

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 120015-EI

In the Matter of:

PETITION FOR INCREASE IN RATES
BY FLORIDA POWER & LIGHT COMPANY.

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PROCEEDINGS: MELBOURNE SERVICE HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN RONALD A. BRISÉ
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER ART GRAHAM
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Wednesday, June 13, 2012

TIME: Commenced at 4:00 p.m.
Concluded at 7:12 p.m.

PLACE: Brevard County Governmental Center
Commission Room, Building C,
1st Floor
2725 Judge Fran Jamieson Way
Melbourne, Florida 32940

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

1 APPEARANCES:

2 PATRICK BRYAN, ESQUIRE, Florida Power & Light
3 Company, 700 Universe Blvd., Juno Beach, Florida 33408,
4 appearing on behalf of Florida Power & Light Company.

5 ROBERT SCHEFFEL WRIGHT, ESQUIRE and
6 JOHN T. LaVIA, III, ESQUIRE, Gardner Law Firm, 1300
7 Thomaswood Drive, Tallahassee, Florida 32308, appearing
8 on behalf of the Florida Retail Federation.

9 JON C. MOYLE, JR., ESQUIRE, c/o Keefe Law
10 Firm, 118 North Gadsden Street, Tallahassee, Florida
11 32301, appearing on behalf of Florida Power Users Group.

12 J.R. KELLY, ESQUIRE, Office of Public Counsel,
13 c/o The Florida Legislature, 111 W. Madison Street, Room
14 812, Tallahassee, Florida 32399-1400, appearing on
15 behalf of the Citizens of Florida.

16 THOMAS SAPORITO, 177 US Hwy 1N, Unit 212,
17 Tequesta, Florida 33469, appearing on behalf of himself.

18 CAROLINE KLANCKE, FPSC General Counsel's
19 Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida
20 32399-0850, appearing on behalf of the Florida Public
21 Service Commission Staff.

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P R O C E E D I N G S

1
2 **CHAIRMAN BRISÉ:** Good afternoon. Thank you
3 for indulging us this afternoon. It is 4:10, and we are
4 going to call this service hearing to order. Docket
5 Number 120015-EI.

6 At this time we will introduce ourselves up
7 here. My name is Ronald Brisé, and I have the privilege
8 of serving as the Chairperson for the Public Service
9 Commission at this time, and we'll start with
10 introductions from my right.

11 **COMMISSIONER BALBIS:** My name is Eduardo
12 Balbis, and it's a pleasure to be here. Thank you.

13 **COMMISSIONER EDGAR:** Good afternoon. Lisa
14 Edgar, glad to be here today.

15 **COMMISSIONER GRAHAM:** Good afternoon,
16 everyone. My name is Art Graham.

17 **COMMISSIONER BROWN:** Hello, Julie Brown.

18 **CHAIRMAN BRISÉ:** Thank you, Commissioners.
19 I'm going to ask our staff counsel to read the
20 notice.

21 Ms. Klancke.

22 **MS. KLANCKE:** By notice issued on May 11th,
23 2012, this time and place has been set for a customer
24 service hearing in Docket Number 120015-EI, petition for
25 rate increase by Florida Power and Light Company.

1 **CHAIRMAN BRISÉ:** Thank you very much. At this
2 time we're going to take appearances by counsel.

3 **MR. BRYAN:** Good afternoon. My name is
4 Patrick Bryan, appearing on behalf of Florida Power and
5 Light Company.

6 **CHAIRMAN BRISÉ:** Thank you.

7 **MR. KELLY:** Good afternoon. My name is
8 J.R. Kelly. I'm with the Office of Public Counsel, and
9 we have the privilege of representing the ratepayers in
10 this rate case.

11 **MR. WRIGHT:** Good afternoon. My name is Schef
12 Wright, and I have the privilege of representing the
13 Florida Retail Federation in this case.

14 **MR. MOYLE:** Jon Moyle with the Moyle Law Firm,
15 and I represent the Florida Industrial Power Users
16 Group.

17 **MR. SAPORITO:** My name is Thomas Saporito. I
18 am a private citizen, a nonattorney intervenor.

19 **MS. KLANCKE:** Caroline Klancke, Commission
20 legal staff.

21 **CHAIRMAN BRISÉ:** Thank you very much. I think
22 that's all the intervenors that we have that are present
23 today. Thank you, counsel.

24 Now let me begin by welcoming all of you, once
25 again, to this customer service hearing. We certainly

1 appreciate your participation and interest in the
2 petition that has been filed by Florida Power and Light.
3 The purpose of this hearing is for us, as the
4 Commission, to hear from you. We are certainly
5 interested in your concerns and comments related to the
6 company's request. We have present representatives from
7 the petitioner, FPL, which are in the lobby, if you have
8 questions or concerns about your bills and things of
9 that nature.

10 We also have present individuals from the
11 Public Service Commission that may be able to answer
12 questions that you have, as well. And let me introduce
13 those from our staff, and I want to say this about our
14 staff, I think they are the best staff in state
15 government anywhere in this country. So we have
16 Mr. Willis, Mr. Maurey, Mrs. Draper; we have Mr. Durbin,
17 he's over there. We have Ms. Muir in the lobby who
18 undoubtedly signed you in, if you are interested in
19 speaking, and we have our court reporter, Ms. Faurot,
20 who is present here keeping us all on the record with
21 respect to what we say.

22 This is an official hearing that will be
23 transcribed, as I sort of just alluded to, and it will
24 become part of our official record. As such, you will
25 be sworn in before you present your comments. We will

1 take care of that in a few minutes. Please note that
2 your comments will also be subject to cross-examination,
3 meaning that you may be asked questions by the
4 Commissioners, or the company, or any one of the
5 intervenors, as well.

6 You have signed up if you are interested in
7 speaking, and if you haven't signed up yet, you may go
8 to the lobby and sign up to speak. But if you are not
9 comfortable speaking, feel free to fill out the comment
10 card, and your comments there are just as good as the
11 comments provided on the microphone here on the record.

12 You may also mail in your comments. And if
13 you have friends and family who are part of the service
14 area or they are served by FPL, you can provide them the
15 comment cards, as well, and they can fill them out and
16 send them to the Public Service Commission, or they can,
17 you know, fill them out on-line and provide us
18 information. This hearing is really about you. We
19 really want to hear from you, and we are interested in
20 your comments this afternoon.

21 I also want to clarify one thing with respect
22 to smart meters. We do have an alternative track moving
23 forward as to receiving comments on smart meters. There
24 is a form, a blue form that is available as well in the
25 lobby. And you can fill that out with issues that

1 pertain to smart meters. If you want to make comments
2 about smart meters, they have to be limited to the scope
3 as it relates to the issue that is at hand, which is the
4 rate case, okay.

5 So anything that is beyond that, it needs to
6 be dealt with in the alternative track. And we
7 understand that you are interested in those issues; we
8 are interested in those issues, as well, but we have to
9 deal with them using the proper mechanism to deal with
10 it.

11 **MS. CHRYSTAL:** Will you have hearings on those
12 smart meters like the county urged you to, Brevard
13 County?

14 **CHAIRMAN BRISÉ:** As I say, we have an
15 alternative track for that --

16 **MS. CHRYSTAL:** It's only a workshop on
17 September 20th. We can't get to Tallahassee.

18 **CHAIRMAN BRISÉ:** Ma'am.

19 (Inaudible; simultaneous conversation.)

20 **CHAIRMAN BRISÉ:** Ma'am, I'm going to ask
21 you that --

22 **MS. CHRYSTAL:** Will you have hearings?

23 **CHAIRMAN BRISÉ:** Ma'am, as we said -- oh, I'm
24 sorry, I didn't mention it. We're going to have a
25 workshop on the 20th of September, and that is going to

1 deal with some of those issues, and whatever else has to
2 come out of that will be determined at that time.

3 **MS. CHRYSTAL:** But no hearings?

4 **CHAIRMAN BRISÉ:** We haven't said yes or no on
5 that yet.

6 **MS. CHRYSTAL:** Our commissioners here want you
7 to have them.

8 **CHAIRMAN BRISÉ:** That's very nice. Thank you
9 very much.

10 **MS. CHRYSTAL:** We have resolutions asking you
11 to --

12 **CHAIRMAN BRISÉ:** Thank you very much. Thank
13 you very much.

14 So moving forward, we like to run a hearing
15 that is respectful of your time, my time, and respectful
16 of each other. So there's a certain protocol that we
17 will all follow, and I trust that we will respect each
18 other well enough to follow the protocol. So if there
19 are issues that you want to deal with, during your time
20 that will be allotted you will speak within the scope of
21 what is allowable, because this is a record that has to
22 move forward with respect to this case. So I trust that
23 all of us who are here are going to comport ourselves
24 appropriately so that we can move forward. And I trust
25 that I can count on each one of you to help us with

1 that.

2 At this time I will invite the attorneys for
3 the parties and then the intervenors -- the Office of
4 Public Counsel and the other intervenors -- to provide
5 opening statements, and they will go this way: Eight
6 minutes for the petitioner; eight minutes for the Office
7 of Public Counsel; five minutes for the other
8 intervenors. The Florida Retail Federation, FIPUG, as
9 they are known, Mr. Saporito, they will each have five
10 minutes for comments.

11 FPL, since they are the petitioner, they can
12 split their time so they will have a portion of the time
13 at the beginning, as much as within the eight minutes,
14 and whatever the balance is from that eight minutes they
15 will be able to use that to make comments at the end to
16 address any issues that have arisen in comments by the
17 intervenors.

18 So with that, I ask that the representative
19 from FPL come forward.

20 **MR. BRYAN:** Thank you, Mr. Chairman.

21 Good afternoon. Again, my name is Patrick
22 Bryan. I'm an attorney for Florida Power and Light
23 Company. I want to first thank you all for coming out
24 this afternoon. Your comments are very important to us,
25 and we know that your time is valuable.

1 In a moment, you will hear from FPL's Vice
2 President of Customer Service, Marlene Santos. She will
3 explain to you what we are asking for in this rate
4 request and why we're asking for it. But before she
5 speak to you, I also want to let you know that we've
6 brought several customer service representatives along
7 with us today. If you have any question or issue,
8 problem with your electric bill or your electric
9 service, please feel free to speak with them. They are
10 located on the third floor of this building. Actually,
11 you have to go up the elevator to the third floor, and
12 there are signs which will lead you to the customer
13 service room. They are equipped with computers so that
14 they can access your account information readily, and
15 they will do their best to solve your problem or answer
16 your question today while you are here.

17 With that, I'd like to introduce Marlene
18 Santos.

19 **MS. SANTOS:** Thank you, Commissioners. Thank
20 you, Mr. Chairman. And thank you all for being here
21 today.

22 Like the Commissioners, we are here to listen
23 to you, so I will be brief. I'm proud to be among the
24 10,000 FPL employees who work hard every day to provide
25 you with affordable, reliable, and clean electricity.

1 While we operate in a regulated environment that makes
2 us the only electric company in our service area, we
3 work hard to provide the prices, reliability, and
4 service that would cause our customers, if they had a
5 choice, to choose us.

6 Consider this: FPL's typical residential
7 customer bill is the lowest of the state's 55 electric
8 utilities. A typical FPL residential customer saved
9 \$357 last year compared to the Florida utility average.
10 Even after the requested increase, we expect our bill to
11 remain the lowest in the state. Our service reliability
12 ranks in the top 25 percentile of comparable utilities
13 nationwide. Our mission's profile is one of the
14 cleanest in the country, and our customer service has
15 been ranked number one by a leading national study eight
16 years in a row.

17 We have accomplished this by investing in
18 clean, cost-efficient technologies, and keeping our
19 operating costs down. For example, our investments in
20 efficient natural gas power plants has saved our
21 customers \$5.5 billion in fuel costs since 2001. Those
22 savings are the result of greater fuel efficiency, not
23 lower fuel prices, and that money goes right into the
24 pockets of our customers. It's like trading your old
25 clunker for a new hybrid car. Savings from lower fuel

1 prices are above and beyond the \$5.5 billion.

2 In addition, our strategy to switch to natural
3 gas helps our environment and keeps your money here in
4 America instead of buying foreign oil. This isn't just
5 about fuel, it's about having a vision and an investment
6 strategy that will provide benefits for many years to
7 come for our customers, our state, and our economy.

8 We are also focused on benefits today. Our
9 investments in the smart grid and hardened
10 infrastructure have helped make our service more
11 reliable and efficient. In fact, because of our
12 investments and our focus on keeping our operating costs
13 down, FPL is more efficient than 90 percent of the
14 nation's utilities. That translates into lower bills
15 for you.

16 We also work hard to be sensitive to the needs
17 of less fortunate customers. Our care-to-share program,
18 which is funded by shareholders, by employees, and by
19 customers helps customers who are unable to pay their
20 electric bills. Approximately 68,000 families have
21 received help through this program.

22 Our current rates are based on a multi-party
23 settlement approved by the Commission in 2010 and signed
24 by the Public Counsel and many of the same parties who
25 have intervened in this rate case. The current

1 agreement expires at the end of the year, which is why
2 we are filing this at this time.

3 This agreement effectively froze our base
4 rates for three years, but it also allowed for
5 cost-recovery for a new power plant and temporarily
6 addressed our return on equity needs. The agreement
7 allowed us to maintain earnings at an acceptable level
8 sufficient to attract the capital necessary to continue
9 to invest to provide you with reliable service.

10 Now, to help us continue our successful
11 performance for you, we are asking for an increase of
12 \$7.09 a month, or 23 cents a day, on the base portion of
13 a typical residential bill. With the latest estimates
14 for fuel use by our power plants and lower fuel prices,
15 this would actually result in a bill increase of \$1.41 a
16 month or about 5 cents per day. For the small
17 businesses that make up more than 80 percent of FPL's
18 commercial customers, the net impact is expected to be
19 negligible, and in some instances it actually results in
20 a net reduction.

21 So what is this increase for? First, it's for
22 a new clean energy center at Cape Canaveral. We will
23 have spent about a billion dollars on this facility when
24 it goes into service in June of 2013. This plant more
25 than pays for itself, primarily due to the fuel savings

1 estimated at more than a billion dollars over its
2 30-year operational life.

3 Second is the impact of the accelerated
4 amortization of surplus depreciation which was ordered
5 by the Commission in 2010. While this provided a
6 temporary way to avoid a base rate increase at that
7 time, the surplus depreciation essentially runs out in
8 2013.

9 Third, we anticipate adding about 100,000 new
10 customers that we have a duty to serve, so our request
11 includes the costs of the infrastructure, the poles and
12 the wires to serve them. Our request also includes an
13 adjustment to our return on equity, or ROE. Our current
14 rates are based on an authorized ROE midpoint of
15 10 percent, which is the lowest of Florida's
16 investor-owned utilities and in the bottom third of the
17 country, despite providing our customers with the lowest
18 typical residential bill in the state and reliability
19 that is among the best in the nation. We are
20 specifically asking for an allowed ROE midpoint of
21 11.25 percent, and a performance incentive of one
22 quarter of one percent that would be allowed only if we
23 maintain Florida's lowest typical residential bill.

24 We're asking to be treated fairly when our
25 performance is compared to other investor-owned

1 utilities in the state and nothing more. An appropriate
2 ROE is crucial to our ability to finance the billions of
3 dollars in improvements that keep reliability high and
4 bills low, and that create thousands of jobs for you and
5 your neighbors. On average, over the past five years
6 our capital investments have far exceeded our net
7 earnings. In fact, FPL is the biggest investor in
8 Florida with plans to invest roughly \$15 billion over
9 the period 2010 through 2014. We are a major taxpayer,
10 too. Last year alone, FPL paid more than a billion
11 dollars in taxes to our state and local governments.

12 It's important to note that even with our
13 request in 2013, our bill will be 11.5 percent lower
14 than it was in 2006. Compare that to food and health
15 care costs, which are both up 20 percent, or a gallon of
16 gas, which is up more than 40 percent. We are proud of
17 keeping bills low and making Florida an even better
18 place to live, work, and raise a family, and we ask for
19 your support to continue doing so.

20 I know this is a lot of information. You can
21 learn more by reading the fact sheets available at the
22 door. We have asked a few local customers who have said
23 they value our service if they would be willing to share
24 their thoughts today. We also want to hear from anyone
25 who has a complaint. We're a company of human beings,

1 and try as we may, we are not perfect. If that's what
2 brought you here, our customer advocates are here to
3 help you.

4 We appreciate your business and respect your
5 opinions. In closing, I assure you that we are
6 committed to exceeding your expectations today and
7 continually improving for tomorrow.

8 Thank you so much for coming.

9 **CHAIRMAN BRISÉ:** Thank you very much. You
10 have one minute, in terms of a balance.

11 **MR. KELLY:** Commissioners, Mr. Chairman, and
12 audience, thank you so much for being here tonight.

13 My name is J.R. Kelly, as I said earlier, and
14 I'm with the Office of Public Counsel. And for those of
15 you that are not familiar with our office, we are the
16 ones that represent you, the ratepayers. We are not
17 part of the Public Service Commission; we are a separate
18 office funded by the Legislature. And we have one sole
19 responsibility, and that is to represent ratepayers in
20 front of the Public Service Commission in matters such
21 as these.

22 Now, why are we here today? We're here
23 because Florida Power and Light is requesting a base
24 rate increase of \$690 million per year. That's about a
25 16 percent increase over the current base rates. We

1 have intervened in this matter on your behalf, and we
2 will be contesting those areas that we do not feel
3 Florida Power and Light has provided evidence sufficient
4 enough to support what they are asking for.

