, yes.

13 COMMISSIONER EASLEY: I think it might be helpful  
14 to simply state that in the prehearing, rather than  
15 leave it blank, I think it's clearer to say, no  
16 position.

17 MR. JONES: Fine.

18 COMMISSIONER EASLEY: So if that's all right with  
19 you, if you'll identify as we go the ones that you're  
20 not taking a position on, I think it will be clearer if  
21 we so marked it and I assume on most of these legal  
22 issues that will be case, is that right?

23 MR. JONES: That's correct.

24 COMMISSIONER EASLEY: So show COVA with no  
25 position on OPC-1. Any other changes? OPC-2?

1 MR. JONES: Do you want me to respond to each one?

2 COMMISSIONER EASLEY: I tell you what, I'm going  
3 to assume on these legal issues that it's no position  
4 unless you tell me to the contrary.

5 MR. JONES: Thank you.

6 COMMISSIONER EASLEY: All right. OPC-3. The  
7 Company, start here, I guess, on some of your, you  
8 know, you started on one, all right?

9 Mr. McLean, on OPC-3, do you see Staff's response.

10 MR. McLEAN: I really don't want to fight on that  
11 one. If I can ask a witness questions which address  
12 the certainty of the expense, I don't particularly care  
13 whether it's a legal issue or not.

14 COMMISSIONER EASLEY: Well, I tend to agree,  
15 frankly, that it may not be a legal issue, and if all  
16 you're trying to do is answer the question, I would  
17 think we could drop this as a legal issue, could we  
18 not?

19 MR. McLEAN: Yes, ma'am. But I do not agree with  
20 Staff, but for purposes is going forward, I don't mind  
21 if it appears somewhere else. I want to preserve the  
22 issue, but I don't care whether we call it a legal  
23 issue.

24 MS. BEDELL: How about if we move it to the other  
25 FAS 106 issues?



1 MR. McLEAN: That's fine.

2 MS. BEDELL: We'll pick it up when we get there.

3 COMMISSIONER EASLEY: So, for now, OPC-3 is gone  
4 and we'll move it to the other appropriate --

5 MR. FEIL: This may be an appropriate time to  
6 mention this. When we complete the final draft of the  
7 prehearing order, we're just going to renumber it, so  
8 it's not going to appear in the final as OPC-3, et  
9 cetera. Its going to strictly chronological.

10 COMMISSIONER EASLEY: Are we going to have legal  
11 issues up front or are you going to have legal issues  
12 toward the back as we normally do?

13 MR. FEIL: If that's where you prefer it, that  
14 they go --

15 COMMISSIONER EASLEY: For some reason, it makes  
16 more sense to me to have the legal issues at the very  
17 back. Mr. Jones?

18 MR. JONES: Yes. I'm confused by the parens and  
19 caps, whatever they are, at the bottom of some of these  
20 things. SSCN, 0-1 and S.

21 MS. BEDELL: Mr. Jones, that tracks the prehearing  
22 statements that were filed by the different parties.  
23 SS being Southern States and C being for COVA, N being  
24 for Nassau County, O being for OPC, and S being for  
25 Staff. And if you wanted to go back to the original

1 documents that were filed, that would be the issue in  
2 the prehearing statement.

3 COMMISSIONER EASLEY: And, for instance, on OPC-2  
4 where there are no numbers, is that because you didn't  
5 have them? On OPC-2 and 3, there are no numbers,  
6 there's only the designation, and 4. Should there be  
7 numbers there?

8 MS. BEDELL: No.

9 COMMISSIONER EASLEY: Then, why the dash?

10 MS. BEDELL: It was a little macro. That's the  
11 way it came, you have to add the issue number in. Did  
12 that help?

13 COMMISSIONER EASLEY: Helped me, as a matter of  
14 fact, I'm glad you asked.

15 MR. HOFFMAN: Commissioner, if we're moving this  
16 to the FASB 106 section, because it was under legal  
17 issues, I didn't place a witness by this issues, so we  
18 would put Gangnon alongside this issue.

19 COMMISSIONER EASLEY: All right. Does that change  
20 the wording of your response?

21 MR. HOFFMAN: No, ma'am.

22 COMMISSIONER EASLEY: All right. That's on OPC-3.  
23 What about putting the legal issues toward the end when  
24 we finish this, does anybody have a problem with doing  
25 that? I think it, frankly, makes more sense to start

1 with the substantive issues, at least. All right.

2 OPC-4.

3 All the service issues, Issue 1 on Page 13. Mr.  
4 Jones, did you wish to take a position on this issue,  
5 on the quality of service?

6 MR. JONES: Issue 1, quality of service. I don't  
7 think so.

8 COMMISSIONER EASLEY: So, no position on Issue 1.  
9 Issue 2. Any changes? No position, Mr. Jones?

10 MR. JONES: That's right.

11 COMMISSIONER EASLEY: All right. I'm going to  
12 continue assuming no position unless you say something.  
13 All right, issue -- we go to rate base, OPC-7 on Page  
14 14, margin reserve changes.

15 MR. McLEAN: Yes, ma'am, the Citizens have a small  
16 change in the statement of our position.

17 COMMISSIONER EASLEY: All right.

18 MR. McLEAN: Inserting "not" between should and  
19 be.

20 COMMISSIONER EASLEY: There is one on mine. The  
21 first line?

22 MR. McLEAN: No, ma'am, let's see. Let me tell  
23 you what I want to say. The capacity associated with  
24 margin reserve should not be paid for by present  
25 customers.

1 COMMISSIONER EASLEY: And put a period there?

2 MR. McLEAN: Yes, ma'am.

3 COMMISSIONER EASLEY: Wait a minute, now, should  
4 not be paid for by present customers.

5 MR. McLEAN: Exactly.

6 MR. JONES: COVA concurs with OPC.

7 COMMISSIONER EASLEY: Issue No. 3, calculation of  
8 margin reserve. Okay, do you want to continue to agree  
9 with OPC on this one, Mr. Jones, or take no position?

10 MR. JONES: I have to read it first.

11 COMMISSIONER EASLEY: I am not sure it really  
12 matters after you agreed with OPC on a prior issue, to  
13 tell you the truth.

14 MR. JONES: Okay, then, we'll agree with them.

15 COMMISSIONER EASLEY: When in doubt.

16 MR. JONES: Right.

17 COMMISSIONER EASLEY: Right, okay. Issue 4.  
18 Okay, the reason I'm not finding Company responses is  
19 that you've already made them.

20 MR. HOFFMAN: Yes, ma'am.

21 COMMISSIONER EASLEY: I'm trying to go back and  
22 forth between these two documents and I'm having a  
23 little trouble.

24 All right. Issue 4, no changes. Issue 5.

25 MR. JONES: Wait.

1 COMMISSIONER EASLEY: Sorry.

2 MR. JONES: We're not sure whether we want to  
3 agree with OPC or take exception to both.

4 We concur with Staff.

5 COMMISSIONER EASLEY: All right. On Issue 4 COVA  
6 agrees with Staff.

7 Issue 5. Any changes? COVA, do you want to get  
8 in on this one, too?

9 MR. JONES: Sorry it take us so long.

10 COMMISSIONER EASLEY: When did you get this?

11 MR. JONES: About half an hour go.

12 MR. FEIL: Commissioner, we did send a list of  
13 preliminary issues to all the parties and I assume that  
14 Mr. Jones also received a copy of everyone's prehearing  
15 statement, but since we had a preliminary conference  
16 Wednesday and they were unable to participate.

17 COMMISSIONER EASLEY: Okay. That makes life a  
18 little difficult. All right, we'll just slow down a  
19 tad.

20 MR. FEIL: It may help, I don't know, if we could  
21 just have COVA submit something at the end of today. I  
22 don't know whether or not it'll make a difference to  
23 anyone here if COVA would prefer to do that.

24 COMMISSIONER EASLEY: Would that be helpful, Mr.  
25 Jones?

1 MR. JONES: When you say "submit something," you  
2 have to be more specific.

3 MR. FEIL: Well, just something in writing stating  
4 your position on the issues.

5 MR. JONES: You think we can do that during the  
6 break.

7 MR. FEIL: If you think you can go through it and  
8 compile a list, that would be fine.

9 COMMISSIONER EASLEY: Let me ask you a question.  
10 Do you think you could do it that way during a break,  
11 and how long would you need?

12 MR. HANSEN: Let's fly with what we've got.

13 MR. JONES: We should be able to finish. We'll  
14 concur with -- there are only a few things that --

15 COMMISSIONER EASLEY: Okay.

16 MR. JONES: Concur with OPC on Issue 5.

17 COMMISSIONER EASLEY: All right. Issue 6. Any  
18 changes, corrections? Under the circumstances, I don't  
19 know whether I can just assume anything, Mr. Jones. I  
20 may not be able to.

21 MR. JONES: Issue 6, we concur with Staff. If I  
22 just jump in, that won't hurt anything, will it?

23 COMMISSIONER EASLEY: No, not at all. OPC-13 on  
24 Page 18. And this picks up on Page 4 of Southern  
25 States' additional submittal.

1 MR. JONES: Issue 13, concur with OPC.

2 COMMISSIONER EASLEY: Issue 14?

3 MR. JONES: No position.

4 COMMISSIONER EASLEY: All right. We are to Issue  
5 7 on Page 19.

6 MR. McLEAN: Commissioner, that's one of the ones  
7 that the Company looks for a possible stip and I think  
8 our position just dropped out of the system somewhere.  
9 So, let me give you our position, it's very brief.  
10 "No. Gas plant should not be allocated to the water and  
11 wastewater operations."

12 COMMISSIONER EASLEY: That probably takes care of  
13 the stipulation, doesn't it, Mr. Hoffman?

14 MR. HOFFMAN: Sounds like it.

15 MR. JONES: No position for COVA.

16 MR. FEIL: So I assume the Utility's position  
17 would be agreeable with Staff?

18 MR. HOFFMAN: Yes, is that Issue 7?

19 COMMISSIONER EASLEY: Yes.

20 MR. HOFFMAN: Yes, that's what we have, agree with  
21 Staff.

22 COMMISSIONER EASLEY: Issue 8?

23 MR. JONES: COVA agrees with Staff.

24 MS. BEDELL: That's also indicated as a  
25 stipulation.

1           COMMISSIONER EASLEY: Is this one of those  
2 potential OPC.

3           MR. HOFFMAN: Yes, ma'am.

4           MR. McLEAN: We agree with Staff.

5           COMMISSIONER EASLEY: You agree with Staff? So,  
6 we have a stipulation on Issue 8?

7           MR. McLEAN: I think so.

8           MR. HOFFMAN: Yes.

9           COMMISSIONER EASLEY: Show Issue 8 as being  
10 stipulated. Issue 9.

11          MR. JONES: COVA agrees with Staff.

12          COMMISSIONER EASLEY: Mr. McLean?

13          MR. McLEAN: Just take no position, period.

14          COMMISSIONER EASLEY: Now, Issue 9 is not  
15 addressed in the corrections. Does per the MFR mean  
16 you agree with Staff or not?

17          MR. HOFFMAN: No, ma'am. It means that our  
18 position is set out in the schedules in the MFRs.

19          COMMISSIONER EASLEY: All right. Issue 10?

20          MR. JONES: COVA has no position.

21          COMMISSIONER EASLEY: And Southern States has now  
22 taken a position of yes with the language to follow.  
23 Okay. Issue 11.

24          MR. JONES: COVA has no position.

25          COMMISSIONER EASLEY: Thank you. No other changes.



1 Issue 12.

2 MR. JONES: COVA has no position.

3 COMMISSIONER EASLEY: Issue 13. Issue 13. Gee, I  
4 thought we could stipulate Issue 12, Mr. McLean.

5 MR. McLEAN: 12?

6 COMMISSIONER EASLEY: Issue 13?

7 MR. JONES: No position for COVA.

8 COMMISSIONER EASLEY: All right, sir. OPC are you  
9 going to take a position on this one or not, on 13,  
10 Citrus County.

11 MR. McLEAN: Whose issue is it, I don't remember.  
12 We will take no position.

13 MR. HOFFMAN: Is this is an issue we can --

14 COMMISSIONER EASLEY: You're all right taking no  
15 position?

16 MR. JONES: Yes.

17 COMMISSIONER EASLEY: Is this a stipulation?

18 MR. HOFFMAN: Yes. That's my question. I guess  
19 it's directed to the Staff.

20 COMMISSIONER EASLEY: Staff, does this appear to  
21 be a stipulation on Issue 13?

22 MR. FEIL: One moment, please. Commissioner, if  
23 you want to, we can TP this temporarily and come back  
24 to it.

25 COMMISSIONER EASLEY: Okay.

1 MR. FEIL: Commissioner, we're ready to stipulate  
2 it.

3 COMMISSIONER EASLEY: Show Issue 13 stipulated.

4 MR. McLEAN: Can we do one of those stipulations  
5 whereby we don't join in it, but maintain some distance  
6 from it, but don't object to it?

