

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 001148-EI

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

In the Matter of

REVIEW OF THE RETAIL RATES
OF FLORIDA POWER & LIGHT
COMPANY.



ELECTRONIC VERSIONS OF THIS TRANSCRIPT ARE
A CONVENIENCE COPY ONLY AND ARE NOT
THE OFFICIAL TRANSCRIPT OF THE HEARING,
THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

PROCEEDINGS: MELBOURNE, FLORIDA, SERVICE HEARING

BEFORE: CHAIRMAN E. LEON JACOBS, JR.
COMMISSIONER BRAULIO L. BAEZ
COMMISSIONER MICHAEL A. PALECKI

DATE: Thursday, November 29, 2001

TIME: Commenced at 6:00 p.m.
Concluded at 6:45 p.m.

PLACE: Brevard County Governmental Center
Building C
2nd Floor, Space Coast Room
2725 Judge Fran Jamieson Way
Melbourne, Florida

REPORTED BY: TRICIA DeMARTE
Official FPSC Reporter
(850) 413-6736

DOCUMENT NUMBER - DATE

15388 DEC 10 01

FPSC-COMMISSION CLERK

1 APPEARANCES:

2 KENNETH A. HOFFMAN, Rutledge, Ecenia, Purnell &
3 Hoffman, 215 S. Monroe Street, Suite 420, Tallahassee, Florida
4 32301 and R. WADE LITCHFIELD, 700 Universe Boulevard, Juno
5 Beach, Florida 33408, appearing on behalf of Florida Power &
6 Light Company.

7 JACK SHREVE, Office of Public Counsel, c/o The
8 Florida Legislature, 111 W. Madison Street, Suite 812,
9 Tallahassee, Florida 32399, appearing on behalf of the Citizens
10 of the State of Florida.

11 MICHAEL B. TWOMEY, Post Office Box 5256,
12 Tallahassee, Florida 32314-5256, appearing on behalf of Thomas
13 and Genevieve Twomey, Buddy L. Hansen, and Sugarmill Woods
14 Civic Association, Inc.

15 ROBERT ELIAS, FPSC Division of Legal Services, 2540
16 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850,
17 appearing on behalf of the Commission Staff.

18

19

20

21

22

23

24

25

I N D E X

WITNESSES

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

NAME:

PAGE NO.

ROCKY RANDELS

Direct Statement

17

LARRY RODRIGUEZ

Direct Statement

25

CERTIFICATE OF REPORTER

34

EXHIBITS

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

NUMBER:		ID.	ADMTD.
1	Pictures of Woodpecker Habitat in Cape Canaveral	25	25
2	Certificate of Public Notice and Copy of Customer Bill with Notice	33	33

P R O C E E D I N G S

1
2 CHAIRMAN JACOBS: Good evening. We'll call our
3 hearing this evening to order. Counsel, read the notice.

4 MR. ELIAS: Notice issued by the Clerk of the Florida
5 Public Service Commission on November 5th, 2001, advises that a
6 customer service hearing will be held in this docket beginning
7 at 6:00 p.m., Thursday, November 29th, 2001, in Building C of
8 the Brevard County Governmental Center in Melbourne, Florida.
9 The notice states that the purpose of this hearing is to take
10 testimony from members of the public concerning the rates and
11 charges of Florida Power & Light Company.

12 The procedure at this hearing will be as follows:
13 The company will present a brief summary of its case and then
14 members of the public may present testimony. Members of the
15 public who wish to present testimony are urged to appear
16 promptly at each scheduled service hearing since the hearing
17 may be adjourned early if no witnesses are present to testify.

18 CHAIRMAN JACOBS: Take appearances.

19 MR. HOFFMAN: Thank you, Mr. Chairman. My name is
20 Kenneth A. Hoffman. I am with the law firm of Rutledge,
21 Ecenia, Purnell & Hoffman in Tallahassee. Our address is 250
22 South Monroe Street, Suite 420, Tallahassee, Florida 32301.
23 I'm here on behalf of Florida Power & Light Company.

24 And I would also like to enter an appearance for
25 R. Wade Litchfield, an attorney with FP&L. Mr. Litchfield's

1 address is 700 Universe Boulevard, Juno Beach, Florida 33408.
2 And I would also like to introduce to my left Mr. Bill Hamilton
3 who is vice president of customer service for FP&L.

4 CHAIRMAN JACOBS: Very well. Mr. Shreve.

5 MR. SHREVE: Thank you, Mr. Chairman. I'm
6 Jack Shreve, Public Counsel representing the Citizens of the
7 State of Florida, the customers of Florida Power & Light.
8 Thank you.

9 MR. TWOMEY: Mr. Chairman, Mike Twomey, Post Office
10 Box 5256, Tallahassee, Florida 32314-5256, appearing on behalf
11 of Thomas and Genevieve Twomey.

12 MR. ELIAS: I'm Bob Elias representing the Commission
13 Staff, and with me is Michael Springer.

14 CHAIRMAN JACOBS: Thank you. Good evening. My name
15 is Leon Jacobs. I'm Chairman of the Florida Public Service
16 Commission. I'd like to welcome you to our service hearing
17 this evening. Let me first introduce my colleagues who are
18 with me. To my right is Commissioner Michael Palecki, and to
19 my left is Commissioner Braulio Baez. We are three members of
20 a five-member Commission, and I would add that the final
21 decision in this docket will be considered by each -- the full
22 five-member Commission.

23 And the purpose of our meeting this evening, however,
24 is to consider -- to receive and to hear your input on the --
25 your experiences with the Florida Power & Light Company. As

1 was indicated earlier, this is a proceeding to review the
2 earnings of the company. And while we will consider a whole
3 range of financial and economic information, a critical aspect
4 of our deliberations is their ability to render reasonable --
5 to render service at reasonable rates and terms.

6 This is a formal administrative proceeding. And what
7 that means for your purposes is essentially that all of the
8 information that we take in will become a part of a formal
9 evidentiary record. We will collect that record, and it will
10 be the basis of our final decision.

