

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 001148-EI

In the Matter of:

REQUEST FOR REVIEW OF
RETAIL RATES OF FLORIDA
POWER & LIGHT COMPANY

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PROCEEDINGS: FORT MYERS, FLORIDA, SERVICE HEARING

BEFORE: CHAIRMAN E. LEON JACOBS, JR.
COMMISSIONER BRAULIO L. BAEZ
COMMISSIONER J. TERRY DEASON
COMMISSIONER LILA M. JABER
COMMISSIONER MICHAEL A. PALECKI

DATE: Tuesday, December 11, 2001

TIME: 6:00 p.m.

PLACE: The Radisson Inn
12635 South Cleveland Avenue
Fort Myers, Florida,

REPORTED BY: JOHN F. MARTINA, JR., RPR

NOLEN-MARTINA REPORTING SERVICES
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1 APPEARANCES:

2 KENNETH A. HOFFMAN, of the Law Firm of
3 Rutledge, Ecenia, Purnell & Hoffman, P.A., Suite 420,
4 215 South Monroe Street, Tallahassee, Florida 32301,
5 appearing on behalf of Florida Power & Light Company.

6 ROGER HCWE, Office of Public Counsel, 111
7 West Madison, Suite 812, Tallahassee, Florida 32399,
8 appearing on behalf of the public.

9 LINDA H. DODSON, Florida Power Service
10 Commission, 2540 Shumard Oak Boulevard, Tallahassee,
11 Florida 32399-0870, appearing on behalf of the
12 Commission Staff.

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1 CHAIRMAN JACOBS: We'll call the hearing to
2 order.

3 Good evening. My name is Leon Jacobs. I am
4 chairman of the Florida Public Service
5 Commission; and before we begin, let me announce
6 my colleagues, fellow commissioners, who are with
7 us this evening.

8 To my far left is Commissioner Mike Palecki,
9 to my immediate left is Commissioner Lila Jaber,
10 to my immediate right is Commissioner Terry
11 Deason and to my far right is Commissioner
12 Braulio Baez.

13 We're here this evening for an important
14 proceeding.

15 Before we begin, we would like to have the
16 counsel read notice.

17 MS. DODSON: Notice issued by the Clerk of
18 the Florida Public Service Commission on November
19 5th, 2001, advises that a customer service
20 hearing will be held in this docket beginning at
21 6:00 p.m. on Tuesday, December 11th, 2001, in the
22 Manatee Room of the Radisson Inn, Fort Myers,
23 Florida.

24 The notice states that the purpose of this
25 hearing is to take testimony from members of the

1 public concerning the rates and charges of
2 Florida Power & Light Company.

3 The procedures at this hearing will be as
4 follows. The company will present a brief
5 summary of its case and then members of the
6 public may present testimony. Members of the
7 public who wish to present testimony are urged to
8 appear promptly at each scheduled service hearing
9 since the hearing may be adjourned early if no
10 witnesses are present to testify.

11 CHAIRMAN JACOBS: Take appearances.

12 MR. HOWE: I am Roger Howe with the Public
13 Counsel's Office.

14 MR. HOFFMAN: Mr. Chairman, my name is Ken
15 Hoffman. I'm with the firm of Rutledge, Escenia,
16 Purnell & Hoffman in Tallahassee, Florida. I'm
17 appearing on behalf of Florida Power & Light
18 Company; and directly to my left is Bill
19 Hamilton, who is the vice president for customer
20 service with FP&L.

21 MS. DODSON: I am Linda Dodson with the
22 staff of the Public Service Commission and to my
23 left is Elizabeth Draper and Daniel Lee and also
24 here in the audience is Costas Panagiotopoulos.

25 CHAIRMAN JACOBS: Thank you.

1 Let me also announce that with us this
2 evening are additional Florida Public Service
3 Commission staff, Thelma Crump, Bridget Hoyle and
4 Sandi Moses, who have been very helpful in
5 bringing out information and facilitating our
6 meeting this evening.

