State of Florida



Hublic Service Commission 17 AMII: 01

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEYARD HISSION TALLAHASSEE, FLORIDA 32399-0850 CLERK

-M-E-M-O-R-A-N-D-U-M-

DATE:

October 7, 2004

TO:

Director, Division of the Commission Clerk & Administrative Services (Bayó)

FROM:

Office of the General Counsel (Vining)

Division of Regulatory Compliance & Consumer Assistance (Plescow)

RE:

Docket No. 040543-EI - Complaint by Michael Hedrick against Florida Power &

Light Company regarding backbilling for alleged meter tampering.

AGENDA: 10/19/04 - Regular Agenda - Proposed Agency Action - Interested Persons May

Participate

CRITICAL DATES:

None

SPECIAL INSTRUCTIONS:

Deferred from the 8/3/04 Agenda

FILE NAME AND LOCATION: S:\PSC\GCL\WP\040543.RCM.DOC

Case Background

On August 1, 2003, Michael Hedrick filed complaint number 548198E with the Commission's Division of Consumer Affairs (CAF) against Florida Power & Light Company (FPL). The customer stated that FPL cancelled his budget billing and backbilled him for 28 months of consumption that was not recorded because of alleged meter tampering. The customer denied the allegation of current diversion resulting from meter tampering. He also stated that FPL staff removed his old meter and installed a new meter, placing two special locks on the can so the meter could not be removed.

The customer claimed that two years prior to the backbilling, he completed remodeling on his house that resulted in his average monthly consumption falling from approximately 3300 kwh per month to about 750 kwh per month. Mr. Hedrick stated that he had low consumption in his house because there was no one there during the day as he was working nights, something that he no longer does. Also, he stated that his air conditioner has not been in operation since March 2001 and that it cannot be turned on because he put a padlock on the unit breaker and he cannot find the key to the padlock. Mr. Hedrick stated that FPL placed a second meter on the

DOCUMENT NUMBER-DATE

REVISED

pole leading to his house and he was told by FPL that the consumption read by this second meter differed from the meter in the can. The customer believes that the meter in the can was so old that it perhaps was not registering properly.

In its response to the customer's complaint, FPL's records indicate that on August 3, 1998, electric service was established in the name of Michael Hedrick and the meter of record was 2C70297. FPL states that on the regular read dates of April 30, 2002, through January 30, 2003, FPL's meter reader reported that he resealed the meter on six occasions due to either the seal being missing or the seal being cut. During that same time period, the meter reader reported that he was unable to reseal the meter on two occasions when the seal was gone. On March 3, 2003, the meter reader, after resealing the meter again, requested FPL's Revenue Protection Department to investigate the matter because of multiple reseals.

FPL's records show that on April 1, 2003, the account billed for 727 kwh, for an amount of \$63.16, and on April 30, 2003, the account billed for 789 kwh, for an amount of \$72.37. On May 7, 2003, an FPL Revenue Protection Investigator inspected the meter and noticed that the meter seal that was installed on March 3, 2003, was cut. He noted that the central air conditioning and pool pump were on. As a result of the inspection, on May 20, 2003, a remote meter, #211303, was installed on the pole specifically to measure the amount of energy going to the customer's home. The set reading was 003442. FPL reported that the customer observed the setting of the remote meter. FPL's records further indicate that he contacted the company the same day, and he was informed that the device was safe and would eventually be removed.

On May 30, 2003, the meter reading on the customer's regular meter was 4042, billing 910 kwh, for an electric amount of \$83.78, and a budget bill amount of \$68.99. On the same day, the remote meter reading was 004235, indicating 793 kwh had been recorded in 10 days, which FPL projected would be 2379 2376 kwh in 30 days. Additionally, on June 30, 2003, the meter reading on the customer's regular meter was 5136, billing 1094 kwh, for an electric amount of \$101.14, and a budget bill amount of \$73.62. On the same day, the remote meter reading was 007255, indicating 3020 kwh had actually been recorded in 31 days. The remote meter was removed on July 14, 2003. On July 16, 2003, the remote meter was tested on FPL's Veriboard, which utilizes a comparison method for testing meters. In this method, the meter being tested is compared to a reference standard. The same power, or watts, is applied to the test meter and the reference standard for the same length of time, and the rotating time of the test meter is compared to that of the reference standard. If both meters register the same number of rotations, e.g. 10/10, then the meter would be considered as registering 100% accurate. The remote meter, #211303, had a reading of 10/10 during the test on July 16th, thereby registering 100% accurate.