5 Now let me first state what this case is not
6 about. It's not about personalities, okay. There's
7 going to be some of you that want to testify that
8 Florida Power and Light is a good corporate citizen;
9 they are a good neighbor. Folks, we don't dispute that
10 at all. Florida Power and Light is made up of a lot of
11 good men and women. We don't dispute that. They are
12 good folks. They are your neighbors. They are my
13 neighbors.

14 However, what they are required under the law
15 to do in exchange for the monopoly they are given to
16 provide electric service is they must provide safe and
17 reliable service to you. In return, they are allowed to
18 recoup their expenses, including the taxes that
19 Ms. Santos mentioned that Florida Power and Light pays,
20 that you actually pay, and in addition they are allowed
21 the opportunity to earn a fair and reasonable return on
22 their investments.

23 When you boil that down to what the
24 Commissioners behind me will look at is are the expenses
25 that Florida Power and Light is going to be asking for

1 in this matter, are they prudent and are they
2 reasonable. And we will insist that the PSC ensure that
3 the rates you pay adhere to that standard.

4 Now, at this point we have not identified all
5 of the issues that we are going to be contesting at this
6 time, but I want to give you an idea of some of the
7 things that we are looking at. Number one, excess
8 profit. You heard Ms. Santos say that they are asking
9 for 11.5 percent return on equity. Profit. The bottom
10 line is we feel that that is excessive and totally
11 unreasonable in today's economic climate with high
12 unemployment and high mortgage foreclosures. The bottom
13 line is it's not fair; it's not reasonable. How many
14 business would love to earn just a fraction of that
15 amount today?

16 Other areas that we are looking at, the amount
17 of salaries and benefits that FPL is requesting; the
18 reasonableness of affiliate charges and transactions,
19 and those are transactions that they have between their
20 member subsidiary and parent corporations; the
21 projections they have of future customers; the revenues
22 and expenses; the prudence of their expenses related to
23 some of the modification upgrades that Ms. Santos
24 referred to. Here's one that we're really going to take
25 a close look at, the proportion of equity and debt

1 within FPL's capital structure as it relates to their
2 parent, NextEra, and also compared to other utilities of
3 like size. And last, we'll take a very close look at
4 the proposal for storm cost-recovery.

5 At this time we have engaged about half a
6 dozen expert witnesses that are going to be testifying
7 on your behalf. They include accounting experts,
8 cost-of-capital experts, and experts with respect to
9 affiliate transactions.

10 Now, how can you help? Folks, this is your
11 meeting, your meeting, the customers meeting. You need
12 to participate and take advantage of this opportunity to
13 speak to the Commissioners that are seated behind me.
14 They want to hear from you; more importantly, they need
15 to hear from you. It doesn't matter what you want to
16 say. If you want to come up and say FPL is a good
17 company, come up here and say that; they provide good
18 service, come up here and say that; if they are not
19 providing good service, come up here and say that. All
20 I want you to do is come up here and be truthful, and
21 tell the Commissioners behind me how this potential rate
22 increase will impact you in your daily lives.

23 Now, one thing that this case is not about,
24 and there has been a lot of propoganda in the newspapers
25 as well as the special report that you may have picked

1 up when you came in the door. This case is not about
2 the cost of fuel. This case is a base rate request for
3 an increase, a 16 percent increase.

4 Folks, don't be misled by the fact that, well,
5 your bill may only go up a slight portion because fuel
6 is coming down. Fuel has nothing whatsoever to do with
7 this case. We have a separate hearing in November
8 called a fuel clause hearing that these folks behind me
9 will conduct on fuel. Whatever FPL pays for fuel, you
10 pay for fuel. If their price goes down, your costs go
11 down. If their price goes up, your costs go up. It's a
12 direct correlation.

13 Now, thankfully, natural gas prices are very
14 low today, but how many of you remember 2007/2008 when
15 the price of natural gas went through the roof
16 unexpectedly? It was almost seven times what it is
17 today. No one, including FPL, can predict today what
18 the natural gas prices will be a year from now.

19 This case has nothing to do with the cost of
20 fuel, so please don't be misled by that. This case is
21 about a base rate increase of \$690 million, a 16 percent
22 increase. Now, please, I implore you, take advantage of
23 this opportunity to speak to the Commissioners behind
24 me. Again, they want to hear from you, but more
25 importantly they need to hear from you.

1 Thank you very much for coming, and I look
2 forward to hearing your comments.

3 **CHAIRMAN BRISÉ:** Thank you, Mr. Kelly.

4 Mr. Wright.

5 **MR. WRIGHT:** Good afternoon; thank you all
6 very much for coming. My name is Schef Wright, and I
7 have the privilege of representing the Florida Retail
8 Federation in this proceeding.

9 Just to tell you who I am a little bit; I was
10 born in Miami 62 years ago, and I have lived all but
11 nine years of my life in this wonderful state. I have
12 been working for the last 31 years on energy issues in
13 this state, first for Governor Bob Graham's Energy
14 Office, then for about seven years on the Public Service
15 Commission staff, and for the last 20-plus years I have
16 been a private sector attorney representing customers,
17 cities and towns, counties, and renewable energy
18 producers.

19 Now, I represent the Florida Retail Federation
20 in this case. The Retail Federation is a statewide
21 organization of more than 9,000 members, from the
22 largest groceries, big-box stores, department stores,
23 pharmacies and so on including Publix, Wal-Mart, Macy's
24 and Best Buy, all the way down to literally thousands of
25 mom and pop retail sole proprietorships.

1 In this case we, the retail federation, are
2 working alongside your Public Counsel and the other
3 consumer intervenors fighting for lower rates for all
4 customers. Not lower rates for commercial customers,
5 lower rates for all customers. We are all in this
6 together.

7 Now why are we here? First off, as Mr. Kelly
8 said, we are here to hear from you. Tell the
9 Commissioners what you think, truthfully, as he said.
10 If you favor the rate increase, tell them that; if you
11 oppose the rate increase, tell them that. If you like
12 FPL's service, tell them that; if you don't, tell them
13 that.

14 The underlying reason that we are here is that
15 FPL has filed a petition asking to increase its rates so
16 as to recover from you, FPL's customers, an additional
17 690-plus million dollars a year in base rate revenues.
18 This is in addition to the \$10.4 billion a year that
19 their projections show they will recover without any
20 increase. And by the way, that \$10.4 billion includes
21 nearly \$1.2 billion in profit.

22 And to put this request, FPL's request in
23 perspective, just three years ago we were here, we were
24 in a different room, but we were here in Melbourne and
25 in a number of other cities because FPL, at that time,

1 asked the Public Service Commission for authority to
2 increase its rates by more than one and a quarter
3 billion dollars a year. The PSC, wisely in our view,
4 saw fit to only grant them a rate increase of about
5 \$76 million a year, or about 6 percent of what they
6 asked for.

7 Since that time, even with that small fraction
8 of a rate increase that was granted, FPL and its parent,
9 NextEra Energy Resources, have done very, very, very
10 well. They have had consistently high profits. The
11 parent company's stock price is up more than 30 percent
12 since that time, and they have increased dividends three
13 times in the last three years.

14 Now here is what this case -- at the Retail
15 Federation, this is how we look at it. We're business
16 people and we know that every company, whether it's
17 Publix, or Wal-Mart, or mom's florist shop, or Florida
18 Power and Light Company, needs enough money to provide
19 its goods and services, pay its employees, and stay in
20 business. Where we differ with Florida Power and Light
21 is on how much money FPL really and truly needs to do
22 its job, to provide safe, reliable service at the lowest
23 possible cost. That is FPL's duty, and it's the Public
24 Service Commission's role to ensure that they get enough
25 money to do their job, but no more than that.

1 In this case, we don't believe that FPL has
2 shown, and we don't believe that they can show that they
3 need a rate increase anything close to what they have
4 asked for, if they need anything at all. Why not?
5 First, we believe their request for an 11-1/2 percent
6 after-tax profit is completely unreasonable. That's
7 18.7 percent before taxes, folks. We think a more
8 reasonable, frankly generous rate of return of 9 percent
9 would be entirely reasonable for FPL. And that's a
10 before-tax rate of 14.4 percent, by the way, so it's not
11 a low rate in and of itself. That would cut their rate
12 increase, like, in half, by \$340 million a year.

13 They have asked that their rates be set
14 assuming an unreasonably high percentage of high-cost
15 equity capital as opposed to a more balanced combination
16 of high-cost equity and low-cost debt. That would cut
17 100 to \$200 million -- correcting that would cut 100 to
18 \$200 million off their request.

19 And they based their request on an unrealistic
20 sales forecast. They are projecting less sales in 2013
21 than they had in 2011, and they are projecting less
22 usage per residential customer than they experienced --
23 by a significant amount than they experienced in any
24 year in the past decade.

25 At the bottom line, we want FPL and every

1 other Florida utility to have enough money to do its
2 job, to provide safe, reliable service at the lowest
3 possible cost. We believe that FPL can fulfill its duty
4 without any rate increase. We think they'll have enough
5 money, \$10.4 billion in 2013 by their own projections,
6 which we think are low, add 1.2 billion in profit
7 without any increase. We don't believe they have
8 justified, we don't believe they can justify getting any
9 more of your money.

10 By the way, if the PSC determines to deny
11 FPL's rate increase, that will mean that you, FPL's
12 customers, will have an extra \$690 million a year to
13 spend on food, gasoline, rent, and your families. With
14 no base rate increase, your actual bill will go down
15 somewhere between five and a half and seven dollars a
16 month because you will get the benefit of the fuel cost
17 decreases to which you are entitled.

18 Thank you very much for coming out.

19 **CHAIRMAN BRISÉ:** Thank you, Mr. Wright.

20 Mr. Moyle.

21 **MR. MOYLE:** Thank you, Mr. Chairman. And this
22 podium is a little awkward. I hate to have my back to
23 y'all, but anyway -- I'm Jon Moyle. I'm a lawyer in
24 Tallahassee, and as Mr. Kelly and Mr. Wright, I
25 participate on behalf of clients in PSC proceedings and

1 have for many, many years. And the folks I represent,
2 it's the Florida Industrial Power Users Group. They are
3 mainly large users of electricity that often go 24/7,
4 and electricity is a big component of their business.
5 I'll give you some for examples: People that are in the
6 pulp and paper business, people that are in the
7 phosphate business, the cement business, the grocery
8 store business where you have big warehouses where you
9 have to keep your products refrigerated, chemical
10 companies. So there are a number of customers that are
11 customers of Florida Power and Light like you, but
12 electricity is a very big cost component, variable cost
13 component of their operations. And a lot of these
14 companies compete in a global marketplace and
15 competition is tough.

16 So when Florida Power and Light comes in and
17 says we are going to raise the rates of businesses and
18 it is hitting businesses double digits, we have heard
19 talk about a 16 percent. I think in a lot of cases they
20 may be higher than that. But businesses, like you all
21 as residents, are struggling as we emerge from the great
22 recession.

23 And I think state government and Congress has
24 been very reluctant to authorize new taxes, and you'll
25 say, well, wait a minute, this isn't about taxes, but I

1 would argue that rates and taxes are from the same
2 family in that they have a lot of similarities. And
3 both of them are imposed by government. Taxes are
4 imposed by your Legislature, your county commission, by
5 Congress. And here before Florida Power and Light is
6 allowed to recover additional money, they have to have
7 this PSC, these people who are providing public service
8 look at their case and review it. So there is a role
9 that government is playing in reviewing the case.

10 Taxes fund a monopoly, government, and in this
11 case Florida Power and Light is provided a monopoly.
12 And really at the end of the day you don't have much
13 choice about paying your taxes and you don't have much
14 choice about paying your rates, either, because you
15 can't really live without electricity in today's world.

16 So given, I think, the fair parallels between
17 taxes and rates, FIPUG suggests that like our state
18 legislature has done, like a lot of local governments
19 have done, and like Congress has done, that every effort
20 be made to look at where you can trim costs. Where you
21 can cut. And I know families have had to do that,
22 businesses have had to do that. And before a rate
23 increase is authorized, we are going to argue
24 strenuously and hard that this Commission when they go
25 through line-by-line and do the budget review and look

1 at the case that they say, you know, you can probably
2 cut over here, or you can cut over here, and you are
3 proposing raises -- many businesses have gone some time
4 without raises. I know state employees, it has been, I
5 think, five years or six years since they have gotten a
6 raise. So we think that there is ample room in this
7 case for this Commission to act as a budget reviewer and
8 to make some reductions and some cuts and are going to
9 be making the case for that.

10 You have heard some talk about the return on
11 equity and that's how much the company is allowed to
12 earn. I'm just going to make one quick point on that.
13 This Commission recently in a case with another utility
14 awarded a 10.25 percent return on equity, and you kind
15 of look at the market, and what is the appropriate rate?

16 Now Florida Power and Light is asking for more
17 than a percentage point above that, 11-1/2, and my rough
18 math on that is that difference between a 10.25 rate and
19 11-1/2 is nearly \$200 million, so that is a big piece of
20 this rate case. Mr. Wright said 9 percent is
21 appropriate. Well, you know, we'll have evidence and
22 there will be experts testifying about it, but even if
23 you go back to the 10.25 percent that was recently
24 awarded, you know, that's 200 million off the rate case,
25 and we think there are a number of areas such as that

1 that can be trimmed significantly to keep more money in
2 the pockets of clients I represent, businesses, and to
3 keep more money in your pocket.

4 So I know you all have a lot to say, I'm
5 looking forward to hearing it. I would respectfully say
6 that Florida Power and Light, and they used the analogy
7 of the hybrid car, and I know car sales have been down
8 tremendously as we have been in the great recession, and
9 hybrids -- I don't know a lot of people that have gotten
10 hybrids recently. I think a lot of people are trying to
11 get more miles out of the cars that they have. And,
12 respectfully, we think that is the better analogy and
13 the better way to go. And we'll work with the
14 intervenors and with the Commission and Florida Power
15 and Light to bring about a fair result in this rate
16 case. So thank you for the chance to address you.

17 **CHAIRMAN BRISÉ:** Thank you, Mr. Moyle.

18 Mr. Saporito.

19 **MR. SAPORITO:** Good afternoon. My name is
20 Thomas Saporito. I'm a nonattorney intervenor. I've
21 been a resident of Florida since '76 and a customer of
22 FPL for the better part of my life. And, you know, I
23 paid my own expenses here. No one has paid me to be
24 here. The food, lodging, and transportation is all at
25 my expense. I'm not an attorney, as I told you. I'm

1 just trying to bring a measure of common sense to this
2 proceeding. I've got attorneys to my left, in front of
3 me, to my right, and behind me. Two of these
4 Commissioners are attorneys. And Mr. Kelly is very
5 experienced, he is going to represent you well, but with
6 all the representation statements I have heard, they're
7 correct, FPL doesn't deserve a penny in a rate increase
8 with the economics we are facing today, but he just
9 doesn't have it quite right.

10 I'm here to ask the Commission to actually
11 reduce FPL's current rates. I live in Jupiter, Florida.
12 I have neighbors sleeping on sidewalks and on park
13 benches. One of my best friends hasn't been able to
14 find a job to save his life. He has applied for
15 everything.

16 In this economy and in this environment FPL is
17 just ethically bankrupt and not moral for this company
18 to come here and ask for a rate case, a rate increase.
19 I'm an FPL stockholder. I'm satisfied with 9 percent.
20 This 11-1/2 percent rate of return, this profit they are
21 asking for, this \$200 million, that's absurd. It's not
22 just unreasonable, it's absurd. It's not prudent. I'm
23 going to reject it right now.

24 FPL talks about they need money to build out
25 infrastructure. I talked at the last service hearing we

1 had yesterday, and I made a comment going through some
2 documents that their customer base decreased by 27,000
3 customer accounts. It's actually an increase by 27,000
4 year-over-year, but that pales in comparison to the
5 statement by FPL that they want to bring on another
6 100,000 customers.

7 Their electric sales were down year-over-year,
8 so that means the economy is doing poorly, so if the
9 economy was doing poorly last year, it's obviously worse
10 this year. It's not reasonable that they are going
11 bring 100,000 customers on board, so they don't need to
12 build out anymore infrastructure, and that part of the
13 rate request should be rejected.

14 The Zillow Rent Index for Palm Beach, Broward,
15 and Miami-Dade Counties was up 6 percent while the home
16 value index was down. That means the economy is
17 failing. People are renting that can't afford houses.
18 People that were foreclosed on have to rent. They are
19 not going to get 100,000 more customer accounts this
20 year. I can almost guarantee that.

21 Service and reliability, they want money for
22 that. This Commission froze their rates for three
23 years, and their service and reliability went up without
24 a rate increase for three years. Their own documents
25 show it. In the five years ending 2011, their service

1 and reliability was the best among Florida
2 investor-owned utilities.

3 And the last two items, you know, there's
4 going to be other items, but these last two that I want
5 to address, they want \$150 million for nuclear
6 cost-recovery. 130 million of that is to operate the
7 two nuclear plants, one at St. Lucie and one at Turkey
8 Point. The *Palm Beach Post* news article says FPL adds
9 \$600 million to the cost of that project. They
10 mismanaged it. 600 million. Why can't we get that
11 back? They want more money now.

12 The other 20 million is to pay for expenses in
13 obtaining licenses to build two more nuclear plants.
14 The retired CEO of Exelon Nuclear, American's largest
15 nuclear utility, he was quoted as saying that he
16 unequivocally -- that no one makes -- they don't make
17 any sense right now, and you won't get better results
18 with nuclear. It's not economical. It's economical
19 now, nor is it economical in the foreseeable future.

20 I asked Lew Hay, the CEO, at the last
21 stockholder meeting in May if this expert is testifying
22 this way about nuclear, why are we building two more
23 nuclear plants? And his response was, well, the company
24 hasn't even made a decision to build two more nuclear
25 plants. So why are we going to give them \$20 million

1 for something they haven't even decided to build? That
2 doesn't make no sense to me.