7 Our purpose this evening is to take your --
8 the public's views and inputs on your experiences
9 with Florida Power & Light. As counsel
10 indicated, this proceeding is to review the
11 earnings of Florida Power & Light. A very
12 important part of those deliberations have to do
13 with the quality of service and other matters of
14 customer service that the company renders.

15 We are here this evening to hear your views
16 and your thoughts and your input. This is an
17 official proceeding. What that means is an
18 official evidentiary record will be created. We
19 have a court reporter with us this evening who
20 will be documenting and recording our proceeding;
21 and in that regard your statements, your oral
22 statements taken tonight will be by sworn
23 testimony. In a few moments we will issue that
24 oath for your testimony.

25 Also, because of the formality of this

1 proceeding we're going to ask that you come
2 forward to the roster and when you come give us
3 your name and address officially for the record.
4 Because also of this process, we would ask that
5 only one person speak at a time. It's very
6 important to assist our stenographer that we only
7 have one person speaking on the record.

8 The proceeding this evening has been
9 preceded by several -- two other, at least,
10 customer hearings we have had in other locations.
11 We will have several in the next two days.
12 Following those customer hearings, we will have a
13 formal technical hearing in Tallahassee. At that
14 time we will have experts in various disciplines
15 come and give us their expert views on the
16 specific operations of the company; and then all
17 of those things will become a part of the record,
18 as I indicated, which will be a part of our
19 deliberations; and then we'll render a
20 decision -- the commission will render a decision
21 on May 31st of 2002 as to the permanent rates of
22 the company going forward.

23 We are going to begin this evening with
24 opening statements by the parties and then after
25 those opening statements we will swear the

1 witnesses.

2 Mr. Hoffman, you may begin.

3 MR. HOFFMAN: Thank you, Mr. Chairman.

4 I want to begin I guess by respectfully
5 thanking the FPL customers who have taken the
6 time this evening to come to this hearing. I
7 want to direct their attention to the fact that
8 the company has a number of customer service
9 representatives at the hearing tonight who are
10 here to help you resolve any issues that you may
11 wish to address to the commission; and
12 specifically in that regard I want to
13 introduce -- in addition to Mr. Hamilton, whom
14 you have met, I want to introduce Carol Arzinski
15 (Phonetic spelling), who is with the customer
16 service section of the company, as well as Ramon
17 Ferrer, who is with Power Systems.

18 And with that, Mr. Chairman, I would like to
19 turn it over to Mr. Hamilton, who would make the
20 opening remarks for the company.

21 MR. HAMILTON: Thank you and good evening.

22 My name is Bill Hamilton and I'm vice
23 president of customer service for Florida Power &
24 Light Company and I'm pleased to be here this
25 evening to take part in this important aspect of

1 the review of our base rates before the Florida
2 Public Service Commission.

3 Let me start by pointing out that FPL is not
4 seeking an increase in its base rates at this
5 time despite the weakening economy in Florida and
6 the fact that we're continuing to need to expand
7 our facilities to meet customer growth and we
8 also face increase in operational expenses in
9 several areas of the company. In fact, since our
10 last rate increase, which was in 1985, we have
11 actually decreased our base rates by ten percent
12 despite the fact that we have added 1.3 million
13 customers to our service territory since 1985.

14 This has required a lot of additional
15 resources and infrastructure in the company. I
16 think most notably is an increase of 42 percent
17 in the generating capacity of our company.

18 We are currently operating under an
19 agreement that was negotiated -- a rate agreement
20 that was negotiated with Mr. Jack Shreve in the
21 Office of the Public Counsel and approved by the
22 Florida Public Service Commission. As a part of
23 that negotiated agreement, our base rates were
24 reduced by \$350 million per year over a
25 three-year period; and in addition to that the

1 agreement called for -- or provided for a
2 mechanism to allow for annual refunds to our
3 customers.

4 For the first two years we've refunded -- of
5 that three-year agreement, we've refunded
6 approximately \$128 and we anticipate a sizable
7 refund again in this current year that we're
8 operating in now.

