

1 THE  
2 FLORIDA PUBLIC SERVICE COMMISSION

3 -----  
4 In the Matter of : DOCKET NO. 970261-EX  
5 :  
6 Review of nuclear outage at :  
7 Florida Power Corporation's :  
8 Crystal River Unit 3 :  
9 -----

9 PROCEEDINGS: ST. PETERSBURG SERVICE HEARING

10 BEFORE:  
11 CHAIRMAN JULIA L. JOHNSON  
12 COMMISSIONER J. TERRY DEASON  
13 COMMISSIONER SUSAN F. CLARK  
14 COMMISSIONER DIANE K. KIESLING  
15 COMMISSIONER JOE GARCIA

14 DATE: Thursday, May 22, 1997

15 TIME: Commenced at 10:00 a.m.  
16 Concluded at 2:45 p.m.

17 PLACE: The Heritage Inn  
18 234 3rd Avenue  
19 St. Petersburg, Florida

19 REPORTED BY: H. RUTHE POTAMI, CSR, RPR  
20 Official Commission Reporter



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1 **APPEARANCES:**

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4 St. Petersburg, Florida 33733, appearing on behalf of  
5 Florida Power Corporation.

6                   **BOB ELIAS**, FPSC Division of Legal Services,  
7 2540 Shumard Oak Boulevard, Gerald L. Gunter Building,  
8 Tallahassee, Florida 32399-0850, appearing on behalf  
9 of the Commission Staff.

10                   **JACK SHERVE**, Public Counsel, Office of  
11 Public Counsel, c/o The House of Representatives,  
12 Claude Pepper Building, 111 West Madison Street, Room  
13 812, Tallahassee, Florida 32399-1400, appearing on  
14 behalf of the Citizens of the State of Florida.

15                   **MICHAEL B. TWOMEY**, Route 28, Box 1264,  
16 Tallahassee, Florida 32310, appearing on behalf of  
17 Mount Dora Harbor Homeowners Association.

18 **ALSO PRESENT:**

19                   **ROBERTA BASS**, FPSC Division of Electric and  
20 Gas.

21                   **DAVID WHEELER**, FPSC Division of Electric and  
22 Gas.

23                   **BILLY STILES**, Assistant to Commissioner  
24 Clark.

25                   **WAYNE FOREHAND**, Florida Power Corporation.

## I N D E X

## MISCELLANEOUS

3	ITEM	PAGE NO.
4	PRESENTATION BY MR. FOREHAND	13
5	PRESENTATION BY MR. TWOMEY	20
6	CERTIFICATE OF REPORTER	177

## WITNESSES

8	NAME	PAGE NO.
9	WARREN HUNNICUTT	
10	Direct Statement	26
11	WILLIAM IKIS	
12	Direct Statement	41
13	ANNA ROBICHAUD	
14	Direct Statement	42
15	LEE NEVTIPIL	
16	Direct Statement	43
17	HELEN SWIFT	
18	Direct Statement	47
19	ANITA KNAPP	
20	Direct Statement	59
21	WILLIAM GOFF	
22	Direct Statement	60
23	THOMAS VATH	
24	Direct Statement	62
25		

1 WITNESSES CONTINUED:	
2 NAME:	PAGE NO.
3 ELIZABETH CONNOR	
4 Direct Statement	64
5 MARK MAZO	
6 Direct Statement	66
7 JANET DOLLAR	
8 Direct Statement	88
9 IRENE WOLTHOFF	
10 Direct Statement	91
11 ROSS P. NUCCIO	
12 Direct Statement	95
13 GORDON LIPPE	
14 Direct Statement	102
15 ROSETTE WALSH	
16 Direct Statement	108
17 DICK HOLMES	
18 Direct Statement	111
19 GONZALES J. ORTEZ	
20 Direct Statement	113
21 DICK SHULTZ	
22 Direct Statement	120
23 ROSE MARIE GASSER	
24 Direct Statement	124
25	

