

E. LEON JACOBS, JR.
CHAIRMAN



CAPITAL CIRCLE OFFICE CENTER
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
(850) 413-6046

Public Service Commission

June 19, 2001

Mr. T. J. Sievers
1554 Northwest 215 Avenue
Pembroke Pines, FL 33029

001148 - E 1

RE: FPSC Inquiry #385266C

Dear Mr. Sievers:

Thank you for your recent letter expressing your concern for the level of compensation of executives of FPL Group, Inc. and its subsidiary, Florida Power and Light Company (FPL). We are aware of the events surrounding your letter although the Florida Public Service Commission's (PSC's) jurisdiction extends primarily to FPL rather than FPL Group, the parent holding company. In this instance, because FPL provides a portion of the financial support to the parent, we have inquired into these developments.

As background, it is useful to know that in 1999 the PSC approved a three year plan for regulating FPL's rates. This plan set rates based on a reasonable level of company revenues. More importantly the plan also instituted a refund mechanism to bring customers the benefits of any excess revenues, should they occur.

In evaluating FPL's recent actions regarding executive compensation, the PSC has focused on four important points:

1. The executive compensation increases are not reflected in the amount that customers are paying on their bills because:

- **Base rates were last approved by the PSC in 1999;**
- **When rates were set in 1999, the amount of these executives' compensation was less than 15% of the amount in 2000;**
- **All else being equal, the remaining dollars (the increase in executive compensation) comes from shareholders.**

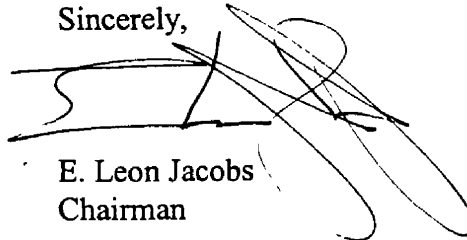
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REC'D GENERAL REPORTING

2. **The three year rate plan has already provided significant benefits to customers:**
 - **A rate decrease in 1999 of \$350 million annually;**
 - **Refunds to customers totaling \$22.8 million in 2000 with an additional \$75 million or more expected in 2001.**
3. **Under the rate plan, the amount of customer refunds is calculated solely on the basis of company revenues and is totally independent of the compensation levels of executives.**
4. **Executive compensation levels are also *totally independent of the recent mid-course correction.* (The “mid-course correction”, refers to your recent bill increase which was solely to fund the higher-priced fuel costs passed along to FPL).**

Thank you for expressing your thoughts. I hope that this information addresses your concerns regarding the compensation of FPL's executives. For further reference, I have attached a copy of a letter from William G. Walker III, Vice President of FPL to the PSC's Director of the Division of Economic Regulation which addresses the same issue. The PSC takes your concerns seriously and, as a result, continues to be vigilant in ensuring Florida's electric customers receive adequate electricity at as low a price as possible.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Leon Jacobs', is written over a horizontal line. The signature is stylized and somewhat messy, with some loops and overlapping strokes.

E. Leon Jacobs
Chairman

ELJ:ewe

Attachments

c: Division of Records and Reporting

Request No. 385266C

Name SIEVERS ,T. MR.

Business: _____



FLORIDA PUBLIC SERVICE COMMISSION
CONSUMER REQUEST
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL. 32399-850
850-413-6100

PLEASE RETURN THIS FORM
WITH REPORT OF ACTION TO:

KATE SMITH

Public Service Commission

Name <u>SIEVERS ,T. MR.</u>	Company <u>FLORIDA POWER & LIGHT COMPANY</u>	Request No. <u>385266C</u>
Business Name _____	Company Code <u>EI802</u>	
Address <u>1554 NW 215 AVENUE</u>	County _____	By <u>KES</u> Time <u>10:10</u> Date <u>06/18/200</u>
_____	Consumer's Telephone # _____	Type <u>PR-99</u> Phone <u>FAX</u>
City/Zip <u>Pembroke Pines</u> <u>33029-</u>	Can be Reached _____	
Account Number _____	E-Mail Address _____	Outreach <u>OTHER</u> Date <u>06/18/20</u>
		Public Official <u>Y</u>

Customer is protesting the rates paid by FL Power Group to its top executives. He/she would the comments read into the official minutes at our next agenda.