3 And lastly, FPL claims \$170 million is needed
4 for this Cape Canaveral gas plant. Well, that's fine.
5 But you know what, this is not the time for that
6 project. Let them be a good corporate citizen and delay
7 it. You know, we have 8.7 unemployment rate in this
8 state. That's higher than the national average. And we
9 have got a President of the United States who says the
10 private sector economy is doing just fine. He's so out
11 of touch with reality it's incredible. I voted for him
12 because I'm an independent voter, but I won't make that
13 mistake again in November.

14 We need a rate reduction. These intelligent
15 people behind me have the authority to do that. What
16 amount? That's up to them, but we need to reduce the
17 rates, not increase them.

18 (Audience applause.)

19 **CHAIRMAN BRISÉ:** Thank you, Mr. Saporito.

20 Mr. Bryan.

21 **MR. BRYAN:** Thank you, Mr. Chairman.

22 You heard the Office of Public Counsel talk
23 about fuel, fuel prices, what this case is about, what
24 this case is not about. Respectfully, what this case is
25 about is a history of vision and prudence exercised by

1 FPL over the years to produce the lowest cost, most fuel
2 efficient, cleanest power plants in the state today --

3 **MS. CRYSTAL:** Fukushima is not clean.

4 **MR. BRYAN:** And in turn --

5 **CHAIRMAN BRISÉ:** Ma'am -- Mr. Bryan, stop,
6 please for just a second.

7 Ma'am, we will not accept outbursts. This is
8 the final warning, okay? The next time you will be
9 escorted out by the officer. Thank you very much.

10 You may proceed.

11 **MR. BRYAN:** Thank you, Mr. Chairman.

12 And in turn what that has produced is the
13 lowest cost bills in the state. Saving billions of
14 dollars in fuel is simply a by-product or reflection of
15 that vision that I just talked about.

16 Now, investing millions of dollars today in
17 state-of-the-art fuel efficient, clean technology
18 prudently saves customers billions of dollars tomorrow
19 in fuel costs. In our view, that's a wise and
20 responsible course that ought to be continued.

21 Thank you.

22 Mr. Chairman, may I offer two affidavits of
23 publication from -- two are from newspapers that
24 demonstrate that FPL has advertised this quality of
25 service hearing in compliance with the Public Service

1 Commission rules.

2 **CHAIRMAN BRISÉ:** Yes. Thank you, Mr. Bryan.

3 If you could provide that to Ms. Klancke, and
4 we will enter that as Exhibit Number 13. Thank you very
5 much.

6 **MS. KLANCKE:** May I have a short title,
7 please?

8 **CHAIRMAN BRISÉ:** Sure. That would be --

9 **MS. KLANCKE:** Melbourne affidavit.

10 **CHAIRMAN BRISÉ:** Please.

11 **MS. KLANCKE:** We'll put Melbourne Service
12 Hearing Affidavit.

13 **CHAIRMAN BRISÉ:** That will work perfectly.
14 Thank you.

15 (Exhibit 13 marked for identification.)

16 **CHAIRMAN BRISÉ:** Now we are going to enter
17 into what I consider the most important phase of the
18 hearing this afternoon. Mr. Durbin is going to turn the
19 lecturn there so that you can make your comments towards
20 us, the Commissioners. We certainly hope that all of
21 those who are present will honor that, that the comments
22 are directed toward the Commission, not towards
23 individual Commissioners, but toward the Commission as a
24 whole.

25 You will be providing testimony for the

1 record. Beyond that, we trust and recognize that, you
2 know, you have a lot of interest in this, but we ask
3 that you avoid clapping, and booing, and things of that
4 nature after comments. That will lengthen the time and
5 it may be disrespectful to those who are providing the
6 comments. So we certainly hope that we will all be
7 respectful of that.

8 As I have stated before, you may have
9 questions that come from intervenors or the petitioners.
10 They will ask you questions based upon your testimony
11 and they are not going to try to lead you into new
12 testimony. And if they attempt to do so, you have the
13 option not to answer, okay. And we will ask them to
14 refrain from moving down that path, if you feel
15 uncomfortable with the questions. But our intervenors
16 are doing a decent job with that, and we trust that they
17 will continue to do a decent job with that this
18 afternoon.

19 Your cell phones, please put them on vibrate
20 or turn them off. We are trying be respectful of each
21 other here this afternoon.

22 Commissioners, is there anything else that I
23 have failed to mention before we move into this section?

24 All right. So if you are prepared to testify
25 this afternoon, if you would rise with me, I'm going to

1 swear you in.

2 Raise your right hand, please.

3 (Witnesses collectively sworn.)

4 **CHAIRMAN BRISÉ:** All right. Thank you very
5 much.

6 A couple of housekeeping things before we
7 proceed. We have a timer. The green light means you're
8 good to go; the yellow light means caution, you need to
9 begin to wrap it up; the red light means it's time to
10 stop. When it starts blinking, you really should have
11 stopped when it turned red. So if it starts blinking,
12 please start moving back towards your seat. I really
13 don't like to have to cut you off, but, you know,
14 there's a lot of other people that want to speak, and we
15 want to make sure that everyone has an opportunity.

16 The timer is set for about two minutes per
17 person. We have been providing a little bit of latitude
18 with that because we get a list of how many people have
19 signed up, so we try to make sure that everyone who has
20 signed up has an opportunity to speak. But pay
21 attention to the lights, keep on going until you start
22 seeing the yellow light. When you see the yellow light,
23 it's time for you to wrap it up.

24 Mr. Kelly is going to call you. We are going
25 to call you by twos, meaning the first name is the one

1 that's coming up. The second name that is called, be
2 prepared to come. So if you are sitting in the rear,
3 you might want to consider moving close to the front.

4 I do have a recognition that I have to make.
5 We have the Mayor of the Town of Palm Shores, Mayor
6 McCormick. She is present. Thank you for your interest
7 and your presence this afternoon. I'm sure your
8 constituents truly appreciate it.

9 Give me one second so I can get the timer
10 going.

11 Mr. Kelly, we can start preparing to call the
12 first individuals.

13 **MR. KELLY:** The first speaker is Mr. Paul
14 Batick followed by Ed Kindle.

15 **CHAIRMAN BRISÉ:** Thank you. Thank you, sir.

16 **PAUL BATICK**

17 appeared as a witness and, swearing to tell the truth,
18 testified as follows:

19 **DIRECT STATEMENT**

20 **MR. BATICK:** My name is Paul Batick. I live
21 at 2237 Spring Creek Circle in Palm Bay, Florida. I'm
22 not a professional speaker. I normally don't attend
23 public hearings, so I developed a statement that I want
24 to read. There may be something that may be appropriate
25 and may not be appropriate, but if you would please let

1 me go through my statement I would appreciate a little
2 flexibility. There seems to be a lot of tension in the
3 room, and I'm not accustomed to that, so please let me
4 get through my script and I would appreciate it.

5 I relocated to Palm Bay, Florida, in January
6 of 2004 for early retirement at the age of 59 after 40
7 years of continuous service at Sikorsky Aircraft in
8 Connecticut. I decided to move to Central Florida
9 because the cost of living was about 15 percent less
10 than the State of Connecticut. Over the past eight
11 years, I have come to appreciate FPL for the low cost
12 electrical power, excellent service, and rapid response
13 during stormy weather. Also for keeping cost of
14 electrical power low through continuous improvement
15 initiatives.

16 In the year 2010, I replaced my 3-ton heat
17 pump air-conditioning system which qualified for an \$880
18 instant rebate. Also, I was able to access a cost
19 calculator on FPL's website that allowed me to estimate
20 my annual cost savings, and I found the calculator very,
21 very accurate. In addition, when I compared the cost of
22 the average 1,000 kilowatt hours per month with my
23 relatives back in Connecticut, the cost here is about
24 40 percent less. The cost of a thousand kilowatt hours
25 from Connecticut Light and Power is \$150 per month

1 compared to \$96 here with FPL.

2 The low cost that FPL provides is only part of
3 the reason why I decided to come here today and speak.
4 A few months ago I received a postcard in the mail that
5 said I would get a new smart reader installed in my
6 house within a few weeks. I had a number of concerns.
7 There was a 1-800 number on that postcard. I called it
8 because there was a lot of negative news in the media
9 relative to health issues. Also, I wanted to understand
10 how FPL validated the accuracy of the meters. It's not
11 a concern about cost.

12 I gave my name and number to the
13 representative from the 1-800 number and I was told
14 within a day I would get a call back. Within ten
15 minutes I received a call from a very knowledgeable
16 engineer who addressed all my concerns. He spoke to me
17 for about 20 minutes and also provided me with a direct
18 number to him if I had any concerns or problems relative
19 to the install of the meter.

20 I had no problems. The reader is working
21 fine. It was installed in February. And I'm just here
22 today as a customer. I have no knowledge of what's
23 appropriate and what's not appropriate. I am not an FPL
24 stockholder. I am just -- sorry about that.

25 I'm going to sum up by saying I would like to

1 inform this Commission that as a customer I am extremely
2 pleased with the cost and service that FPL provides.
3 Thank you.

4 **CHAIRMAN BRISÉ:** Thank you, Mr. Batick.

5 If you are interested in providing the rest of
6 your testimony, you can make that available to
7 Ms. Klancke, and we will enter that -- I mean, we will
8 have it as part of the record.

9 **MR. BATICK:** Thank you.

10 **MS. KLANCKE:** This will be Exhibit Number 14.
11 Perhaps the short title suggestion would be Batick
12 testimony encapsulation.

13 (Exhibit 14 marked for identification.)

14 **CHAIRMAN BRISÉ:** Thank you.

15 I failed to ask, are there any questions for
16 Mr. Batick?

17 Okay. Seeing none, thank you for your
18 testimony. And thank you for providing your name,
19 address, and phone number.

20 As you come up, please provide your name,
21 address, and phone number for the record, as well.

22 **MR. KELLY:** Mr. Kindle will be followed by
23 William Lundell.

24 **ED KINDLE**

25 appeared as a witness and, swearing to tell the truth,

1 testified as follows:

2 **DIRECT STATEMENT**

3 **MR. KINDLE:** Good afternoon, Commissioners,
4 and everyone present. Forgive me, I knew I was coming
5 here a couple of weeks ago and, of course, I put off
6 what I was going to say until about an hour before I got
7 here in the parking lot. So this isn't very polished,
8 but I would like to say a few things in regards to the
9 quality of service from Florida Power and Light that I
10 receive.

11 Over the past six years of living in Florida,
12 I have had to say I have had multiple chances to
13 interact with them on several occasions. Every time
14 that I talked to them as a customer, I get a pleasant
15 person who is able to address my concerns. Whenever I
16 have a loss of power, it has always been restored before
17 their estimated deadlines. They have a monumental task
18 ahead of them during that time, and they always do it
19 well for us.

20 I also have gotten to know one of the major
21 account representatives, Mr. Getchins (phonetic), for
22 Florida Power and Light when I served with him on the
23 Chamber of Commerce in Titusville, and he is very
24 indicative of Florida Power and Light's employees that I
25 am aware of. They are always willing to answer and

1 educate their customers.

2 I have always found them to be considerate,
3 and they have worked with me on several occasions with
4 nonprofit organizations in the area, and I believe that
5 they are, as has been said, a good corporate citizen.

6 Nobody likes rate increases, especially during
7 this kind of an economy, but I feel that I receive a
8 good value for what I pay Florida Power and Light. My
9 home, I can power it for a month for between 110 to
10 \$140. For my vehicle alone -- it costs me five to eight
11 times that for my cars. It cost me about \$15 just to
12 get here today from Mims.

13 I understand everybody's negative gut
14 reactions about this, but I don't have a problem with
15 it. When I mentioned to my wife that I was going to
16 come here today, she wrote something, and I would like
17 to read this just real quick here.

18 We moved to Titusville in June of 2006, and as
19 we were unpacking my husband Ed asked, "What is this
20 thing on my neck?" And as a physician, I felt that hard
21 lump and knew that it would be bad. It was worse than I
22 imagined. Ed had Stage IV squamous cell cancer, and
23 back when I was in medical school the five-year survival
24 rate was zero. Now my research told me that he had a
25 60 percent chance of living to be 47.

1 We had only been married a year and a half,
2 and we're a great team. I worked as a doctor and Ed
3 took care of the house, the cars, the bills, and me. He
4 still tried to hold up his half of the bargain during
5 the weeks of chemotherapy and radiation, but, of course,
6 he was too weak to do it and too proud to admit it. I
7 could see that the yard hadn't mowed and the household
8 chores weren't done. No biggy. But I didn't see the
9 envelopes from the credit card companies, department
10 stores, and utilities that were piling up on the desk in
11 his office.

12 I happened to pick up the mail one day and
13 found that our electric bill had not been paid for two
14 months. I called and spoke to a representative assuring
15 that the check would be in mail. She told me that
16 unfortunately we had accrued certain penalties and may
17 have to prepay our bill in the future, but as I
18 explained why the bill had not been paid, she told me
19 that this may qualify as a special circumstance and that
20 a supervisor would call me.

21 I received the call soon after, and was told
22 that the penalties, interest, and prepayment plan would
23 be removed. This is one of the few bright spots in the
24 dark months of Ed's illness, and I appreciate that FPL
25 took the time to listen to me, trust me, and choose to

1 be kind.

2 I appreciate the service that I get from
3 Florida Power and Light. When I call them, they are
4 there, they are work for me. And I understand why they
5 need a rate increase, and I trust that between Florida
6 Power and Light, the advocates that we have and your
7 intelligence that we will achieve something that is fair
8 to everybody. Thank you.

9 I forgot to state my address. It's
10 4030 Burkholm Road in Mims, and it took me about an hour
11 to get down here today.

12 **CHAIRMAN BRISÉ:** Thank you, Mr. Kindle.

13 Are there any questions for Mr. Kindle?

14 Seeing none, thank you for your testimony.

15 **MR. KINDLE:** Thank you.

16 **MR. KELLY:** After Mr. Lundell is Phil
17 Koechlein.

18 **WILLIAM LUNDELL**

19 appeared as a witness and, swearing to tell the truth,
20 testified as follows:

21 **DIRECT STATEMENT**

22 **MR. LUNDELL:** Good afternoon and thank you.

23 My name is William Lundell. I live at 170 Kristi Drive,
24 Indian Harbor Beach, Florida 32937. My phone number is
25 321-773-8158.

1 And I'd like to thank you, Commissioners, for
2 coming down. I'm representing myself, obviously, as a
3 consumer. I have been a Florida Power and Light
4 customer for about 35 years. So I have no complaints
5 really with them, either. I am a former meter reader,
6 not for FPL, but for a local water company, so I have an
7 idea about the meters, and my questions were based --
8 you know, for the smart meter, geared toward it, so I
9 will be brief.

10 What is the justification for this increase?
11 I question it based on what is going to happen after the
12 meter readers are laid off? They are paid for gas and
13 for their insurance. Is FPL going to -- what's FPL
14 going to do with the savings cost there? The savings
15 that they are going to get from basically firing these
16 employees.

17 What about the technology, has it been tested?
18 We haven't heard anything about -- not just the smart
19 meter, but the new grid, when the grid is going in. And
20 I know a little bit about this. I'm certainly not an
21 expert, but I know enough having talked to the
22 employees, because I see them when I was reading meters.
23 I am retired now.

24 And I just want to know that they -- they
25 informed me how things work and all that. And, again,

1 we haven't had a hurricane in seven years. Has this
2 technology -- not just for the smart meters, but with
3 the grids that go in. This is all going to be
4 satellite. It's all going to be -- it was GPS and all
5 that. Has it been tested?

6 And, you know, I hear about the California
7 lawsuit and this, that, and the other, but the
8 California -- the weather conditions are different than
9 in Florida, and that is my concern. What is going to
10 happen when a hurricane hits? Has it been tested? The
11 whole grid, how long are we going be without electricity
12 with the new system being put in? And I guess that's
13 about it. Thank you.

14 **CHAIRMAN BRISÉ:** Thank you, Mr. Lundell.

15 Any questions for Mr. Lundell?

16 Okay. Seeing none, thank you for your
17 testimony.

18 **MR. LUNDELL:** Thank you very much.

19 **MR. KELLY:** After Mr. Koechlein is Nonnie
20 Chrystal.

21 **PHIL KOECHLEIN**

22 appeared as a witness and, swearing to tell the truth,
23 testified as follows:

24 **DIRECT STATEMENT**

25 **MR. KOECHLEIN:** Good afternoon. My name is

1 Phil Koechlein, K-O-E-C-H-L-E-I-N, 973 Del Mar Circle in
2 West Melbourne 321-674-0147.

3 Mr. Chairman and Commissioners, I'm here
4 today, of course, to talk about this, but I'm here as a
5 senior who is on a very fixed income. Occasionally I
6 might see something with Social Security, but that's
7 about all I'm going to ever see when it does happen.
8 Costs are going up now at a very rapid rate no matter
9 what you do, no matter how you look. And at some point
10 in time coming ahead I'm going to have to take a good
11 look and see how I'm going to be able to handle my own
12 expenses and so on. Whether it will be meds, or gas, or
13 whatever else I might have to deal with accordingly.

14 I respect FPL for what it has done. It
15 provides very good service and so on, but do they really
16 need that increase? For now, one of the reasons why
17 that 7.09 is going down is because the fuel increases
18 are being passed back to us. Well, at some point that
19 is going to turn around, and we are still going to have
20 a major problem on our hands. A lot of expenses have
21 been put aside for things like nuclear power and so on,
22 which are highly unlikely now in today's climate and so
23 on. Eventually maybe those funds can be redirected to
24 help, rather than this increase and so on.