9 In recent years we've worked hard at FPL to
10 improve the reliability and quality of service
11 that our customers see and in fact overall we've
12 reduced the average number of minutes that a
13 customer is without electricity during any --
14 during the year by 50 percent during the last
15 several years; but despite that we're still not
16 satisfied a hundred percent because we know that
17 in every case we're not meeting customers'
18 expectations, so our promise and commitment to
19 you is that we're going to work hard to be
20 innovative and creative to find new and different
21 ways to improve the quality of service to our
22 customers.

23 We have also worked hard in the area of
24 customer service to make it easier for customers
25 to do business with us by providing services over

1 the Internet, by providing additional payment and
2 billing options to our customers and also
3 providing for programs that allow customers to
4 conserve energy and save money.

5 At this time I, too, would like to point out
6 that we have customer service representatives
7 here and we will attempt to resolve your issues
8 or answer questions that you may have here
9 tonight.

10 I guess Carol or Ramon, again, if you would
11 raise your hand for customers so we make sure
12 that they know who you are.

13 If in fact we're unable to resolve your
14 concern here tonight, we make a commitment to you
15 that we will get back to you with an answer
16 within 24 hours if we're unable to do it here
17 tonight.

18 I would also recognize that there may be
19 customers here that for whatever reason might not
20 wish to speak at the microphone. If you have
21 issues or questions, we'll be glad to also
22 address those concerns if you would just kindly
23 see one of our representatives.

24 In closing, let me assure you that FPL is
25 committed to providing our customers with

1 reliable power at low prices well into the
2 future.

3 Let me thank you for your attention and I
4 appreciate the opportunity to speak with you
5 tonight. Thank you.

6 CHAIRMAN JACOBS: Thank you.

7 Mr. Howe.

8 MR. HOWE: Thank you, Chairman Jacobs.

9 My name is Roger Howe. I'm an attorney with
10 the Office of Public Counsel. This office exists
11 under a joint legislative committee created by
12 statute to advocate in the consumer's behalf
13 matters before the Public Service Commission; and
14 in that regard we have intervened in this rate
15 case with Florida Power & Light Company to
16 advocate for the customers.

17 It was our petition, our case, that was
18 initiated back in 1999 that Mr. Hamilton referred
19 to that led to those substantial rate reductions
20 and to refunds.

21 We have hired experts, we will be putting on
22 a case on the customer's behalf; and if anybody
23 wants to get in touch with my office, we have a
24 1-800 number. That's 1-800-342-0222. I
25 encourage anybody who has any questions about

1 what actions the -- we, the consumer's
2 representative, will be taking in this case to
3 give us a call.

4 Thank you.

5 CHAIRMAN JACOBS: Thank you very much.

6 Let me add, as it was mentioned by Mr.
7 Hamilton, the company has brought many personnel
8 here to handle any issues that you might have.
9 In the event that you'd like to bring up a matter
10 with our staff, as indicated, you can speak with
11 them tonight or we have made arrangements for our
12 hot line to be open tonight specifically to take
13 any matters that you might want to give directly
14 over the phone, the benefit of that being
15 processing can begin immediately and you will
16 probably get a response back in the next day or
17 so. So if this evening you would like to call
18 in, we have someone available until 9:00 p.m. and
19 that number is Area Code 850-413-6121.

20 Normally we have an 800 number which -- that
21 you can reach during business hours; and if you
22 would like to do that, let me give you -- that
23 number is listed at the bottom of the blue report
24 that you may have received when you came in.

25 I'll give it to you anyway. Area Code

1 800-342-3552. Again, that's a toll free charge
2 you can reach any business day if you want to
3 refer any matters regarding your service to the
4 commission.

5 And having said that, then, I would like to
6 ask all those in attendance who would like to
7 testify tonight to stand and raise your right
8 hand.

9 In this matter before the Florida Public
10 Service Commission do you swear or affirm that
11 the testimony you're about to give is the truth,
12 the whole truth and nothing but the truth?