1	WITNESSES CONTINUED:	
2	NAME:	PAGE NO.
3	KAREN STARKS	
4	Direct Statement	127
5	BRADLEY GRAY	
6	Direct Statement	129
7	RUTH SWIM	
8	Direct Statement	131
9	JOAN DEGUIRE	
10	Direct Statement	135
11	DAVID D. LACEY	
12	Direct Statement	137
13	MONTE BELOTE	
14	Direct Statement	139
15	WILLIAM ELLIS	
16	Direct Statement	141
17	JUNE YOUNG	
18	Direct Statement	146
19	JAY LASITA	
20	Direct Statement	151
21	WALTER BLANCHARD	
22	Direct Statement	156
23	ROBERT STANO	
24	Direct Statement	165
25		

1	<b>WITNESSES CONTINUED:</b>	
2	<b>NAME:</b>	<b>PAGE NO.</b>
3	<b>EMIL FIRKUS</b>	
4	Direct Statement	172
5	<b>JIM CONLIN</b>	
6	Direct Statement	174
7	<b>FRED TOMASKI</b>	
8	Direct Statement	174
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

**P R O C E E D I N G S**

(Hearing convened at 10:00 a.m.)

**CHAIRMAN JOHNSON:** Ladies and gentlemen, if we could settle in, I'm going to call the hearing to order; give everybody an opportunity to sit into their seats. Counsel, could you please read the notice?

**MR. ELIAS:** Notice issued by the clerk of the Florida Public Service Commission on April 15th, 1997 advises that a customer service hearing will be held in Docket 970261-EI, that is the review of the nuclear outage at Florida Power Corporation's Crystal River Unit 3, at 10:00 a.m., Thursday, May 22nd, 1997, at the Heritage Inn, which is located at 234, 3rd Avenue, St. Petersburg, Florida.

**CHAIRMAN JOHNSON:** Thank you. One of the things that we'll do -- I see here in the audience that people are having a hard time hearing and understanding who's speaking. So that the customers will know who you represent and who is speaking, when you make your appearances, would the attorneys please stand, introduce themselves to the audience, and then state your address.

I'll take appearances now.

**MR. MCGEE:** Thank you, Madam Chairman. My name is Jim McGee. My address is Post Office Box

1 14042, St. Petersburg, and I represent Florida Power  
2 Corporation.

3 To my right is Mr. Wayne Forehand. He's a  
4 vice-president for energy distribution with Florida  
5 Power. He will make an opening statement on behalf of  
6 the Company.

7 CHAIRMAN JOHNSON: Okay. Thank you very  
8 much. Public Counsel?

9 MR. SHREVE: Jack Shreve, Public Counsel,  
10 representing the Citizens of the State of Florida and  
11 the customers of Florida Power against the requested  
12 increase, Claude Pepper Building, Tallahassee,  
13 Florida. (Applause)

14 MR. ELIAS: My name is Bob Elias. I  
15 represent the Commission Staff.

16 CHAIRMAN JOHNSON: Ladies and gentlemen, my  
17 name is Julia Johnson. I'm the chairperson of the  
18 Florida Public Service Commission, and today we have  
19 with us all of the Commissioners serving on the  
20 Florida Public Service Commission.

21 To my far left, Commissioner Joe Garcia;  
22 seated next to him, Commissioner Susan Clark; seated  
23 to my right, Commissioner Terry Deason, and to my far  
24 right Commissioner Diane Kiesling.

25 Commissioner Diane Kiesling has a previously



1 scheduled engagement. When I went to schedule these  
2 hearings, we had to move a lot of things off of our  
3 calendar. There was one event that she was not able  
4 to reschedule, but she did indeed tighten her schedule  
5 so she could be here with us this morning. She may  
6 have to leave around 11:30, but she will have the  
7 benefit of all of your testimony, because we have a  
8 court reporter here that will record everything that  
9 you say, and we will be able to use your comments and  
10 your testimony as a part of the official record for  
11 the Commission today.

12           When you entered the room, hopefully you  
13 were able to get the special report sheet. This tells  
14 you a bit more about the case, the procedural posture  
15 of the case and why we are here today. I see that  
16 Senator Charlie Crist is in the audience. If you  
17 could stand just quickly, Senator. Thank you.

18 (Applause)

19           I did want to mention that when we began  
20 this investigation to determine what caused the outage  
21 and whether or not there was a problem with  
22 management, the Senator did call my office right away,  
23 and he had suggested that we not only hold those  
24 hearings, but that we come out to the citizens to hear  
25 what they had to say.