25 Currently right now they are over 10 percent

1 profit, and most companies right now would kill for that
2 type of a number. So they are doing very, very, very
3 well today. As I said earlier, the \$1.41 we will see as
4 compared to 7.09, I'm still figuring the 7.09 will come
5 back up here on the horizon and hit us with our numbers
6 in the future. A lot of companies would go ahead and
7 borrow money from other areas, as I have already said,
8 if they could do so with good return on the ROE. What
9 they are doing as far as their fuel savings and so on
10 would really return good money to them. Most companies
11 go out and borrow that on their own. Why not go ahead,
12 as I say, with the nuclear money and so on, redirect it
13 and so borrowing does not have to occur, which could
14 also help their profit margin, as well.

15 There has got be existing funds, like I say.
16 I respected FPL for its low costs, as I have already
17 said, but now is not the time to look for an increase.
18 As we look up ahead of us and what is going on down the
19 road, we have people who are unemployed in high
20 percentages now in all states, including Florida. We
21 have people that are underemployed. We have a lot of
22 people that are seniors and so on like myself, and we
23 have other people that basically are low income which
24 have a problem in that area. I have lost several
25 neighbors already for that very reason, of what's going

1 on in that area. Ten percent profit is outstanding;
2 11-1/2 percent, frankly, is obscene. Thank you for your
3 time.

4 **CHAIRMAN BRISÉ:** Thank you very much, Mr.
5 Koechlein.

6 Are there any questions for Mr. Koechlein?

7 Seeing none, thank you for your testimony this
8 afternoon.

9 **MR. KELLY:** After Ms. Chrystal is Laraine
10 Scoma.

11 **MS. CHRYSTAL:** I have six exhibits to present.

12 **CHAIRMAN BRISÉ:** Okay. If you can make them
13 available to Ms. Klancke.

14 **MS. CHRYSTAL:** I have one for her.

15 **CHAIRMAN BRISÉ:** Thank you.

16 **MS. CHRYSTAL:** I believe this will be Exhibits
17 16, 17, 18, 19, 20, and 21; six exhibits.

18 **NONNIE CHRYSTAL**

19 appeared as a witness and, swearing to tell the truth,
20 testified as follows:

21 **DIRECT STATEMENT**

22 Good morning, State Commissioners. My name is
23 Nonnie Chrystal. With several years of experience in
24 law and accounting, I'm also an expert in sound
25 frequency, an independent medical researcher, an

1 internationally published author on environmental and
2 health care concerns, and an internationally renowned
3 keynote speaker on healthcare concerns.

4 Additionally, I am the co-builder of the
5 greenest house in the world in Brevard County that was
6 recognized in USA Today. And this is a copy of a
7 unanimously voted county resolution that recognized us
8 for truly understanding green and what that means. In
9 fact, our local commissioner was thinking about
10 having -- going forward as the greenest county in the
11 world and having public relations behind that.

12 Florida Power and Light rate hikes are illegal
13 and unlawful tied to murder. The exhibits that I have
14 presented to you today are severe. I hereby place you
15 all on notice and demand. This is war. You have
16 declared war on 18 million citizens.

17 Let me explain. The first exhibit is the EPA
18 Act of 2005, and it absolutely mandates that we should
19 request these advanced smart grids tied to these obscene
20 rate hikes. I have the next exhibit, May 1st and May
21 29th resolutions which speak the will of 543,000
22 residents in Brevard County that basically state we
23 don't want your cancer meters, your murder meters. Get
24 them out.

25 I am putting you on notice that Jack Parker,

FLORIDA PUBLIC SERVICE COMMISSION

1 our county sheriff, spoke at the First Annual Peace
2 Officers Convention in Las Vegas, January 29th through
3 31st, and I urge you, Caroline Klancke, to check out
4 countysheriffproject.org. There have been several
5 counties so far that have ousted state tyrants, like
6 yourselves, and institutional tyrants, like FPL, right
7 out of our county. In fact, almost 80 counties have
8 criminalized these murder meters.

9 Next exhibit. Although I agree that your
10 charter is safety, reliability, and service, I find it
11 very convenient that Marlene Santos did not address
12 safety. Everybody knows, even musicians and security
13 system specialists that wireless is not reliable at all.

14 Regarding service, the analog worked fine.
15 Thank you. Less cost. We'll take the clunker, Marlene.
16 We don't want your hybrid.

17 **CHAIRMAN BRISÉ:** Ma'am, your time is wrapping.
18 And please don't address --

19 **MS. CHRYSTAL:** The next exhibit --

20 **CHAIRMAN BRISÉ:** Excuse me.

21 **MS. CHRYSTAL:** Okay, fine. I hear you. The
22 next exhibit --

23 **CHAIRMAN BRISÉ:** Excuse me. Thank you.

24 Do not address anyone other than the
25 Commissioners. So if you have something to say, say it

1 to us. Do not address others.

2 **MS. CRYSTAL:** Yes, sir.

3 **CHAIRMAN BRISÉ:** And you have 15 seconds.

4 **MS. CRYSTAL:** The next report is from the
5 U.S. Department of Army, FOIA Request 614F-06, proving
6 that what FPL is installing is weapons-based pulsed
7 modulation 900 megahertz murder meters. Look at the
8 declassified report from the U.S. Department of Army. I
9 refuse to give you consent on we, the people, to install
10 any of this nonsense, to have any rate hikes associated
11 with this nonsense.

12 **CHAIRMAN BRISÉ:** Thank you. Thank you for
13 your testimony this afternoon. If you would give us a
14 short title on this exhibit?

15 (Audience applause.)

16 **CHAIRMAN BRISÉ:** As we stated before, we
17 certainly appreciate your interest, but we want to
18 refrain from --

19 **MS. CRYSTAL:** Any questions? Do I get
20 questions?

21 **CHAIRMAN BRISÉ:** One second.

22 **MS. KLANCKE:** I don't currently have copies of
23 those documents for the record.

24 **MS. CRYSTAL:** I have my copy. I was going
25 through my copy. I will give it to you right now. But

1 do I have any questions? Am I allowed to answer any
2 questions that anybody might have?

3 **CHAIRMAN BRISÉ:** Yes. I'm getting to that.

4 **MS. CRYSTAL:** Okay.

5 **CHAIRMAN BRISÉ:** All right. Commissioners,
6 any questions? No questions from Commissioners.

7 Intervenors, any questions?

8 **MR. SAPORITO:** Just one question,
9 Mr. Chairman.

10 That was a lot of testimony, but in connection
11 with this rate hearing, is the rate meter topic that you
12 talked about, was part of your testimony related to the
13 cost of putting those in as far this rate case goes?

14 **MS. CRYSTAL:** When you are committing crimes,
15 you can't ask people to pay to kill themselves, can you
16 now? So it's illegal. The whole thing is a sham and we
17 need to research and do our homework. The feds have
18 already pointed out in the declassified report that this
19 is killing us. It's a weapon. This is why Title 18,
20 Section 2511, 2512, federal wire tapping, Florida
21 Statutes 934.03 and .04, state wire tapping, if you
22 conspire to do this and not protect us, we need you, we
23 are afraid, we need you to protect us, then you now are
24 against Title 18, Section 241 and 242.

25 Furthermore, what is murder? The right to

1 life and pursue happiness according to the constitution,
2 all five of you took an oath to support the
3 constitution. I expect you to protect me. I am afraid.
4 I do not support killing myself by any rate increase.
5 They need to be yanked, and they to be criminalized like
6 80 other counties in the United States of America.

7 Does that answer your question?

8 **CHAIRMAN BRISÉ:** Ma'am, if you would address
9 us. Thank you.

10 **MS. CHRYSTAL:** Does that answer his question?

11 **CHAIRMAN BRISÉ:** I think it does.

12 (Audience laughter.)

13 **CHAIRMAN BRISÉ:** Okay. Any further questions
14 from any other intervenors?

15 Any further questions from Commissioners?

16 Ma'am, thank you for your testimony this
17 afternoon.

18 **MS. CHRYSTAL:** Thank you.

19 **CHAIRMAN BRISÉ:** Mr. Kelly.

20 **MS. CHRYSTAL:** There was another question.

21 **MR. KELLY:** We need to get the exhibit
22 properly --

23 **MS. KLANCKE:** Yes. We have six exhibits. I
24 will go through each one of them and suggest a short
25 title.

1 **CHAIRMAN BRISÉ:** Sure. Thank you.

2 **MS. KLANCKE:** For Exhibit Number 15, I would
3 submit realtime energy metering and communications
4 documents.

5 **CHAIRMAN BRISÉ:** Okay. 16.

6 **MS. KLANCKE:** 16 is a composite exhibit
7 comprised of two resolutions, and I would submit
8 Resolution Number 099 and 132.

9 **CHAIRMAN BRISÉ:** Thank you.

10 **MS. KLANCKE:** Number 17 is a Department of the
11 Army FOIA response. I would submit Department of Army
12 FOIA Response.

13 **CHAIRMAN BRISÉ:** That works. Thank you.

14 **MS. KLANCKE:** Number 18 is a bioinitiative
15 rationale for biological-based exposure standard for
16 electromagnetic radiation. I would submit electro --
17 how about bio-initiative electromagnetic radiation
18 document.

19 **CHAIRMAN BRISÉ:** Okay.

20 **MS. KLANCKE:** And, finally, I have an
21 additional document. Would you like this moved into the
22 record? This is Number 19, and it is comprised of an
23 abstract with respect to --

24 **MS. CHRYSAL:** National Institute of Health
25 study proving it causes hypothyroidism, the smart

1 meters.

2 **MS. KLANCKE:** How about National Institute of
3 Health Abstract?

4 **MS. CHRYSTAL:** Sure.

5 (Exhibits 15 though 19 marked for
6 identification.)

7 **CHAIRMAN BRISÉ:** That works. Thank you very
8 much, Ms. Klancke.

9 And thank you very much for your testimony.

10 **MS. CHRYSTAL:** Was there any other questions
11 that I heard --

12 **CHAIRMAN BRISÉ:** Ms. Chrystal, only
13 intervenors -- only intervenors and Commissioners can
14 ask questions.

15 **MS. CHRYSTAL:** Thank you.

16 **CHAIRMAN BRISÉ:** Thank you very much for your
17 testimony this afternoon.

18 Mr. Kelly.

19 **MR. KELLY:** After Ms. Scoma is John Porter.

20 **LARAINÉ SCOMA**

21 appeared as a witness and, swearing to tell the truth,
22 testified as follows:

23 **DIRECT STATEMENT**

24 **MS. SCOMA:** Good evening, Commissioners. My
25 name is Laraine Scoma. I live at 116 Lee Street,

1 Indialantic, Florida. I am the president of the Florida
2 Beach Homeowners Association. And pretty much
3 everything that I might have said has already been said,
4 and I don't want to be redundant, but just getting back
5 to the meters real quickly. They were not offered, they
6 were imposed. And I don't know the facts of the cost of
7 installing these new meters, but in the light of the
8 economic situation, I feel that it was not prudent to do
9 that at this time. And pretty much that's all that I
10 have to add. Thank you very much.

11 **CHAIRMAN BRISÉ:** Thank you very much, Ms.
12 Scoma.

13 Are there any questions for Ms. Scoma?

14 Okay. Seeing none, thank you for your
15 testimony this afternoon.

16 **MR. KELLY:** After Mr. Porter is Abby Walters.

17 **JOHN PORTER**

18 appeared as a witness and, swearing to tell the truth,
19 testified as follows:

20 **DIRECT STATEMENT**

21 **MR. PORTER:** Good evening, Commissioners.
22 Good to see you again. Everybody else, nice to see you.
23 Tonight I'm speaking against the rate
24 increase. You know, I don't have to tell the folks in
25 the audience, so we're here to let you know, of course,

1 that Brevard County has been extremely hard hit by the
2 reduction in the space shuttle program or the
3 elimination of the space shuttle program. Our economy
4 is -- I don't want to say it's in shambles, because we
5 are a strong people, but we're coming back, but it is
6 very difficult, and to layer on an added grouping of
7 expense now just doesn't make sense. Some of my
8 comments yesterday were that on a national basis we
9 obviously have a reduction in overall median income as
10 reported in the newspapers yesterday.

11 What I would also like to say is that the
12 State of Florida's budget has been reduced by billions
13 of dollars over the past few years. It has been very
14 difficult. They have been cutting back. Our county
15 budget in this particular county has done the same
16 thing, massive hit after hit. I mean, we are cutting
17 down to the bone and muscle at this point. We have cut
18 every bit of fat out that we can.

19 Our municipal budgets, we have 17
20 municipalities here doing the same thing, laying off
21 people, cutting services. We are certainly -- further,
22 our property tax assessor came out with -- I think and
23 we hope a last reduction in our property values, so our
24 property values then reflect the taxes that are
25 collected. What I'm trying to do is paint a picture of

1 diminishing funds. With this FPL increase, you're also
2 going to hit all our government entities. It's
3 additional costs for them.

4 Just to reiterate something that I think
5 everybody in the audience also needs to know and to
6 reiterate it to the group here is that whenever we do
7 any of this energy efficiency work, whenever franchise
8 fees are paid, whenever help is given mostly by FPL in
9 the form of rebates and such, it's the rest of the
10 ratepayers that actually pay for that. So we need to
11 take credit and give credit where credit is due.

12 I do want to just close with some comments
13 about the future of Florida. I almost feel as though
14 this rate argument is almost misplaced, because there's
15 things that are happening technologically that are going
16 to change forever the energy future of Florida. And
17 without really looking at those things, we're really on
18 the wrong map almost in a lot of the conversations that
19 we're having from a state perspective.

20 I want to give you a quick -- oh, I went
21 yellow. I think you enjoy doing that. (Audience
22 laughter.) But I will go ahead and wrap up and just say
23 the first quarter of this year over last year saw an
24 85 percent increase year-over-year in the United States
25 of America of photovoltaic or solar PV installation. We

1 are now up to 5,000 megawatts within the country.

2 I think you're going to see the growth like
3 you have seen in the Internet in the uptake of people,
4 like, using Facebook and that sort of thing. As the
5 prices come down, the takers will become more and more.
6 We're going to see a fundamental change in how we get
7 our energy. And I don't think that Florida's way of
8 having this utility system, which is monopolistic, I
9 don't think in the long-term that's going to serve us
10 all well.

11 Finally, in final closing, and it's good to
12 see y'all, but in final closing I would also like to say
13 this. A few weeks there was, on a planetary scale there
14 was a really big event. The Country of Germany had over
15 50 percent of their entire country's energy from the
16 grid came from solar. If you take a minute and think
17 about it, we should be setting those kind of records
18 here in Florida, the Sunshine State.

19 Have a great evening. Thank you.

20 **CHAIRMAN BRISÉ:** Thank you.

21 Before you go, are there any questions for Mr.
22 Porter?

23 **MR. SAPORITO:** Mr. Porter, could I ask you to
24 provide the record with your name, address, and phone
25 number.

1 **MR. PORTER:** I apologize.

2 **MR. SAPORITO:** And are you associated -- are
3 you representing just yourself or some organization?

4 **MR. PORTER:** Today I'm certainly representing
5 myself. I live at 215 Holman Road, Cape Canaveral,
6 Florida 32920.

7 **MR. SAPORITO:** Thank you.

8 **MR. PORTER:** Thank you.

9 **MR. KELLY:** After Ms. Walters is Roger
10 Gangitano.

11 **ABBY WALTERS**

12 appeared as a witness and, swearing to tell the truth,
13 testified as follows:

14 **DIRECT STATEMENT**

15 **MS. WALTERS:** Hi. My name is Abby Walters,
16 3255 74th Street, Vero Beach, Florida; 772-299-5111.
17 I'm here as a customer. And more than for me, I'm here
18 to talk about my neighbors and my friends, because I'm
19 very fortunate, I have a job and I have a salary. And
20 it doesn't hurt me as much as it does people that I live
21 with. I have a neighbor who is on disability. Many of
22 my neighbors are on Social Security and have pensions
23 that are very small. I have friends who work on
24 commission and, you know, guess what, those aren't great
25 right now. And with the population changing in the

1 area, I know so many people that are hurting that this
2 base rate increase would really hurt.

3 Also, when I look at my 401(k), wow, I'm not
4 getting 10 percent. Wouldn't I love it. And I
5 understand that that is an expectation and a need for
6 the return on equity, but I think I count on you and we
7 count on y'all to be the reasonable voice between all of
8 us, the customers, and the power company. And that's
9 it. Thank you very much.

10 **CHAIRMAN BRISÉ:** Thank you, Mrs. Walters.

11 Before you go, are there any questions for
12 Mrs. Walters?

13 Sure.

14 **MR. BRYAN:** I'm sorry. You said you're from
15 Vero Beach. Are you a customer?

16 **MS. WALTERS:** Yes.

17 **MR. BRYAN:** Thanks very much.

18 **MS. WALTERS:** There are quite a quite of few
19 of us over there. I know there are a lot who aren't,
20 but there are quite few of us over there who are.

21 **CHAIRMAN BRISÉ:** Thank you very much for your
22 testimony this afternoon.

23 **MR. KELLY:** I'll try this again. After Mr.
24 Gangitano is Pete Mack.

25 **ROGER GANGITANO**

1 appeared as a witness and, swearing to tell the truth,
2 testified as follows:

3 **DIRECT STATEMENT**

4 **MR. GANGITANO:** Good afternoon, Commissioners.
5 I'm Roger Gangitano. I live at 4270 Turtle Mound Road,
6 Melbourne 32934. My phone number -- cell phone is
7 321-427-7264. I'm a customer of Florida Power and
8 Light. I would like to say that I'm a satisfied
9 customer. I turn my lights on, and they go on. I open
10 my refrigerator and my food is in there. That's cool.