13 PROSPECTIVE WITNESSES: Yes.

14 CHAIRMAN JACOBS: Thank you very much. You
15 may be seated.

16 Mr. Howe with Public Counsel will call you
17 up I believe in the order that you signed in.

18 MR. HOWE: I will apologize in advance for
19 any damage I may do to the pronunciation of your
20 names.

21 Mr. Michael Simala.

22 If you would, sir, please state your name,
23 address -- and address for the record and who you
24 may be representing.

25 MR. SIMALA: Michael Simala, S-I-M-A-L-A,

1 2655 Northbrooke Drive, Naples, Florida, 34119.

2 I represent International College.

3 We're in a relatively new building. It's
4 just a little over a year old. It's been
5 occupied for about 13 months now. Needless to
6 say, our first couple electric bills wasn't
7 pleasing to the eye, to say the least.

8 I have done what I figured that I should
9 have done as far as heating, ventilation,
10 lighting systems to cut back and save the college
11 money. I still felt that it was too high, so I
12 made an inquiry to FP&L, found out about their
13 free energy survey, got in touch with a guy by
14 the name of Joe Powell; and, by the way, I'm
15 still working with him. He came in and gave us a
16 free energy survey, made recommendations, which
17 we're still working on, such as tinting the
18 windows. Gave us a sizable rebate for our HVAC
19 system, more so than what I expected, so I was
20 very pleased with that.

21 The only really bad thing that I got to say
22 is I'm new to Florida myself and your power
23 outages drive me crazy. Being in a high-tech
24 college with many computers in the building, I
25 can't go down like this all the time. Sometimes

1 it's only a matter of a few minutes, sometimes
2 it's an hour or so; and it creates a problem for
3 us.

4 Thank you.

5 CHAIRMAN JACOBS: Mr. Simala -- let me first
6 ask the commissioners: Are there any questions?

7 COMMISSIONER PALECKI: I have one question.

8 Have you talked with Florida Power & Light
9 about any sort of backup power source, especially
10 for your critical equipment like your computer?

11 MR. SIMALA: We have UPS's. They last about
12 45 minutes to an hour.

13 Like I said, for the most part it's at a
14 short period of time. Nothing is lost.

15 Another problem it creates is it sets off
16 my -- well, it puts my fire alarm into
17 supervisory when I lose the AC power, goes on
18 battery backup. Therefore, I have to call the
19 monitoring company, whatever.

20 Just too many outages, more so than what I
21 would like.

22 COMMISSIONER PALECKI: Are most of them
23 energy related, to your knowledge?

24 MR. SIMALA: Yes. It's not coming from --

25 COMMISSIONER PALECKI: I mean weather

1 related.

2 MR. SIMALA: Weather related, right.

3 COMMISSIONER PALECKI: Thank you.

4 CHAIRMAN JACOBS: So it's not just surges,
5 you actually -- you have a disruption?

6 MR. SIMALA: Right. I have a loss of power
7 to the building.

8 CHAIRMAN JACOBS: Any other questions?

9 Thank you very much.

10 MR. SIMALA: You're welcome.

11 MR. HOWE: We would next call Mrs. -- is it
12 Treva Gilligan?

13 MS. GILLIGAN: Yes. You did well.

14 My name is Treva Gilligan. I'm executive
15 director of Lee County Housing Development
16 Corporation. We're a 501.C.3 nonprofit housing
17 provider and we assist lower income families with
18 purchasing homes through various funding sources.

19 One of the most important components of our
20 program is an education process for the
21 purchasers regarding their responsibilities when
22 they become homeowners. FP&L has gone above and
23 beyond in assisting us with that program. They
24 have really done well with -- we hold this
25 training like once a month. They come to each

1 training session. It's on Saturday, it's on off
2 time. We've had Carl Poole and Rick Savage
3 there, and they do an excellent job in
4 instructing the customers on how they can save on
5 energy efficiency once they get into their homes.