7 COMMISSIONER EASLEY: Mr. McLean wants the CYB  
8 stipulation.

9 Issue 14.

10 MR. HOFFMAN: Commissioner, just so we're clear.  
11 What we're stipulating to is the position and the  
12 entries set forth under the Company's position.

13 MR. FEIL: Yes.

14 MR. HOFFMAN: Thank you.

15 COMMISSIONER EASLEY: Thank you, Mr. Hoffman.

16 Issue 14.

17 Is this a no position for you all. That was a yes  
18 response from COVA. No changes. OPC, are you going to  
19 take a position on this or not?

20 MR. McLEAN: No position.

21 COMMISSIONER EASLEY: All right. Issue 15?

22 MR. JONES: No position with COVA.

23 COMMISSIONER EASLEY: OPC.

24 MR. McLEAN: No position.

25 COMMISSIONER EASLEY: Staff, you're staying with

1 no position at this time on this issue.

2 MR. FEIL: Yes, I believe so,

3 COMMISSIONER EASLEY: Issue 16, Golden Terrace,  
4 water treatment plants. This says at the preliminary  
5 prehearing you all agreed to drop this issue, is that  
6 the case?

7 MR. JONES: That's fine with COVA.

8 COMMISSIONER EASLEY: Issue 16 can be dropped.  
9 All right. Issue 16 on Page 24 is gone.

10 Issue 17. ERCs at Sugar Mill.

11 MR. JONES: We would like to additionally concur  
12 with Staff's position on that.

13 COMMISSIONER EASLEY: Leaving the language that  
14 you have in the response and, then, we further agree  
15 with Staff?

16 MR. JONES: Right.

17 COMMISSIONER EASLEY: All right. OPC?

18 MR. McLEAN: We take no position.

19 COMMISSIONER EASLEY: All right. HJ-8. The  
20 Company's position is on Page 6 of their addendum, Mr.  
21 Jones.

22 MR. JONES: Pardon me?

23 COMMISSIONER EASLEY: The Company's position on  
24 your Issue 8 is on Page 6 of this document they handed  
25 out. You may wish to look at that. OPC?

1 MR. JONES: It's an argumentative position.

2 COMMISSIONER EASLEY: Well, they can take whatever  
3 position they want, Mr. Jones. I just wanted you to  
4 see it.

5 MR. JONES: There is a letter from the County that  
6 stands behind our position.

7 COMMISSIONER EASLEY: We're not going to talk  
8 about the merits of the issue today. They can respond  
9 to it whatever way they want for the purposes of this  
10 order.

11 MR. JONES: We stand on our position.

12 COMMISSIONER EASLEY: All right, sir. OPC?

13 MR. McLEAN: No position.

14 COMMISSIONER EASLEY: Staff, is that a yes or a no  
15 or just a list?

16 MR. FEIL: Yes, 1600 gallons per minute is the  
17 appropriate fire flow.

18 COMMISSIONER EASLEY: All right. HJ-9, Page 26.  
19 And the Company's position is, again, on Page 6.

20 OPC?

21 MR. McLEAN: No position.

22 COMMISSIONER EASLEY: Staff?

23 MR. JONES: Yes, concur with COVA?

24 MR. FEIL: In effect, yes.

25 COMMISSIONER EASLEY: Well, just out of curiosity,

1 I got yes for Company as well. Do we have a  
2 stipulation on this issue or there is a distinction  
3 within --

4 MR. HOFFMAN: I think there is a distinction. I  
5 don't think we can stipulate at this point.

6 COMMISSIONER EASLEY: All right. Then I'm going  
7 to ask you all to take another look at the way you've  
8 responded because to look at this and see everybody  
9 saying, "yes, but" really doesn't make it too clear as  
10 to what you're disagreeing one and I would prefer to  
11 make it made nice and clear as to what the differences  
12 of opinion are on this issue.

13 MR. FEIL: Perhaps we can rephrase the issue.

14 MR. HOFFMAN: I think that would help.

15 COMMISSIONER EASLEY: All right. Make a  
16 suggestion.

17 MR. FEIL: This was Mr. Jones' issue. Perhaps, it  
18 would be best if he suggested different language.

19 MR. JONES: Well, the language is very clear to  
20 me, so I don't understand why you have to say yes when  
21 you should say no, which is what Southern States did.

22 MR. FEIL: Is it appropriate for SSU to deduct to  
23 600 gallons?

24 MR. JONES: All right. Then our answer would be  
25 no. And your answer would be no as well?

1 MR. FEIL: Yes.

2 COMMISSIONER EASLEY: Hold the phone. All right.  
3 The issue is reworded to say is it appropriate. Makes  
4 the Company's response as it appears on Page 6,  
5 correct, yes. COVA says no, followed by the sentence  
6 as printed in the prehearing order. OPC continues to  
7 take no position.

8 MR. McLEAN: Yes, ma'am, correct.

9 COMMISSIONER EASLEY: And Staff's response is no.

10 MR. FEIL: That's correct.

11 COMMISSIONER EASLEY: Issue 18, Clay County.

12 MR. JONES: No position.

13 COMMISSIONER EASLEY: OPC?

14 MR. McLEAN: No position.

15 COMMISSIONER EASLEY: We have got another one with  
16 two yeses, is that a stipulation or is there another  
17 distinction here?

18 MR. McLEAN: Where is Staff?

19 MR. FEIL: If we could TP it temporarily and  
20 come back to it.

21 COMMISSIONER EASLEY: Are you going to have the  
22 answer for me by the time I write down which one we're  
23 temporarily passing?

24 MR. FEIL: No, we won't.

25 COMMISSIONER EASLEY: We'll come back to Issue 18

1 on Page 26.

2 Issue 19, Lake County.

3 MR. JONES: COVA has no position.

4 COMMISSIONER EASLEY: All right, sir.

5 OPC?

6 MR. McLEAN: No position. Let's strike that,  
7 we'll agree with Staff on that.

8 COMMISSIONER EASLEY: Okay. This appears --

9 MR. FEIL: This appears to be a stipulation, too,  
10 Commissioner. I'm assuming that the numbers in the  
11 Company's position were taken from that Staff  
12 Interrogatory No. 75 mentioned in Staff's position.

13 COMMISSIONER EASLEY: Mr. Hoffman, the numbers on  
14 your response to Issue 19, Page 27. It appears that if  
15 they were taken from Staff Interrogatory No. 75 or as  
16 the same as that interrogatory we have a stipulation.

17 MR. FEIL: Commissioner, I've been informed that  
18 there may be other dollar adjustments shown on that  
19 Staff Interrogatory No. 75, if we could have the  
20 stipulation refer to the Staff interrogatory, perhaps  
21 that would be the easiest way to go about handling  
22 this.

23 MR. HOFFMAN: Yes. I'm just not sure whether we  
24 can stipulate on it at this point, but I think we can.  
25 So, we'll have to just take a look at the interrogatory

1 response.

2 COMMISSIONER EASLEY: Should I put Issue 19 on the  
3 will-come-back-to list?

4 MR. HOFFMAN: Yes.

5 COMMISSIONER EASLEY: Possible stip.  
6 Issue 20.

7 MR. McLEAN: OPC agrees with Staff.

8 COMMISSIONER EASLEY: Mr. Jones, no position?

9 MR. JONES: No position.

10 MR. McLEAN: That's one of those suggested  
11 stipulations.

12 MR. FEIL: Yes, Commissioner, I think we could  
13 stipulate to the Staff position.

14 COMMISSIONER EASLEY: All right. Company?

15 MR. HOFFMAN: That's correct.

16 COMMISSIONER EASLEY: Show Issue 20 stipulated to  
17 the Staff.

18 Issue 21?

19 MR. JONES: No position.

20 COMMISSIONER EASLEY: OPC?

21 MR. McLEAN: No position.

22 COMMISSIONER EASLEY: Staff?

23 MR. FEIL: As stated.

24 COMMISSIONER EASLEY: Issue 22.

25 MR. JONES: No position.



1 COMMISSIONER EASLEY: Company's position is no.  
2 OPC?

3 MR. McLEAN: We agree with Staff.

4 COMMISSIONER EASLEY: Lake County, Issue 23.

5 MR. JONES: No position.

6 MR. FEIL: Commissioner, I will have the  
7 prehearing order indicate that neither COVA nor OPC  
8 participated in that stipulation on Issue 23.

9 COMMISSIONER EASLEY: All right. Say that, again.  
10 I'm sorry.

11 MR. FEIL: 23 we stipulated at the preliminary  
12 prehearing conference and OPC elected, then, not to  
13 participate in that stipulation. And since COVA is  
14 taking no position on Issue 23, I'll assume that  
15 they're in the same category.

16 COMMISSIONER EASLEY: Okay. Issue 23A?

17 MR. JONES: No position.

18 COMMISSIONER EASLEY: The Company says yes.

19 MR. HOFFMAN: The Company has proposed this as a  
20 stipulation for Staff.

21 COMMISSIONER EASLEY: OPC?

22 MR. McLEAN: Agrees with Staff.

23 COMMISSIONER EASLEY: Does that give us a  
24 stipulation on 23A?

25 MR. HOFFMAN: Yes.

1 COMMISSIONER EASLEY: Mr. Feil?

2 MR. FEIL: Yes, ma'am.

3 COMMISSIONER EASLEY: All right. 23A is  
4 stipulated. 23B.

5 Mr. Hoffman, this position is stated on Page 7 of  
6 your document. Does this get added to or is this just  
7 simply a correction?

8 MR. HOFFMAN: It's a correction.

9 COMMISSIONER EASLEY: All right. So the language  
10 in your modifications document is a correction to the  
11 language in the prehearing statement, not a replacement  
12 or addition. Okay. Mr. Jones, no position.

13 MR. JONES: No position from COVA

14 COMMISSIONER EASLEY: Mr. McLean.

15 MR. McLEAN: No position.

16 COMMISSIONER EASLEY: Staff, does that change  
17 anything?

18 MR. FEIL: As stated.

19 COMMISSIONER EASLEY: Issue 24.

20 MR. JONES: No position.

21 COMMISSIONER EASLEY: Southern States has no  
22 position.

23 OPC?

24 MR. McLEAN: We'll agree with Staff.

25 COMMISSIONER EASLEY: Issue 25. Fox Run. It was

1           agreed to drop the issue, is that correct?

2           MR. FEIL: Yes, ma'am. Now, some of these issues  
3 that were dropped, they were dropped because they were  
4 incorporated into other issues or that sort of thing.

5           COMMISSIONER EASLEY: All right. So, Issue 25, as  
6 shown here, is gone.

7           Issue 26. Putnam. Again, drop this one?

8           MR. FEIL: Yes, ma'am.

9           COMMISSIONER EASLEY: 27.

10          MR. JONES: No position.

11          COMMISSIONER EASLEY: SSU says yes and other  
12 language in the modification.

13          OPC.

14          MR. McLEAN: No position.

15          COMMISSIONER EASLEY: Does that give us any kind  
16 of agreement?

17          MR. FEIL: I don't believe so, Commissioners, but  
18 we'll look at it during the break in order to make  
19 concern.

20          COMMISSIONER EASLEY: All right. I'll show Issue  
21 27 as a come back to.

22          MR. McLEAN: Show us agreeing with Staff, please.

23          COMMISSIONER EASLEY: All right. On Issue 27.  
24 Issue 28.

25          MR. JONES: No position.

1 COMMISSIONER EASLEY: OPC.

2 MR. McLEAN: No position.

3 COMMISSIONER EASLEY: This looks awful close, is  
4 this a stipulation?

5 MR. FEIL: Commissioner, I'm not sure whether or  
6 not we have yet recalculated the used and useful, but  
7 we'll try to come back to this one, if that's  
8 acceptable.

9 COMMISSIONER EASLEY: All right, 28 goes on the  
10 list. 29?

11 MR. JONES: No position.

12 MR. McLEAN: We agree with Staff. Actually, they  
13 agree with us, so it looks like a stip.

14 MR. FEIL: Commissioner --

15 COMMISSIONER EASLEY: We can drop it is what  
16 you're saying, if I read this correctly.

17 MR. FEIL: Yes, Commissioner, we raised this issue  
18 but I now think that it can be dropped.

19 COMMISSIONER EASLEY: All right. Do you agree to  
20 that, Mr. McLean?

21 MR. McLEAN: I'm not sure what we mean by drop an  
22 issue. Do we mean stipulate it or --

23 MR. FEIL: No, not even having it as an issue. In  
24 other words, Hermit's Cove and St. Johns Island, not be  
25 considered one system for ratemaking purposes, which is

1           how they are in the MFRs.