11 I think that is what we expect. So I'm not
12 here to degrade Florida Power and Light, but I find that
13 there are some issues here that are really kind of
14 complex, and in a short amount of time it's difficult to
15 address them all. Florida Power and Light is spending
16 just on one issue -- they are spending approximately
17 \$800 million, as I understand it, on the smart meter
18 program.

19 The program is highly questionable on a number
20 of levels with regard to health, privacy, and a number
21 of other issues, okay, that come along with the smart
22 grid down the road. Agenda 21 comes into it, and
23 there's an awful lot of concerns that the people have
24 that go just beyond the limitations as to what we can
25 speak about here today.

1 That being said, if Florida Power and Light
2 just didn't try to institute this program onto the
3 people they would save \$800 million and that would save
4 them more money than what they're asking for as far as
5 this increase is concerned.

6 The resolutions that Brevard County has, they
7 had one that they passed as an opt out. It was changed
8 to an opt-in to be more consistent, which is more
9 consistent with the federal wording of the Environmental
10 Protection Act, which says that consumers should be
11 opting into this program. There is no opt in or opt
12 out, if you talk to Florida Power and Light about it.
13 They tell you that they don't recognize either one of
14 those things. You will get a smart meter. And if you
15 don't want it today, we will just put you at the back of
16 the installation process and you'll get it tomorrow.

17 So there isn't any compliance to the spirit of
18 the law. The law says that the people should be asking
19 for these meters. And they are expending \$800 million
20 on this, and then they are coming in here saying that
21 they need more money. Well, save the money. We don't
22 want the meters, okay. And it's highly questionable as
23 to whether or not they are safe and whether they are an
24 invasion of privacy, et cetera.

25 So based on that, I would ask that that is a

1 very, very, very important issue. People are objecting
2 to these meters and the answers are not forthcoming, yet
3 the meters are still being installed. And as we get
4 further into this process they are going to say we have
5 got \$700 million invested into this. What are we
6 supposed to do, get rid of that money and all of that
7 investment? And if we did that, then they're going to
8 turn around and say we want our money back. We're going
9 to have to raise the rates for that.

10 So until we can get -- and, secondly, okay,
11 the process of September 20th, the tentative date for
12 the workshop, okay, well that means that we're going to
13 have a workshop on that, everybody gets to hear about
14 it, and then the next thing that is going to happen is
15 that there has to be a hearing. But that pushes it off
16 well into next year.

17 So, you know, the process isn't working for
18 the people right now, and you're all we have. People
19 have gone to the Commissioners of Brevard County, we got
20 an opt-out resolution, and they had it converted, okay.
21 I was responsible for that opt-in. It's meaningless.
22 It's all we have available to us and it's meaningless.
23 It doesn't matter whether it says opt out or opt in,
24 Florida Power and Light doesn't recognize either one of
25 them. They don't know about them. They could care

1 less.

2 So we need the Public Service Commission
3 Commissioners, okay, to realize this. And my two
4 minutes is up, and it's really tough to get it all in in
5 that amount of time. But we sure wish that you people
6 would just understand what we're coming from. We don't
7 hate Florida Power and Light. We just don't want, okay,
8 a rate increase, because we're paying for something that
9 nobody wants. You know, if it's undecided, they
10 shouldn't put it in. Thank you for your time.

11 **CHAIRMAN BRISÉ:** Thank you. Are there any
12 questions for Mr. --

13 **MR. GANGITANO:** Gangitano.

14 **CHAIRMAN BRISÉ:** -- Gangitano?

15 **MR. GANGITANO:** I respond to anything from
16 gangrene to gargantuan.

17 **CHAIRMAN BRISÉ:** It seems like there is a
18 question for you, sir --

19 **MR. GANGITANO:** Certainly.

20 **CHAIRMAN BRISÉ:** -- from Mr. Saporito.

21 **MR. SAPORITO:** Yes, sir. I just wanted to
22 know at any time prior to receiving your smart meter,
23 did FPL provide you written or oral notice that it was
24 going in or an opportunity to not accept that meter?

25 **MR. GANGITANO:** I don't recall receiving

1 anything from Florida Power and Light with regard to
2 that. But in fairness to Florida Power and Light, I
3 notified them awhile ago, a long time ago that I was not
4 interested in having a smart meter. So I did not get
5 that, but I have received notices that there was Public
6 Service Commission activity on this subject. I received
7 phone calls from a Ms. (inaudible), I think that's the
8 lady that's out front, I'm not sure. But she notified
9 me that there was this workshop, okay, tentatively set
10 for September 20th. So Florida Power and Light, okay,
11 is doing everything that consumers would want them to do
12 as far as being a good company. But the flip side of
13 that, I think most companies would enjoy a pretty happy
14 profit, okay, when you have 100 percent of the market
15 share. Most companies have to compete for their
16 business. Florida Power and Light does not.

17 So with all of the good things that they do,
18 they are expected to do good things. And, you know, I
19 give them credit for doing it. But just because you
20 don't kill anybody, how much credit is that? You know,
21 I mean, if I don't kill anybody, am I supposed to be
22 commended for that? You know, I'm complying with the
23 law. Thank you.

24 **CHAIRMAN BRISÉ:** Thank you, sir.

25 **MR. KELLY:** After Mr. Mack is Tony Farace or

1 Farace.

2 **TONY FARACE**

3 appeared as a witness and, swearing to tell the truth,
4 testified as follows:

5 **DIRECT STATEMENT**

6 **MR. MACK:** Good afternoon. Pete Mack at 3132
7 Arden Circle, Melbourne 32934.

8 I'm operations manager for the Daytona
9 Beach/Melbourne branch of Clear Channel. We're a pretty
10 big customer of FPL. We have about 170 accounts in our
11 market and more than, you know, hundreds more across the
12 state. We also interact regularly with FPL on various
13 business developments. A good example of which would be
14 something that occurred last fall when we were
15 interested in bringing power to four of our displays on
16 the Viera Company's (phonetic) property fronting I-95
17 near The Avenues, including one of our new digital
18 displays.

19 This was a huge project for us, and we
20 expected to encounter a lot of difficulty. It involved
21 about a mile run underground underwater, but
22 unexpectedly -- it took on unexpected complications when
23 the locate revealed that Florida Gas Transmission's
24 pipeline had been placed or misplaced within our
25 dedicated utility easement. So we had to scrap

1 everything, have new plans drawn, a new easement, an
2 agreement with Florida Gas to bore under their line all
3 against time constraints and deadlines that we had to
4 meet.

5 There is no way that we could have done this
6 without the expertise and service orientation that FPL
7 provided. We would still be working on that job. It
8 goes to their business acumen and to the quality of work
9 performed by their people, like Sue Williams, who was
10 the project manager on this job.

11 Sorry, I'm losing my voice today. Once the
12 circuit was energized, we uploaded a message to our
13 digital thanking Sue and FPL for their extra effort that
14 they demonstrated. I think that would be a message I
15 would like to extend again today, an acknowledgment of
16 their exceptional service and great responsiveness they
17 provide.

18 **CHAIRMAN BRISÉ:** Thank you, Mr. Mack.

19 Are there any questions for Mr. Mack?

20 Okay. Seeing none, thank you for your
21 testimony this afternoon.

22 After Mr. -- would you provide me with your
23 name, please?

24 **MR. FARACE:** My name is Tony Farace. I live
25 at 198 Memory Lane in Palm Bay, Florida 32907.

1 Telephone number 321-951-0578.

2 **CHAIRMAN BRISÉ:** After Mr. Farace we will be
3 taking a ten-minute break.

4 Go right ahead, Mr. Farace.

5 **TONY FARACE**

6 appeared as a witness and, swearing to tell the truth,
7 testified as follows:

8 **DIRECT STATEMENT**

9 **MR. FARACE:** Okay. I'm on Social Security and
10 I can't afford a rate hike anyways. Plus, I had put in
11 my house a meter for surge and everything else. For
12 five years I have been fighting with FPL, and we finally
13 got it straightened out after five years. I have clips
14 that my power used to blink every now and then. My
15 refrigerator used to do the Mexican hat dance. That's
16 the truth. And we had -- they came down in 2009, they
17 cleaned the area near us. That still did not help, and
18 it still kept going. Well, in March my computer finally
19 went out and burned up and everything on this. I
20 finally threatened FPL that I'm coming to the Public
21 Service Commissioner and that's how they got off their
22 butt and they came and did something around. They
23 trimmed all the trees and everything else. And Saturday
24 I got a letter from FPL that they had a change in the
25 area and we had a fight with this for five years and

1 better.

2 They had a change -- in January they had to
3 change our electrical boxes. They had to put in new
4 ground wires, and there is other things -- and in
5 September they're going to run heavy wires to try and
6 help to solve the problem. Now, we had the storms. Now
7 it didn't do it, but what's going to happen when we get
8 a hurricane that we are having this problem and
9 everything else?

10 I put them on notice that if my refrigerator
11 or my computer burns up, or my TV, FPL is going to pay
12 for it. Now they are deciding I'm paying for my
13 computer and, first, they said we're only going to give
14 you \$300. I told them I will send it back to the Public
15 Service Commission, check and all. And they now finally
16 Monday called me up and they says we will give you the
17 money, because I guess they didn't want me to come here
18 and say anything. So they're finally going to pay for
19 it.

20 But why do I have to fight with them, and then
21 they tell you, well, this ain't covered and that. I got
22 a surge protector on my house to protect it, and I don't
23 need to go any further and put any other protection on
24 my house for that. Now if that thing doesn't work, then
25 I'm paying eleven dollars and change a month for

1 nothing. And I would like to know does that really work
2 or not, or are we just blowing smoke in the air over
3 here? So I'm really teed off on it.

4 And Broward County, when I lived there, I
5 warned FPL about all those poles. In 2009, I told you,
6 and they finally started doing something about it. The
7 pole was put in -- my house was built in 1955, those
8 poles were put in in 1940, and they had to wait until
9 2005 when the poles went down. It took all those years
10 to get them to get their acts together.

11 Thank you.

12 **CHAIRMAN BRISÉ:** Thank you, Mr. Farace.

13 Any questions for Mr. Farace?

14 It seems like you have one from Mr. Saporito.

15 **MR. FARACE:** Go ahead.

16 **MR. SAPORITO:** How are you doing? I've just
17 got a question. You mentioned a surge protector and you
18 making a payment. Is this a device that Florida Power
19 and Light put in?

20 **MR. FARACE:** Yes, sir.

21 **MR. SAPORITO:** And you are paying them to rent
22 it?

23 **MR. FARACE:** Yes, sir.

24 **MR. SAPORITO:** And it doesn't work.

25 **MR. FARACE:** Well, I don't know. But my

1 computer went out, it burned all up, the mother board
2 and everything. So now they were trying to get out of
3 it, and I told them I will send the check back or I was
4 going to come back to the Commission to fight with them.

5 **MR. SAPORITO:** Did they offer to repair or
6 replace your surge protector?

7 **MR. FARACE:** No.

8 **MR. SAPORITO:** Thank you.

9 **CHAIRMAN BRISÉ:** Thank you for your testimony,
10 Mr. Farace.

11 At this time we're going to take a ten-minute
12 break. Our court reporter needs a break, so we will be
13 back at about 5:55.

14 (Recess.)

15 **CHAIRMAN BRISÉ:** Okay. We are going to
16 reconvene at this time.

17 Mr. Kelly, you can go right ahead.

18 **MR. KELLY:** The next speaker is Mr. Kyle Smith
19 followed by Stephanie Austin.

20 **KYLE SMITH**

21 appeared as a witness and, swearing to tell the truth,
22 testified as follows:

23 **DIRECT STATEMENT**

24 **MR. SMITH:** Good evening, everybody.

25 My name is Kyle Smith. I'm here as general

1 manager of Brevard County Manatees Professional Baseball
2 Club.

3 I just wanted to share with you a couple of
4 instances about the customer service we have been
5 through in the last couple of months. About 48 hours
6 prior to our opening day, we received notice that one of
7 our main transformers was leaking. And within that 48
8 hours, in fact, within 24 hours that transformer was --
9 the problem was identified, it was repaired, and more
10 importantly it was repaired with the safety of all of
11 our patrons in mind.

12 In the second instance -- along with our FPL
13 representative, Mr. Gachins (phonetic), we did an
14 assessment on our facility, and we realized there were a
15 lot of areas where we were deficient in our energy
16 usage. With that, we have identified those, in fact,
17 going on what is called a seasonal demand time-of-use
18 rate, allowing us to minimize some of our energy usage
19 between 3:00 and 6:00 p.m., Monday through Friday. And
20 with some of these suggestions through FPL we are
21 projecting at least a minimum of \$5,000 in savings at
22 our facility. So I just wanted to bring a couple of
23 examples of their customer service as recent as within
24 the last two months. Thank you.

25 **CHAIRMAN BRISÉ:** Thank you, Mr. Smith.

1 Are there any questions for Mr. Smith?

2 Seeing none, thank you for your testimony this
3 afternoon. Thank you.

4 **MR. KELLY:** After Ms. Austin is Mary Ingui. I
5 apologize, I-N-G-U-I.

6 **STEPHANIE AUSTIN**

7 appeared as a witness and, swearing to tell the truth,
8 testified as follows:

9 **DIRECT STATEMENT**

10 **MS. AUSTIN:** Commissioners, I'm Stephanie
11 Austin, 6250 Arrowhead Lane, Vero Beach. I'm a
12 co-founding member of Coalition for Health Against Smart
13 Meters.

14 And I've decided to decline commenting until
15 we have full legal hearings on smart meters with expert
16 witnesses and written responses to our unanswered
17 questions. Thank you.

18 **CHAIRMAN BRISÉ:** Thank you very much for your
19 testimony this afternoon.

20 Any questions for Ms. Austin?

21 **MR. SAPORITO:** Just one quick question. Are
22 you here -- rather, your presence here, do you have an
23 opinion as to whether you're for this rate increase or
24 against it?

25 **MS. AUSTIN:** Well, I think maybe the rate

1 increase might help pay for the massive amounts of
2 advertising that FPL is doing. The advertising
3 contributions to media we're constantly bombarded with.
4 I'm wondering if maybe this comes out of our stimulus
5 funding or out of their profits, I'm not sure, but we
6 get this every day. This is maybe \$10,000, I don't
7 know.

8 **MR. SAPORITO:** Does that mean you're for it or
9 against it?

10 **MS. AUSTIN:** I'm definitely against smart
11 meters.

12 **MR. SAPORITO:** I meant the rate increase.

13 **MS. AUSTIN:** Do you need a copy of this?

14 **CHAIRMAN BRISÉ:** Thank you very much.

15 **MR. KELLY:** After this speaker is Susan
16 Keiffer.

17 **MARY INGUI**

18 appeared as a witness and, swearing to tell the truth,
19 testified as follows:

20 **DIRECT STATEMENT**

21 **MS. INGUI:** Mary Ingui, 626 Layport Drive,
22 Sebastian, Florida.

23 I'm not surprised that Florida Power and Light
24 wants a rate increase. If we look at what has happened
25 in other states, particularly California, after smart

1 meters are installed rates go up, and then they are also
2 tiered. Consumers are the ones paying for the smart
3 meters which are endangering our health with RF
4 radiation.

5 Commissioners, think about the impact of this
6 radiation when every home in America has one of these
7 meters. They violate our privacy, causing fires in many
8 cases, leaving us open to terrorist attacks, and
9 violating our freedom. The analog meters worked fine,
10 and consumers weren't clamoring for change.

11 As citizens, we can choose to have a cell
12 phone; we can choose to have a landline phone, TV
13 service, or Internet provider, or not to have these
14 services at all. The power companies are forcing us to
15 pay whatever rates they want, and to have that smart
16 meter or have no power at all. This violates our
17 freedom, it violates the Fourth Amendment. That is the
18 fundamental issue regarding this increase and the
19 meters. What we need to have is a choice of power
20 companies who compete for our business, and I believe
21 they do that, by the way, in the State of Texas.

22 I would also like to make a comment on service
23 and reliability, if I may. A squirrel put out our
24 transformer in our neighborhood, and this has happened
25 many, many times. This is just par for the course. So

1 it took over two hours before Florida Power and Light
2 came to fix it. So much for immediate response with
3 smart meters. In fact, if Florida Power and Light wants
4 to help us, please put an animal-proof net over the
5 transformer so it doesn't happen again. Thank you.

6 **CHAIRMAN BRISÉ:** Thank you for your testimony.

7 Are there any questions?

8 Okay. Thank you for your testimony.

9 **MR. KELLY:** After Ms. Keiffer is Elise Banks.

10 **SUSAN KEIFFER**

11 appeared as a witness and, swearing to tell the truth,
12 testified as follows:

13 **DIRECT STATEMENT**

14 **MS. KEIFFER:** Good afternoon. My name is
15 Susan Keiffer. I live at 361 Easy Street in Sebastian,
16 Florida; 772-581-2746.

17 I have had FPL, and I do appreciate the low
18 rates that I have had, and I really don't have a
19 complaint about their service or their current rates.
20 In light of everything everyone has been saying today,
21 it feels very inappropriate that they should be asking
22 for a rate increase in today's economy, so I am against
23 the rate increase. And to me it's very suspicious that
24 the rate increase is coming along the same time frame as
25 the smart meters, and it's very suspicious to me why the

1 Cape Canaveral project is also set for the year 2013,
2 which is also the same time frame as when they expect
3 all the smart meters to be finished being installed in
4 the state.

5 From what I've heard of other states with the
6 smart meters, they do have increases in their rates just
7 from having the smart meters at the peak hour time --
8 have you heard about the peak hour? Okay. So I just
9 see this as a forerunner to what is going to become even
10 worse as the rate increase with the smart meters coming.
11 So to me it just looks like the beginning of a really
12 bad trend that's occurring with whatever.