6 We have also used FP&L Built Smart program,
7 which the homes that we build are certified as
8 higher energy efficiency through that, so they
9 have been very instrumental in assisting our
10 customers because it's -- one thing that we want
11 to assure is that the customer can afford to stay
12 in the home once they get into the home and a
13 large part of that is energy conservation because
14 a large amount of customers that we deal with
15 probably haven't had to worry about air
16 conditioning, fans, that sort of thing. So it's
17 a very important component for our program.

18 We've also -- they have also provided
19 assistance with credit references for our
20 customers when we were trying to establish
21 nontraditional credit sources and assisted us
22 with getting power on in a hurry if we needed to
23 because we were trying to CO and the customer
24 forgot to do what they were supposed to do so
25 they wouldn't have to be in there over the

1 weekend with no power or be able to move in.

2 So I'm just here to comment on that service,
3 and it's been excellent.

4 Thank you.

5 CHAIRMAN JACOBS: Any questions,
6 Commissioners?

7 Thank you, Ms. Gilligan.

8 MR. HOWE: We would next call Ms. Lillian
9 Newman.

10 MS. NEWMAN: My name is Lillian Newman. I
11 live at 1216 LaFaunce Way in Fort Myers. I'm a
12 homeowner and I received something through the
13 mail from FP&L that says we want to save you
14 money. Well, I laughed because my electric bills
15 were close to \$300. But I did call them and they
16 sent out a Mr. Poole, who did the walk-through
17 survey. He was very helpful and suggested I do
18 the more intense survey. A lady by the name of
19 Wanda Cantrez (Phonetic spelling) came out. She
20 stayed all day, climbed up into my attic. She
21 was wonderful. She told me that not only did I
22 not need a new duct system, I could get my
23 present duct system repaired, thus saving me a
24 lot of money; and also she told me that I didn't
25 need a new air conditioner either. The one that

1 I had, though it was older, it was still working
2 and that I could keep that one, which made me
3 feel better.

4 Conservatively, my electric bills have gone
5 down 25 percent. It's amazing, and I wouldn't
6 have known that had FPL not come out. I think
7 they did a wonderful job.

8 I'm also on the program where -- it's like
9 Energy Saver, Surge Saver -- I've never known
10 that my service was interrupted and I was
11 presently surprised when I got a rebate back on
12 my bill.

13 So I think FPL has done a wonderful job and
14 they have certainly have helped me really keep --
15 that little ad is really true. They do want to
16 help you save money as far as I'm concerned.

17 Thank you very much.

18 COMMISSIONER PALECKI: Did most of the
19 savings result from fixing the duct system or
20 were there other things that were done?

21 MS. NEWMAN: It was the ducts, and also they
22 suggested that I have more insulation blown in
23 and they gave me rebates for both of those
24 companies to come out and help me with the costs
25 on those.

1 COMMISSIONER PALECKI: Thank you.

2 COMMISSIONER DEASON: I have one quick
3 question.

4 The notice that you -- the notice that you
5 received, was that a separate flier that was
6 contained in your bill or was it something that
7 was printed on your bill? How did you receive
8 that notice?

9 MS. NEWMAN: Well, it was about two years
10 ago; but I think it was a little flier that came
11 inside my bill. Sometimes they have like FPL
12 notes or some -- you know, just little
13 information.

14 COMMISSIONER DEASON: And after you called,
15 they promptly responded to your request for an
16 audit?

17 MS. NEWMAN: Yes, they did.

18 CHAIRMAN JACOBS: Thank you.

19 MR. HOWE: I have a couple other names
20 listed here, Chairman Jacobs; but they have not
21 indicated that they wish to speak. I assume that
22 is correct.

23 CHAIRMAN JACOBS: Is there anyone else who
24 either signed up or did not sign up but would
25 like to give us your testimony this evening? I'm

1 happy to have you come forward.

2 Let the record reflect that no one has
3 indicated they would like to testify.

4 Well, thank you each for coming and giving
5 us your statements. As of this point, as I
6 indicated, we'll be having hearings in Miami and
7 Fort Lauderdale and West Palm Beach.