2           MR. McLEAN: We don't have a position.

3           COMMISSIONER EASLEY: So we will drop the issue,  
4           29 is gone.

5           30. This is a proposed stipulation?

6           MR. FEIL: Yes, ma'am. OPC, I don't believe,  
7           participated in this stipulation, though.

8           COMMISSIONER EASLEY: All right. With that  
9           caveat, is that correct, Mr. McLean?

10          MR. McLEAN: I believe that's correct.

11          COMMISSIONER EASLEY: All right, how about 31?  
12          Same deal?

13          MR. McLEAN: Same deal.

14          COMMISSIONER EASLEY: And, Mr. Jones, you all want  
15          to be shown as not participating in this stipulation as  
16          well.

17          MR. JONES: That's right. Thank you.

18          COMMISSIONER EASLEY: 32, Volusia.

19          MR. HOFFMAN: This is a proposed stip.

20          COMMISSIONER EASLEY: All right?

21          MR. JONES: COVA has no position.

22          COMMISSIONER EASLEY: All right, sir. OPC will  
23          agree with the stipulation?

24          MR. McLEAN: Yes, ma'am.

25          COMMISSIONER EASLEY: Staff?

1 MR. FEIL: Stipulate to the OPC's position, yes.

2 COMMISSIONER EASLEY: So, 32 is stipulated, 33?

3 MR. JONES: No position.

4 MS. BEDELL: This is another one which the Company  
5 has indicated is a stipulation.

6 MR. McLEAN: To which we don't object, but we'll  
7 not participate.

8 COMMISSIONER EASLEY: Stipulation with the OPC,  
9 that they are not participating, let me make that  
10 clear. Issue 34.

11 MS. BEDELL: This is also an issue that the  
12 Company has identified as a possible stipulation.

13 MR. JONES: No position on 34.

14 COMMISSIONER EASLEY: OPC.

15 MR. McLEAN: We'll agree with Staff.

16 COMMISSIONER EASLEY: So we have a stipulation on  
17 34. All right. We have never had this title before,  
18 we have issues applying to more than one system. I  
19 love it. Issue 35?

20 MR. JONES: No position.

21 COMMISSIONER EASLEY: And there are no changes.  
22 Issue 36. Any changes to this?

23 MR. FEIL: This was dropped, Commissioner?

24 COMMISSIONER EASLEY: This was what?

25 MR. FEIL: 36 was dropped.

1           COMMISSIONER EASLEY: Oh, I'm sorry. I had said  
2 36 and went on to 37.

3           MR. FEIL: I'm sorry.

4           COMMISSIONER EASLEY: Show Issue 36 as dropped.  
5 37. No changes on 37?

6           MR. JONES: Yes I'd like to make a minor  
7 correction on 37. My 73 percent used and useful  
8 actually is 69 percent used and useful.

9           COMMISSIONER EASLEY: All right. The only  
10 correction? Issue 38. Any changes to this, Mr. Jones?  
11 This is Sugar Mill Water Distribution.

12          MR. JONES: That is correct.

13          COMMISSIONER EASLEY: Issue 39. Mr. Jones,  
14 anything on this one?

15          MR. FEIL: I don't believe in Mr. Jones'  
16 prehearing statement that he had a used and useful  
17 percentage for the wastewater treatment facilities.

18          MR. HOFFMAN: It's no position.

19          COMMISSIONER EASLEY: Issue 40. No changes?

20          MR. JONES: That's right.

21          MR. FEIL: Commissioner, if I may, I'm a little  
22 bit confused why the position for COVA on Issue 40 is  
23 21, and then the position on Issue 38 is 22. I didn't  
24 know whether or not that was a typographical error or  
25 if there was there was a reason for that.

1           MR. HANSEN: Not all the water meters are tied.  
2           The customer is tied into the sewers. There are rest  
3           stops on the golf course, for example, that are tied  
4           into various irrigation meters.

5           COMMISSIONER EASLEY: So the difference is not an  
6           error.

7           MR. FEIL: I just wanted to make sure.

8           COMMISSIONER EASLEY: That's really what we needed  
9           to know. Thank you, sir.

10          MR. McLEAN: Commissioner, may we return to Issue  
11          39.

12          COMMISSIONER EASLEY: Sure.

13          MR. McLEAN: The Company modifying MFRs, I don't  
14          know that it's addressed in their testimony. They're  
15          asking for a four-year margin reserve, what's going on  
16          there.

17          MR. HOFFMAN: Okay, this will be addressed in the  
18          rebuttal testimony at minimum, which is due to be filed  
19          today.

20          MR. McLEAN: Does it rebut something we say?

21          MR. HOFFMAN: I'm not sure as to whose statement  
22          it rebuts or which issue it rebuts, but my recollection  
23          is that it will be in the rebuttal testimony.

24          COMMISSIONER EASLEY: Do you want me to put Issue  
25          39 on the list to come back to after the break, which



1 we are going to take here shortly, or not?

2 MR. McLEAN: I think we may argue at the hearing  
3 about the introduction of that evidence or testimony  
4 responsive to that evidence, because it's not in the  
5 Utility's direct case, I don't think.

6 MR. HOFFMAN: Well, certainly, that statement is  
7 relevant to the used and useful issue and a margin  
8 reserve issue which is part of the used and useful  
9 issue.

10 MR. McLEAN: I think it's relative as an issue in  
11 the case, I agree with Mr. Hoffman, but I think the  
12 proper time for us to raise our concern, other than  
13 just put you on notice here, is when he attempts to  
14 introduce evidence which was not in his direct case, if  
15 it wasn't. But, we don't object to its inclusion as an  
16 issue, but we're going to raise that objection when the  
17 time is right, I think.

18 COMMISSIONER EASLEY: You have just been given  
19 adequate notice.

20 MR. HOFFMAN: It may have been in the direct  
21 testimony, I'd have to go back and check. But what  
22 would be the basis for the objection?

23 MR. McLEAN: That is was not in your direct case.  
24 You're remodifying your MFRs, your direct testimony  
25 doesn't support it, we don't talk about it, and you

1 can't rebut it unless we talk about it. So, it's kind  
2 of where did it come from? I would guess that there  
3 has been a change in DER rules since you've filed that.

4 MR. HOFFMAN: All right.

5 MR. McLEAN: And we can argue about that then. We  
6 would attempt to keep out evidence which changes your  
7 direct case.

8 MR. HOFFMAN: I understand.

9 COMMISSIONER EASLEY: Issue 40. We have just  
10 solved the problem of the numbers, ready to move to  
11 Issue 41.

12 MS. BEDELL: I believe Issue 41 is a stipulation.

13 COMMISSIONER EASLEY: The Company agrees with  
14 Staff.

15 MR. McLEAN: OPC agrees.

16 COMMISSIONER EASLEY: Company agrees with Staff.  
17 OPC agrees with Staff. Mr. Jones?

18 MR. JONES: We agree with Staff.

19 COMMISSIONER EASLEY: I think we have a  
20 stipulation, is that correct?

21 MR. FEIL: Yes, ma'am.

22 COMMISSIONER EASLEY: 41 is stipulated.

23 MR. FEIL: 42, I also believe is a stipulation to  
24 Staff's --

25 COMMISSIONER EASLEY: The same with 42. All

1 right, without objection, Issue 42 is shown as a  
2 stipulation, Issue 43.

3 MR. JONES: No position for COVA.

4 COMMISSIONER EASLEY: All right sir, Mr. McLean.

5 MR. McLEAN: We'll agree with Staff.

6 COMMISSIONER EASLEY: This is a close but no  
7 cigar, is that what this is?

8 MS. BEDELL: Uh-huh, the Company doesn't agree  
9 with us.

10 COMMISSIONER EASLEY: Issue 44.

11 MS. BEDELL: This is a possible stipulation.

12 COMMISSIONER EASLEY: Issue 44 is. Okay.

13 MR. McLEAN: We agree with Staff.

14 MR. JONES: We have no position.

15 COMMISSIONER EASLEY: It sounds like a stipulation  
16 to me.

17 MR. HOFFMAN: Yes.

18 MS. BEDELL: The same with 45.

19 COMMISSIONER EASLEY: Issue 45?

20 MR. JONES: We agree with Staff.

21 COMMISSIONER EASLEY: All right, sir. OPC. Oh,  
22 you already did?

23 MR. McLEAN: Yes, ma'am.

24 COMMISSIONER EASLEY: Company agrees with Staff.  
25 Stipulation. Issue 46?

1 MR. JONES: We agree with Staff.

2 COMMISSIONER EASLEY: Issue 47.

3 MS. BEDELL: Is also a possible stipulation.

4 COMMISSIONER EASLEY: OPC. Agrees with Staff.

5 COVA.

6 MR. JONES: Staff.

7 COMMISSIONER EASLEY: COVA agrees with Staff.

8 Stipulation?

9 MS. BEDELL: It could be.

10 MR. FEIL: I believe so, yes.

11 COMMISSIONER EASLEY: Issue 47. We're on a roll  
12 and, then, we suddenly came to a screeching halt.

13 OPC-23.

14 MR. JONES: No position for COVA.

15 COMMISSIONER EASLEY: All right, sir. Company,  
16 okay. All right, OPC-24?

17 MR. JONES: We agree with OPC.

18 COMMISSIONER EASLEY: Okay. Issue 48.

19 MR. JONES: COVA agrees with Staff.

20 COMMISSIONER EASLEY: No other changes. Issue 49.

21 MR. JONES: No position by COVA.

22 COMMISSIONER EASLEY: Issue 49 is a proposed  
23 stipulation. Are we all right on that one?

24 MR. FEIL: Yes, Commissioner, I think this was one  
25 of the sorts that OPC did not participate in.

1           COMMISSIONER EASLEY: So with the OPC language,  
2 show a stipulation on 49. Issue 50.

3           MR. JONES: No position by COVA.

4           COMMISSIONER EASLEY: 51.

5           MR. JONES: No position.

6           COMMISSIONER EASLEY: Mr. McLean.

7           MR. McLEAN: We'll agree with Staff.

8           COMMISSIONER EASLEY: I assume this is not a  
9 stipulation.

10          MR. FEIL: It is not.

11          COMMISSIONER EASLEY: 52.

12          MR. JONES: No position by COVA.

13          COMMISSIONER EASLEY: You know, Mr. Hoffman, let  
14 me comment. It really makes it difficult for us to  
15 follow when your response is just per the MFRs. I know  
16 that there are times when that's perfectly adequate,  
17 but, and Issue 52 is probably one of those because that  
18 appears to be darn near a fallout number. And maybe it  
19 would be easier if we identified the ones that are  
20 fallout per, whatever. Even if you had a yes or no  
21 with it, or something.

22          MR. HOFFMAN: I can't disagree with that statement  
23 you just made.

24          COMMISSIONER EASLEY: Well, I would devoutly hope  
25 not.

1 MR. HOFFMAN: If you'd like, I will try and expand  
2 on some of our per the MFRs.

3 COMMISSIONER EASLEY: And it may not take much in  
4 the way of an expansion and it may be perfectly  
5 appropriate not to expand it, but it does get a little  
6 confusing to try and go through and pick out who is  
7 where. Thank you. I appreciate that. Issue 53.

8 MR. JONES: No position.

9 COMMISSIONER EASLEY: OPC.

10 MR. McLEAN: No position.

11 COMMISSIONER EASLEY: Issue 66.

12 MR. JONES: We agree with OPC.

13 COMMISSIONER EASLEY: No other changes. Issue 54.

14 MR. JONES: No position.

15 COMMISSIONER EASLEY: This is really a fallout.  
16 OPC-70, generic issues. NOI.

17 MR. JONES: We agree with Staff.

18 COMMISSIONER EASLEY: 70A.

19 MR. McLEAN: OPC agrees with Staff.

20 COMMISSIONER EASLEY: It looks like that's a  
21 stipulation. The Company agrees with Staff, is that  
22 correct. Stipulation?

23 MR. HOFFMAN: Yes.

24 MR. FEIL: Yes, ma'am.

25 MR. JONES: COVA agrees with Staff.

1           COMMISSIONER EASLEY: Stipulation on 70A. 55.  
2           Just for the record for clarity, if anybody's trying to  
3           follow this, 55 is on Page 49. Since we're going back  
4           and forth on numbers it might be easier to occasionally  
5           stick a page number in.