FPL maintains that the two readings obtained on the remote meter, along with the cut seal conditions occurring over the span of one year, is sufficient evidence of meter tampering. As a result, on July 16, 2003, a Revenue Protection Meter Man removed meter 2C70297 with a reading of 5896 and set new meter 5C19704. Again, it appeared that the old meter had been tampered with because the meter man noticed the meter seal had been cut again and the meter had shiny blades. The meter man then installed two locks on the new meter. The customer was

also removed from budget billing in order to backbill the account. On July 30, 2003, the meter reading on the new meter was 00371, billing 1131 kwh, for an electric amount of \$104.96. There was a debit deferred balance of \$42.31 that was added back in bringing the total balance to \$147.27.

FPL's records show that on July 31, 2003, meter 2C70297 tested with a Weighted Average Registration of 99.69%. The tester noted the inner meter seal was intact, but there was blade wear. The tester noted that the blade wear was extremely heavy, indicative of meter swapping or the meter being turned upside down. A visual examination of the meter confirmed extremely heavy blade wear causing the blades to become a bright copper color. On the same day, Mr. Hedrick contacted the company to question why he had been removed from Budget Billing. He was referred to the Revenue Protection Representative who informed him of the tampering and that he would receive a corrected bill and letter in the mail. The customer was informed that the electric usage at his residence had been monitored by a special meter and it did not agree with the consumption recording on his meter of record. Therefore, the billing for the period March 15, 2001, through July 30, 2003, totaling \$2,144.72, was canceled and rebilled for \$8,424.56, a difference of \$6,279.84. Investigation charges totaling \$553.33 were assessed bringing the total backbilled amount to \$6,833.17. The total account balance was \$6,980.44.

According to FPL, backbilling was started from the billing period ending on March 15, 2001, due to a significant and sustained drop in kwh registration. Mr. Hedrick's previous years of consumption showed typical seasonal fluctuations, but for the period March 2001 through July 2003, these fluctuations were not apparent. The customer's account was rebilled using previous usage, usage on the new meter, and the seasonal average. FPL states that it maintains records that can track the monthly residential kilowatt hour sales within a geographic area. From these records a chart is prepared by dividing the monthly sales by the annual sales to obtain the percentage of usage for each month of the year.

REVISED

Mr. Hedrick's historical kilowatt hour consumption is as follows:

	2003	2002	2001	2000	1999	1998
January	874	<u>903_</u> 904	3375	1414	1740	
February	912	656	771	1514	1798	
March	727	924	208	1682	1342	
April	789	876	799	2088	2296	
May	910	1155	208	2560	2528	
June	1094 .	698	690	1901	2700	
July		666	766	2970	3090	1157
August		733	675	2517	3232	3229
September		904	696	2189	2843	2904
October		558	1088	1536	2843	2726
November		572	626	1639	2272	1802
December		1074	729	1850	1922	1914

FPL's records reflect that a corrected bill and letter of explanation was mailed to the customer. On August 1, 2003, a representative of FPL spoke with Mr. Hedrick and explained the condition initially reported by the meter reader, that the remote meter had been installed on the pole for monitoring purposes, and the subsequent backbilling which resulted. The representative explained that the difference in consumption between the customer's regular meter and the remote meter was a clear indication of tampering as were the multiple cuts and missing seals.

The case was closed on October 29, 2003, and a backbilling letter was sent to the customer, indicating that it appeared that FPL was in compliance with Rule 25-6.104, Florida Administrative Code.

On December 1, 2003, the customer's request to participate in the informal conference process was received. The customer's completed Form X was timely received on December 17, 2003. Mr. Hedrick stated on Form X that \$6,833.17 is the amount in dispute.

On January 20, 2004, the customer was informed by Commission staff that FPL had reduced the backbilled amount by \$1,942.42, making the new backbilled amount \$4,889.75.

REVISED

FPL indicated that the initial backbilling was based on the two months of usage recorded on the remote meter and the month of February 2001. The new amount has been calculated using March and November of 2000, as well as the two months of usage from the remote meter. According to the utility, this adjustment was done to provide the most benefit to the customer. FPL was willing to accept a down payment of \$500.00 and the remaining balance of \$4,389.75 could be paid in installments of \$200.00 in addition to the regular bill each month. FPL stated there would be an interest charge each month for the backbilled amount.