8 If there's nothing else to come before us,
9 this evening -- Mr. Hoffman.

10 MR. HOFFMAN: Mr. Chairman, I would just
11 like to enter into the record as a composite
12 exhibit the notice of public hearings for this
13 hearing and the affidavit of publication.

14 CHAIRMAN JACOBS: Very well. I'm going to
15 mark that as Exhibit 2. We had an Exhibit 1 in
16 Sarasota and make that described as the notice of
17 hearing for Fort Myers and a certificate of
18 mailing to customers.

19 MR. HOFFMAN: The affidavit of publication.

20 CHAIRMAN JACOBS: The affidavit of
21 publication, yes. And show that entered into the
22 record.

23 MR. HOFFMAN: Thank you.

24 CHAIRMAN JACOBS: If there's nothing else
25 to come before us this evening, we're adjourned.

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Thank you very much.

(The proceedings were concluded.)

1 STATE OF FLORIDA)

2 COUNTY OF LEE)

3
4 I, John F. Martina, Jr., Notary Public and
5 Contract Court Reporter for the Circuit Court of the
6 20th Judicial Circuit of the State of Florida, do
7 hereby certify that I was authorized to and did
8 stenographically report the foregoing proceedings and
9 that the typewritten transcript, consisting of pages
10 numbered 1 through 22, inclusive, is a true record.

11 IN WITNESS WHEREOF, I have hereunto set my
12 hand this 26th day of December, 2001.

13
14 

15 John F. Martina, Jr., Notary
16 Public, State of Florida at
17 Large.
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NEWS-PRESS

Published every morning - Daily and Sunday
Fort Myers, Florida

Affidavit of Publication

STATE OF FLORIDA
COUNTY OF LEE

Before the undersigned authority, personally appeared **Melissa Kneser** who on oath says that he/she is the **Retail Sales Rep** of the News-Press, a daily newspaper, published at Fort Myers, in Lee County, Florida; that the attached copy of advertisement, being a **display** in the matter of **Notice of Public Hearings** in the Court was published in said newspaper in the issues of **December 4, 2001**

Affiant further says that the said News-Press is a paper of general circulation daily in Lee, Charlotte, Collier, Glades and Hendry Counties and published at Fort Myers, in said Lee County, Florida and that said newspaper has heretofore been continuously published in said Lee County; Florida, each day, and has been entered as a second class mail matter at the post office in Fort Myers in said Lee County, Florida, for a period of one year next preceding the first publication of the attached copy of the advertisement; and affiant further says that he/she has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Melissa Kneser

Sworn to and subscribed before me this

5th day of December, 2001 by

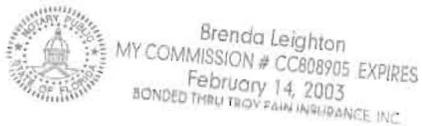
Melissa Kneser
personally known to me or who has produced

as identification, and who did or did not take an oath.

Notary Public Brenda Leighton

Print Name _____

My commission Expires:



10073

NOTICE OF PUBLIC HEARINGS

The Florida Public Service Commission will hold public hearings as part of its review of Florida Power & Light Company's rates. The purpose of these hearings is to provide customers of Florida Power & Light an opportunity to testify before the Commission on the quality of service by Florida Power & Light. A public hearing in your area will be held at the following time and place:

Tuesday, December 11th
6:00 PM - 9:00 PM
Radisson Inn, Manatee Room
12635 South Cleveland Avenue
Fort Myers, FL 33907

Customers who wish to present testimony are urged to appear at the beginning of the hearing, since the hearing may be adjourned early if no witnesses are present to testify.

Written customer comments regarding Florida Power & Light's service or rates should reference Docket No. 001148-EI and be addressed to: Director, Division of the Commission Clerk and Administrative Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.



FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 001148-EI EXHIBIT NO. 2-Ft. Myers
COMPANY/ WITNESS: Florida Power & Light
DATE: 12-11-01