6           MR. JONES: We agree with OPC on 55.

7           COMMISSIONER EASLEY: Issue 56.

8           MR. JONES: COVA agrees with Staff.

9           COMMISSIONER EASLEY: Now, Mr. Hoffman, on  
10          Southern States modification document, Page 11, this is  
11          a correction to the --

12          MR. HOFFMAN: Yes, ma'am.

13          COMMISSIONER EASLEY: -- to the prehearing  
14          statement. Thank you. No other changes?

15          OPC-75, Southern State is no. Any position, Mr.  
16          Jones?

17          MR. JONES: OPC on 75.

18          COMMISSIONER EASLEY: Okay. 76.

19          MR. JONES: No position.

20          COMMISSIONER EASLEY: OPC, you're not ready for  
21          this one, yet, I guess?

22          MR. McLEAN: No, ma'am, that's correct.

23          COMMISSIONER EASLEY: OPC-77.

24          MR. JONES: We agree with OPC on 77.

25          COMMISSIONER EASLEY: All right. 57 on Page 52.

1 MS. BEDELL: That issue is dropped.

2 COMMISSIONER EASLEY: Show that issue as gone.

3 58, rate case expense.

4 MR. FEIL: There appears to be some sort of  
5 strange --

6 MR. JONES: There is error in the numbers, it's  
7 \$43,000 instead of 4300.

8 COMMISSIONER EASLEY: Uh-huh. Is that the only  
9 change, then, to Issue 58? And that changes COVA's  
10 position from 4300 to \$43,000, typographical change, I  
11 assume.

12 Issue 59. OPC, I beg your pardon. Do you want to  
13 take a position yet on 58?

14 MR. FEIL: Commissioner, we do have a position.  
15 There was just a strange typographical error where  
16 NASA, OPC and Staff was repeated. We'll delete that.

17 COMMISSIONER EASLEY: Oh, on Page 53?

18 MS. BEDELL: Yes.

19 MR. FEIL: Yes, ma'am.

20 COMMISSIONER EASLEY: Issue 59.

21 MR. JONES: No position.

22 MR. McLEAN: Commissioner, I'm sorry, I didn't  
23 mean to interrupt.

24 COMMISSIONER EASLEY: Go ahead.

25 MR. McLEAN: Actually, my statement was related to



1 an earlier issue that we were concentrating on, part of  
2 our position seems to be omitted.

3 COMMISSIONER EASLEY: Which one?

4 MR. McLEAN: OPC-75. 77, I'm sorry. On Page 52  
5 of the prehearing order.

6 COMMISSIONER EASLEY: 52? That'll be 77, then,  
7 won't it?

8 MR. McLEAN: Yes, ma'am, correct, I'm sorry.

9 COMMISSIONER EASLEY: Okay.

10 MR. McLEAN: If you look at the bottom two lines  
11 of our position, it begins, an adjustment is also  
12 necessary to remove.

13 COMMISSIONER EASLEY: Yes.

14 MR. McLEAN: Immediately following remove, please  
15 insert the words excess liability slash property damage  
16 insurance in directors and officers liability  
17 insurance.

18 COMMISSIONER EASLEY: And leaving the word cost  
19 in?

20 MR. McLEAN: Yes, ma'am.

21 COMMISSIONER EASLEY: Mr. Hoffman, would you check  
22 to see if we can possibly start this thing on Thursday  
23 instead of Friday?

24 MR. HOFFMAN: Yes.

25 COMMISSIONER EASLEY: Let's finish Issue 59.

1 MR. JONES: COVA has no position.

2 COMMISSIONER EASLEY: All right. Any changes on  
3 Issue 60?

4 MR. FEIL: That was dropped.

5 COMMISSIONER EASLEY: Beg your pardon?

6 MR. FEIL: 60 was dropped.

7 COMMISSIONER EASLEY: 60 is gone. 61?

8 MR. JONES: COVA agrees with Staff.

9 COMMISSIONER EASLEY: All right. OPC-82.

10 MR. JONES: No position.

11 COMMISSIONER EASLEY: The Company is no, and it's  
12 on Page 12. OPC is no. Staff?

13 MS. BEDELL: Can we come back to you after the  
14 break on that?

15 COMMISSIONER EASLEY: Yes.

16 MS. BEDELL: And, I think, somewhere in here we  
17 want to add what was OPC-3.

18 COMMISSIONER EASLEY: All right, tell you what,  
19 let's take a break right now. We're getting ready to  
20 start on OPC-4A on Page 55 and you all take a look at  
21 that and some of these other questions and we'll be  
22 back in ten minutes.

23 (Break taken)

24 COMMISSIONER EASLEY: Are we ready?

25 MS. BEDELL: Yes, ma'am.

1           COMMISSIONER EASLEY: Shall we keep going and come  
2 back to the total or --

3           MS. BEDELL: Whichever you'd like. We're ready to  
4 start on OPC-82 or go back.

5           COMMISSIONER EASLEY: OPC-82, let's start there.

6           MS. BEDELL: I believe you asked for Staff's  
7 position. That is no position, pending further  
8 development of the record.

9           COMMISSIONER EASLEY: Okay.

10          MS. BEDELL: Also, following OPC-82, that's the  
11 spot that we believe OPC-3 from, that we took from the  
12 legal issues at the beginning, we think that's the  
13 place it should be inserted.

14          COMMISSIONER EASLEY: All right. So it will be  
15 put in it's proper numeric order after 82 and before  
16 OPC-4A, as shown in the draft prehearing order. And if  
17 I recall, none of the language changes, we're just  
18 moving it.

19          MS. BEDELL: That's correct.

20          COMMISSIONER EASLEY: OPC-4 on Page 55. Southern  
21 States is no with additional language. Mr. Jones?

22          MR. JONES: 4 or 4A?

23          COMMISSIONER EASLEY: I'm sorry, 4A, you're right.

24          MR. JONES: We don't have a position.

25          COMMISSIONER EASLEY: Issue 62.

1 MS. BEDELL: That's the one that the Company has  
2 indicated may be a stipulation.

3 MR. FEIL: I have been informed that it would not  
4 be. Staff would add to it its position after yes, 18  
5 percent should be removed from rate base and not  
6 capitalized for the purpose of this proceeding.

7 COMMISSIONER EASLEY: Okay, that took care of that  
8 stipulation. COVA?

9 MR. JONES: No position.

10 COMMISSIONER EASLEY: OPC?

11 MR. JONES: No position.

12 COMMISSIONER EASLEY: 62A. Southern States shows  
13 a yes. This appears to be a stipulation, if everybody  
14 is saying yes with no further language.

15 MR. FEIL: Commissioner, we do have a number after  
16 the yes. I don't know whether or not that will change  
17 the Company's perspective.

18 COMMISSIONER EASLEY: I don't see a number after  
19 the yes.

20 MR. FEIL: 32,806, as the amount to be removed.

21 COMMISSIONER EASLEY: All right. Mr. Hoffman.

22 MR. HOFFMAN: I think we're going to have to go  
23 back and check that before we can sign off on the  
24 stipulation.

25 COMMISSIONER EASLEY: We will come back to.

1 MR. JONES: We have no position.

2 COMMISSIONER EASLEY: No position for COVA. OPC.  
3 How about that number, do you need check it, too?

4 MR. McLEAN: No, ma'am, we like it.

5 COMMISSIONER EASLEY: You're going to agree with  
6 Staff, and we'll come back to Issue 62A on Page 55.

7 MS. BEDELL: And that issue was dropped.

8 COMMISSIONER EASLEY: Issue 63 was dropped. Issue  
9 63 is gone. Issue 64. COVA. Any position on that?

10 MR. JONES: Yes, we agree with OPC.

11 COMMISSIONER EASLEY: Issue 65. And this is a  
12 correction, Mr. Hoffman, as shown in your modification  
13 on Page 13.

14 MR. HOFFMAN: That's correct.

15 COMMISSIONER EASLEY: COVA?

16 MR. JONES: 65? I think we agree with OPC  
17 pending, or OPC changes their mind.

18 COMMISSIONER EASLEY: Okay. Issue 66. Again,  
19 Southern States is no, with a statement.

20 MR. JONES: We agree with OPC.

21 COMMISSIONER EASLEY: Issue OPC-85.

22 MR. JONES: We agree with OPC.

23 COMMISSIONER EASLEY: Southern States is no.  
24 Issue 67?

25 MR. JONES: With agree with OPC.

1           COMMISSIONER EASLEY: Issue 68. This is to be  
2 dropped?

3           MR. FEIL: Yes, ma'am, as well as 69. I believe  
4 these were incorporated into another issue.

5           COMMISSIONER EASLEY: Issue 68, 69, they're gone.  
6 Issue 70?

7           MR. JONES: COVA agrees with Staff.

8           MR. McLEAN: As does OPC.

9           COMMISSIONER EASLEY: Issue 71.

10          MS. BEDELL: Was dropped.

11          COMMISSIONER EASLEY: 71 is gone. 72?

12          MR. JONES: COVA agrees with Staff.

13          COMMISSIONER EASLEY: And the Company says no.  
14 OPC-107?

15          MR. JONES: COVA agrees with OPC.

16          MS. BEDELL: 107 is one that the Company  
17 identified as a possible.

18          COMMISSIONER EASLEY: It appears to be, OPC you  
19 have a specific amount. Do you see this as a -- Mr.  
20 Hoffman, do you agree with OPC?

21          MR. HOFFMAN: That's the amount that we're  
22 stipulating to.

23          COMMISSIONER EASLEY: All right, no problem. We  
24 have a stipulation on 107.

25          MS. BEDELL: 108 is also, I believe, a

1 stipulation.

2 COMMISSIONER EASLEY: It appears so. Mr. Jones,  
3 do you agree with everybody?

4 MR. JONES: That's right.

5 COMMISSIONER EASLEY: 108 is a stipulation. 73.

6 MR. JONES: We agree with Staff.

7 COMMISSIONER EASLEY: Okay. That's not a  
8 stipulation. OPC-88.

9 MR. FEIL: I believe that was listed as a  
10 stipulation.

11 COMMISSIONER EASLEY: Appears to be.

12 MR. JONES: We agree with OPC on that.

13 COMMISSIONER EASLEY: That appears to be a  
14 stipulation. Does anybody object? OPC-88 is  
15 stipulated. OPC is stipulated, too, for that matter.  
16 OPC-89.

17 MR. JONES: We agree with OPC.

18 COMMISSIONER EASLEY: OPC-90.

19 MR. JONES: We agree with OPC.

20 MS. BEDELL: I believe this is also --

21 COMMISSIONER EASLEY: This appears to be a  
22 stipulation. Is that correct? Mr. McLean, no problem?

23 MR. McLEAN: No problem.

24 COMMISSIONER EASLEY: OPC-90 is stipulated. 91?

25 MR. JONES: We agree with OPC.

1           COMMISSIONER EASLEY: 92. The Company agrees with  
2 Staff. OPC?

3           MR. JONES: COVA agrees with Staff.

4           COMMISSIONER EASLEY: OPC. These numbers appear  
5 to be the same between you and Staff.

6           MS. BEDELL: I think we were going to check and  
7 see who may have transposed those numbers and I believe  
8 we forgot to do that. I think we are working --

9           COMMISSIONER EASLEY: Yes.

10          MS. BEDELL: We may be working with the same  
11 numbers and we would have to --

12          COMMISSIONER EASLEY: All right, let's come back  
13 to 92 and see if we have a stipulation, on Page 63.

14          To show you how, Monday morning I read those as  
15 being the same number. Retransposed whichever one it  
16 was.

17          MR. FEIL: Commissioner, I think that perhaps the  
18 other problem with OPC-92 is we're talking about an  
19 allocation here on part of OPC's position in the first  
20 paragraph there.

21          COMMISSIONER EASLEY: Uh-huh.

22          MR. FEIL: And I don't know whether or not we have  
23 a number on that, pertaining to that first paragraph.  
24 In other words, I don't know whether or not the bottom  
25 number there, 3137, includes the two things listed or



1 just the one. I think it's just the one.

2 COMMISSIONER EASLEY: Okay. We'll come back to  
3 that. OPC-93?

4 MR. JONES: We agree with OPC.

5 COMMISSIONER EASLEY: Okay. Staff agrees with  
6 OPC. This is not a stipulation, is that correct?

7 MR. FEIL: It appears that way.

8 MR. HOFFMAN: Commissioners, could we go back to  
9 OPC-90 on Page 62 for a moment on that stipulation? So  
10 the record is clear, the Company's proposal is to  
11 stipulate to an adjustment of \$1,541 and not anything  
12 beyond that.

13 COMMISSIONER EASLEY: Mr. McLean, that's your  
14 understanding, too, right? On Issue 90?

15 MR. McLEAN: Yes, but doesn't that deprive the  
16 Staff of the opportunity to question any more that they  
17 might detect? I mean, if we stipulate, it eliminates  
18 it as an issue.