13 I feel like they are probably being paid a lot
14 of money to get these smart meters in, since it is a
15 worldwide system that is taking place in all the
16 countries in the world and all the states in our
17 country. Even though they're just called Florida Power
18 and Light, they are part of a large thing, and for them
19 to be selected to be installing the smart meters says to
20 me they must have paid an awful lot of money to do that.

21 So as far as the company before the smart
22 meters, I was very happy with them. But with the forced
23 installation of the smart meters and the potential rate
24 increases with the peak hours and the smart meters which
25 other states have experienced and other countries have

1 experienced, which I'm sure you will hear after me
2 today, the rate increase, again, just feels very
3 inappropriate. Especially in today's economy, there is
4 no justification for it. If anything, if they do
5 experience higher costs where they're struggling to
6 maintain their reliable service and all of that, next
7 year or the year after, whenever their next time to come
8 up for renewal is, you know, then if they can show proof
9 that they need the rate increase, it might make sense.
10 But just on projections of a Cape Canaveral project
11 which, again, I'm very suspicious of because of the
12 tie-in with the smart meter installation, I absolutely
13 vote against it. Thank you.

14 **CHAIRMAN BRISÉ:** Thank you, Ms. Keiffer.

15 Any questions for Ms. Keiffer?

16 **MR. SAPORITO:** Ms. Keiffer, just one question.
17 Just a point of clarification for me, I guess. You
18 talked about the peak hours and the extra costs. I
19 don't understand. Are you saying that the smart meter
20 will come on at the wrong time and the customer will get
21 more charges?

22 **MS. KEIFFER:** No. From what I have heard from
23 other countries and other states, when they are able to
24 regulate the times that people are using the most
25 electricity there will become a second phase to the

1 smart meter cost and smart meter installation where they
2 will say, okay, the peak hour usage on this is from, you
3 know, noon until 5:00 p.m. at night, and during those
4 hours we are going to charge you an extra cost for using
5 electricity during those hours. So it forces people to
6 start doing laundry in the middle of the night or, you
7 know, they won't be able to turn on their air
8 conditioning because of those increased rates.

9 On FPL's side, you know, which is going on
10 with other companies, too, it's not just FPL, they would
11 be saying, well, that's your choice to do it in the peak
12 hours. You don't have to, but if you do you have this
13 -- it's an added cost. It's a higher rate, again, in
14 addition to what they are just asking as a base line
15 increase. It's tiered.

16 **CHAIRMAN BRISÉ:** Thank you, Ms. Keiffer.

17 Are there any further questions for
18 Ms. Keiffer?

19 Thank you for your testimony this afternoon.

20 **MS. INGUI:** I just wanted to say I have an
21 exhibit.

22 **CHAIRMAN BRISÉ:** Oh, you do? Okay.

23 **MS. KLANCKE:** This is Exhibit Number 20, and
24 that was -- you are Ms. Ingui. The short title will be
25 Petition to the PSC regarding smart meters.

1 **CHAIRMAN BRISÉ:** That's Number 20?

2 **MS. KLANCKE:** Yes, sir.

3 **CHAIRMAN BRISÉ:** Thank you very, Ms. Klancke.

4 (Exhibit 20 marked for identification.)

5 **CHAIRMAN BRISÉ:** Good afternoon.

6 **ELISE BANKS**

7 appeared as a witness and, swearing to tell the truth,
8 testified as follows:

9 **DIRECT STATEMENT**

10 **MS. BANKS:** Good afternoon, Commissioners.

11 I'm Elise Banks, and I reside at 2206 Monroe Street,
12 Northeast, Palm Bay. I have been a member for service
13 for Florida Power and Light for over 40 years, and I
14 have had nothing but good service. Even when the
15 hurricanes came, they were there. They were prompt
16 whenever there was a phone call.

17 I do, I do like for them to have the increase.
18 I support the increase. There is a small price to pay
19 for the service that they have rendered for me. Thank
20 you very much.

21 **CHAIRMAN BRISÉ:** Thank you, Ms. Banks.

22 Are there any questions for Ms. Banks?

23 Okay. Seeing none, thank you for your
24 testimony this afternoon.

25 **MS. BANKS:** Thank you.

1 **MR. KELLY:** The next speaker is Michael Sabia
2 followed by Kurt Keydel.

3 **MICHAEL SABIA**

4 appeared as a witness and, swearing to tell the truth,
5 testified as follows:

6 **DIRECT STATEMENT**

7 **MR. SABIA:** I'll repeat that. My name is
8 Michael Sabia. I live at 101 LaCosta Street, Melbourne
9 Beach, Florida 32951. My phone number is 321-728-2153.
10 And thank you for being here.

11 This is something from Indian River County
12 that only the Florida Public Service Commission can
13 regulate Florida Power and Light's action. Citizens
14 should not be forced to accept smart meters against
15 their will and strongly held good-faith beliefs urging
16 Florida Power and Light to allow its customers the
17 freedom of choice to opt out of smart meters, the
18 program, without risk or threat of negative reprisals or
19 other consequences.

20 The Florida Power spokeswoman, Elaine Hingdale
21 (phonetic) said, and this is quotes, that only the
22 Florida Service Commission could allow -- could address
23 whether the resolution carried any weight. Our
24 resolution was from our county commissioners here at
25 last month's meeting bringing the Florida Public Service

1 Commission here tonight.

2 And as far as the rate increase goes, I
3 believe that the analog meters, we had meter readers for
4 all the customers that Florida Power and Light employed.
5 Where are these meter readers now? If all the
6 analogs -- if every home has an analog meter, do we need
7 meter readers? Okay. It's a high turnover job I was
8 told, a high turnover job. The other thing I was told
9 was, oh, well, we're going to make engineers out of
10 meter readers. Well, that's really nice. I don't know
11 what kind of engineers, maybe running a railroad or
12 something. But whatever.

13 I find it very unusual that they should be
14 asking for a rate increase now. I believe that the
15 power plant that they are putting up is being subsidized
16 by the United States government to begin with, okay.
17 And the meter reader program, they have been given
18 \$200 million for that program to join the smart grid. I
19 can't understand why we need these smart meters to begin
20 with. The analog worked perfectly fine. I have been
21 here 22 years. I have never had a late notice from
22 Florida Power and Light.

23 And like other people have said, I turned my
24 switch on and the light went on. Fine. I paid my bill
25 for that service. I don't need to pay any additional

1 money for the -- what additional service are they going
2 to give me? They're not going to give me any additional
3 service. They're still going to supply me turning that
4 switch and the light going on. And that's all I have to
5 say, and thank you very much for being here.

6 **CHAIRMAN BRISÉ:** Thank you, Mr. Sabia.

7 Are there any questions for Mr. Sabia?

8 Mr. Saporito.

9 **MR. SAPORITO:** Mr. Sabia, so my understanding
10 your testimony is the analog meter versus the smart
11 meter, which is I understand to be a digital meter, they
12 are the same, they have the same reliability, is that
13 what you're saying?

14 **MR. SABIA:** Well, the analog meter, which I
15 have an analog meter, I opted out. My analog meter is
16 working fine. I don't need a smart meter to work any
17 better than the analog, do I?

18 **MR. SAPORITO:** Okay. Thank you.

19 **CHAIRMAN BRISÉ:** Thank you for your testimony.

20 **MR. SABIA:** Thank you.

21 **CHAIRMAN BRISÉ:** I want to reiterate at this
22 point that if you have comments with respect to the
23 smart meters, please relate them directly to the
24 petition for base rates, okay. We have a separate track
25 dealing with all the other issues that individuals may

1 be concerned about, and we have provided a document so
2 that you can fill it out and present that to us either
3 by mail, or e-mail, or just turn it into our staff so
4 that that will become part of the record on that track.
5 And we certainly appreciate your interest, and we
6 certainly appreciate your respecting the process.

7 Mr. Kelly.

8 **MR. KELLY:** After Mr. Keydel is Dave Spazn.

9 **KURT KEYDEL**

10 appeared as a witness and, swearing to tell the truth,
11 testified as follows:

12 **DIRECT STATEMENT**

13 **MR. KEYDEL:** Good afternoon to you,
14 Commissioners. My name is Kurt Keydel. I live at 640
15 Carriage Hill Road over here in Mandarin Lakes, and my
16 number is 321-622-4459.

17 I am probably an example of somebody who
18 wouldn't initially be affected by the rate increase,
19 because my income is reasonably stable right now, but
20 that's not to say that it's going to continue that way
21 as time goes by. I'm talking in particular of people
22 who are on fixed low incomes or have almost no income at
23 all, and they are the ones that are going to be affected
24 most directly by any kind of rate increase.

25 I think an increase is fine, but, you know,

1 how big ought it to be? Should it be 15 percent,
2 20 percent? I mean, we're talking about a number here
3 that's somewhat arbitrary, and from the testimony that I
4 have heard here may not be justified. I don't know.

5 I have one comment to make to FPL, and I will
6 say that it seems like --

7 **CHAIRMAN BRISÉ:** Sir, please address the
8 Commission.

9 **MR. KEYDEL:** I'm sorry. Okay.

10 It seems that some more homework ought to be
11 done. I'm an old college professor, retired now, and
12 homework is crucial. And I think sometimes the homework
13 tends to get lost in the crack, and that's all I have to
14 say.

15 **CHAIRMAN BRISÉ:** Thank you very much for your
16 testimony, Mr. Keydel.

17 Are there any questions for Mr. Keydel?

18 Seeing none, thank you once again.

19 **MR. KELLY:** After Mr. Spazn is Jon Bragah.

20 **DAVE SPAZN**

21 appeared as a witness and, swearing to tell the truth,
22 testified as follows:

23 **DIRECT STATEMENT**

24 **MR. SPAZN:** My name is Dave Spazn. I own and
25 operate the Comfort Inn and Suites in Cocoa Beach

1 located at 3901 North Atlantic Avenue. My phone number
2 is 321-783-2221.

3 I have been in business in the same location
4 for 40 years. I have been doing business with Florida
5 Power and Light that entire time, and I can tell you
6 that the most important part of my business is customer
7 service. My customers have the option of going to
8 another hotel and spending their money. The thing that
9 we have to do in the day of the Internet is we have to
10 strive for customer service, and a big part of that
11 customer service is a dependable source of power.

12 Americans, when compared to many other parts
13 of the world, are pretty spoiled. They are used to
14 flipping a switch and having power there 24/7. It
15 doesn't matter whether it's storming, it doesn't matter
16 if it's in the middle of a hurricane, or in the middle
17 of a tornado, they want power.

18 I can tell you that when we have outages, and
19 it happens every once in a while, within five minutes
20 the entire lobby is full of people. I've got people on
21 the elevators stuck; I've got people in my six-story
22 building who are mobility impaired and can't get down.
23 It's a huge issue. And typically from the time it
24 occurs to the time we're restored it's 30 to 60 minutes,
25 which to me is pretty darn reliable.

1 I mean, I have seen lines on the ground, cars
2 hitting poles, and fires on poles. I mean, you name it,
3 I've seen it, but they do respond.

4 One of the things that they have been doing in
5 our neighborhood along the strip in Cocoa Beach is a lot
6 of -- I don't know whether it's remedial work, or
7 reinvestment, or whatever, but they have been going and
8 putting a lot more money into power poles, newer
9 stronger poles, more support on the lines, whatever.
10 But I can tell you that it's obvious to us that they
11 care about the service and they have given us some
12 tremendous service.

13 It's not very easy to do this kind of thing in
14 an environment like Cocoa Beach where you have got the
15 ocean, you've got the tremendous winds all the time,
16 tremendous salt corrosion. So we are blessed with the
17 kind of service that we get from them.

18 I can tell you that as a customer who has paid
19 \$658,000 in the last five years, I'm not particularly
20 crazy about seeing a rate increase. I like the service
21 that they give me. Do I want a rate increase? No. But
22 if it's a question between service and rates, I've got
23 to have service. And if they have to have a rate, you
24 guys need to work it out, work something out, but they
25 have got to keep that service level up. Thank you.

1 **CHAIRMAN BRISÉ:** Thank you, Mr. Spazn.
2 Are there any questions for Mr. Spazn?
3 Okay. Seeing none, thank you for your
4 testimony.

5 **MR. KELLY:** After Mr. Bragah is E.P. Stafford.

6 **JON BRAGAH**

7 appeared as a witness and, swearing to tell the truth,
8 testified as follows:

9 **DIRECT STATEMENT**

10 **MR. BRAGAH:** Good evening. Jon Bragah, Deputy
11 Director of the Brevard Zoo, 8225 North Wickham Road,
12 Melbourne. We are a customer and community partner with
13 FPL. The Brevard Zoo is a 501(c)(3) not for profit. We
14 have partnered with FPL on several projects. We have
15 done volunteer communities days of FPL staff working
16 with us on zoo projects on grounds. As a matter of
17 fact, they are a presenting sponsor of our conservation
18 lecture series that's going on as I'm speaking here
19 tonight. They have done that for the last couple of
20 cycles and are doing it again.

21 As a customer of FPL, we have over 20
22 accounts. We have had good reliable service. They have
23 been able to manage and handle the growth of the zoo.
24 We have seen large growth over the past ten years since
25 I've been there. Even currently within the last month

1 we needed to upgrade some office facilities, bring in a
2 new service. Our transformer could no longer support
3 the additional load. We were on a very tight schedule,
4 and I needed to talk to FPL about their normal schedule.
5 They gave me the usual response, and I said that's not
6 going to work. And they called me back and said we'll
7 be there next week. And they came, addressed it, and
8 took care of us. So our quality of service with FPL has
9 been good, as well as working with them as a community
10 partner.

11 Thanks.

12 **CHAIRMAN BRISÉ:** Thank you very much.

13 Are there any questions for Mr. Bragah?

14 Seeing none, thank you for your testimony.

15 **MR. KELLY:** After Mr. Stafford is Maria Daly.

16 (Pause.)

17 **MR. KELLY:** Mr. Stafford? Mr. Stafford?

18 **CHAIRMAN BRISÉ:** Okay. Move on.

19 After Ms. Daly will be Terri Fulton.

20 **MARIA DALY**

21 appeared as a witness and, swearing to tell the truth,
22 testified as follows:

23 **DIRECT STATEMENT**

24 **MS. DALY:** Hi, Commissioners.

25 My name is Maria Daly, and I live at 1671 Lago

1 Mar Drive in Viera, Florida. The zip code is 32940.
2 Telephone number is 321-253-5403.

3 I'm a resident of Viera and a member of AARP
4 Viera Chapter 219. Every month this chapter collects
5 food for various local food banks. At this time when
6 our national and state economies are in trouble and many
7 Floridians are either unemployed or underemployed, the
8 base rate increase requested by Florida Power and Light
9 should not be levied against customers.

10 Since there is no urgency, no real need to
11 build future or to enhance current facilities, it seems
12 most prudent and reasonable to postpone building until
13 more prosperous times return. When these better times
14 do return and a real need does develop, FPL should at
15 the start use surplus funds for building, not a base
16 rate increase. Caution seems advisable. Give Florida
17 some time to recover from the bad years.

18 Thank you.

19 **CHAIRMAN BRISÉ:** Thank you very much for your
20 testimony, Ms. Daly.

21 Are there any questions for Ms. Daly?

22 Okay. Seeing none, thank you.

23 **MR. KELLY:** After Ms. Fulton is Mark Vorce.

24 **TERRI FULTON**

25 appeared as a witness and, swearing to tell the truth,

1 testified as follows:

2 **DIRECT STATEMENT**

3 **MS. FULTON:** My name is Terri Fulton. And do
4 I have to give my address? Is that required? 1688
5 Pontiac Circle, Melbourne 32935.

6 I think it's established that the Florida
7 economy is a disaster. People are in debt from the gas
8 prices. These people that have to work at McDonald's
9 and these other places taking on two jobs, and when the
10 gas prices went up they were charging their gas. They
11 have bills that are outrageous now. I have friends that
12 have been laid off in the pool business, the lawn
13 business, new construction business, the concrete
14 business, engineers and buyers.

15 My commission -- and I work on a straight
16 commission -- my commission has dropped 49 percent. I'm
17 sure there are other people that are on straight
18 commission. There are more people on food stamps than
19 ever before. I think it's criminal that the FPL is
20 asking for a rate hike. I demand that they do what the
21 rest of us do and cut the spending. I know one place I
22 worked for at a hospital, we had to cut costs, and we
23 had all the employees buy their own ink pens. That
24 saved us a small fortune. That's just a small example
25 of what they can do. And if I remember correctly,

1 wasn't it GE that dropped their shareholder rate of
2 return. I believe it was GE. FPL can do that, too.

3 It's the wrong time, and I am shocked that
4 anybody would consider raising anything right now. They
5 need to take care of us. They claim they, you know,
6 take care of us, but their CEO makes a pretty good
7 amount of money, and they keep increasing our costs.
8 And something is not right here. And 11 percent, I
9 would love to have 11 percent on my little savings
10 account.

11 This is one of my main questions I would like
12 to know. I know there is going to be the peak rate
13 hours on the smart meters, and I would like for somebody
14 to show me on this one, on this 1,000 kilowatt hours,
15 what is this peak rate going to be? How does it --
16 because I have a feeling it's, like, if I use 1,000
17 kilowatt hours and my estimated total is \$96, what is
18 the peak rate going to be? What kind of peak rate
19 prices?

20 This is very important, because the U.K. is
21 having to get up at 2:00 o'clock in the morning and wash
22 clothes. I want to know if that is what is going to
23 happen here. Can somebody please answer my question?

24 **CHAIRMAN BRISÉ:** Thank you very much for your
25 testimony.

1 I'm going to ask Mr. Willis to address the
2 concept of peak rate, and if we have any of that in the
3 State of Florida with respect to this rate case.