1           We made sure to schedule the hearings  
2 throughout Florida Public Service -- or throughout  
3 Florida Power Corp's territory in order to hear from  
4 each and every one of you. I'd like to thank the  
5 Senator for that. He's been attending all of our  
6 hearings, and he's been participating, hearing what  
7 the customers have had to say across the state.

8           I wanted to let you all know that this is a  
9 formal process. We'll have all of your comments taken  
10 in our record. We'll have to swear you all in, but we  
11 do this because your information and what you have to  
12 say is very important to us in this investigation  
13 process, and it will be factored into our decisions.  
14 So for that I thank you all for coming out and I thank  
15 the Senator for all of his efforts, too.

16           We have several Staff members here that can  
17 assist you. I tried to get here a little early and  
18 talk to as many of the customers as I could, and  
19 several individuals stated that they did not wish to  
20 testify this morning, but that they did have comments  
21 and questions that they'd like to have entertained.

22           One way that you can do that is the blue  
23 sheet. If you turn to the back, there's a section if  
24 you want to write your comments and just provide them  
25 to us at the end of the day, or if you want to later

1 send them to us, we will also accept that information,  
2 and in the sheet there's a 1-800 number. If you go  
3 home and you think of some other questions or some  
4 other issues that you'd like for us to entertain, you  
5 can call us through that 1-800 number.

6 But for those of you who would like to  
7 testify today in this hearing, if you could stand and  
8 remain standing and raise your right hand, I'll take  
9 this opportunity to swear you in.

10 (Witnesses collectively sworn.)

11 **CHAIRMAN JOHNSON:** Let me go back and  
12 introduce at least a few of the Staff members that we  
13 have just in case during this process you have a  
14 couple questions that you'd like for us to entertain.

15 Mr. Bob Elias has already introduced  
16 himself. He's the lead attorney on the case. Roberta  
17 Bass is one of our technical professionals that's on  
18 the case; David Wheeler, Jim Breman. Sandy Simmons  
19 and Melinda Pace probably introduced themselves to you  
20 at the door and, again, if you want to provide written  
21 comments back to them, you can just provide them with  
22 the information that was available. And we have  
23 several of the Commissioners' aides with us who will  
24 introduce themselves to you, and they will be  
25 available to entertain questions, too. If you could

1 just raise your hands there. Very good.

2           With that, what we decided to do -- and I  
3 did try to take an informal poll of the individuals  
4 and the customers here to determine if you wanted to  
5 hear from Public Counsel and the company. It looks as  
6 if most of the members did state that they'd want to  
7 hear comments, but they wanted to keep those comments  
8 very limited.

9           What I'm going to do is I'm going to limit  
10 the Company to five minutes, a five-minute  
11 presentation and an overview, and Public Counsel will  
12 also be allowed an opportunity to present comments as  
13 to his side of this case.

14           Now, as it relates it to the customers, I'm  
15 not going to limit the amount of time that you speak.  
16 We will be here until the last person speaks. The  
17 only issue that we generally have is to be courteous  
18 to your neighbors. Oftentimes we are -- we're giving  
19 an indication that a witness is taking more time  
20 because the audience gets a little irritated. But we  
21 will be here, and to the extent someone has a very  
22 long presentation, you might want to defer and wait  
23 until all of the other customers have testified,  
24 knowing that the Commissioners will stay and hear the  
25 comments that you have to offer this afternoon.

1           So with that, I don't think we have any  
2 other preliminary matters. We'll begin with the  
3 opening statement and, again, I caution you to be  
4 short because we're here to hear from our customers  
5 today, but we will allow the Company an opportunity to  
6 make a brief statement.

7           **MR. FOREHAND:** Thanks, Madam Chairman. Good  
8 morning, everyone. My name is Wayne Forehand, and I'm  
9 vice-president of energy distribution with Florida  
10 Power Corporation. We do appreciate the opportunity  
11 to spend just a few moments with you this morning  
12 sharing some information about our company, about the  
13 current situation at our Crystal River plant, but we  
14 also realize the time constraints, and I promise to be  
15 very brief.

16           Florida Power employees are mindful of the  
17 fact that we currently have the highest residential  
18 rates in the state of Florida among investor-owned  
19 utilities, but despite being in that position, Florida  
20 Power's rates are also well below the national average  
21 for electricity. And even though on average we're  
22 only about a penny a kilowatt hour higher than other  
23 neighboring utilities, those pennies do add up, and  
24 we're sensitive to the impact that that's having on  
25 our customers.