11 For this evening's purposes, that means that your
12 statements here before us will be sworn statements, and we'll
13 issue -- render our oath in a few moments. And your statements
14 will be preferred -- because we have a court reporter who is
15 documenting our proceeding this evening, we would like for you
16 to step forward to the podium as you give your statements and
17 speak into the microphone. Also, for that purpose, it's very
18 helpful if we can only have one person speaking at a time.
19 That helps keep her job easier and helps us to hear and
20 concentrate more correctly.

21 The specific subject matter that we are going to
22 entertain, as I indicated, is the quality of service, but as I
23 indicated, there are other issues. Following this process --
24 in addition to the hearing tonight, we had one this morning in
25 Daytona Beach. We will have other hearings regarding Florida

1 Power & Light in Central and South Florida. We have them in --
2 Sarasota, Fort Myers, Miami, Fort Lauderdale, and West Palm
3 Beach are additional hearing sites where we will hear customer
4 input. In addition to those hearings, we will then have a
5 technical hearing in Tallahassee where we will hear from
6 experts in the fields of economics, finance, law, and other and
7 various sundry subjects who will give us the basics and the
8 details of how operations of Florida Power & Light are
9 conducted. And then from that full record, we will move
10 forward to our final decision. Finally, we will -- the full
11 Commission will render a full decision sometime, I believe, in
12 May at a -- what we call an agenda conference.

13 Unless there's anything else this evening -- well,
14 let me now go through some of the processes we'll follow from
15 here. We'll swear you in. The parties' counsel will give
16 opening statements, and then we will have you come up, and
17 Mr. Shreve will generally call you up in the order that you
18 signed in at out front.

19 If you are not comfortable coming forward to give a
20 verbal statement, then you should have received a blue form, a
21 report, out front when you came in. In the -- on the third
22 page -- I'm sorry, make that the fourth page of that document
23 is a form for written input. We welcome your written comments,
24 and they will become a part of the record in this proceeding.
25 On the front page of that, you should see listed technical

1 Staff who are available for you to speak with on this matter as
2 well as the legal Staff.

3 Let me also add that if you have particular issues
4 that you'd like to see resolved, and you can tell us about them
5 this evening, but if you'd like to try and get those issues
6 resolved this evening, you have two opportunities. One is, the
7 company has brought a staff, and they will explain more of that
8 to you when they give their opening. But they have staff here
9 who are available to go directly to your account and give you
10 assistance. But also, we have a Staff person who is manning
11 our office's phones this evening, and you can call Tallahassee
12 if you'd like to register a complaint this evening. You can
13 speak with a Mr. Dick Durbin. And let me give you that phone
14 number. It's area code (850)413-6121.

15 Normally our customer input line is a toll-free
16 number, but during the evenings it does not -- the toll-free
17 number is not in operation. Tomorrow, however, if you'd like
18 to delay and call tomorrow, you can call that toll-free number,
19 and that number is listed on the bottom of your blue report
20 here. I'll call it out for you anyways, area code
21 (800)342-3552.

22 And with that, I think that takes care of all of our
23 housekeeping matters. I will now invite all of those in
24 attendance who are here to testify for us this evening to stand
25 and raise your right hand, and we'll administer the oath.

1 (Witnesses collectively sworn.)

2 CHAIRMAN JACOBS: Thank you very much. You may be
3 seated. And now, we'll move then to our opening statements,
4 and we will begin with the company. Mr. Hoffman.

5 MR. HOFFMAN: Thank you, Mr. Chairman. I'd like to
6 begin by stating that FPL has with it tonight a number of
7 customer service representatives who are prepared to assist our
8 customers with any issues that the customers may wish to
9 address with the company. And as you mentioned, they are
10 available in that connection. I would like to specifically
11 introduce Ms. Heidi Ellenberger, who is seated over to your
12 left, Mr. Chairman, as well as Mr. Ramon Ferrer.

13 With that, Mr. Chairman, I would like to ask Mr. Bill
14 Hamilton, our vice president of customer service, to make FPL's
15 opening remarks.

16 CHAIRMAN JACOBS: Very well.

17 MR. HAMILTON: Thank you. My name is Bill Hamilton,
18 and I'm vice president of customer service for Florida Power &
19 Light Company. And I'm pleased to be here tonight to take part
20 in this important aspect in the review of our base rates by the
21 Florida Public Service Commission. Let me start out by saying
22 that FPL is not requesting an increase in our base rates at
23 this time, despite the weakening economy in Florida and the
24 fact that we continually need to expand our facilities to meet
25 the growth of -- our customer growth and the higher costs that

1 we're facing with some of our operations. In fact, since our
2 last base rate increase in 1985, we've actually reduced our
3 rates by 10 percent, despite the fact that we're now serving
4 almost 1.3 million more customers than we were in 1985. This
5 requires a lot of additional resources in the areas of
6 transmission, substation, distribution, but in particular, we
7 have increased our power plant capacity by 42 percent since
8 1985.

9 We are currently operating under a negotiated
10 agreement, an agreement that was negotiated between Florida
11 Power & Light Company, Mr. Jack Shreve and the Office of Public
12 Counsel. And that agreement provides for the annual reduction
13 of \$350 million in our base rates and that was, again, a
14 three-year agreement. In addition, it provides for annual
15 refunds to customers. And over the life of the three-year
16 agreement, we anticipate the total of those refunds to be
17 approximately \$250 million.

18 In recent years, we focussed our attention on
19 improving the quality and the reliability of service that we
20 provide to our customers, and I am pleased to report that we
21 have reduced the average number of minutes that a customer is
22 without electricity during a one-year period by approximately
23 50 percent during the last few years. That's not to say that
24 we're pleased, that we're totally pleased, or 100 percent
25 pleased with all the progress that we have made. We know that

1 we still have opportunities for improvement and want you to
2 know that we'll continue to look for ways to improve service to
3 our customers and to improve reliability to all customers.