4 **MS. FULTON:** Well, not just the concept, but
5 how is it going to be dollar-wise.

6 **CHAIRMAN BRISÉ:** He's going to address the
7 concept, and he's going to address if there is any of
8 that involved here in this rate case.

9 **MR. WILLIS:** Chairman, that's a fairly easy
10 one. The application before us from FPL does not
11 contain any request for a peak rate. The rates that
12 have been laid out by base rates through the clauses
13 contained in the green sheet the consumers have, the
14 special report, are exactly as the company has
15 requested. So in answer, there is no request for a peak
16 rate.

17 **CHAIRMAN BRISÉ:** Thank you very much.

18 **MR. KELLY:** After Mr. Vorce is Robert Smith.

19 **MARK L. VORCE**

20 appeared as a witness and, swearing to tell the truth,
21 testified as follows:

22 **DIRECT STATEMENT**

23 **MR. VORCE:** Good evening, ladies and
24 gentlemen. My name is Mark Vorce. I live at 554 Jean
25 Circle, West Melbourne, Florida. I refer to the place

1 that I live as the old farts park; 412 units of
2 white-haired people like myself.

3 The economy has put the pinch on me like I
4 have never had done before. But, fortunately, I was
5 raised by a German grandmother and my German grandfather
6 that taught me how to be frugal, which was turn off the
7 lights, shut the door; what are you trying to do, heat
8 the world? I came from northern Wisconsin. If you want
9 to know how to save money, I could tell you how to do
10 it.

11 I might add that in northern Wisconsin I was
12 in the propane business to the tune of 5.5 million
13 gallons. I would have loved to have a 10 percent
14 return. How many of you gentlemen know, or ladies,
15 excuse me, that the average grocery store gets between
16 6 and 8 percent return on investment? And they're
17 asking for this?

18 I can tell them how to save money. If you
19 want to check, the REAs in northern Wisconsin don't have
20 meter readers. The people do their own meter reading.
21 They fill out their slips and they mail them in to the
22 company, and about once year they read the meter, which
23 is really a good system.

24 Recently I changed water heaters. I'm telling
25 you this because other things that are economical are

1 out there. You don't need to buy the junk that's on the
2 market today. I couldn't find it anywhere, so I found
3 it in northern Wisconsin, and it was made in Minnesota,
4 but I could buy it through the Suwannee River Electric
5 Co-op. And I have a nice water heater now that is
6 highly efficient that has a lifetime warranty on
7 everything except the unit -- the thermostat and the
8 heating unit.

9 They will give you a 15-year warranty to the
10 new owner that comes and buys my house. It was made in
11 northern Wisconsin. You're talking about -- I heard
12 demand electricity. We have been -- in Wisconsin they
13 have had demand electricity for years, that's why you
14 can buy a 140-gallon water heater in northern Wisconsin.
15 My nephew starts his -- him and his family, their
16 laundry at 10:00 o'clock at night because that's when
17 the cheapest power is.

18 I am not in favor of the increase. That's
19 quite obvious. I'm on a fixed income. I don't know
20 what you people make. Try living on \$1,058 a month and
21 cover all your bills. It can be done, but I did it. I
22 have a solar clothes dryer, commonly known as a piece of
23 rope. (Audience Laughter.) I do all the laundry. My
24 wife has a good job, and I hang them up outside. And
25 you know what they do -- they're a little rough when you

1 start rubbing them on your back, but, gee, it feels
2 good.

3 I do all the laundry. I do the cooking. I
4 buy the groceries -- I buy 90 percent of the groceries.
5 My wife furnishes the money, fortunately. I pay the
6 other bills. But you can be economical, if you want to
7 be, and you can save money. And if my wife was here,
8 she would say I'm tired of listening to you tell me to
9 shut the door and turn off the lights.

10 In Wisconsin -- just one more quick thing.
11 Because we were in the propane business, we had free
12 lights in the wintertime. We put in gas lights and we
13 let them run all the time. We've got to heat it anyway.
14 Now, I don't know how to do that with your electricity
15 down here, but let me go back to water heater for just a
16 second. Suwannee River Electric Co-op says, hey, we can
17 save you money on electricity if you buy it from us. I
18 said good, send me a wire heater down here. Huh-uh,
19 can't be done.

20 I'm not unhappy with their system. I believe
21 we don't need an increase. I'm just going to say one
22 thing about smart meters. It's the dumbest thing I've
23 ever seen. Because my power drops instantaneously about
24 four times a week, and I'm really tired of going around
25 and resetting all the clocks. And that's it since this

1 smart meter come by. That's all I want to say about the
2 smart meter.

3 **CHAIRMAN BRISÉ:** Thank you, Mr. Vorce.

4 Are there any questions for Mr. Vorce?

5 Seeing none, thank you for your testimony
6 today.

7 **MR. VORCE:** Have a great day.

8 **CHAIRMAN BRISÉ:** I enjoyed it.

9 **MR. KELLY:** After Mr. Smith is Mel Faust.

10 Robert Smith.

11 **CHAIRMAN BRISÉ:** Okay. Mr. Smith is not here.

12 **MR. KELLY:** Mel Faust.

13 **MEL FAUST**

14 appeared as a witness and, swearing to tell the truth,
15 testified as follows:

16 **DIRECT STATEMENT**

17 **MR. FAUST:** Hello. Thank you for letting me
18 speak in front of you. My name is Mel Faust. I'm at
19 241 Carmel in Suntree. The telephone number is
20 321-917-9912. I was asked last night by my housing
21 association to also speak for them, too. We're
22 definitely against the smart meter -- I mean, the
23 increase in the thing. I just find it so ironic that
24 they're asking for an increase when so many of my
25 friends have lost jobs. People I have known have lost

1 businesses. They have had to sell their cars. Just
2 even down the street from us we have got foreclosures
3 and short sales. In fact, my house I just bought was a
4 short sale.

5 So, you know, it's all around, and they have
6 the audacity to ask for this increase. I just -- I
7 thought they were a halfway decent organization, but now
8 between this and the smart meter thing, I've just got
9 nothing but hate and disdain for them.

10 People are struggling to get by. They're
11 asking for all of this from us, and then they're going
12 to be making all this money once they lay off their
13 meter readers, their overhead is cut, they don't have to
14 pay the wear and tear. They're going to be -- they may
15 not have the time differentiating pricing that they soon
16 will be getting. Every place that has a smart meter
17 they do have it. It's just another step in the process.

18 I lived in the U.K. I saw a couple of people
19 chuckle a little bit when they were talking about
20 washing clothes in the early morning hours. We did do
21 that. It was, like, between 2:00 and 4:00 in the
22 morning. You had a thing -- and if you go to some of
23 the websites, you can actually see how you can save
24 money with this stupid smart meter by setting your
25 timers on your washing machine to come on in the wee

1 morning hours and doing all this stuff. And in some
2 places they are actually -- the power company, after
3 they installed these things, they are charging the
4 customer, on top of the rate increases they are getting,
5 are charging them again for having the smart meter
6 whether they want the thing or not.

7 I just find it so -- like in Texas, I was just
8 reading, they want more money from me, but are forcing
9 me through extortion to have something that the World
10 Health Organization considers a Class IIB carcinogen
11 agent with over 100 times what's considered a safe
12 level. I mean, every time they open their mouth it has
13 been nothing but lies. We know that they say it's not
14 much more than a cell phone, but we find that it's 50 to
15 450 times what a cell phone puts out, but over your
16 entire body. And then you figure every house in that
17 neighborhood is also adding to the RF. I do RF for a
18 living, so I have an idea what's going on.

19 They want money from me, but then they say
20 that if my appliances burn up, which they have in some
21 cases, and people are getting ill, and the invasion of
22 privacy, and so on, you know, they want me to pay extra
23 for this privilege. And then they have, you know, for
24 possible fire and explosion, that I have to pay for it
25 because they won't even pay for it. They take no

1 responsibility for this.

2 It's a great cash cow for them. I mean, what
3 they're doing right now is just asking for an increase,
4 but they have the audacity to ask for an increase when
5 this is a big cash cow for them. They know they're
6 going to make millions of dollars in the near future. I
7 mean, it's just ironic. They're just raping us.

8 **CHAIRMAN BRISÉ:** Thank you for your testimony.
9 Are there any questions for Mr. Faust?

10 **MR. WRIGHT:** Mr. Chairman, I just have a quick
11 question.

12 **CHAIRMAN BRISÉ:** Sure, Mr. Wright.

13 **MR. WRIGHT:** Good evening, Mr. Faust.

14 You mentioned you do RF for a living. Can you
15 just tell us very quickly what you do with radio
16 frequency?

17 **MR. FAUST:** I work on microwave link systems.
18 I work on -- we have -- I work on long-range and
19 short-range radar systems. We have a microwave link
20 across the State of Florida, and then we also have other
21 radio transmission links that are low level, as they
22 like to say.

23 And this smart meter is only a very small --
24 that's only what's on your house. The relays that these
25 things are talking to are, like, three or four times

1 what they are even saying here. I mean, this is just a
2 drop in the bucket.

3 **MR. WRIGHT:** Thank you.

4 **CHAIRMAN BRISÉ:** Thank you, Mr. Wright.

5 Mr. Saporito.

6 **MR. SAPORITO:** Thank you, Mr. Chairman.

7 Sir, if I recall correctly your testimony, you
8 said you were here representing yourself, but then you
9 mentioned an association, is that correct?

10 **MR. FAUST:** Yes. Let me make sure I say this
11 right, the Suntree West Lake Housing Association is my
12 neighborhood I live in.

13 **MR. SAPORITO:** And the residents of that
14 neighborhood, are they on fixed incomes?

15 **MR. FAUST:** A lot of them are. And a lot of
16 them are afraid to even speak out. Even my wife was
17 afraid for me to come up, because as we have just said
18 our addresses and talking to some of their FPL customer
19 service people, we're worried about them shutting off
20 our electricity if we don't accept the smart meters.

21 You know, it's extortion is what is it. If I
22 did this to one of you, I would be in jail, but they can
23 get away with it and even ask for an increase. And then
24 they can sit there and smile about it.

25 **CHAIRMAN BRISÉ:** Thank you.

1 **MR. FAUST:** I'm just angry; I'm sorry.

2 **CHAIRMAN BRISÉ:** Thank you for your testimony.
3 I'm going to reiterate one more time that the comments
4 related to smart meters, we need them to remain within the
5 scope of what we're dealing with. The issues that may
6 be on your mind concerning health and other aspects, we
7 have a track dealing with that. So those comments are
8 welcome, but on the blue sheets or via the Internet as
9 we prepare for the staff workshop, which is on the 20th
10 of September.

11 **MR. FAUST:** Sir, my whole thing was that they
12 are wanting us to pay for the increase --

13 **CHAIRMAN BRISÉ:** Thank you. We understood.
14 We understood. Thank you very much. I'm just reminding
15 everyone else. Thank you.

16 **MR. KELLY:** The next speaker is Mike Harris
17 followed by Dan Williams.

18 Mr. Harris? Mr. Harris?

19 **MS. HARRIS:** Are you reading that right? I
20 have my initials there.

21 **MR. KELLY:** I'm sorry; I apologize. Is it
22 M.H. Harris?

23 **MS. HARRIS:** M.V. Harris.

24 **MR. KELLY:** I apologize.

25 After Ms. Harris will be Dan Williams.

M.V. HARRIS

1
2 appeared as a witness and, swearing to tell the truth,
3 testified as follows:

DIRECT STATEMENT

4
5 **MS. HARRIS:** I guess I didn't write my name
6 very well. I am M.V. Harris; everybody calls me Meeda.
7 They know me as that in this community. I am here today
8 to talk about my relationship with Florida Power and
9 Light.

10 I have lived in Brevard County since 1970,
11 and, therefore, have used -- have been a Florida Power
12 and Light customer since we moved here. I thank you for
13 this opportunity to speak on behalf of Florida Power and
14 Light, and I am in favor of a proposed -- the proposed
15 rate increase.

16 Florida Power and Light provides quality
17 service in a safe and secure manner because their end
18 product touches so many lives. Florida Power and Light
19 employees give back to their community by being
20 personally involved in local activities, from
21 volunteering for community events to financially
22 supporting organizations who provide services that
23 affect our quality of life.

24 I live on a fixed income, and I take advantage
25 of Florida Power and Light programs such as economic

1 assistance that allows me to spread my electric costs
2 over twelve months. I learned about this from reading
3 the insert in what originally -- I originally received
4 my billing by mail, and I read the information, the
5 educational programs that they have available.

6 But now I'm paying my bills on-line, and I
7 read the information that they have on their on-line
8 program. On that I learned about the surge shield
9 protection, so I called and spoke with a representative.
10 And they said, you know, could we send someone out to
11 the house, which they did, and the gentleman explained
12 it to me, how it would be attached to my meter. So I
13 took that, and knowing that I would pay for it
14 personally, and I have had that now for, I guess, about
15 12 years. And also I chose to take the utility guard
16 program, and I'm paying for that. I feel more secure in
17 having those two services, additional services on my
18 meter.

19 And I am looking forward to having the smart
20 meter installed so that it can help me track my energy
21 usage. And I don't plan to stand in front of it 24
22 hours a day and expect something to jump out on me. I
23 think that's, you know -- I really think that all of
24 this needs to be put in perspective.

25 It's my opinion that the rate over the years

1 that has been charged by Florida Power and Light is
2 fair. The rate that they are charging now is fair.
3 I've compared rates in nearby communities and found them
4 to be higher with more area outages and being more
5 frequent than in this area.

6 When service issues do occur, Florida Power
7 and Light has corrected the problem in record time. I
8 and many in this community are awaiting the new plant to
9 go on-line so that we would receive cleaner, safer, and
10 more economical service, as well as the tax base that
11 will be flowing into this service area. These monies
12 will help somewhat to relieve the economy in this area,
13 and certainly the North Brevard area really needs that.

14 Again, I thank you for the opportunity to
15 speak on behalf of Florida Power and Light. I urge you
16 to consider favorably Florida Power and Light's proposed
17 rate increase, and ultimately --

18 **CHAIRMAN BRISÉ:** Ms. Harris --

19 **MS. HARRIS:** -- the cost of an increase to my
20 monthly bill would be less than a pack of my favorite
21 gum.

22 **CHAIRMAN BRISÉ:** Thank you, Ms. Harris.

23 Are there any questions for Ms. Harris?

24 All right. Thank you for your testimony this
25 afternoon.

1 **MR. KELLY:** Mr. Williams is followed by Mary
2 Jane Nail.

3 **DAN WILLIAMS**

4 appeared as a witness and, swearing to tell the truth,
5 testified as follows:

6 **DIRECT STATEMENT**

7 **MR. WILLIAMS:** Good afternoon. My name is
8 Daniel Williams. I live at 972 Bougainvillea Drive,
9 Rockledge, Florida. I apologize for my appearance. I
10 was heading to help a friend out in their yard and heard
11 about this and wanted to stop in and drop two cents.

12 I was raised by my grandmother that died last
13 year at 103, and she had archaic morals that we really
14 don't see anymore. One time in my ambition to make
15 money for cutting the grass to go out and buy a new toy,
16 I didn't weedeat, I just cut the grass. I told her it
17 was done. At her old age, she didn't go out there and
18 check, she took my word on it. I came back a little
19 later, and the next time I came back she said, "If you
20 don't put an honest day's work in, how do you expect
21 people to trust you? And how do you expect people to
22 believe you the next time you ask for money?"

23 I have a note from FPL where they came by and
24 they told me we're trying to make the grid a little
25 safer. We're trying to fix these trees that are all up

1 in your power lines. Please sign here saying you
2 authorize us to cut your tree down, and we're going to
3 cut it down at the level of the fence. That tree is
4 still up in the power lines over a year later. I called
5 multiple times; I asked them to take care of it. I was
6 transferred to managers, someone who claimed to be a
7 district manager. The issue was never resolved in spite
8 of me contacting them multiple times.

9 I was -- eventually, being a military man and
10 this being my home, I was sent off to Langley Air Force
11 Base, and I was up there and lost track of the
12 paperwork. I wasn't kept in contact. They never
13 contacted me. They never resolved the issue, the tree
14 was never solved (phonetic).

15 Pieces of paper like this are used to document
16 work that is done. When you guys are presented
17 proposals, we used this many manhours, we are doing this
18 amount of work. I don't know if I'm a random
19 statistical anomaly, I don't know if this is something
20 that is very common, but this is money that you guys see
21 in your projections.

22 Also, I work for the government. I know a lot
23 of times you can't get the money for the project that
24 you need, but you know that that project is going to be
25 approved. So there's a lot of times that you are

1 allocated money for a project that has a farther out
2 deadline, like meters. That is a different discussion,
3 but the money that you are given now in an economy where
4 people are struggling to get by is probably going to be
5 used, at least in part, in paying for systems that other
6 states have found to be not safe. If that ends up being
7 the case, then FPL will need a rate increase so that
8 they can fix the problem and they can take out defective
9 meters that have caused issues and been government
10 mandated to be removed.

11 I think we ought to take introspective thought
12 into consideration here. Right now, 10 percent? I
13 can't name anytime in the miliary that we received 10
14 percent as an increase, even over a projected amount of
15 years. I'm not hurting for money, and I'm not saying
16 that they don't need a rate increase in time, but I
17 don't think now is the time.

18 If FPL is willing to honor their contract, I'm
19 willing to give it to you guys for evidence or whatever
20 you guys call it.

21 **CHAIRMAN BRISÉ:** Thank you very much. You can
22 provide that to Ms. Klancke so that we can have it as
23 part of the record.

24 I think we have a question for you from
25 Commissioner Graham.

1 **COMMISSIONER GRAHAM:** Actually it's not a
2 question, it's just a comment. I know Florida Power and
3 Light has got customer service people here.