19 MR. FEIL: I don't believe we have a problem with  
20 that.

21 COMMISSIONER EASLEY: Okay. Do you wish to not  
22 participate in the stipulation, or did you -- you had  
23 already taken a position.

24 MR. McLEAN: No, actually we got everything we  
25 asked for so it's going to be difficult for us not to

1 agree.

2 COMMISSIONER EASLEY: But you're hoping Staff will  
3 find a little more, right?

4 MR. McLEAN: If it's important for Ken to go back  
5 to it, you know there's something there. I think we're  
6 stuck with our position as stated, actually.

7 COMMISSIONER EASLEY: I detect a certain level of  
8 paranoia here. Let's see, 94.

9 MR. JONES: We agree with OPC.

10 COMMISSIONER EASLEY: Mr. Hoffman, on Page 17, the  
11 position on OPC-94, I assume no, and accept should be  
12 changed to except? OPC-95?

13 MR. JONES: COVA agrees with OPC.

14 COMMISSIONER EASLEY: OPC-96.

15 MR. JONES: COVA agrees with OPC.

16 COMMISSIONER EASLEY: 97.

17 MR. JONES: COVA agrees with Staff.

18 COMMISSIONER EASLEY: All right, OPC-98.

19 MS. BEDELL: I believe this is identified as a  
20 stipulation.

21 MR. HOFFMAN: No. We had identified Issue 98 as  
22 opposed to OPC-98.

23 COMMISSIONER EASLEY: Are you sure, then? On Page  
24 19 it says OPC-98, yes, agree with OPC and Staff.

25 MR. HOFFMAN: Okay. I think that is incorrect on

1 our modification. It should be OPC-98 and subject to a  
2 stipulation.

3 COMMISSIONER EASLEY: Wait a minute, now. I  
4 thought you said it was incorrect on the modification.  
5 Is it correct or incorrect?

6 MR. HOFFMAN: On Page 23 of the modification, it  
7 says 98 right before and 99.

8 COMMISSIONER EASLEY: That's what's incorrect.

9 MR. HOFFMAN: That's what's incorrect. It should  
10 be OPC-98.

11 COMMISSIONER EASLEY: I got you. All right. So  
12 we do have a stipulation on OPC-98?

13 MR. FEIL: Yes, ma'am.

14 COMMISSIONER EASLEY: OPC-99.

15 MR. JONES: Did we do 98?

16 COMMISSIONER EASLEY: Yes, sir, we had a  
17 stipulation on that, unless you have a problem. They  
18 do agree with OPC and Staff?

19 MR. JONES: Do I have to make a statement on 98?

20 COMMISSIONER EASLEY: Not unless you need to. If  
21 you agree with somebody and want that in there, that's  
22 fine.

23 MR. JONES: We agree with OPC.

24 COMMISSIONER EASLEY: That's fine. OPC-99.

25 MR. JONES: We agree with OPC.

1 COMMISSIONER EASLEY: 100, that's OPC-100.

2 MR. JONES: We agree with OPC.

3 COMMISSIONER EASLEY: Systems Specific. Citrus  
4 County, OPC-103. No, on Sugar Mill by the company.  
5 COVA's position as stated, no changes, right?

6 MR. HOFFMAN: Right.

7 COMMISSIONER EASLEY: Duval County, OPC-109?

8 MR. JONES: We don't have a position.

9 COMMISSIONER EASLEY: All right, sir. Marion  
10 County, Issue 74.

11 MR. FEIL: 74 and 57 were moot, Commissioner.  
12 They were rate base issues, mistakenly placed here.

13 COMMISSIONER EASLEY: So they will no longer show  
14 up in the prehearing order in this case.

15 MR. FEIL: Yes, ma'am.

16 COMMISSIONER EASLEY: So for purposes of this go  
17 through they have been dropped from this position and  
18 moved into rate base issues?

19 MR. FEIL: Yes, ma'am.

20 COMMISSIONER EASLEY: All right. OPC-110?

21 MR. JONES: We have no position on 110.

22 COMMISSIONER EASLEY: All right, sir. Martin  
23 County, Issue 76. This was to be dropped?

24 MR. FEIL: Yes, ma'am.

25 COMMISSIONER EASLEY: Issue 77?

1 MR. JONES: No position for COVA.

2 COMMISSIONER EASLEY: You all take a look at this,  
3 Staff. Make sure the distinctions between the  
4 responses are clear, please.

5 MR. FEIL: Yes, ma'am.

6 MR. McLEAN: Commissioner, on 77. The number in  
7 our position should be 10,500.

8 COMMISSIONER EASLEY: 500 not 150?

9 MR. McLEAN: Correct.

10 COMMISSIONER EASLEY: All right. I was trying to  
11 understand the distinction in these answers. You're  
12 saying don't advertise it, expense it, right?

13 MR. FEIL: I think the Company is saying that it  
14 should be expensed, yes. OPC is saying that expenses  
15 should be reduced, and Staff is saying amortize it over  
16 five years.

17 COMMISSIONER EASLEY: So we have three different,  
18 two nos and a yes and three different reasons. Boy,  
19 that's clear. Okay. OPC-112?

20 MR. JONES: COVA has no position.

21 COMMISSIONER EASLEY: Volusia County, Issue 78.

22 MR. JONES: COVA has no position.

23 COMMISSIONER EASLEY: All right, Issue 79 to be  
24 dropped. Is that correct?

25 MR. FEIL: Yes, ma'am.

1 COMMISSIONER EASLEY: And OPC-102 to be dropped.

2 MR. FEIL: Yes, ma'am.

3 COMMISSIONER EASLEY: All right, issue supplying  
4 more than one system. Issue 80.

5 MR. JONES: COVA has no position.

6 COMMISSIONER EASLEY: Issue 81?

7 MR. JONES: No position from COVA.

8 COMMISSIONER EASLEY: 82?

9 MR. JONES: We agree with both OPC and Staff,  
10 since they seem to agree with each other.

11 MR. FEIL: Commissioner, I'm not sure whether or  
12 not we agree with OPC regarding the number, and that's  
13 why we merely said yes.

14 MR. JONES: Then we only agree with OPC.

15 COMMISSIONER EASLEY: And the company is saying  
16 not as proposed by OPC.

17 MR. HOFFMAN: Right.

18 COMMISSIONER EASLEY: That rather narrows it down,  
19 doesn't it? Okay. 83.

20 MR. JONES: No position. 84, are we?

21 COMMISSIONER EASLEY: I'm sorry, let me read this  
22 for a minute. On 83, I guess that's clear, I look  
23 forward to testimony on that one. 84?

24 MR. JONES: COVA agrees with OPC.

25 COMMISSIONER EASLEY: I guess this is really a

1 fallout, correct?

2 MR. FEIL: Yes, ma'am.

3 COMMISSIONER EASLEY: By fallout, Mr. Jones, we  
4 mean it's a consequence of other decisions and probably  
5 simply a numerical result.

6 MR. JONES: I remember that being used two years  
7 ago.

8 COMMISSIONER EASLEY: Good.

9 MR. JONES: But thank you for explaining it for  
10 me.

11 COMMISSIONER EASLEY: You're very welcome. It  
12 suddenly dawned on me we were sort of breezing pass  
13 those. Issue 85.

14 MR. JONES: No position from COVA.

15 COMMISSIONER EASLEY: All right, sir. I assume  
16 this is a difference between Staff and the MFRs.

17 MR. HOFFMAN: Yes.

18 COMMISSIONER EASLEY: Issue 86?

19 MR. JONES: I guess, no position from COVA.

20 COMMISSIONER EASLEY: All right, sir. Issue 87?

21 MR. JONES: No position.

22 COMMISSIONER EASLEY: Same, Mr. Hoffman? MFRs are  
23 different from Staff?

24 MR. HOFFMAN: Yes, that's my understanding.

25 COMMISSIONER EASLEY: 88 the Company agrees with

1 Staff.

2 MS. BEDELL: Commissioner, Staff would like to  
3 drop Issue 88, unless somebody has got a problem with  
4 it.

5 COMMISSIONER EASLEY: Mr. Jones, do you have any  
6 problem with dropping that issue?

7 MR. JONES: No.

8 COMMISSIONER EASLEY: Mr. McLean.

9 MR. McLEAN: We're not convinced it's not our  
10 issue. Is that a Staff issue for sure?

11 MS. BEDELL: It was originally Staff Issue 88 and  
12 we think that it's covered, that which might need to be  
13 covered on the effluent sales.

14 MR. FEIL: It's incorporated into the OPC-106.

15 MR. McLEAN: We talked about that a bit Wednesday,  
16 didn't we?

17 MS. BEDELL: Yes.

18 MR. McLEAN: Okay. We agree.

19 COMMISSIONER EASLEY: Okay. So we'll drop Issue  
20 88 and go to OPC-106.

21 MR. JONES: No position from COVA.

22 MS. BEDELL: Staff would like to change their  
23 position.

24 COMMISSIONER EASLEY: You don't have one.

25 MS. BEDELL: We don't have one, I'm sorry. We'd



1           like to insert a position.

2           COMMISSIONER EASLEY: Thank you. Which says what?

3           MS. BEDELL: No. \$9,308 should be included in  
4 test year revenues for the Deltona Lakes Systems.

5           COMMISSIONER EASLEY: All right, the number is the  
6 same as OPC's.

7           MS. BEDELL: We agree with the first paragraph of  
8 OPC's but not the rest of it.

9           COMMISSIONER EASLEY: Southern States.

10          MR. HOFFMAN: Commissioner, I think we should  
11 amend our position on that number from 9745 to 9308.

12          COMMISSIONER EASLEY: And that is shown on Page 21  
13 of the modifications?

14          MR. HOFFMAN: Yes.

15          COMMISSIONER EASLEY: Are you, then, in the same  
16 position as Staff here, agreeing with the first  
17 paragraph of OPC, but not with the second?

18          MR. HOFFMAN: Yes.

19          COMMISSIONER EASLEY: All right. Issue 89.

20          MR. JONES: We agree with Staff.

21          COMMISSIONER EASLEY: Mr. Hoffman, can I -- should  
22 the word no go in the front of your position?

23          MR. HOFFMAN: On Issue 89.

24          COMMISSIONER EASLEY: Yes.

25          MR. HOFFMAN: Yes.

1           COMMISSIONER EASLEY: That's yes. Insert the word  
2 no at the beginning of the issue on Issue 89. OPC?

3           MR. McLEAN: I'm sorry. We agree with Staff.

4           COMMISSIONER EASLEY: Issue 89, Page 26.

5           MR. McLEAN: 76. Yes, we agree with Staff.

6           COMMISSIONER EASLEY: All right. Issue 90 on Page  
7 77.

8           MR. JONES: COVA agrees with Staff.

9           COMMISSIONER EASLEY: And do we agree this is a  
10 fallout issue?

11          MR. McLEAN: Yes.

12          COMMISSIONER EASLEY: Could we identify it as  
13 such, please? Revenue requirements, Issue 91?

14          MR. JONES: COVA agrees with Staff.

15          COMMISSIONER EASLEY: Also fallout, right?

16          MR. McLEAN: Yes, ma'am.

17          COMMISSIONER EASLEY: Issue 92.

18          MS. BEDELL: Commissioner Easley, before we start  
19 on the rates issues I'd like to, if it would be all  
20 right with the parties, I received a list this morning  
21 of issues to be reordered, and if it would be all right  
22 with the parties we would like to prepare a list of the  
23 order and what it is in this, as numbered in this, and  
24 reorder these issues.

25          COMMISSIONER EASLEY: We're going to have to do

1           that for the whole thing, aren't we?

2           MS. BEDELL: Yes. What we're saying is we're not  
3 going to take these in the order that they're listed  
4 and I think the simplest thing for me to do is just  
5 give everybody a list after we get finished today.

6           COMMISSIONER EASLEY: Sure.

7           MS. BEDELL: Just sort of putting everybody on  
8 notice. The issues will be, they're not going to be in  
9 the same place. Thank you.

10          COMMISSIONER EASLEY: You're welcome. It applies  
11 to every piece of paper in the document, I think.

12          MS. BEDELL: Good.

13          COMMISSIONER EASLEY: Page 78, Issue 92.

14          MR. JONES: COVA agrees with Staff.

15          COMMISSIONER EASLEY: OPC.

16          MR. McLEAN: No position.

17          COMMISSIONER EASLEY: Is this a stipulation or is  
18 the qualification Staff has different from what the yes  
19 is for the Company?