4 We've also been working hard in the area of customer
5 service to make it easier for customers to do business with us
6 by providing services over the Internet and providing
7 additional billing and payment options for our customers as
8 well as the fact that we've developed special programs to help
9 our customers conserve energy.

10 At this time, again, I'd like to point out that we do
11 have company representatives here, and if any of our customers
12 have issues or questions or concerns, we'll do everything that
13 we can to attempt to address those concerns here tonight. In
14 the event that we're unsuccessful, we will make a commitment to
15 the customers that we'll get back with them within 24 hours
16 with a response. And again, Ramon and Heidi are here and will
17 be glad to help customers with any question or concern they
18 might have.

19 And in closing, again, I'd like to assure our
20 customers that FPL is going to be working hard to provide
21 reliable power at low prices well into the future. I thank you
22 for your attention and your time.

23 CHAIRMAN JACOBS: Thank you, Mr. Hamilton.

24 Mr. Shreve.

25 MR. SHREVE: Thank you, Mr. Chairman. And I will be

1 brief. We're here to hear from the public and not from us. I
2 will just give a brief summary of where we'll be going from
3 here. We are representing the customers in opposition to
4 Florida Power & Light. We have received their minimum filing
5 requirements. In the process of reviewing those, we have not
6 received the testimony yet. We will be filing testimony from
7 the customers' viewpoint of the rates at a later time after we
8 have received their testimony and reviewed all of the
9 information.

10 As we did in the settlement that Mr. Hamilton
11 mentioned, about three years ago, we brought Florida Power &
12 Light in for a rate decrease and reached a final settlement
13 with them for \$350 million. That was a three-year agreement,
14 but the three-year part of it was the refund part of the
15 settlement, and that's going to expire this coming April.

16 As Mr. Hamilton mentioned, we've had approximately --
17 or will have had probably \$250 million in refunds by April, and
18 we do need to take care of the future beyond that agreement.
19 The \$350 million in rate reductions is ongoing and not limited
20 to the three years so that will continue. I just want you to
21 know that we will be reviewing all of the information. We'll
22 take an advocate's position on behalf of the customers in this
23 case and hope to lower the rates. Thank you.

24 CHAIRMAN JACOBS: Mr. Twomey.

25 MR. TWOMEY: Thank you, Commissioners, Mr. Chairman.

1 Good evening, ladies and gentlemen, my mom and dad. My parents
2 are back here, ladies and gentlemen. I wanted you to know that
3 they exist.

4 MR. SHREVE: Mr. Chairman, I met Mr. Twomey's
5 parents, and I would want to tell you that I will be
6 representing them from now on.

7 (Laughter.)

8 MR. TWOMEY: You've always done a fine job for them,
9 Jack.

10 CHAIRMAN JACOBS: Let me just state that even if
11 Mr. Shreve represents you from this point forward, you have had
12 fine representation, and you have been recognized around the
13 State for that representation.

14 MR. TWOMEY: Thank you, Mr. Chairman. I'll be brief
15 too. I don't think there's many folks in the audience that are
16 customers aside from my parents and the two individuals. I
17 think two have spoken -- or signed up to speak, so I'll be
18 brief. The rate reductions that Mr. Hamilton spoke to since
19 1985 are fine, and they're to be commended. The utility should
20 operate as efficiently as it can while maintaining high-quality
21 service.

22 The Public Counsel settlement, Mr. Shreve's
23 settlement with the utility is to be commended as well because
24 they achieved major reductions in rates and refunds and that's
25 great. However, under the law, the company's rates, the

1 monopoly rates, are supposed to be cost-based on a current
2 basis. And I made a little bit of a mistake this afternoon,
3 and Mr. Hoffman called me on it. And I said that Florida Power
4 & Light had been ordered to come in and file for reduced rates,
5 and Mr. Hoffman said, no, that's not exactly right, and he was
6 correct. And I went back and read the order.

7 And the order requiring the filing of MFRs said that
8 after discussing the fact that despite Mr. Shreve's settlement
9 agreement which provided for a minimum -- a midpoint range for
10 equity of 11 percent and a maximum of 12, the company had
11 consistently been exceeding that 12 percent return on equity.
12 And the Commission went on despite the fact that they didn't
13 later say they should come in and have lower rate filings. The
14 Commission said in its order at Page 3, we are concerned that
15 once the revenue sharing plan ends on April 14th, 2002, FP&L's
16 earnings will continue to exceed its authorized maximum ROE,
17 which is return on equity, ceiling of 12 percent with no
18 protection for the ratepayers from these high earnings. And
19 that's what Mr. Shreve said is, is that in terms of the refund
20 provision, that expires and so something has to be done.

21 Now, with respect to the need for the cost-based
22 rates being current, we believe that the evidence in this case,
23 if it goes to hearing, will show that one of the major
24 contributing factors to the revenues that the customers have to
25 pay, namely, the return on equity, has dropped since the

1 settlement reached almost three years ago. The 11 percent
2 midpoint probably should be reduced to at least 10, perhaps as
3 low as 9. As we discussed, or I suggested at lunch today in
4 the earlier hearing, I think the revenue requirement associated
5 for Florida Power & Light for every increase of 1 percent on
6 equity, return on equity, is some \$90 million or close to that
7 ballpark. So if they are earning now annual revenues or equity
8 returns that are 12, 12.5 percent and it should be 10 percent
9 or 9 percent, we're talking in the hundreds of millions of
10 dollars that could be reduced just on an appropriate return on
11 equity, a fair return on equity in the current market.
12 Additionally -- and of course, that's something that should
13 probably be addressed in a hearing.

14 Additionally, the order noted that -- in relation to
15 the common equity, the Commission noted that it was concerned
16 with the company's equity ratio; that is, the percentage of
17 equity it has in its capital structure versus the amount of
18 debt. And the Commission noted that it is approximately
19 65 percent, which was well above the average equity ratio for a
20 AA-rated electric utility and it's essentially higher. And of
21 course, as those familiar with the electric utility regulation
22 or utility regulation in general would know, the more equity
23 you have versus lower cost debt, the more that the revenues
24 have to be. So that's something, again, Commissioners, that
25 probably should be addressed in a hearing.

