

Antonia Hover

From: Office of Commissioner Passidomo
Sent: Wednesday, April 13, 2022 2:39 PM
To: Commissioner Correspondence
Subject: FW: FPL Letter - PSC Commissioner Passidomo
Attachments: FPL Letter - PSC Cmr Passidomo.pdf

Importance: High

Please place the attached in Docket No. 20210015.

Thank you!

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

From: Cicelia Holliday <Cholliday@cityoflynnhaven.com> On Behalf Of Vickie Gainer
Sent: Wednesday, April 13, 2022 2:34 PM
To: Office of Commissioner Passidomo <Commissioner.Passidomo@psc.state.fl.us>; Consumer Contact <Contact@PSC.STATE.FL.US>
Cc: Vickie Gainer <vgainer@cityoflynnhaven.com>
Subject: FPL Letter - PSC Commissioner Passidomo
Importance: High

Your message is ready to be sent with the following file or link attachments:

FPL Letter - PSC Cmr Passidomo

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

JESSE NELSON
MAYOR

VICKIE GAINER
CITY MANAGER

KEVIN OBOS
CITY ATTORNEY



COMMISSIONERS
BRANDON ALDRIDGE
PAT PERNO
JUDY TINDER
JAMIE WARRICK

April 12, 2022

VIA ELECTRONIC MAIL TO: Commissioner.Passidomo@psc.state.fl.us; contact@psc.state.fl.us

Honorable Gabriella Passidomo
Florida Public Service Commission
Office of Consumer Assistance & Outreach
2540 Shumard Oak Boulevard,
Tallahassee, FL 32399-0850

RE: Florida Power & Light Rate Increases

Dear Madam, *Commissioner Passidomo*

We are writing to you today on behalf of the City of Lynn Haven, Florida, and its citizens, concerning your December 2, 2021 approval rate increases by Florida Power & Light Company (FPL)¹.

As you know, the Florida Public Service Commission's (PSC) role is to balance the needs of a utility and its shareholders with the needs of consumers and achieves this by regulating the rates and profits of a utility per Florida statute 366.5 (1)(a). We believe this is currently out of balance and request the Florida Public Service Commission (PSC) staff be directed to re-investigate FPL's rate increase filings for accuracy, review the current rates effective January 2022 to ensure they are fair and reasonable, and review FPL's application of those rates to customer's accounts.

FPL is the largest energy company in the U.S. as measured by retail electricity produced and sold. The company serves more than 5.7 million customer accounts, supporting more than 11 million residents across Florida. They pride themselves on delivering an outstanding value proposition with low bills, high reliability, and outstanding customer service. However, in 2021, FPL had a net profit of \$2.935 billion dollars compared to \$2.650 billion dollars in 2020², while citizens of Northwest Florida currently pay the highest electric utility prices in all of Florida³. Additionally, FPL will generate an additional \$1.252 billion dollars in the next two years as a result of this rate increase. In fact, NextEra Energy, which owns FPL, had the highest dividend payout out of 39 Investor-Owned Electric Utilities, with a rate of 101.9% for 2021, where the industry average was 61.6%⁴. When we fell under Gulf Power, we understood that our rates had to increase due to the extensive amount of debt accumulated due to recovery efforts from Hurricane Michael and Hurricane Sally. However, we believe that these FPL rate increases were prioritized to increase profits, rather than having a fair and reasonable rate.

1 ORDER NO. PSC-2021-0446-S-El: In re: to Petition for rate increase by Florida Power & Light Company
<http://www.psc.state.fl.us/library/filings/2021/12919-2021/12919-2021.pdf>

2 NextEra Energy reports fourth-quarter and full-year 2021 financial results
https://www.investor.nexteraenergy.com/~media/Files/N/NEE-IR/reports-and-filings/quarterly-earnings/2021/Q4/NEEQ42021_vF.pdf

3 Florida Electrical Bill Comparison for January 2022 https://assets.noviams.com/novi-file-uploads/fmea/Rates/2022/2022_january_rates.pdf

4 Edison Electric Institute Dividends Report
https://www.eei.org/issuesandpolicy/Finance%20and%20Tax/QFU_Dividends/2021_Q4_Dividends.pdf

We would also like to address the news release that PSC put out on 7 December, 2021 stating, “residential customer bills using 1,000 Kilowatt Hours (kWhs) will increase \$6.83 a month, from \$148.78 to \$155.61⁵.” Not sure where these numbers came from, but the prior year amount for 1,000 kWh usage was ~\$139.94 for an increase of ~\$15.67, which is greater than a 10% increase. This may not seem like a lot, but here are some things to consider. First, these totals don’t take into consideration any franchise fee and utility tax rate, which I understand FPL doesn’t benefit from or control, but does affect residents’ bills to increase even more. Second, when a resident uses over 1,000 kWhs, the rate increases from 0.14262 to 0.16262 per kWh. Yet another increase for the residents, especially during times when we have substantially higher or lower temperatures than usual. The Gulf Power’s rate, regardless of kWhs used, was 0.11719 per kWh. This is a difference of 0.04543 per kWh and an increase of 39%, which is quite substantial. Finally, these rate increases put an additional strain on cities and counties since we will most likely spend more on electricity than what was budgeted for. This could lead to us having to find ways to cut more expenses on an already tight budget, or do I dare say it, raise more taxes to make up for this difference, making it a double whammy for our residents. They have already been hit hard enough by higher costs in gas, food, and living costs due to inflation, making it more difficult for them to pay for basic necessities.


We understand that at least four cities and two counties have written letters to the PSC urging them to re-investigate FPL’s rate increases. This is no coincidence, and we hope the PSC takes these concerns seriously and does what’s best to keep a balance between regulating fair and reasonable rates for FPL customers and the profitability of FPL. Please advise us what action(s), if any, the PSC plans to take on this matter.

Thank you in advance for your consideration.

Sincerely & Collectively,




Brandon Aldridge, Commissioner Seat 1



Pat Perno, Commissioner Seat 2



Jamison Warrick, Commissioner Seat 3



Judy Tinder, Commissioner Seat 4



Jesse Nelson, Mayor