Mr. Hedrick rejected the offer from FPL on January 21, 2004. He made a counteroffer and indicated he was willing to pay a new deposit, but was not willing to pay the backbilled amount. He wanted a new backbilled amount calculated only using the period that the remote meter was in place. The customer believed that there had not been a significant drop in usage, and that no current diversion occurred.

On February 3, 2004, FPL contacted Commission staff to make a new settlement offer. FPL was willing to agree to a lump sum payment of \$4,500.00. On February 4, 2004, FPL informed Commission staff that a company representative had contacted the customer, but he did not agree to the new offer. FPL also informed Commission staff that it would not agree to Mr. Hedrick's counteroffer of a new backbilling calculated only using the period that the remote meter was in place.

An informal conference was held on February 25, 2004. Mr. Hedrick, FPL staff, and Commission staff attended. The customer made a settlement offer of \$500.00, which FPL rejected. Mr. Hedrick indicated that if FPL did not agree to his settlement offer, he would file Chapter 7 bankruptcy. The informal conference ended without reaching a settlement agreement but the customer stated he was still willing to negotiate. To date, no settlement has been reached between the customer and FPL.

This recommendation was originally filed on July 22, 2004, for consideration at the August 3, 2004 Agenda Conference, but was deferred at the customer's request. In the letter requesting the deferral, dated July 30, 2004, Mr. Hedrick also stated that the recommendation was lacking in detail and none of the information provided by him to the Commission was included in the recommendation or provided to FPL. Mr. Hedrick believes that the recommendation is based solely on information provided by FPL to the Commission, and that FPL misstated the actual consumption figures. Also missing in the recommendation, according to Mr. Hedrick, is that he requested to have both his meter and the remote meter independently tested, and FPL denied those requests. Mr. Hedrick states that the results from the second remote meter placement was never provided to him or the Commission, and if it had it would have called into question FPL's assertions made after the first remote meter placement. He asserts that FPL's meter testing was flawed and that FPL does not want to admit this because the testing is in FPL's favor.

By letter dated August 18, 2004, FPL detailed some factual discrepancies in the staff recommendation and responded to Mr. Hedrick's July 30th letter. In that letter, FPL pointed out four factual discrepancies in the staff recommendation, which have been corrected in this revised

REVISED

recommendation. FPL responded that it provided the same consumption information to Mr. Hedrick as it did to the Commission. FPL disagrees with Mr. Hedrick's statement that FPL denied his requests to have the meters independently tested as it has no record of a request by Mr. Hedrick to do so. Regarding FPL's meter testing in general, FPL states that its meter testing is traceable to the National Institute of Standards and Technology, which provides the industry wide standardization for all basic electric measurements including the watthour. Also, traceability of FPL's basic reference standards to the national watthour standards is established annually. As for the documentation that Mr. Hedrick provided to the Commission, it included copies of invoices for replacement appliances. The installation of these new appliances appears to have been done over a period of four years and has no bearing on the backbilling calculation. according to FPL. Finally, FPL states that the same remote meter that was originally set in May 2003 to monitor Mr. Hedrick's consumption was set again on April 5, 2004. The remote meter was tested on April 1, 2004, and registered 100%. The remote meter was set again to provide a second set of meter test results and to demonstrate that the usage on the remote meter is in line with the usage on the customer's meter. In FPL's opinion, the results of the second remote meter placement confirmed that the kwh consumption recorded on the remote meter is in line with the kwh consumption on the customer's meter.

Mr. Hedrick's letter dated July 30, 2004, and FPL's letter dated August 18, 2004, are appended to this recommendation as Attachment A.