1 of the City of Cape Canaveral, have been since 1981. I reside
2 at the same address, 308 East Central Boulevard, and that's in
3 Cape Canaveral. And first, I'd like to thank you for giving me
4 the opportunity to present some views that I perceive our
5 residents of the City of Cape Canaveral have. And I'd like to
6 state probably for the record that neither I nor any of my
7 family has ever been employed with Florida Power & Light or is
8 paid in a nonpaid position from Florida Power & Light.

9 And I do not have a personal agenda of items that I'd
10 like to bring to your attention, but as I mentioned, I'd really
11 rather bring the perception of 9,000 residents, which is the
12 City of Cape Canaveral, of what they view the type service has
13 been. And the reason I feel I can speak for them is, they have
14 chosen to reelect me on the City Council since 1983.

15 Continuously, I've served two terms as Mayor pro tem. I'm
16 currently serving the second three-year term as Mayor. I have
17 a pretty good rapport with them for finding out what their
18 needs are. And again, I'd just like to share the residents' --
19 their perception of the Florida Power & Light and why they have
20 this. I have three quick items I'd like to bring to your
21 attention that kind of they focussed on in talking to them
22 preparing for this.

23 First item, you may not know not being from our area
24 but Cape Canaveral is a small beachside community along the
25 ocean, and it was not built with a plan. It was just built --

1 a mixture of beach houses, a lot of small apartments for the
2 Apollo program, for the Mercury program. Really, I'm saying it
3 had no plan, and that gets me to one of the points, is the
4 streetlights just went up wherever somebody either wanted one
5 or wherever somebody didn't want one. We had no master plan
6 for streetlights. They were just haphazard. So one of the
7 group of residents approached City Council and said, we would
8 really like to have more streetlights on our street, on our
9 block. And we investigated it. At night I went out and walked
10 the streets with them, and sure enough, there were many, many
11 dark spots because of people not wanting lights.

12 And so I went with the residents. I mapped out an
13 idea of where they felt they wanted lights. I took this, I
14 guess, grid, for lack of another name, to Florida Power & Light
15 to their representatives and said, this is what we want. How
16 can we make it happen? Well, they looked at it, spent quite a
17 bit of time with it. They made some recommendations as to
18 exactly the type wattage it could be, how far apart it should
19 be. They made some corrections. I went back to the residents,
20 and the plan developed. And the end result was that they added
21 at our request and our expense, I might add -- the residents
22 knew that this was going to cost more -- 101 streetlights.
23 Now, that doesn't seem like much for a large municipality, but
24 we're a four-block wide, one-mile long area. What a difference
25 it made in the city. But the most important thing is, it

1 satisfied the residents who were willing to pay for the
2 upgraded service, and it provided a safe community for them to
3 walk in at night. A lot of our people are elderly, so that was
4 one item that I based the customers' perception on.

5 The second item I'd like to share with you is, every
6 city probably in the nation has a problem with streetlight
7 outage, and we're certainly no exception. And that's usually
8 due to either the sensors being bad -- I'm not technical, and
9 they're probably laughing at me for getting into an area that I
10 don't know nothing about, but it's either the sensors have
11 burned out or the bulbs -- the lamps is out, basically. But
12 it's almost impossible for them to come out every day in every
13 city and replace one light. It's maybe not impossible but sure
14 not very impractical.

15 So our city is 1 of 15 cities in Brevard County. If
16 you're not familiar with it, we're 72 miles long, so it's quite
17 a logistic problem to run out and repair one light and hustling
18 on us. See, I'm probably overspeaking my time, but I've got
19 some things that I think is of interest.

20 CHAIRMAN JACOBS: No, you aren't. We have ample time
21 for you.

22 MR. RANDELS: When I get this that means I'm done;
23 right?

24 So I went to the Florida Power area representative,
25 and he give a recommendation, which is still into operation

1 with all 15 cities, and it's working. And that's why I want to
2 share it with you. On Monday of each week, the city manager of
3 each municipality takes the list of the streetlights that are
4 out, that had been reported out, for some reason, and Florida
5 Power has asked us specifically to get the tag number off the
6 pole. Florida Power & Light has asked specifically, get that
7 number because we need that, that's important. What that does
8 is tell the exact location rather than somewhere on the eastern
9 end of Ridgewood. It tells the exact location plus it tells
10 what the wattage, I believe, of the light is, what the fixture
11 is. The result of that is, they can stop their repair truck
12 once a week, usually on Tuesday, or more often if it's needed,
13 but usually it's on a given day. They load the truck up. We
14 send our fax in Monday. They pull the equipment, load it up,
15 cover all the municipalities, the entire county, probably two
16 or three trucks. I'm saying one, I don't know how many. But
17 the lights come on the next night.

18 The important thing is in being responsive to the
19 residents is, I can say it will be fixed Tuesday, Ms. Smith.
20 They will be out and fix it Tuesday, or other, they haven't
21 done that yet? I'll have to call them again. We give -- City
22 Hall gives them a definite answer when it will be fixed, and
23 then almost all circumstances it's fixed. That's good customer
24 relations at least from my elected person's viewpoint because I
25 tell somebody something and it happens.

1 I don't know how it works out on their end. It may
2 have created a burden with them, but it certainly solved the
3 problem of every municipality calling in and saying, I've got
4 three lights out. When are you going to get to them?

5 Third item, again, to remind you, we're a beachside
6 community. We have a lot of wind, a lot of hurricanes there.
7 And tree limbs is bad news, as these Florida Power & Light
8 people know for problems on transmission lines. They chose to
9 come back, I guess, about two years ago and upgraded all of the
10 transmission lines on the beach. Now, to me, "upgraded" may
11 not be the correct word, but they took away our small wooden
12 posts that was nothing but an area for garage sign sales,
13 incidentally. And you can't -- I don't know if you know this,
14 but there are no garage sign sales on a big cement post, so
15 you've solved another problem. No pick a kitchen up at this
16 address or something. In any event, they replaced our wooded
17 with large, huge cement ones.