1           Part of the reason that your electric bill  
2 is temporarily higher now is the situation at our  
3 Crystal River plant. We shut the plant down last  
4 September to fix a broken oil pipe, and at the same  
5 time, we determined that a portion of the wide margin  
6 of safety that we must maintain at the plant had been  
7 used up by a combination of several operational and  
8 equipment changes over the years.

9           The safe operation of our nuclear power  
10 plant has never been in question. The Nuclear  
11 Regulatory Commission requires operators from nuclear  
12 plants to guard against hypothetical emergency  
13 situations, some of which might only occur once in  
14 every 11 billion years.

15           Florida Power must restore this extra margin  
16 of safety. Some of the modifications we're making now  
17 are just like the modifications made on other nuclear  
18 plants throughout the country, and those plants have  
19 gone before us. In making those modifications Florida  
20 Power and its customers are benefiting from the  
21 experience of those other utilities, and we expect to  
22 be able to return the Crystal River plant to full  
23 service by the end of this year.

24           You have may have heard that the NRC has  
25 fined Florida Power for several violations at the

1 Crystal River plant. That's correct; it did. And  
2 we're not particularly proud of that, because we take  
3 our obligation to the NRC very seriously. But we are  
4 proud to say that we've taken steps to ensure that  
5 those violations don't occur in the future.

6           Let me try to clear up some confusion. The  
7 fines and violations have nothing to do with why the  
8 plant is temporarily out of service. If it weren't  
9 for the broken pipe and the margin of safety issue  
10 that I discussed earlier, we would have continued  
11 operating the plant.

12           We shut the plant down to fix the pipe, and  
13 we've kept it shut down to make the required  
14 modifications on the plant. Florida Power is paying  
15 for the cost of those modifications, which may total  
16 as much as \$145 million. We do not plan to seek  
17 recovery of those additional costs through an increase  
18 in customer rates.

19           Florida Power's customers as of last April  
20 began paying an extra \$2.22 per thousand kilowatt  
21 hours to cover the outage at Crystal River. That's  
22 intended to cover the first seven months of the  
23 outage, and that may be lower than what you've heard  
24 or lower than what you've been led to believe, but  
25 that's the fact.

1           The portion of the costs for replacement  
2 fuel that the Public Service Commission is allowing us  
3 to recover has added \$2.22 to the average bill, which  
4 comes to under \$27.00 a year. As a reminder, Florida  
5 Power makes no profit on the fuel component. It is a  
6 straight pass-through.

7           Other factors unrelated to the Crystal River  
8 outage and beyond the Company's control, including a  
9 tax increase and higher than expected oil and natural  
10 gas prices, added another \$1.67 to the average bill.  
11 We realize, however, that higher bills, no matter what  
12 the reason, are not popular. No one wants to pay for  
13 more for electricity than is absolutely necessary.  
14 And for our part, Florida Power employees are  
15 dedicated to reducing the cost of generating and  
16 distributing electricity, both now and in the future.

17           For instance, you may have heard recently  
18 about our new Hines Energy Complex which is in --  
19 under construction over in Polk County. When it goes  
20 into service next year, we expect it to be the most  
21 cost-efficient generating plant in the southeastern  
22 United States.

23           In another area of the company, we're  
24 currently installing computer terminals in the  
25 vehicles of our service personnel. This will provide



1 a direct link between our customer phone  
2 representatives and the employees in the field to give  
3 them real time information, but beyond that, it will  
4 help reduce operating costs by giving us more  
5 efficient routing.

6           For now, however, we're concentrating on  
7 getting the Crystal River plant back in service by the  
8 end of this year. That cost is an investment in our  
9 ability to meet the growing energy needs of the unique  
10 service territory that we serve here in Florida. And  
11 we're also working to maintain the trust and  
12 confidence of the millions of people we have the  
13 privilege to serve, including those of you in this  
14 room.

15           Several of our customer service associates  
16 are with us today. They will be happy to answer any  
17 personal billing or service related questions you may  
18 have, including any issues about energy conservation.

19           In closing, just let me -- let me again say  
20 thanks for letting us have a couple minutes to speak.  
21 There is a brochure that's on the back table,  
22 hopefully some of you have been able to pick up  
23 already, that explains the situation at Crystal River  
24 now, and that would be a piece for you to take away  
25 and read later.