E-mail sent to Kay Flynn for instructions on whether or not this request is possible and if so, how to proceed.

Kate Smith

From: Kay Flynn
Sent: Monday, June 18, 2001 11:04 AM
To: Kate Smith
Cc: Sandy Moses
Subject: RE: Customer Request

We can place his written comments in a docket file--I am assuming the comments would relate to a docket we have open right now on FPC, Docket 000824.

Have him send his written comments to our division and reference that docket number.

There is also a good chance this docket will have service hearings scheduled and he can attend the hearing in his area, and have his verbal comments placed on the record there.

-----Original Message-----

From: Kate Smith
Sent: Monday, June 18, 2001 10:10 AM
To: Kay Flynn
Subject: Customer Request

I received a request, via fax, from a customer who wants his comments read into the record at our next agenda.

Is there a procedure for that? Is that something we do????

His comments pertain to the compensation paid by FL Power Group to its top executives.

Suggestions; hints; instructions welcome.

Please!

June 11, 2001

State of Florida - Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL. 32399

Subject: FPL Executive Pay

ORIGINAL

Dear Commissioners:

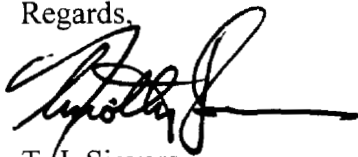
Please read this into public record at the next meeting of the State of Florida Public Service Commission meeting:

I have just read with great interest the Miami Herald's article in today's Business Monday section entitled "Powerful Paychecks". This article points out to the electric rate payers of Florida the travesty of justice that been thrust upon them by FPL and the Public Service Commission. Since January 2001, the Public Service Commissioners have granted two rate increases in FPL electric rates totaling 18%.

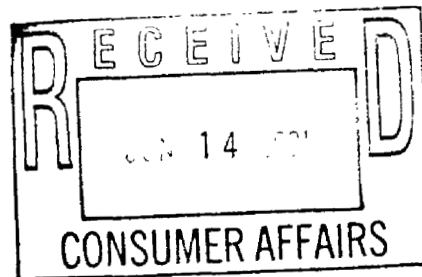
The Herald article ranks the top 25 Florida Executives by pay for the year 2000. FPL Group held five of the top fifteen Executive wage earners in Florida for a total of \$72,614,270, or 30% of the total \$237,000,000 received by the top group of 25. (J. Broadhead \$35,595,593, P. Evanson \$11,736,003, L. Hay \$7,598,380, D. Coyle \$7,143,845, T. Plunkett \$6,540,449)

I understand the FPL salaries have been bloated by bonuses realized by a failed corporate merger plans with Endron, and that the PSC does not control all aspects of the FPL Group. However, one thing is for sure, the FPL rate payers are providing the financing for this sham and the PSC controls the rates we pay. I do believe that the proposed FPL finance investigation is long overdue. From this day forward I hope the PSC takes these bloated FPL executive salaries into consideration when setting the electric rates paid by the residents in the State of Florida.

Regards,



T. J. Sievers
One mad rate payer and voter in Florida
1554 NW 215th Ave.
Pembroke Pines, Fl 33029



Kate Smith

To: Kay Flynn
Subject: Customer Request

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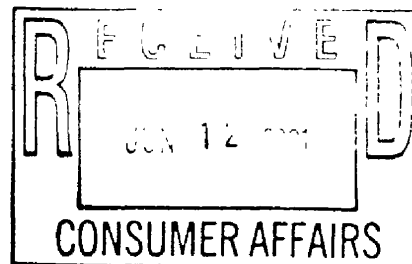
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