20          MS. BEDELL: We'll get back to you.

21          COMMISSIONER EASLEY: All right. Come back to 92  
22 on Page 78. Issue 93?

23          MR. JONES: Our position is as stated.

24          COMMISSIONER EASLEY: All right, sir. OPC.

25          MR. McLEAN: No position.

1 COMMISSIONER EASLEY: No other changes. Issue 94.

2 MR. FEIL: Excuse me, Commissioner. On Issue 93,  
3 I believe Mr. Jones is testifying regarding this, is  
4 this correct?

5 MR. JONES: I think so.

6 MR. FEIL: Thank you. I'll just list you as a  
7 witness.

8 COMMISSIONER EASLEY: Insert Mr. Jones' name at  
9 the end of the position. Issue 94.

10 MR. JONES: We need to make a change, I believe,  
11 in what we're saying.

12 COMMISSIONER EASLEY: All right, sir.

13 MR. JONES: Where we say for SMU, no. It should  
14 be yes.

15 MR. HANSEN: We agree with the issue, but other  
16 than that --

17 COMMISSIONER EASLEY: So the first sentence in  
18 your position will read for SMW, yes.

19 MR. FEIL: Right. I apologize for that, I  
20 tampered with Mr. Jones' wording.

21 COMMISSIONER EASLEY: No more tampering, please.  
22 Mr. McLean?

23 MR. McLEAN: No position.

24 COMMISSIONER EASLEY: Issue 95. Any changes on  
25 95? Mr. McLean? Are you taking a position on 95, OPC?

1 MR. McLEAN: No, ma'am, no position.

2 COMMISSIONER EASLEY: Mr. Jones?

3 MR. JONES: I'm sorry. Our position is as stated.

4 COMMISSIONER EASLEY: All right, sir. Issue 96.

5 MS. BEDELL: 96 was dropped.

6 COMMISSIONER EASLEY: Issue 97.

7 MR. JONES: No position from COVA.

8 COMMISSIONER EASLEY: All right, sir. The  
9 Company's position has changed to yes.

10 COMMISSIONER EASLEY: OPC?

11 MR. McLEAN: No position.

12 COMMISSIONER EASLEY: Do we have a stipulation?

13 MR. FEIL: Commissioner, I believe this is  
14 something that could be stipulated to.

15 COMMISSIONER EASLEY: I've got two yeses and two  
16 no positions. It sure sounds like it to me.

17 MR. McLEAN: From us you have a be our guest. We  
18 don't want to participate in it, but we have no  
19 objection.

20 MS. BEDELL: Stipulation sound good to us.

21 MR. HOFFMAN: We don't have an objection, so we  
22 would stipulate.

23 COMMISSIONER EASLEY: Issue 97 is stipulated.  
24 Issue 98.

25 MR. JONES: COVA has no position

1 MS. BEDELL: Would it be possible to stipulate  
2 this.

3 COMMISSIONER EASLEY: OPC you're taking no  
4 position on this one?

5 MR. McLEAN: Correct.

6 COMMISSIONER EASLEY: Do we have a stipulation?

7 MR. FEIL: I believe it can be the type of  
8 stipulation without OPC and COVA participating.

9 MR. McLEAN: That's fine with us.

10 MR. HOFFMAN: I don't think we can stipulate on  
11 this issue, yet, Commissioner, but we will get back  
12 quickly on that.

13 COMMISSIONER EASLEY: I'm going to write down  
14 Issue 98 as a come back to.

15 MR. HOFFMAN: Yes.

16 COMMISSIONER EASLEY: All right. 99?

17 MS. BEDELL: 99 is one the Company has already  
18 identified as a stipulation.

19 COMMISSIONER EASLEY: Mr. Jones, any problem with  
20 the stipulation?

21 MR. JONES: No, ma'am.

22 COMMISSIONER EASLEY: OPC? Same thing?

23 MR. McLEAN: Yes, ma'am.

24 COMMISSIONER EASLEY: Not participating. COVA and  
25 OPC do not participate. Mr. Hoffman, no problem with

1 the stipulation?

2 MR. HOFFMAN: Commissioner, I think I'm going to  
3 have to go back and check on that one.

4 COMMISSIONER EASLEY: This wasn't your proposed  
5 stipulation?

6 MR. HOFFMAN: It was, but I think I may have  
7 jumped the gun.

8 COMMISSIONER EASLEY: 99 goes on the list. 100.

9 MR. JONES: COVA agrees with SSU and Staff and I  
10 guess that's all.

11 COMMISSIONER EASLEY: Mr. McLean?

12 MR. McLEAN: No position.

13 COMMISSIONER EASLEY: Do we have a stipulation?

14 MR. FEIL: I believe so.

15 MR. HOFFMAN: Yes.

16 COMMISSIONER EASLEY: So Issue 100 is stipulated.

17 MR. FEIL: Without OPC's participation.

18 COMMISSIONER EASLEY: ST-5. Who's ST-5, Staff?

19 MR. FEIL: Staff.

20 COMMISSIONER EASLEY: I don't see a, oh, there it  
21 is, nevermind. Top of Page 22 for Southern States.

22 Mr. Jones?

23 MR. JONES: We agree with Staff.

24 COMMISSIONER EASLEY: OPC.

25 MR. McLEAN: No position.

1           COMMISSIONER EASLEY: The same question, Mr.  
2 Hoffman. Can I put a no in front of your answer on  
3 ST-5?

4           MR. HOFFMAN: That's correct.

5           MR. McLEAN: Is that an effort there to go back to  
6 graduated rates, what we used to call them, block?

7           (Inaudible response.)

8           COMMISSIONER EASLEY: Issue 101.

9           MS. BEDELL: Commissioner Easley, before we go to  
10 Issue 101, Staff has taken some of the position out of  
11 101 and would like to insert four new issues at this  
12 point.

13          COMMISSIONER EASLEY: Do you have them in writing.

14          MS. BEDELL: Yes, we have them in writing. They  
15 were in the draft prehearing that we had when we went  
16 to the pre-prehearing earlier last week, and I will  
17 read them into the record.

18          COMMISSIONER EASLEY: Do I have a copy of them?

19          MS. BEDELL: You do not, but I can give you a copy  
20 of them. They are identified in this as ST-1 through  
21 4. I was just going to read them. Or would you like  
22 to read them for us?

23          COMMISSIONER EASLEY: Would I like to read them?

24          MS. BEDELL: No, I will read them in.

25          COMMISSIONER EASLEY: That's supposed to get my



1 immediate attention, right? All right, now, wait a  
2 minute. ST-1 is going to go before Issue 101, is that  
3 correct?

4 MS. BEDELL: Yes, ma'am. And that should read,  
5 "Should Southern States' final rates be uniform within  
6 counties, regions, or statewide?"

7 THE WITNESS: Have the parties seen these? I  
8 assume you have at the pre-pre?

9 MS. BEDELL: They saw these, they have not had an  
10 opportunity to prepare positions for them and I would  
11 hope that we could give them a couple of days to  
12 respond.

13 COMMISSIONER EASLEY: Read the next issue.

14 MS. BEDELL: The next issue is, "Should systems  
15 with advanced water or wastewater treatment have  
16 surcharges added to their rates if uniform rates are  
17 approved?"

18 COMMISSIONER EASLEY: Next issue.

19 MS. BEDELL: "Should Southern States' proposed cap  
20 at 10,000 gallon for water and wastewater bills be  
21 approved, that should be cap or target?"

22 COMMISSIONER EASLEY: Are you reading the gist of  
23 it or are you reading --

24 MS. BEDELL: I'm reading what I have. You have  
25 what they have had before. That's why I was asking you

1 if you wanted to read it. Do you have them worded  
2 differently?

3 COMMISSIONER EASLEY: What you just read is the  
4 way the issue is framed now in its final form, is that  
5 correct?

6 MS. BEDELL: What you're reading is the way I  
7 would like to have it.

8 MR. HANSEN: Excuse me. What issue are we talking  
9 about?

10 MS. BEDELL: You don't have this.

11 MR. HANSEN: Yes, we've got it, but we may not  
12 have it.

13 COMMISSIONER EASLEY: ST-3 reads, should SSU's  
14 proposal that customer bills be capped at \$52 for water  
15 and \$65 for wastewater for 10,000 gallons for water  
16 usage be approved. Do you want it worded that way, or  
17 the way you have it?

18 MS. BEDELL: Yes, ma'am, that way.

19 COMMISSIONER EASLEY: All right, ST-4. I'm going  
20 to keep reading them.

21 MS. BEDELL: Please.

22 COMMISSIONER EASLEY: "How should the revenue  
23 deficiencies caused by the cap on bills at 10,000  
24 gallons be recovered?" ST-5.

25 MS. BEDELL: Just those four is all we need. ST-5

1 was the conservation rate issue preceding it.

2 MR. McLEAN: Doesn't Issue 4 imply that there is  
3 to be such a difference?

4 COMMISSIONER EASLEY: Say it again. I'm sorry.

5 MR. McLEAN: Issue 4, seems that there is to be  
6 such a deficiency.

7 MS. BEDELL: We can certainly put a clause, if  
8 approved, if the proposed cap or target is approved,  
9 how.

10 MR. McLEAN: That's fine.

11 COMMISSIONER EASLEY: Then when we finish this,  
12 we'll get in to the amount of time allowed to respond  
13 to these issues. That doesn't present a problem with  
14 anybody's testimony, does it?

15 MR. FEIL: I don't believe so, or it shouldn't.

16 COMMISSIONER EASLEY: That takes us back, then,  
17 to Issue 101. Is that where we are, on Page 83?

18 MS. BEDELL: And Staff's position is the position  
19 printed, should be deleted and it should be no position  
20 pending further development of the record.

21 MR. JONES: COVA stands by their position.

22 COMMISSIONER EASLEY: Issue 102. You holding with  
23 no position at this time, Mr. Hoffman?

24 MR. HOFFMAN: Yes.

25 MR. JONES: COVA agrees with Staff on 102.

1           COMMISSIONER EASLEY:  OPC.  You're not ready for a  
2 position on this, either?

3           MR. McLEAN:  No, ma'am, we won't take a position  
4 on that.

5           COMMISSIONER EASLEY:  No position, period.

6           MS. BEDELL:  103 and 104 were dropped.

7           COMMISSIONER EASLEY:  103 is gone.  104 is gone.  
8 SS-87.

9           MR. JONES:  87, COVA agrees with Staff.

10          COMMISSIONER EASLEY:  All right, sir.  Mr. McLean,  
11 are you disagreeing with Staff on this or not?  It  
12 appears you essentially are not disagreeing here.

13          MS. BEDELL:  I believe there is a disagreement  
14 because Staff isn't saying that all the systems should  
15 have charges.

16          COMMISSIONER EASLEY:  You just say  
17 system-by-system, okay.  I'm just curious.  Do you have  
18 a witness on this one, Mr. McLean.

19          MR. McLEAN:  No, ma'am.

20          COMMISSIONER EASLEY:  Issue 105.

21          MR. JONES:  COVA agrees with Staff.

22          COMMISSIONER EASLEY:  Issue 130 has been merged  
23 into another one.  106 should be a fallout, is that  
24 correct?

25          MR. JONES:  We agree with Staff, although it may

1 be a fallout.

2 COMMISSIONER EASLEY: Mr. McLean?

3 MR. McLEAN: It's a fallout.

4 COMMISSIONER EASLEY: 107. Also a fallout? Yes.  
5 108?

6 MR. JONES: COVA agrees with Staff.

7 COMMISSIONER EASLEY: Mr. Hoffman, you're changing  
8 your position from no to no position at this time, is  
9 that correct?

10 MR. HOFFMAN: Correct.

11 COMMISSIONER EASLEY: OPC remaining with that one?

12 MR. McLEAN: No position at this time.

13 COMMISSIONER EASLEY: 109?

14 MR. JONES: 109, COVA agrees with Staff.

15 COMMISSIONER EASLEY: Mr. McLean.

16 MR. McLEAN: No position at this time.

17 COMMISSIONER EASLEY: 110?

18 MR. JONES: COVA with agrees with Staff on 110.

19 COMMISSIONER EASLEY: OPC?

20 MR. McLEAN: Agree with Staff.

21 COMMISSIONER EASLEY: All right.

22 MR. HANSEN: Commissioner Easley, could I ask a  
23 question, please? On Issue 103, the Southern States  
24 Utility in their answer stated, I forget what it was,  
25 but in the effect that they didn't have any information

1 or something on that. We have exhibits that may cause  
2 them to change their answer, if they were to see it.

3 COMMISSIONER EASLEY: Issue 103 was dropped.

4 MR. HANSEN: Well, if 103 is dropped --

5 COMMISSIONER EASLEY: It's got to be identified  
6 another way.

7 MR. HANSEN: Oh, excuse me. I had the wrong  
8 issue. It had with the property taxes at Sugar Mill  
9 Woods, I thought it was Issue 103.