18 Several things happened as a result of that, many
19 benefits I might list, and I jotted down a couple. Now the
20 transmission lines are above the tree limbs. Pretty basic but
21 it solved the problem. In doing this, in putting these huge
22 poles, which are quite large, like this, I guess, they put them
23 further apart, and for every two they put up, they eliminated
24 the three in the middle that was there. So we took down a lot
25 of the overhead poles, a lot of the old lines. More important,

1 many of the old wooden poles being on the beach had to have a
2 support line over here and a post here and three posts over
3 here to keep it from sinking in or blowing away. They are
4 gone. It really cleaned up the area. Kind of a real plus.
5 And it eliminated, as I said, all the support lines. We
6 haven't had a power outage, but I could go on and on, but one
7 of the -- I'll share with you a picture here. And you can put
8 it in the record. We have a family of redheaded woodpeckers
9 living in some old electricity poles, power poles. And that's
10 what one of them looks like, and I will explain this later.

11 Chairman, if I can leave you this. This shows a
12 little redheaded woodpecker living in an old Florida Power &
13 Light pole. We prevailed upon them. They took his home and
14 strapped it to the new cement item. So the woodpeckers are
15 still surviving. Kind of unusual. I'm sure it didn't have to
16 be done, and maybe they don't want us telling that it was done.
17 But those woodpeckers are kind of like a mascot with the fire
18 department. They have been there for several years. They took
19 the extra effort of cutting a section -- the home of those
20 woodpeckers out of the old pole and taking it and strapping it
21 to the new one way up there, and the woodpecker resumed its
22 home.

23 So I thank you. I don't know if there's any
24 questions you desire to ask of me. I'm not familiar with these
25 meetings, but I'll sure try to answer any you may have.

1 CHAIRMAN JACOBS: I'm just -- I'm speechless. What
2 do I call this exhibit?

3 MR. SHREVE: That woodpecker is not trying to go
4 further into that cement pole where that hole is?

5 (Laughter.)

6 MR. RANDELS: No, he isn't. He's still living there.
7 And I'll let you keep them or whatever you so chose.

8 CHAIRMAN JACOBS: No, we'll mark them. I was being
9 funny.

10 MR. RANDELS: But it does show that even big
11 business -- which we got a nice article in the paper about even
12 a large business like Florida Power & Light is environmentally
13 sensitive. They responded to the community's need, probably
14 didn't have to, probably laughed while they were doing it, but
15 it solved the problem, and it kept a lot of good will.

16 CHAIRMAN JACOBS: I agree.

17 COMMISSIONER PALECKI: So now that you helped the
18 woodpecker, what are you going to do for the people who have
19 garage sales?

20 (Laughter.)

21 MR. RANDELS: That's kind of an election concern. I
22 don't want to get into that. Thank you.

23 COMMISSIONER PALECKI: Thank you, Mr. Randels.

24 CHAIRMAN JACOBS: Thank you very much.

25 (Witness excused.)

1 MR. SHREVE: Mr. Rodriguez.

2 CHAIRMAN JACOBS: Show that marked as Exhibit 1 and
3 entered into the record.

4 (Exhibit 1 marked for identification and admitted
5 into the record.)

6 LARRY RODRIGUEZ

7 was called as a witness on behalf of the Citizens of the State
8 of Florida and, having been duly sworn, testified as follows:

9 DIRECT STATEMENT

10 MR. RODRIGUEZ: I don't know if I can follow the
11 Mayor. My name is Larry Rodriguez. I live at 1575 North
12 Highway A1A, Indialantic. I am also director of plant
13 operations for Health First, and that's who I'm here
14 representing. Health First is a not-for-profit corporation.
15 It's the largest health care provider in Brevard County. We
16 own three hospitals: Cape Canaveral Hospital in Cocoa Beach,
17 Holmes Regional Medical Center in Melbourne, and Palm Bay
18 Community Hospital in Palm Bay. In addition, Health First has
19 over 40 facilities within the county. We are in the county.
20 We're not external to the county. We also have an HMO system
21 within the county and a Medicare HMO system, so there is a
22 number of facilities that are served by FPL to us.

23 In my position at Health First, I'm responsible for
24 all the maintenance and engineering of all the facilities, and
25 in addition, I am the one who pays the power bill. And if you

1 can imagine, we have three hospitals, total power bills is in
2 the millions. And I'm here tonight to speak positively towards
3 Florida Power & Light in terms of the customer service that
4 they have provided to us. Very similar to the gentleman you
5 heard, in our case it's probably a little more on the technical
6 nature in terms of how they serve our facilities. And I just
7 want to touch on about four or five points, and I will be
8 brief.

9 One of the things that we have found is regarding
10 communications. Now, you've got to realize that a health care
11 system, we have multiple vendors. People sell us anything from
12 medical supplies to electricity to natural gas, water. You
13 name it, we buy in large quantities. And one of the things
14 that as a service provider ourselves is that we look for is
15 customer service from our vendors. One of the things that we
16 have done with FPL is that they have given us the ability to
17 really communicate directly in terms of outages with their own
18 dispatch system such that many of the facilities that are not
19 manned, that we might have ambulatory care centers, we have
20 areas where we have large dollars of surgical storage that you
21 cannot lose air-conditioning to, they have been able to install
22 systems that if we had a power outage for anything from a
23 squirrel going up in a power pole to maybe a broader outage,
24 they are able to be notified directly. They are able to
25 respond. They actually notify us if they receive a call from

1 one of our facilities automatically, so that indeed if we need
2 to do something within the building, that we can go and
3 respond. That feature has been a time-saver for us. And, you
4 know, at some point in time, if you are able to do an analysis,
5 it has saved us some money in terms of the ability to not lose
6 medical supplies that are very temperature-sensitive.