1           We also welcome the opportunity to hear  
2 directly from you this morning and your comments about  
3 our company. Thank you. (Applause.)

4           **MR. SHREVE:** Good morning. It's really a  
5 pleasure to see you here this morning. I think your  
6 attendance is going to show the Public Service  
7 Commission what an interest you have. I'll be very  
8 brief. My position is simple, but there are a couple  
9 things I want to clear up.

10           We're talking about \$2.22 per month per bill  
11 at this time. That is not a representative figure.  
12 That figure represents \$70 million of fuel expenses  
13 that were caused by the outage of Crystal River 3,  
14 which occurred prior to this last March. The plant is  
15 still down and it is incurring an additional  
16 \$10 million a month additional expenses because of the  
17 outage. That will total to about \$170 million by the  
18 time the plant is back up, if it comes back up at the  
19 time that they are saying it will.

20           A few days ago Florida Power put out a press  
21 release talking about they had an additional increase  
22 in expenses and investment into the plant of about  
23 145 million, that they were willing to absorb that. I  
24 want all of you to realize -- and a lot of people  
25 thought -- that that was the end of the ball game

1 right there, that they were going to accept that  
2 responsibility and absorb that.

3           That is not the money that we're talking  
4 about. That's an additional \$145 million that is  
5 capital costs incurred in modifying the plant and  
6 repairing the plant and expenses incurred for the same  
7 reasons. That's what they're talking about, not the  
8 \$170 million that is going to be incurred that they  
9 will want to pass on to you because of the nuclear  
10 outage and the increased price in fuel.

11           So the \$2.22 is not nearly what they are  
12 talking about getting in the long run, and that's what  
13 we're fighting against, because our position is, we've  
14 investigated. We're continuing to investigate. We've  
15 filed expert testimony from a nuclear engineer. We  
16 think he's right.

17           Our position is that the Florida Power  
18 management has made bad decisions since 1987 on this  
19 plant. They have made modifications that were redone  
20 in '90, they were redone in '96, and now in 1997  
21 they're back modifying and undoing what they did in  
22 1987 and since that period of time. There is  
23 absolutely no way that the customers of Florida Power  
24 should pay the additional costs that they are asking  
25 for.

1           And once again, I really appreciate you  
2 being here. It shows where you're coming from.  
3 Thanks a lot. (Applause)

4           **CHAIRMAN JOHNSON:** Thank you. And we have  
5 one other attorney who will be representing a  
6 homeowners' association in this case, Mr. Mike Twomey.  
7 If you could come forward and make your presentation.

8           **MR. TWOMEY:** Thank you, Madam Chairman,  
9 Commissioners. Ladies and gentlemen, I'll be very  
10 brief. My name is Mike Twomey. I'm an attorney in  
11 Tallahassee. I'm representing the Lake Dora Harbor  
12 Homeowners Association in this case. We're going to  
13 file a petition to be a party, tomorrow when I get  
14 back to Tallahassee.

15           I have a few things I want to say that my  
16 clients are interested in seeing happen in this case,  
17 and I think they're concerns that most likely you all  
18 will share. First, I want to say you all most likely  
19 will express some indignation today about the fact  
20 that you're being required, forced, to pay \$2.22 per  
21 thousand kilowatts additional to this Company prior to  
22 the Commission making a decision that the Company was  
23 prudent. You're correct in feeling that way, I think.

24           I want to point out that the Commission is  
25 following a procedure that's been in place for the

1 better part of 20 years. It's a procedure that they  
2 didn't institute. I think their intentions were good  
3 when they first leveled this charge against you, but I  
4 want to point out to you that the fact that so much  
5 money is involved in this case, that it brings to the  
6 fore the fact that the Commission needs to reexamine  
7 this policy of giving electric utilities increases in  
8 their fuel costs prior to determining that they were  
9 prudent in their management.

10           So as Mr. Shreve said, it's not just the  
11 \$2.22 that you're facing, it's roughly four times  
12 that. And I would urge the Commission and the Utility  
13 to be more forthcoming in letting you folks know what  
14 the potential economic risks are that you face if the  
15 Utility gets everything that it's going to ask for as  
16 a result of this nuclear plant being out of service  
17 for some 16 months.