As stated in FPL's August 18, 2004 letter, remote meter #211303 was again installed at Mr. Hedrick's residence on April 5, 2004 with a set reading of 21,686. At Commission staff's request, FPL provided additional information detailing the results of the second remote meter installation. Before installation, the remote meter #211303 was tested with a reading of 11/11. registering 100% accurate. On the regular read day of April 30, 2004, the remote meter registered usage of 1138 kwh over a 25 day period, which FPL projected to be 1366 kwh of usage for the month. On the same day, the meter on Mr. Hedrick's house recorded 1300 kwh of usage for the month. On the regular read date of June 1, 2004, the customer's meter recorded 1835 kwh of usage for the month. The remote meter was not read again until June 22, 2004, the same day it was removed, when the usage was 3360 kwh over a 53 day period. On the regular read date of June 30, 2004, the customer's meter recorded 1675 kwh of usage for the month. The remote meter registered 4498 kwh over 78 days, or 57.6 kwh per day, while the meter on Mr. Hedrick's house registered 4810 kwh over 90 days, or 53.4 kwh per day. Based on the above information, it appears to Commission staff that the usage recorded on remote meter #211303 accurately reflects the amount of current recorded by the new meter at Mr. Hedrick's residence, and that current diversion is no longer occurring at his address.

This recommendation addresses Mr. Hedrick's complaint against FPL for backbilling for alleged meter tampering. The Commission has jurisdiction pursuant to Sections 366.04 and 366.05, Florida Statutes.

REVISED

Discussion of Issues

<u>Issue 1</u>: Is there sufficient evidence to demonstrate that meter tampering occurred at the residence of Michael Hedrick at 2011 North 57th Terrace, Hollywood, Florida, to allow FPL to backbill Mr. Hedrick's account for unmetered kilowatt hour consumption?

Recommendation: Yes. There is prima facie evidence that meter tampering occurred at Mr. Hedrick's residence. Prima facie evidence of meter tampering outlined in FPL's reports demonstrates that meter tampering occurred at Mr. Hedrick's residence. As the customer of record during the entire period in question, Mr. Hedrick should be held responsible for a reasonable amount of backbilling. (Vining, Plescow)

<u>Staff Analysis</u>: Rule 25-6.104, Florida Administrative Code, states that "[i]n the event of unauthorized or fraudulent use, or meter tampering, the utility may bill the customer on a reasonable estimate of the energy used." This rule allows the utility to backbill the customer for a reasonable estimate of the electricity used but not metered due to meter tampering. The utility, in this case FPL, need not demonstrate who tampered with the meter. FPL must only show that the meter was tampered with, and that the customer of record benefited from the electricity.

FPL reported that on six occasions between April 30, 2002, and January 30, 2003, FPL's meter reader resealed the meter due to either the seal being missing or the seal being cut. Then, on March 3, 2003, after resealing the meter again, the meter reader requested FPL's Revenue Protection Department investigate the matter. On May 7, 2003, an FPL Revenue Protection Investigator noticed that the seal installed on March 3, 2003, was cut. As a result, on May 20, 2003, a remote meter was installed on the pole to measure the amount of energy going to Mr. Hedrick's home. The set reading was 003442. On May 30, 2003, the meter reading on the customer's regular meter was 4042, billing 910 kwh, while the reading on the remote meter was 004235, indicating 793 kwh had been recorded in 10 days, which the utility projected would be 2379 2376 kwh in 30 days. On June 30, 2003, the meter reading on the customer's regular meter was 5136, billing 1094 kwh, while the reading on the remote meter was 007255, indicating 3020 kwh had actually been recorded in 31 days.

As a result of the readings from the remote meter and the numerous damaged seals, FPL removed meter 2C70297 and set new meter 5C19704 on July 16, 2003. The meter man noted that the old meter's seal had been cut and the blades were shiny. The meter man then installed two locks on the new meter. On July 30, 2003, the meter reading on the new meter was 00371, billing 1131 kwh for a 30 14 day period.

FPL's records show that on July 31, 2003, meter 2C70297 tested with a Weighted Average Registration of 99.69%. The tested noted that the inner meter seal was intact, but there was extremely heavy blade wear, indicative of meter swapping or the meter being turned upside down.

Based on the information <u>provided by FPL</u> contained in FPL's reports, staff recommends that the Commission find that FPL has demonstrated that meter tampering occurred at 2011 North 57th Terrace, Hollywood, Florida. In addition, FPL stated that Michael Hedrick has been the customer of record at that address since August 3, 1998. Therefore, pursuant to Rule 25-

6.104, Florida Administrative Code, Mr. Hedrick should be held responsible for a reasonable amount of backbilling, as he was the customer of record during the entire period in question.

REVISED

<u>Issue 2</u>: Is FPL's calculation of the backbilled amount of \$4,889.75, which includes investigation charges of \$553.33, reasonable?