7 One of the things that in terms of communications has
8 been the fact that FPL management lead personnel that deal with
9 us, these folks have gone out of their way to learn the names
10 of all our maintenance management staff and folks involved so
11 that they can create an even closer relationship as it deals
12 with delivering service, delivering electrical service to our
13 facilities, and dealing with outages, which is something that
14 we live with as we live in Florida. As you know, we're at the
15 highest isokeraunic level in the country.

16 One of the other things that I have been very
17 impressed with them has been their maintenance of all of the
18 facilities or the service facilities that provide power to us.
19 Again, I cannot speak to the rest of the distribution of
20 transmission system, but in terms of those facilities that they
21 provide power to us, they do thermal imaging. They make sure
22 that all this equipment, whether it's transformers or switch
23 gear or disconnects, are maintained, again, to minimize outages
24 to the hospital. They understand the needs that we have in
25 terms of minimizing risks to our patients.

1 One of the things that I have jotted down in my notes
2 is that they have been very responsive to integrate our load
3 increases or our load characteristic changes that we might have
4 had as our facilities have grown -- again, the whole health
5 care network has grown -- with their ability to maintain the
6 services to us. And that has been important in working hand in
7 hand to make sure that indeed our needs are met and also are
8 met on a timely basis.

9 As a hospital, of course, we enjoy the priority of
10 restoring power subsequent to an outage, but what has been
11 impressive to me is the attitude and understanding of what the
12 priority represents to the FPL employees that show up to
13 restore service. They know that there is an additional risk,
14 even though we have generators, when we don't have a continuous
15 service. When our generators come on, we go to a single point
16 of failure which we would not have as we have multiple FPL
17 feeds into one of our largest facilities.

18 In terms of reliability, at all our acute care
19 facilities, FPL has designed and built primary and secondary
20 feeder installations. They have upgraded their primary
21 transfer switches; whereby, in the past, many years ago, you
22 would have large time delays between transfer from a primary to
23 a secondary. Everything now has been upgraded. We can barely
24 see when a transfer is made. They have installed systems that
25 are able to notify us when that has happened so that we can

1 indeed pay more attention to the fact that we're now into a
2 single feeder connection rather than a primary backup feeder
3 availability. So, you know, one of the things that we always
4 talked about, reliability, and there's always a lot of concern
5 about the fact the power goes out, or you get the power blips,
6 but I will tell you this, all our surgeons, and I almost can
7 speak for all of them, do not like to operate on generator
8 power. They like to sit down and say, well, when is FPL coming
9 back? And that's one of the things that is kind of in the
10 background in terms of how they perceive reliability of the
11 power grid and the power system as it supplies power to our
12 acute care facilities.

13 Another item that I want to speak to is energy
14 conservation. In terms of what we have taken advantage of, the
15 programs that I honestly didn't know whether they started it or
16 the Commission or Public Counsel has put forth, but the FPL --
17 the children incentive program has made a tremendous impact in
18 our ability to upgrade equipment and being able to make the
19 decisions to change equipment that costs \$300 to a half a
20 million dollars. That incentive program of trying to get you
21 to the more efficient machine, not only has it been a good
22 program in terms of mitigating some of our costs, but also a
23 bargaining chip to those suppliers who in the prior were just
24 looking at trying to sell you on a first cost basis rather than
25 on a total life cycle cost.

1 One of the other ones was the lighting retrofit
2 program that they put in place. This has been over three years
3 ago. It's been paid back already many times over. Finally,
4 there was a mention regarding rates. Of course, as any user of
5 electricity, we wished our electric rates were lower, but as I
6 compare the rates to other utilities around the nation, since I
7 have to -- by my job I've got to subscribe to all kinds of
8 trade magazines to see what's going on not only in my field but
9 also in the utility fields that we buy service from, we tend to
10 find that they are on the lower end of the scale. But again,
11 we would always hope that they could be lower.

12 We also have taken a couple of very large steps to
13 mitigate our costs. The first one, we have worked with FPL to
14 consolidate all our billing into one bill. We have found that
15 having over 40 facilities, some of them have multiple meters.
16 This has reduced our accounts payable department processing
17 costs substantially and has allowed the organization to budget
18 their cash flow a lot better. In the past, before we were able
19 to take advantage of that program, you had bills coming in, you
20 know, in some cycle depending on whenever that meter was
21 installed some years ago. And that has been a tremendous
22 benefit for a facility -- or an organization like ours that has
23 so many meters involved, anywhere from parking lot lightening
24 to large hospital facilities.

25 The second, all three acute care hospitals have

1 joined the load control program. And I'm sure that you know
2 that's the program where if you can do self-generation and you
3 are dispatched by FPL to get off their system for whatever the
4 reasons are, you are able to do that, and for that, you are
5 able to get a discount on the rate that you normally would have
6 paid. Three hospitals have that. Two of our hospitals, they
7 already paid for itself on the discount that they have gotten
8 on those rates for the equipment that had to be installed to
9 accomplish that.

10 In our largest hospital, Holmes Regional Medical
11 Center, we are probably a couple of years away from recovering
12 the added costs, but it has afforded us the ability to install
13 sufficient generating capacity to operate the complete hospital
14 on generator power. There are not that many 468-bed hospitals
15 that can be self-sustaining, and we have already done that
16 through Florida and some of the other near misses that we've
17 had through here where we're able to completely disconnect from
18 FPL and maintain about a 3.5-megawatt to 4-megawatt load.
19 Those are my comments. If you have any questions --

20 CHAIRMAN JACOBS: Questions, Commissioners?

21 COMMISSIONER PALECKI: Mr. Rodriguez, who is the
22 Florida Power & Light representative that you deal with most
23 frequently in Brevard County?

24 MR. RODRIGUEZ: His name is Mike Philo.

25 COMMISSIONER PALECKI: Because I just wanted to say

1 and to state to the utility that normally when we have these
2 customer service hearings, we hear a lot of complaints. And
3 today, both this morning in Daytona Beach and in here in
4 Brevard County, we have heard very good things about the
5 company and the way it's operated, and I certainly hope the
6 people that are responsible are recognized. It's very
7 refreshing to hear this kind of testimony at a customer service
8 hearing.