10 MR. FEIL: Commissioner, I think maybe to speed  
11 things along, when we create the final version, if we  
12 put something in the header to designate what category  
13 of issue we're talking about, like NOI or rate base or  
14 something of that nature, so it would be a little  
15 easier to find what category you're in?

16 MR. JONES: It's OPC Issue 103, on Page 67, and  
17 its response is on Page 19 of that issue adjustment.

18 COMMISSIONER EASLEY: On Page 19 of the  
19 modifications?

20 MR. JONES: That's right.

21 COMMISSIONER EASLEY: Well, why don't you talk to  
22 Mr. Hoffman. We're going to take another break so we  
23 can come back to these issues. Talk to Mr. Hoffman and  
24 see if that makes a difference to his position.

25 MR. JONES: Yes. Thank you.

1           COMMISSIONER EASLEY: All right, let's finish up  
2 before we take the break to come back to issues. What  
3 else do we need? We appear to be at the end of this.  
4 We need to get to the witness list and the exhibit  
5 list. We're going to have some additions to the  
6 witness list for rebuttal, we're going to have  
7 additions to the exhibit list for rebuttal, and we're  
8 to determine by the end of the week, I think we said,  
9 as far as stipulating in the agency employee Staff  
10 witnesses.

11           MR. HOFFMAN: To the extent we can, as many as we  
12 can.

13           COMMISSIONER EASLEY: We need to identify their  
14 exhibits to be stipulated in at the same time. If we  
15 stipulate in any of the testimony and any exhibit they  
16 may have, if they have any.

17           MR. FEIL: Commissioner, I would like to make a  
18 request. I don't know if I made it before, but if we  
19 could stipulate the auditor's testimony in along with  
20 the audit report, I would appreciate that. I think  
21 we've stipulated as to many of the things that are in  
22 the audit report, anyway.

23           COMMISSIONER EASLEY: I need to have the parties  
24 identified, please.

25           MR. FEIL: Mr. Todd.

1           COMMISSIONER EASLEY: Any objection to stipulating  
2 Mr. Todd's testimony and the audit report into the  
3 record?

4           MR. HOFFMAN: I cannot stipulate on that today,  
5 but I can check on that and get back.

6           COMMISSIONER EASLEY: Same thing as the DER  
7 witnesses, then, by the end of the week?

8           MR. JONES: That's okay.

9           MR. McLEAN: And we, too, may have questions for  
10 the auditor.

11           COMMISSIONER EASLEY: Well, I tell you what. If  
12 we can't stipulate the testimony in its entirety, maybe  
13 we could at least identify those areas that we'll  
14 reserve for cross, so that we don't have to go through  
15 the whole thing. And I would assume we could stipulate  
16 it in.

17           MR. McLEAN: We'll stipulate his testimony in  
18 without reservation, but we won't waive cross at this  
19 time, but we may be able to get to the point where we  
20 will waive cross.

21           COMMISSIONER EASLEY: With that understanding, by  
22 the end of the week, let us know. Because I'm sure what  
23 Staff is asking is can we excuse the witness.

24           MR. McLEAN: Yes, ma'am.

25           COMMISSIONER EASLEY: All right. I show that we



1 need to come back to Issues 18, 19, 27, 28, 62A, 92,  
2 OPC-92, 92, 98, 99 and 103. Are you all ready to come  
3 back to those, or do you need to take a few minutes.

4 MR. FEIL: Commissioner, I think we're ready for  
5 most, if not all of them.

6 MR. FEIL: On 18.

7 COMMISSIONER EASLEY: On Page 26.

8 MR. FEIL: Yes, ma'am.

9 COMMISSIONER EASLEY: All right.

10 MR. FEIL: The difference here between the Company  
11 position and Staff's position is that the Company  
12 wanted more expenses added in and Staff doesn't think  
13 that should be done. If you want me to clarify our  
14 position regarding that, I will do that.

15 COMMISSIONER EASLEY: It might be a good idea.

16 MR. FEIL: After the last period in Staff's  
17 position, you should add increased costs outside of the  
18 test year should not be included.

19 COMMISSIONER EASLEY: All right.

20 MR. McLEAN: OPC agrees with Staff.

21 COMMISSIONER EASLEY: Issue 19. I show it as a  
22 possible stipulation.

23 MR. FEIL: Commissioner, sorry. Part of the  
24 problem with Issue 19 is there were a series of numbers  
25 contained on Staff Interrogatory No. 75, which are not

1 incorporated in to either Staff's or the Company's  
2 positions. They're in addition to the numbers listed  
3 in the Company's position there are corresponding  
4 reductions. It's my understanding that Staff  
5 Interrogatory No. 75 is several pages. If we could  
6 stipulate that the adjustments are contained on  
7 Interrogatory No. 75 and then stipulate that into the  
8 record as an exhibit, that would be acceptable to  
9 Staff.

10 COMMISSIONER EASLEY: Mr. Hoffman?

11 MR. HOFFMAN: So the suggestion would be to  
12 stipulate the response into the record as an exhibit?

13 MR. FEIL: Yes. And that the adjustments in the  
14 response be made.

15 MR. HOFFMAN: I think we can stipulate to that.

16 COMMISSIONER EASLEY: OPC?

17 MR. McLEAN: No position.

18 COMMISSIONER EASLEY: All right. Issue 19 is  
19 stipulated with OPC and COVA not participating. Issue  
20 27 on Page 31.

21 MR. FEIL: Excuse me, Commissioner, I made a note  
22 for 23B on Page 29. I think you had some question with  
23 regard to that because of the similarity in the  
24 numbers.

25 COMMISSIONER EASLEY: Oh, okay. Sorry.

1 MR. FEIL: There is a difference between the Staff  
2 position and the OPC position and that is with regard  
3 to the last sentence there in the Company's position.  
4 I can elaborate on our position if you would like.

5 COMMISSIONER EASLEY: You might want to just  
6 indicate whether or not the other numbers are correct  
7 or you agree with the other numbers.

8 MR. FEIL: I don't think we are in a position to  
9 do that.

10 COMMISSIONER EASLEY: Then you may want to just  
11 leave it alone. All right. Issue 27. I can't  
12 remember why we did this one.

13 MR. FEIL: There, I believe the disagreement,  
14 again, was with the Company's desire add in certain  
15 costs.

16 COMMISSIONER EASLEY: Issue 28.

17 MR. FEIL: There, since Staff has fundamental  
18 disagreement with the Company's used and useful  
19 methodology, we can't agree as to the number even  
20 though we appear to agree as to the adjustment.

21 MS. BEDELL: Should we change the issue?

22 COMMISSIONER EASLEY: All right. Issue 62A on  
23 Page 55. I just was checking a number 32,806.

24 MR. HOFFMAN: Commissioner, we haven't been able  
25 to verify that number during the break.

1           COMMISSIONER EASLEY: Why don't we let it sit  
2 there and if you all find out at the beginning of the  
3 hearing we can always -- in preliminary matters propose  
4 this as a stipulation.

5           MR. HOFFMAN: Okay.

6           MR. FEIL: Commissioner, if I could go back to  
7 Issue No. 21. Staff is willing to drop Issue No. 21.

8           COMMISSIONER EASLEY: Give me a page, please.

9           MR. FEIL: It's Page 28.

10          COMMISSIONER EASLEY: All right. Company? Drop  
11 the issue. All right. The other parties did not take  
12 a position so you shouldn't have a problem. Issue 21  
13 is gone. All right, OPC-92 on Page 63. This was the  
14 transposition, the potential transposition. Did we  
15 decide this one?

16          MR. FEIL: No.

17          COMMISSIONER EASLEY: We'll handle that one at the  
18 beginning of the hearing if you find out it is indeed  
19 the same.

20          MR. HOFFMAN: Commissioner, for clarification, is  
21 the proposed stipulation and adjustment of 3137 or  
22 3317, whatever the correct number is? Is that what  
23 we're saying, everyone is saying, is the possibility?

24          MR. McLEAN: Yes, but we can stipulate to that,  
25 but that does not end the matter from our perspective

1           because in our first paragraph we talk about something  
2           broader than that, I think.

3           MS. BEDELL: I mean, we do, too. I mean, our last  
4           sentence in our position is all lobbying expenses  
5           should be removed and we haven't identified a number.

6           COMMISSIONER EASLEY: Well, I think what we've  
7           just said is the only difference is whether or not the  
8           \$3,000 number in OPC's is different from Staff's  
9           because of a transposition or whether it is a correct  
10          number and we probably do not have a stipulation as to  
11          the rest.

12          MR. McLEAN: It is the latter. Yes, ma'am.

13          COMMISSIONER EASLEY: All right. Page 78, Issue  
14          92. Oh, this is one that appeared that we might have a  
15          stipulation, but I wasn't sure.

16          MR. FEIL: I believe we could stipulate to this.

17          MR. HOFFMAN: Yes.

18          MR. McLEAN: Without our participation.

19          COMMISSIONER EASLEY: Without OPC, we have a  
20          stipulation, without OPC and COVA participating on 92.

21          MR. JONES: We were in favor of Staff's.

22          COMMISSIONER EASLEY: Then you did participate,  
23          right, just OPC. Issue 98, Page 81. This was a  
24          possible stipulation.

25          MR. HOFFMAN: That's one that we can't stipulate

1 on today, but we'll leave it open.

2 COMMISSIONER EASLEY: Issue 99, the same?

3 MR. HOFFMAN: Yes, same response.

4 COMMISSIONER EASLEY: And Issue 103.

5 MR. JONES: We haven't had the break.

6 COMMISSIONER EASLEY: Yes, we haven't, have we?

7 MR. HOFFMAN: Commissioner, could I return to Page  
8 27, Issue 19, which is the stipulation and just make  
9 sure that I understand what we're stipulating to?

10 COMMISSIONER EASLEY: Page 19.

11 MR. HOFFMAN: Page 27.

12 COMMISSIONER EASLEY: Issue 19, all right.

13 MR. HOFFMAN: If I understood correctly what we  
14 were stipulating to, we were stipulating to the  
15 position set forth by the Company as well as the  
16 numbers reflected in its response to Interrogatory No.  
17 75?

18 MR. FEIL: I believe the only thing we were  
19 stipulating to was the adjustments in Interrogatory No.  
20 75. I don't know whether or not the numbers listed in  
21 the Company's position coincide with what's in the  
22 interrogatory. I presume it does, but I don't know for  
23 certain.

24 COMMISSIONER EASLEY: Subject to check, if it  
25 does, that's what you're stipulating to, is that

1 correct?

2 MR. FEIL: Yes.

3 MR. HOFFMAN: That's right. Subject to check,  
4 that's what we're stipulating to. We just need to go  
5 back and verify that.

6 COMMISSIONER EASLEY: If you find there's a  
7 difference, notify Staff as soon as possible and we  
8 will not show it as a stipulation.

9 MR. HOFFMAN: Yes, ma'am.

10 MS. BEDELL: Commissioner Easley, I have been  
11 informed that we need to add to Staff's position on  
12 Issue 109 on Page 88.

13 COMMISSIONER EASLEY: All right.

14 MS. BEDELL: Adjustments are also necessary to  
15 appropriately combine AFPI charges for components with  
16 different used and useful capacities.

17 COMMISSIONER EASLEY: You're adding that at the  
18 end of the current statement?

19 MS. BEDELL: Yes, ma'am.

20 COMMISSIONER EASLEY: Do you want to read it one  
21 more time?

22 MS. BEDELL: Adjustments are also necessary to  
23 appropriately combine AFPI charges for components with  
24 different used and useful capacities.

25 COMMISSIONER EASLEY: Okay. All right. We need

1 to take a minute and look at Issue 103. Is there  
2 anything else we were going to do on the break?

3 MR. HOFFMAN: I think we had a note that there was  
4 a possibility of a stipulation on Issue 14, Page 23.

5 COMMISSIONER EASLEY: Staff?

6 MS. BEDELL: We'll do that on the break.

7 COMMISSIONER EASLEY: All right. We'll do that on  
8 the break. The last one kind of lasted longer than ten  
9 minutes. Do we need a longer one this time? Make it  
10 15, I'll split the difference with you.

11 (Recess taken.)

12 COMMISSIONER EASLEY: All right. Are we ready to  
13 go back to 103 on Page 67?

14 MR. FEIL: And I believe it was OPC-103.

15 COMMISSIONER EASLEY: This was OPC-103, which I  
16 neglected to write down. Okay. What were we waiting  
17 for?

18 MR. FEIL: I believe COVA wanted to discuss  
19 something with the Company.

20 MR. JONES: On Page 19 of their memorandum, they  
21 had an answer of no, the Company has received no formal  
22 communication. We just gave the information to the  
23 attorney there, and I don't know whether he has had a  
24 chance to review it yet or not, and I think he might  
25 want to change his answer.