Recommendation: Yes. (Vining, Plescow)

<u>Staff Analysis</u>: Upon finding evidence of meter tampering as described in Issue 1 of this recommendation, FPL backbilled Mr. Hedrick's account from March 15, 2001, when a significant and sustained drop in kwh registration began, through July 16 30, 2003, when the new meter was installed. The original billing for this period, totaling \$2,144.72, was cancelled and rebilled for \$8,424.56, a difference of \$6,279.84. Investigation charges of \$553.33 were assessed by FPL bringing the total backbilled amount to \$6,833.17 (\$6,279.84 + \$553.33).

Mr. Hedrick's previous years of consumption showed typical seasonal fluctuations, but for the period March 2001 through July 2003 these fluctuations were not apparent. The amount of the backbilling was based upon the two months of actual consumption recorded on the remote meter, the usage for February 2001, which is the month before FPL saw a significant drop in usage, as well as the seasonal average. The backbilled amount was determined by subtracting the billed kwh from the estimated monthly kwh. Instead of using an average kwh for the estimated monthly kwh, FPL multiplied the annual estimate of kwh to the specific monthly percentage usage, which is determined for each month in each year. This calculation compensates for seasonal fluctuations. The specific monthly percentage usage is derived from records which FPL maintains that allow it to track the monthly residential kilowatt hour sales within a specific geographic area. From these records, a chart is prepared by dividing the monthly sales by the annual sales to obtain the percentage of usage for each month in each year. FPL's calculation of the backbilled amount appears to be appropriate.

In January 2004, in an effort to settle Mr. Hedrick's complaint, FPL recalculated the backbilled amount using March and November of 2000, instead of the month of February 2001. The two months of actual usage from the remote meter as well as the seasonal average were also still used in the calculation. The new backbilled amount is \$4,889.75, which still includes investigation charges of \$553.33. FPL states that the recalculation of the backbilled amount was done as a courtesy to provide the most benefit to the customer. The calculation of the new backbilled amount also appears appropriate.

Pursuant to Rule 25-6.104, Florida Administrative Code, if meter tampering is present, FPL may bill the customer based upon a "reasonable estimate" of the energy consumed. Staff has reviewed the billing history records and other documentation provided by FPL to support its calculation of the backbilled amount. Staff believes that the methodology used by FPL to calculate the amount backbilled to Mr. Hedrick's account is a reasonable estimate of the energy used but not captured by the meter at his residence as a result of meter tampering. Therefore, staff recommends that the Commission find that the backbilled amount of \$4,889.75, which includes investigation charges of \$553.33, is reasonable.

Issue 3: Should this docket be closed?

Recommendation: Yes, if no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order. (Vining)

<u>Staff Analysis</u>: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

1

Attachment A Page 1 of 4

Michael R. Hedrick 2011 N. 57th Terrace Hollywood, FL 33021

July 30, 2004

Adrienne Vining
Senior Attorney
Office of the General Counsel
State of Florida – PSC
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Hedrick/Florida Power & Light Co.
Docket No. 040543-EI

Dear Ms. Vining:

On July 29, 2004 I received via U.S. Mail, a copy of a memorandum issued in the above referenced matter.

First, please be advised that this is the first and only time I have ever received any type of documentation from the Commission, other than correspondence, that contained any details regarding this matter, as provided to the Commission by Florida Power & Light Co. ("FPL")

I note with great concern that the report is severely lacking in detail. Most importantly, none of the information that was requested by, and provided to the Commission's assigned investigator (Ms. Raspberry?) was included in this report. In fact, FPL notified me that they had made a request to the Commission for a copy of the extensive documentation that I sent to your investigator, and was told that it did not exist. I know your investigator did indeed receive the documentation, because she called me to discuss it upon receipt more than ten months ago.

Also of concern is that the crux of this report, is based solely on the information that was provided to the commission by FPL. Much of the information provided is erroneous and in fact, incorrect. FPL has misstated the actual consumption figures to the Commission. Either that, or FPL sent an entirely different set of figures to me. Since the commission never provided me with any type of reports received from FPL as promised by the commission, I was unable to raise the issue of incorrect data sooner.