9 CHAIRMAN JACOBS: And other questions?

10 I echo those comments. It is good to hear that kind
11 of responsiveness. Thank you very much, Mr. Rodriguez.

12 MR. RODRIGUEZ: Thank you, sir.

13 (Witness excused.)

14 MR. SHREVE: That's the only witnesses we have that
15 signed up.

16 CHAIRMAN JACOBS: Let me offer now, if anyone who did
17 not sign up in advance but would like to give us a statement,
18 you're welcome to come forward now.

19 Let the record reflect that there is no one who's
20 indicated a desire to speak. That takes care of our hearing
21 this evening. We thank you for coming, and we thank you for
22 your comments.

23 MR. HOFFMAN: Excuse me, Mr. Chairman?

24 CHAIRMAN JACOBS: Yes.

25 MR. HOFFMAN: Before you conclude, could I do one

1 last housekeeping measure?

2 CHAIRMAN JACOBS: By all means.

3 MR. HOFFMAN: Okay. If I could, I'd like to place
4 into the record a composite exhibit consisting of the original
5 notice of the public hearing tonight, the affidavit of
6 publication, and a sample bill insert.

7 CHAIRMAN JACOBS: Very well. Show that marked as
8 Exhibit 2 and admitted into the record.

9 (Exhibit 2 marked for identification and admitted
10 into the record.)

11 CHAIRMAN JACOBS: Very well. Again, thank you. And
12 if there's nothing else to come before us this evening --
13 Mr. and Mrs. Twomey, it was great to have you here, and your
14 son has done you proud. And we're adjourned.

15 (Service hearing concluded at 6:45 p.m.)

16 - - - - -

17

18

19

20

21

22

23

24

25

1 STATE OF FLORIDA)
2 :
3 COUNTY OF LEON)

CERTIFICATE OF REPORTER

4
5 I, TRICIA DeMARTE, Official Commission Reporter, do hereby
6 certify that the foregoing proceeding was heard at the time and
7 place herein stated.

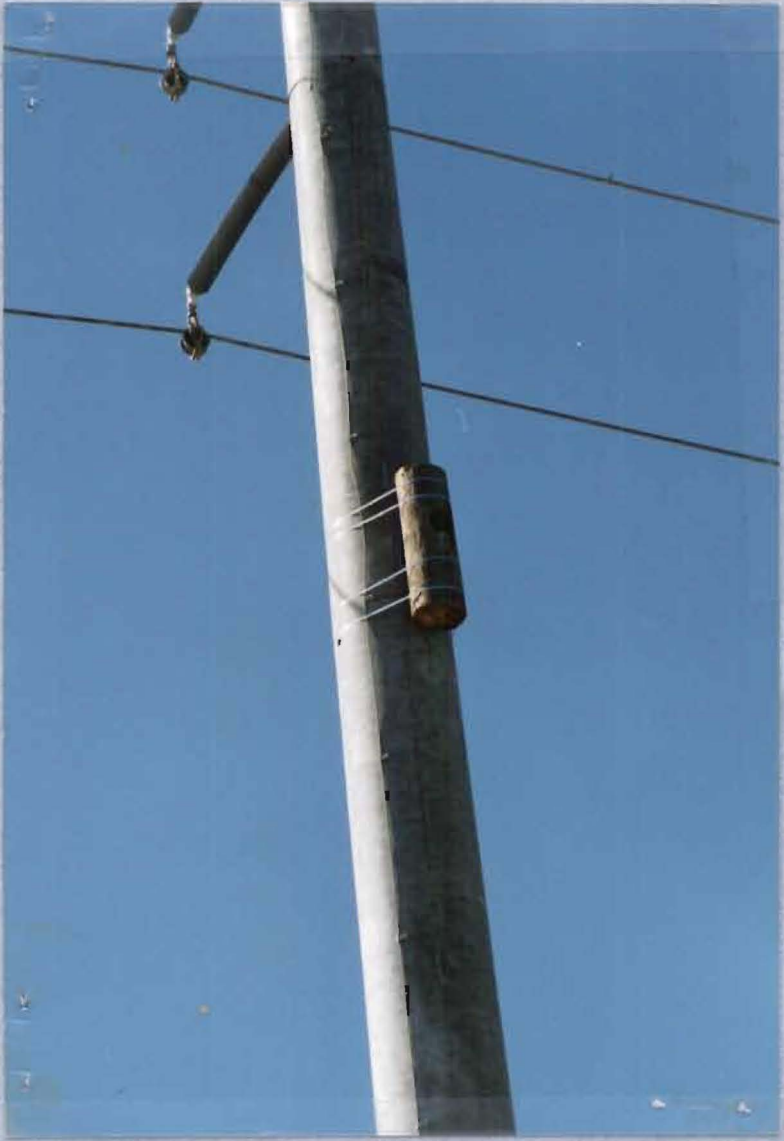
8 IT IS FURTHER CERTIFIED that I stenographically
9 reported the said proceedings; that the same has been
10 transcribed under my direct supervision; and that this
11 transcript constitutes a true transcription of my notes of said
12 proceedings.

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

18 DATED THIS 5th DAY OF DECEMBER, 2001.

19 *Tricia DeMarte*

20 _____
21 TRICIA DeMARTE
22 FPSC Official Commission Reporter
23 (850) 413-6736
24
25



FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 001148-EI EXHIBIT NO. 1-Melbourne
COMPANY: Randall
WITNESS: _____
DATE: 11-29-01

9752



Ex 2

Published Daily

STATE OF FLORIDA
COUNTY OF BREVARD

Before the undersigned authority personally appeared MAUREEN FARR who on oath says that she is LEGAL ADVERTISING CLERK of the FLORIDA TODAY, a newspaper published in Brevard County, Florida; that the attached copy of advertising being a LEGAL NOTICE

_____ the matter of _____
THE BSP GROUP FOR FP&L
in the _____ Court _____
NOTICE OF PUBLIC HEARINGS

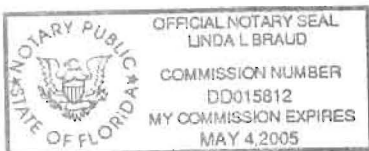
was published in the FLORIDA TODAY NEWSPAPER in the issues of NOVEMBER 22, 2001

Affiant further says that the said FLORIDA TODAY NEWSPAPER is a newspaper in said Brevard County, Florida, and that the said newspaper has heretofore been continuously published in said Brevard County, Florida, regularly as stated above, and has been entered as periodicals matter at the post office in MELBOURNE in said Brevard County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that 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 said newspaper.