4 **MR. WILLIAMS:** Yes.

5 **COMMISSIONER GRAHAM:** I would go back towards
6 the back and make sure you talk to one of those customer
7 service people, and if you don't hear something within
8 the next week, give us a call.

9 **MR. WILLIAMS:** Can I get a number from you so
10 I can e-mail the information? Okay. I'm also going to
11 e-mail her a picture of the tree just as evidence.

12 **CHAIRMAN BRISÉ:** Sure.

13 **COMMISSIONER GRAHAM:** And don't get me wrong,
14 I'm sure no matter which company you're dealing with, or
15 how big the organization is, there's always things that
16 fall through the cracks. I'm just giving them the
17 benefit of the doubt. This may have been one of the
18 things that fall through the crack. But since you are
19 here, and I know they have customer service people back
20 there, and I know these people want a rate increase, so
21 I can assure you your tree is going to get handled.

22 **MR. WILLIAMS:** I'm hoping that's the case, and
23 I wish I had known about this organization before; I
24 would have dropped it off sooner.

25 **CHAIRMAN BRISÉ:** Thank you.

1 **MR. WILLIAMS:** Do you mind if I show it to
2 their customer service before I turn it in?

3 **CHAIRMAN BRISÉ:** Sure, that's absolutely fine.

4 **MS. KLANCKE:** We will make a copy of that
5 exhibit and --

6 **MR. WILLIAMS:** You will not be able to. It's
7 a carbon copy. There's four copies. This is like the
8 third or fourth, so you will need the original in order
9 to read it.

10 **MS. KLANCKE:** Can I provide you with a copy
11 for your records?

12 **MR. WILLIAMS:** (Inaudible.)

13 **MS. KLANCKE:** Absolutely.

14 We will provide this gentleman with a copy so
15 that he can talk to the customer service representative.
16 Also, I would like to include as part of this composite
17 exhibit what he mentioned, a photograph that he is
18 e-mailing to me.

19 **CHAIRMAN BRISÉ:** Sure.

20 **MS. KLANCKE:** We'll identify this as Exhibit
21 Number 21, and this is Williams Composite Exhibit.

22 (Exhibit 21 marked for identification.)

23 **CHAIRMAN BRISÉ:** All right. Thank you very
24 much.

25 **MR. KELLY:** After Ms. Nail is Jim Ball.

MARY JANE NAIL

1
2 appeared as a witness and, swearing to tell the truth,
3 testified as follows:

DIRECT STATEMENT

4
5 **MS. NAIL:** Thank you for the opportunity to
6 appear before you today. I appreciate it. I don't
7 personally know any of you. I would like to personally
8 know all of you, because I know you are public servants
9 acting on behalf of the citizens, and I want to tell you
10 that I certainly do appreciate each and every one of
11 you. I value you for that.

12 My name is Mary Jane Nail. I live in Cocoa
13 Beach, Florida, and I'm a little unique. There was a
14 lady here who said she had the most green home in
15 Brevard County, and I appreciate that. In 1981, I built
16 Florida's first most energy efficient home featured in
17 *Florida Today* newspaper, also mentioned by Paul Harvey
18 on his radio ad. He had a television program back then,
19 and we were on several different media outlets.

20 In addition to that, we stumped for Florida
21 Solar Energy Center, which is now located in Cocoa,
22 Florida, explaining some of the things that we had put
23 into the design of our home. We still live there. It
24 was not built for profit. It was built to survive.

25 We had oil embargoes. It scared me. I had

1 three children. My husband and I wondered how we were
2 going to make it. Our house was expensive to operate,
3 so we decided, well, we had another piece of property
4 that we would sell and then buy a new house. Well,
5 thinks sort of fell through the crack there. We
6 couldn't find a new house. Back then you could find out
7 the power bills on real estate before you bought, and we
8 checked into various homes that we were interested in,
9 and the power bills were higher than the mortgage
10 payments. We're talking \$600 a month, \$1,200 a month;
11 We're talking some pretty hefty things. So we decided,
12 okay, we're going to have to build it. And so along
13 with my husband we designed it, and as I said, we are
14 still there today. That's what allowed us to send our
15 kids to college.

16 You know, the space program has suffered a
17 lot. You may have noticed on 60 Minutes that the
18 shuttle program was scrapped, and also the program that
19 was designed to replace it, which was called
20 Constellation, was scrapped, as well. We have a lot of
21 people in Brevard County, a brain drain, but also people
22 who are stuck here. Their houses are underwater. They
23 are having a very difficult time. Many of them are on
24 food stamps, and it's an amazing scenario.

25 People on fixed incomes, Social Security

1 hasn't increased in a very long time. These people are
2 hurting, as well. And I know that you all have got to
3 be in touch with what's going on and feeling this. So,
4 you know, I'm going to ask you as a woman, a wife, a
5 mother, a grandmother, and a concerned citizen that you
6 would please not allow an increase at this point in
7 time. The timing is off; it's bad; it's wrong.

8 You know, you can't go around as a government
9 official or even a public service person and say that
10 you want everybody else to suffer while some are making
11 a profit. I like FPL. I'm not against the company. I
12 did what I did in order to be free of FPL; I'm not free
13 from FPL, but I have done a lot of stewardship. And so
14 I would just beg you tonight to please consider not
15 allowing this outrageous increase.

16 And thank you for your time.

17 **CHAIRMAN BRISÉ:** Thank you, Mrs. Nail.

18 Are there any questions for Mrs. Nail?

19 Seeing none, thank you for your testimony.

20 **MR. KELLY:** After Mr. Ball is Mary Bolger.

21 **JIM BALL**

22 appeared as a witness and, swearing to tell the truth,
23 testified as follows:

24 **DIRECT STATEMENT**

25 **MR. BALL:** Good afternoon, Commissioners.

1 Thank you so much for being here. My name is Jim Ball.
2 I live at 921 Indian River Avenue, Titusville, Florida
3 32780. Do you need the phone number? I'll give it to
4 you, if you need it.

5 I would like to address three points, if I
6 might. I'm a retired NASA Kennedy Space Center federal
7 employee. I had 28 years with NASA before my
8 retirement, and I worked in the Center Operations
9 Directorate for most of that, center planning and
10 development the last number of years in space port
11 development where I had an opportunity to work closely
12 with FPL on a project that the Public Service Commission
13 approved, much to their credit, I believe, a
14 demonstration project to bring renewable solar power
15 into the State of Florida.

16 As a previous speaker, maybe more than one
17 speaker has said, there is a great future, I think, in
18 not only this state, but many other states in our nation
19 becoming more energy independent through renewable
20 energy. This project, a ten-megawatt project at the
21 Kennedy Space Center that I project managed in
22 partnership with FPL, certainly was a great
23 demonstration of that.

24 I would encourage you, since I have the
25 opportunity to be speaking before you, knowing that it

1 is a difficult issue to deal with, the Legislature has
2 tried to deal with it, but don't give up on finding the
3 right energy policy for Florida that makes renewable a
4 fair percentage of our energy portfolio.

5 Speaking to the issues of quality of service,
6 which is what I intend to do in this testimony, I think
7 Florida Power and Light is absolutely committed and has
8 shown a great quality of service to bring in renewable
9 power to Florida. Certainly in my history at Kennedy
10 Space Center, they have been a reliable, dependable
11 provider of power of all sorts to the nation's space
12 program which depends on that power.

13 I want to take a moment also to address, since
14 so much is in the forefront about the economic
15 conditions, and job loss and such, that that project did
16 bring approximately 100 jobs associated with the
17 development of that site. NASA KSC, I can tell you,
18 because I was part of the process to set aside acreage
19 to expand, felt like there was an excellent opportunity
20 to continue to grow job creation through some new energy
21 development. So, again, I urge you to keep that in your
22 mind as you go forward.

23 I want to say that FPL has worked closely with
24 me. I think the quality of service and trying to
25 provide economic development solutions for a number of

1 companies I have been involved with both in NASA and
2 outside of NASA when they needed a solution for how to
3 get the power, the reliable power they needed.

4 Finally, I would say I have been a life-long
5 resident of Florida. I grew up in Miami as a youngster
6 with a character known as Reddy Kilowatt. He has been
7 there my whole life, and I would say that I do not
8 object to a rate increase.

9 You will, and your staff will do the work to
10 justify it, that's your job as a regulatory body. I
11 don't see I favor it, I say I don't object to it, and
12 it's more important than anything else that we sustain
13 the reliable energy that we have become accustomed to.
14 Thank you.

15 **CHAIRMAN BRISÉ:** Thank you, Mr. Ball.

16 Are there any questions?

17 Seeing none, thank you for your testimony this
18 afternoon.

19 **MR. KELLY:** After Ms. Bolger is Bill McCarthy.

20 **MARY BOLGER**

21 appeared as a witness and, swearing to tell the truth,
22 testified as follows:

23 **DIRECT STATEMENT**

24 **MS. BOLGER:** My name is Mary Bolger. I'm at
25 1253 Heberling Street, Northwest Palm Bay, Florida. I

1 have lived here since 1976.

2 I was going to go in a nice little
3 chronological order, but I feel I need to say this
4 first. I noticed Mr. Brice -- did I pronounce it --

5 **CHAIRMAN BRISÉ:** Brisé.

6 **MS. BOLGER:** Brisé -- you don't really say
7 anything to the people who compliment FPL, but you did
8 come down on our gentleman who was against anything FPL
9 was doing, so I think that's something to be looked at.

10 Okay. Let's see. As far as our options to
11 opt out, per se, yadda, yadda, I have our little flyer
12 paper we got in the mail, and it says we'll be in your
13 area to install your smart meter. And it doesn't have
14 anything on here -- you're welcome to read it -- about
15 opting out. Okay. That's number one.

16 It says you can go on-line to the Internet to
17 read the kilowatts, because I was able to go out and I
18 learned how to read my meter to see how many kilowatts I
19 was using to try to save on my energy bill, and I could
20 not do that anymore. Well, because I have teenagers, I
21 do not have Internet. So if have you another option, I
22 would welcome that. Let me check that off.

23 I also have a question about what's happening
24 since I got this meter with my electric bill. It has
25 gone up from \$125 to \$240 in one month in a 1200 square

1 foot house. I don't like that.

2 I noticed another change that FPL said changed
3 in January and they could do nothing about it. I got a
4 bill and the due date was on the 20th, and they were
5 going to shut it off on the 28th. And I had -- I have
6 four children and one on the way, and I am a nurse, and
7 I said, well, I have an \$800 deposit; is that relevant
8 or no? Oh, we can't help you, I'm sorry. So I'll just
9 check that off the list. Maybe they could do something
10 about that.

11 Let's go on to the next one. As I stated, I
12 am a hospice nurse. I am back in school to study to be
13 a nurse paralegal consultant, and my student loans, the
14 government, Florida Department of Education government
15 loans seem to want to go up quite a bit, so I thought
16 maybe they could just come adjust that a little bit.
17 And maybe if they didn't increase my student loans,
18 maybe they could work with, you know, FPL and lower
19 their rates that way. Let me check that off the list.

20 And as far as our nice little lady who talked
21 about the no request for the peak rate yet, okay, so is
22 there a possibility that there will be a peak rate
23 increase sometime? All right. In the future, we don't
24 know. We don't know, right? Okay. Well, I'll check
25 that off. I got that. Got that.

1 **CHAIRMAN BRISÉ:** Ma'am, your light is
2 blinking.

3 **MS. BOLGER:** I know. One last very important
4 question. Can these smart meters shut your electric
5 bill off, or shut your electric off via an office
6 without an employee coming out and shutting them off?
7 Do you know that answer?

8 **CHAIRMAN BRISÉ:** That's not something that I
9 would answer at this time. That's part of the process
10 that we're going through. I don't know if Marshall had
11 something that he would want to put into the record with
12 respect to that.

13 **MS. BOLGER:** Well, I think it's kind of
14 important, considering you have so much control, and I
15 have children.

16 **MR. WILLIS:** There's a lot of capabilities of
17 smart meters that hasn't even been explored yet.

18 **MS. BOLGER:** Uh-huh.

19 **MR. WILLIS:** So at this point there is nothing
20 I could tell you of whether or not these are capable of
21 doing that now or not.

22 **MS. BOLGER:** Do you think in the future they
23 are going to be able to be?

24 **MR. WILLIS:** I couldn't tell you what they are
25 going to be in the future.

1 **MS. BOLGER:** Well, I think somebody knows.

2 **CHAIRMAN BRISÉ:** Thank you.

3 You can speak to maybe someone from the
4 company's customer service and they could provide you
5 information on the capability of --

6 **MS. BOLGER:** Yes, that's right. And like the
7 lady pointed out, you do serve us. So be nice to
8 everybody, not just the ones that are favorable to the
9 rate increase.

10 **CHAIRMAN BRISÉ:** Ma'am, we try to be
11 respectful to everyone. Thank you very much.

12 I think you have a question from Mr. Saporito.
13 Ma'am, you have a question from Mr. Saporito. Mr.
14 Saporito over there.

15 **MR. SAPORITO:** Just a quick question. As I
16 recall your testimony that you monitor your power to try
17 to conserve, but then you said, if I'm correct, that
18 after the smart meter went in that your electric bills
19 increased. Is that what you said?

20 **MS. BOLGER:** That is correct, and it's not
21 because it's hot, yadda, yadda, yadda. I don't want to
22 hear all of that.

23 **MR. SAPORITO:** Did you go back through your
24 FPL electric bills and did you notice whether or not
25 your kilowatt hour use went up, or did it stay the same,

1 but your electric bill went up?

2 **MS. BOLGER:** Well, as I stated, your smart
3 meters don't show your kilowatt hours on them.

4 **MR. SAPORITO:** No, I'm talking about the bill
5 that you pay them. Your kilowatt hours are recorded on
6 that and they would be on-line, or if you get them by
7 paper they will say total kilowatt hours. I just wanted
8 to know if you --

9 **MS. BOLGER:** It has -- yes, my kilowatt hours
10 have gone up. Kilowatt or whatever, however you read
11 them have gone up. And I have had somebody come out in
12 the last two weeks from the weatherization program with
13 the grant from the government to try to get everything,
14 and I don't know if you are familiar with that, to get
15 my energy bill down, and they are helping a lot.

16 **MR. SAPORITO:** Thank you.

17 **CHAIRMAN BRISÉ:** Thank you very much for your
18 testimony.

19 **MR. KELLY:** The last speaker I have signed up
20 is Mr. Bill McCarthy.

21 **MR. MCCARTHY:** Save the best for last.

22 **BILL MCCARTHY**

23 appeared as a witness and, swearing to tell the truth,
24 testified as follows:

25 **DIRECT STATEMENT**

1 **MR. McCARTHY:** Good evening. Bill McCarthy.
2 I'm the President and CEO of Coastal Health Systems in
3 Brevard, a 24-hour ambulance service primarily.

4 I have been running this company for about 13
5 or 14 years now, and I have done so through hurricanes
6 and other disasters and have always had exceptional
7 service, support, high reliability, tremendous
8 dependability from FPL. Regardless of whether it is in
9 support of my business in Rockledge or my home up in
10 North Brevard out in a more rural area, the support has
11 been superb.

12 I applaud their investment in the future out
13 here to get the solar plant and looking for, you know,
14 cleaner, greener opportunities for power, or whether or
15 not it's building a brand new power plant. You know,
16 all of this is going to increase that reliability and
17 dependability, and I trust that it will do so. And, you
18 know, as a business owner and operator, you recognize
19 that there is never a good time, never to increase the
20 rates or costs to your customers. But somehow you have
21 got to balance the service requirement and the needs,
22 you know, of those customers against what it costs you
23 to deliver that service, and the investment you make in
24 the future. I think FPL shows really good vision, and I
25 really applaud a lot of their efforts.

1 And, you know, as for the issues like smart
2 meters, I mean, I really wasn't, you know, even planning
3 to address that tonight. But, you know, technology is
4 just one of those things that marches forward and, you
5 know, we employ it to improve our services. We employ
6 it to better understand what our customers need and how
7 to respond to them. And I just have to believe that
8 that's in FPL's interest to do those things.

9 I support the rate increase. I don't like
10 paying more money for things, but I do support the need
11 to maintain infrastructure, the quality, the
12 dependability, and the reliability that I have come to
13 enjoy, you know, with FPL's power source here in Brevard
14 County. Thank you.

15 **CHAIRMAN BRISÉ:** Thank you, Mr. McCarthy.

16 Are there any questions for Mr. McCarthy?

17 All right. Thank you for your testimony.

18 That was the last name on the list, Mr. Kelly?

19 **MR. KELLY:** (Indicating affirmatively.)

20 **CHAIRMAN BRISÉ:** Thank you very much. I want
21 to thank you for your testimony and your interest this
22 afternoon. We will take all of these comments as they
23 are part of the record, and as we move forward in this
24 process when we get into the technical hearing and then
25 the decision phase, all of these comments will be part

1 of the record and be looked at by every one of the
2 Commissioners as Commissioners arrive to their
3 decisions.

4 Thank you for your participation. I want to
5 thank the county for the use of this facility, and we
6 trust that all of you will have safe travel to your
7 destinations. At this time we stand adjourned.

8 (The service hearing concluded at 7:12 p.m.)
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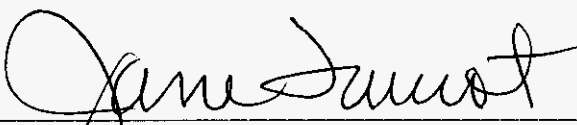
STATE OF FLORIDA)
 : CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

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

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

DATED THIS 5th day of July, 2012.



JANE FAUROT, RPR
Official FPSC Hearings Reporter
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