Also missing in this report, is the fact that FPL was challenged on the accuracy of their meter testing, in that I made requests to have the meters independently tested which was my right, requests that were denied by FPL. I made repeated demands to FPL to re-perform their double meter testing which they also refused. Then, in late March or early April of this year, FPL again placed a secondary monitoring meter on my home to record consumption. This test lasted three and one half months. The data from that testing was also never provided to me, nor, I assume, was it provided to the commission as if it were provided, it would have called into serious question FPL's assertions made after their first test.

I still assert that FPL's testing was flawed, that mistakes were made which FPL does not want to admit since even though flawed, the testing is in their favor.

FL-PUC 7.30.04 Letter - Vining Docket No. 040543-El Page -2

For the reasons stated herein, the fact that data reported to the commission in order to persuade it to generate a finding in favor of FPL, and the fact that FPL has withheld data from a second testing not only from the commission but from me as well, I request that the Commission hold it's August 3, 2004 Proposed Agency Action meeting regarding this docket in abeyance until all documentation can be requested by the commission and evaluated on it's merit and relevance to this matter.

It is regretful that the commission has given me but 2 business/4 calendar days to re-arrange my highly sensitive work schedule to make attempts to attend this meeting. It would be impossible for me to make arrangements on such short notice, and I take exception to the fact that the commission waited until the last possible moment to inform me of this meeting.

Your prompt response to my request will be greatly appreciated.

Sincerely

Michael R. Hedrick

CC: File



Florida Power & Light Company, P.O. Box 029100, Miami, FL 33152-9196

August 18, 2004

Adrienne E. Vining Schior Attorney, General Counsel Public Service Commission Capital Circle Office Center 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

Via U.S. Mail & Email

Re: Complaint of Michael Hedrick against Florida Power & Light Company Docket No. 040543-EI

Dear Ms. Vining,

Florida Power & Light Company would like to bring to your attention for correction some factual discrepancies contained in the FPSC's Staff Recommendation dated July 22 2004. FPL would also like to briefly respond to statements made by Mr. Hedrick in his letter to you dated July 30, 2004.

Regarding the Staff Recommendation, FPL notes the following factual discrepancies in the Staff's Recommendation:

- On page 2, paragraph 3 and again on page 6, paragraph 4, the projected kwh usage is stated to be 2376 and instead should be 2379.
- On page 3, in the KWH chart, kwh usage for January 2002 is stated to be 904 and instead should be 903.
- On page 6, paragraph 5, the recommendation indicates the customer was billed for 1131 kwh for a 14 day period. The 1131 kwh was for a 30 day period.
- On page 8, paragraph 3, the recommendation indicates the new meter was installed on July 30, 2003. The new meter was in fact installed on July 16, 2003.

Regarding Mr. Hedrick's letter to you dated July 30, 2004, FPL would like to respond as follows:

- FPL's review of its documentation indicates that FPL provided the same consumption information to Mr. Hedrick and to the FPSC.
- Mr. Hedrick states that FPL denied requests to have the meters independently
 tested. FPL respectfully disagrees. FPL does not have a record of a request by
 Mr. Hedrick to have the meters independently tested. Regarding the accuracy of
 FPL's meter testing in general, FPL's meter testing is traceable to the National

Adrienne E. Vining, Senior Attorney August 18, 2004

Institute of Standards and Technology, which provides the industry wide standardization for all basic electric measurements including the watthour. Traceability of FPL's basic reference standards to the national watthour standards is established annually.

- Regarding the documentation Mr. Hedrick provided the Commission in August 2003, FPL recently obtained that documentation from the FPSC's website. The documentation included copies of invoices for replacement appliances. The installation of new replacement appliances, etc. appears to have been accomplished over a period of four years and has no bearing on the backbilling calculation.
- The same remote meter that was originally set in May 2003 to monitor Mr. Hedrick's electric consumption was set again on April 5, 2004. The remote meter was tested on April 1, 2004 and registered 100%. The remote meter was set again to provide a second set of meter test results and demonstrate that usage recording on the remote meter is in line with usage recording on the customer's meter without the benefit of tampering. The results of the second placement of the remote meter confirmed that the kwh consumption recorded on the remote meter is in line with the kwh consumption recorded on the customer's meter.

Should you have any questions or concerns, please feel free to contact me at (305) 552-4657.

Very truly yours,

Robert E. Stone Attorney

ec: Michael Hedrick (via U.S. Mail & Email)
Blanca Bayó. Director Division of the Commission Clerk and
Administrative Services (via U.S. Mail)