1           MR. HOFFMAN: I have not had a chance to look  
2 through the documents yet, but I think the issue goes  
3 beyond that, anyway. If we can stipulate to this, and  
4 we'll come back and so report by the end of the week.

5           COMMISSIONER EASLEY: Well, I'm not sure that even  
6 the question was as to whether or not you'd stipulate,  
7 but whether you might want to change your answer  
8 because your answer indicates you didn't have any  
9 information. In any event, there will be an  
10 opportunity, for instance, to respond to these four  
11 issues that have been added. If you need to change  
12 your response, include it in those changes.

13          MR. HOFFMAN: Very good, thank you.

14          COMMISSIONER EASLEY: What else do we have, there  
15 was something else.

16          MR. FEIL: Commissioner, the Company suggested  
17 that we go back to look at Issue No. 14, but at the  
18 break I explained to them that I think it should remain  
19 as an issue.

20          COMMISSIONER EASLEY: Issue 14?

21          MR. FEIL: It's on Page 23. The problem there is,  
22 I think, there may be some confusion or dispute as to  
23 when the interconnection actually took place, when it  
24 was booked, and that sort of thing.

25          COMMISSIONER EASLEY: You're saying that the issue

1 is one of timing?

2 MR. FEIL: That's part of it, yes, ma'am.

3 COMMISSIONER EASLEY: Mr. Hoffman?

4 MR. HOFFMAN: I think, on Issue 14, that is our  
5 position and unless Staff could stipulate to our  
6 position, we don't have a stipulation at this point.

7 MR. FEIL: I believe that's correct, ma'am.

8 COMMISSIONER EASLEY: Sorry, I misunderstood, I  
9 thought you said the Company wanted to drop the issue.

10 MR. FEIL: No, I'm sorry. If I did say that, I  
11 misspoke.

12 COMMISSIONER EASLEY: Okay, we do not have a  
13 stipulation on 14. Anything else?

14 MR. FEIL: Commissioner, one other thing I wanted  
15 to mention and I guess it would go under the heading of  
16 exhibit list. Staff was going to ask that the  
17 Commission take administrative notice of a couple of  
18 orders. I don't know whether or not you want me to  
19 include that in the exhibit list.

20 COMMISSIONER EASLEY: Not on the exhibit list,  
21 please, but provide the parties with a list of the  
22 numbers of those orders or the list of the documents  
23 that you wish us to take official notice of. They will  
24 not be marked as exhibits.

25 MR. FEIL: Yes, ma'am.

1           COMMISSIONER EASLEY: Ms. Bedell, did you have a  
2 chance to talk with the Company about the notice for  
3 next week?

4           MS. BEDELL: Yes, ma'am, but I don't know whether  
5 they are able to give us a response at this time.

6           MR. HOFFMAN: Commissioner, let me kind of give  
7 you my list here on where we're at, because I have  
8 talked to the Company. The first thing that I would  
9 request at this point is that we be given a one day  
10 extension to file our rebuttal testimony.

11           COMMISSIONER EASLEY: Which would take us to when?

12           MR. HOFFMAN: Tomorrow.

13           COMMISSIONER EASLEY: Anybody have a problem?  
14 OPC.

15           MR. McLEAN: We don't have a problem, yet, let's  
16 see what else he wants.

17           COMMISSIONER EASLEY: The list has got to be  
18 considered as a whole. Go ahead, Mr. Hoffman.

19           MR. HOFFMAN: Secondly. With respect to our  
20 motion to expedite discovery which we discussed earlier  
21 in the conference I've spoken with Mr. McLean, and  
22 he'll correct me if I'm wrong, but I think he has  
23 advised me that he believes he can get us our responses  
24 by a week from tomorrow. And I have discussed our end  
25 in terms of providing responses to discovery which are

1           due November 16th. And I have not been able to get any  
2           specific confirmation on a date, but I will try to do  
3           so. And that's really the best answer I can give you  
4           in terms of trying to move up responses to Public  
5           Counsel's last set of discovery.

6           The last thing is the hearing itself. Our two  
7           concerns were the notice issue, and we still have a  
8           concern in terms of getting, depending on the newspaper  
9           you deal with, there are certain time requirements that  
10          must be met in terms of getting the ad to the newspaper  
11          prior to the date of publication. But if your order is  
12          you would want the newspaper ads published Thursday, we  
13          would do everything we could to comply.

14          The other concern that we had, and of course, this  
15          is apart from the concern that I raised in terms of  
16          preparation, but we are leaving that aside, is just  
17          finding places to stay. In terms of making  
18          arrangements two or three weeks ago, we ran into some  
19          problems because it was homecoming weekend, and places  
20          were kind of locked up. The fact that we would now be  
21          moving up a day may mitigate that somewhat, but we  
22          haven't tried to, you know, we haven't tried to  
23          accomplish that yet. I would say, all in all,  
24          everything considered, we certainly don't want to be  
25          the party who is holding up the issue, and we would do

1 everything we could to accommodate you.

2 MR. McLEAN: We don't either, but if the rebuttal  
3 is going to be a day late, we're going to move the  
4 hearing up. We can't do both. So move the hearing up  
5 a day early and move the rebuttal a day late. I hate  
6 to be, this isn't going to sound like me at all, but I  
7 think it will affect the quality of our case too much  
8 to start a day early.

9 COMMISSIONER EASLEY: Let me ask you this. If we  
10 don't start a day early and we cut off on Saturday,  
11 what's it going to do? If we only have a hearing half  
12 a day Saturday, or we don't have a hearing on Saturday,  
13 what would it do?

14 MR. McLEAN: We don't object to that. The problem  
15 is, our problem is time for preparation. It is a  
16 question of Ms. Dismukes, and perhaps myself, working  
17 late all that week in order to not work Saturday. And  
18 we will probably do lesser quality work working late  
19 than we would working during the normal working days,  
20 but it does cut into our preparation of the case.

21 COMMISSIONER EASLEY: I'll tell you my concern and  
22 the reason I even suggested it was because it seemed  
23 like such an endeavor to bring everybody up for one  
24 day, go back for the weekend and then come up for  
25 Monday. It seemed like such an exercise in something

1 or the other, and even if you only did it for a day and  
2 a half, it seemed like an awful lot of expense for that  
3 purpose. And I finally figured out the reason we were  
4 scheduled to start on Friday was because of the prior  
5 hearing on those other two days. So, I don't want to  
6 do anything to jeopardize either the preparation of the  
7 case or, obviously, the accommodations problem. I  
8 guess our best bet is just to leave it alone, and  
9 either decide Friday to work on Saturday or not work on  
10 Saturday, and that may be about the only way to do it.

11 MR. JONES: Bring our tents, you mean?

12 COMMISSIONER EASLEY: Bring your tents. Well, I  
13 assume all the arrangements have been made, now, based  
14 on the schedule that we have. So, frankly, undoing  
15 them, it may be less problem to decide Friday we're  
16 going to work half a day Saturday than trying to get a  
17 reservation for Thursday night, in some cases Wednesday  
18 night. I was trying to be flexible, but it sounds like  
19 we can't.

20 MR. McLEAN: As much as we'd like to, it really  
21 does cut very seriously --

22 COMMISSIONER EASLEY: That comes under the heading  
23 of forget first wire and we will go forward with this  
24 Friday.

25 MR. JONES: Do you have a time frame for when you

1 would start the hearing?

2 COMMISSIONER EASLEY: I believe we're scheduled  
3 for 9:30 Friday morning. The time from then on will be  
4 set by the Chairman, it will be Commissioner Beard, and  
5 I would imagine more than likely we will be starting at  
6 8:30 or 9:00 o'clock in the morning, and how late we  
7 will go, I don't know. All right. What else? Now,  
8 you have no objection to giving the Company one extra  
9 day on rebuttal, then?

10 MR. McLEAN: If they will furnish the rebuttal to  
11 us at the Lehigh hearing, is that a possibility?

12 MR. HOFFMAN: Well, I honestly don't know. It  
13 will be filed up here, I don't know if final copies  
14 will be available down in Lehigh Acres. But we could  
15 Federal Express a copy down there by Wednesday.

16 COMMISSIONER EASLEY: When are you going down?

17 MR. McLEAN: We are going down tomorrow, about  
18 1:00 o'clock tomorrow.

19 COMMISSIONER EASLEY: We are going down a little  
20 bit later. I was going to say I can bring some stuff  
21 down if necessary, because we don't leave until 3:50.  
22 I don't know when Staff is going down.

23 MS. BEDELL: Some of the Staff is going Wednesday  
24 morning.

25 COMMISSIONER EASLEY: All right, it may be that

1           either Fed Ex or somebody can bring it down. I'm going  
2           to grant the motion for an extra day with that  
3           understanding that we are going to try to get it down  
4           to you no later than Wednesday in Lehigh.

5           MR. HOFFMAN: Yes, ma'am. Thank you.

6           COMMISSIONER EASLEY: The motion to expedite, I'm  
7           going to withhold ruling on the motion. We will just  
8           let it sit there. You all have pretty well worked out  
9           your schedules, and since you have not filed a motion  
10          on the other side of the fence, we will just let it sit  
11          and see if your agreement can work. If not, I may have  
12          to sign an order.

13          MR. McLEAN: Thank you.

14          MR. HOFFMAN: I would just note for the record,  
15          Commissioner, with respect to that, if you did have to  
16          sign an order in the event we are not able to get back  
17          before you, that because our motion was hand-delivered  
18          on the Office of Public Counsel, I think the response  
19          time has passed.

20          COMMISSIONER EASLEY: In any event, I'm  
21          withholding ruling today, so we don't need to deal with  
22          that. The hearing time has been solved. What else?  
23          Oh, time for response on the issues.

24          MS. BEDELL: I think we would like to have  
25          everything that we need to have by the 30th. In the



1 morning, if possible.

2 COMMISSIONER EASLEY: Close of business on the  
3 29th?

4 MR. McLEAN: Speaking of the four that you added  
5 to the record?

6 MS. BEDELL: Yes, if possible.

7 COMMISSIONER EASLEY: And on the one change on  
8 Issue 103, if the Company -- that's OPC 103 -- if the  
9 Company feels the need to change the wording of their  
10 issue, the additions on those four, I think that was  
11 the only one, as I recall.

12 MR. McLEAN: With respect to those four, the  
13 Citizens will take no position on any of them.

14 MS. BEDELL: And Staff's position in those is no  
15 position pending further development of the record, as  
16 well. And the Witness is Williams.

17 MR. FEIL: Did we settle on Thursday or Friday for  
18 the Company's responses to whatever?

19 COMMISSIONER EASLEY: Close of business Thursday.

20 MR. HOFFMAN: Well, we said October 30th?

21 COMMISSIONER EASLEY: Well, she was talking about  
22 in the morning, so I'm making it close of business  
23 Thursday afternoon. Ten o'clock the morning of the  
24 30th, will that buy you --

25 MR. HOFFMAN: Thank you so much.

1           COMMISSIONER EASLEY: Ten o'clock the morning of  
2 the 30th.

3           MR. JONES: Is the parking lot going to be fixed?

4           COMMISSIONER EASLEY: No. Nothing we can do. We  
5 asked them not to do that. It shows you how much good  
6 that did. What else?

7           MR. FEIL: I believe that's all.

8           COMMISSIONER EASLEY: Do the parties have anything  
9 else?

10          MR. HOFFMAN: Nothing here.

11          COMMISSIONER EASLEY: I will see half of you in  
12 Lehigh. Thank you.

13          (The prehearing conference was concluded at 11:30 a.m.)

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CERTIFICATE OF REPORTER

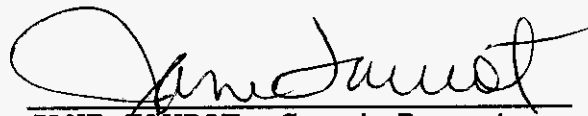
STATE OF FLORIDA )  
COUNTY OF LEON )

I, JANE FAUROT, Court Reporter, Notary Public in  
and for the State of Florida at Large:

DO HEREBY CERTIFY that the foregoing proceedings  
was taken before me at the time and place therein  
designated; that before testimony was taken the  
witness/witnesses were duly sworn; that my shorthand notes  
were thereafter reduced to typewriting; and the foregoing  
pages are a true and correct record of the proceedings.

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

WITNESS MY HAND AND SEAL this 29<sup>th</sup> day of  
October, 1992, in the City of Tallahassee, County of Leon,  
State of Florida.

  
JANE FAUROT, Court Reporter  
Notary Public in and for the  
State of Florida at Large

My Commission Expires: July 16, 1993