Maureen Farr
(Signature of Affiant)

Sworn to and subscribed before this this 22ND DAY OF NOVEMBER, 2001

Linda L. Braud
(Signature of Notary Public)



LINDA L. BRAUD
(Name of Notary Typed, Printed or Stamped)

Personally Known or Produced Identification _____

Type Identification Produced _____

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 001148-EI EXHIBIT NO. 2-Melbourne
COMPANY/ Florida Power & Light
WITNESS: _____
DATE: 11-29-01

9753



Florida Power & Light Company
PO Box 025576
Miami, FL 33102

FPL

/ 27

3691 4218886880526128974000000

Please request changes on the back.
Notes on the front will not be detected.

I added my donation for the Care to Share Energy
Fund to help those in need. (Mark 'X' in box)

\$1 \$2 \$5 \$10 Other _____

B 3,4,8 4218 2

PLEASE FILL IN TOTAL AMOUNT PAID

#BWNDJNQ *** AUTO **CO 0503 112311
#8838843BQ167508#

\$ _____

Make check payable to FPL in U.S. funds
and mail along with this coupon to:

FPL
GENERAL MAIL FACILITY
MIAMI FL 33188-0001



Account Number: [REDACTED]	Total Now Due	NEW Charges Past Due
	\$47.98	NOV 12 2001

FOLD ON PERFORATION BEFORE TEARING

CUSTOMER STATEMENT

Statement Date: OCT 22 2001
Customer Name: [REDACTED]
Service Address: [REDACTED]

Account Number: [REDACTED]
Service Dates: SEP 20 01 to OCT 19 01
Service Days: 29
NEXT SCHEDULED READ DATE: NOV 19 2001

Previous Statement Balance	Payments (-)	Additional Activity (+ or -)	Balance Before NEW Charges (=)	NEW Charges (+)	NEW Charges Past Due	Total Now Due (=)
36.91	0.00	0.00	36.91	11.07	NOV 12 2001	\$47.98

Meter Reading-Meter 2C47656

Current Reading 5521
Previous Reading - 5467
KWH Used 54

Energy Usage

	Last Year	This Year
KWH This Month	9	54
Service Days	29	29
KWH/Day	0	2

Account Activity

Previous Statement Balance 36.91
BALANCE BEFORE NEW CHARGES 36.91

Billing for Electric Use on Rate: RS-1 RESIDENTIAL SERVICE

Electric Service Amount 9.57**
Gross Receipts Tax Increase 0.10
Franchise Charge 0.51
Utility Tax 0.89

Current Electric Charges 11.07

TOTAL NEW CHARGES: 11.07

TOTAL NOW DUE:

\$47.98

****Amt includes the following charges:**

Customer Charge: \$5.65 per Month
Non-Fuel Energy Charge
First 750 KWH \$0.042270 per KWH
Over 750 KWH \$0.052270 per KWH
Fuel Charge: \$0.030410 per KWH

Messages

- A late payment charge of 1.5% will apply if not paid by NOV 12, 2001.
- The Florida Public Service Commission will hold public hearings in November and December on the quality of FPL's service. Your local newspapers will provide specific information on hearing dates and locations in your area.
- Transactions involving connects, disconnects, name changes and payment extensions may require positive identification.

9754



Florida Power & Light Company
PO Box 025576
Miami, FL 33102

FPL



USEFUL TELEPHONE NUMBERS

Customer Service: (561) 697-8000
Outside Florida: 1-800-226-3545
To Report Power Outages: 1-800-4OUTAGE (468-8243)
Hearing/Speech Impaired: 1-800-432-6554 (TTY-TDD)
Visit FPL's Web Site at <http://www.fpl.com>

prise.

Dinner delights

Use leftover stuffing and shredded turkey to make "stuffing patties." Bind with a beaten egg, shape into patties and fry on both

crunchy chopped celery, and has the regional salad variations.

Chopped red apples, diced red onion and toasted almonds go into the Northwest Turkey Salad, served on a bed of greens or in a wrap. Citrus is the sunny flavor from chopped oranges that

Stir in 1/2 cup cranberry relish (or leftover cranberry sauce), 1/2 cup walnuts, toasted and chopped, and 1/4 cup raisins, optional.

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:

Thursday, November 29th

6:00 PM - 9:00 PM

Brevard County Governmental Center
Building C, 2nd Floor, Space Coast Room
2725 Judge Fran Jamieson Way
Melbourne, FL 32940

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.



D40579

9755

CIRCUIT CITY
Where Service is State of the Art

ADVERTISEMENT CORRECTION NOTICE

In today's multi-page advertisement the Action ACN3553, portable CD boombox/TV is pictured with a color image on the TV screen. This TV is black and white.

We apologize for any inconvenience this causes you, our valued customer.

DOES YOUR BUSINESS NEED NEW EQUIPMENT?

ARCADE CASH

We Specialize in Commercial Equipment
CALL 214-211-1111
For Free Estimates
21 Years Serving Customers

Asthma? COPD? Bronchitis?

Nebulizer Care & Nebulizer Maintenance
(Covered Under Your Health Insurance)



optioncare **242-211-1111**
1600 Sarno Road, #101
www.optioncarept.com

THE ONE RADIO EVERYONE CAN AGREE ON

Soft Rock
W G Y I
More Music