18           I join with Mr. Shreve in saying that it's  
19 our position that we think that the evidence in this  
20 case, when it's fully explored, will show that Florida  
21 Power Corporation mismanaged this operation of this  
22 plant, that they were imprudent and, therefore, their  
23 shareholders, of which they have many millions, should  
24 have to bear the costs of this additional 170 million  
25 or \$200 million, whatever it comes out to be, and not

1 you, the Utility's customers who have no say in its  
2 operation and management.

3           Now, because there's so much money involved  
4 in this case, the Public Service Commission should  
5 first reexamine the procedures put in place some 20  
6 years ago that makes you pay for it first. They  
7 should determine that that procedure shouldn't be  
8 applicable in this day and age, and they should  
9 reverse their decision making you pay up front the  
10 \$2.22 prior to a determination on whether there was  
11 management or mismanagement. They should do that  
12 first.

13           Because there's so much money involved and  
14 because, as you may hear from others, the threshold of  
15 finding the Company has to pay for this and not you,  
16 when we go to the Florida Supreme Court for this as a  
17 result of a case that was decided back in 1984 -- and  
18 which I was involved in and some of the Commissioners,  
19 the Staff personnel were involved -- it's a very high  
20 threshold. It requires that the Public Service  
21 Commission and the parties involved get all the  
22 evidence available and make all the proper proofs and  
23 take all the proper procedural steps.

24           I'm here to suggest to you and to suggest to  
25 the Commission that the time schedule they've

1 established for this case is extremely short. It is  
2 too short to allow your representative, Mr. Shreve, me  
3 on behalf of private persons, to adequately  
4 investigate through discovery, depositions and so  
5 forth, what this Company has done leading to this  
6 outage. It is way too short.

7 I have suggested to them last night, the  
8 Commission and the Chairman, that they need to  
9 reexamine the time and establish a much more  
10 methodical schedule that allows everybody to get all  
11 the facts. They, the Commission, want to do this  
12 thoroughly. They want to get it right, and I'm  
13 confident that they will establish the better schedule  
14 so we'll have more time to make sure we get this right  
15 and protect your interests.

16 Lastly, one of the things I'm going to  
17 suggest to the Public Service Commission is that they  
18 encourage or, indeed, demand greater participation on  
19 behalf of their staff. They have a large staff. They  
20 have a highly competent well paid staff. They are  
21 long-term employees, they are knowledgeable in this  
22 industry, and what they have done so far is they  
23 haven't provided testimony in this case as they had an  
24 opportunity to do by the schedule established by the  
25 Chairman.

1 I think if the Commission allows more time,  
2 I would encourage them to better utilize their staff  
3 to go out and participate more fully in the discovery  
4 and to not just sit as neutral advisors, but to take  
5 an active part in this case, do the proper  
6 investigation, get off the fence and come down in this  
7 case one side or the other, whether it's for the  
8 Utility or for the consumers, but take an active role  
9 and reach a conclusion. So I thank you for your time.

10 (Applause)

11 CHAIRMAN JOHNSON: We're about at the time  
12 where we're going to the public testimony, but I had a  
13 couple of preliminary issues. A Mr. Vincent Patton  
14 who resides in St. Pete wrote me a letter and he  
15 provided his comments and wanted the Commissioners to  
16 have the benefit of his written comments, and he  
17 wanted the comments made a part of the official  
18 record.

19 What I will do is provide his comment --  
20 Mr. Patton's comments will be provided to the court  
21 reporter, and we will also share those comments with  
22 all of the Commissioners so that we can consider his  
23 comments as a part of the record. He did ask that I  
24 make the announcement to the audience that he wanted  
25 to participate, but that wanted his comments to be



1 filed.

2 Another gentleman in the audience -- his  
3 name is Eric Coffin -- he did not want to speak today,  
4 but he did have a question that he wanted the Utility  
5 to entertain. I will read that question to you, and  
6 at the most convenient time, if you could respond to  
7 the gentleman's question.

8 The question is: "Are you people -- meaning  
9 the Florida Power -- or the Company -- working 24  
10 hours per day seven days per week to fix the unit? If  
11 yes, approximately how many people work on each  
12 shift?"

13 Now, that's a question that can be answered  
14 after some of the witnesses have testified or after  
15 you have an opportunity to think about it some more,  
16 and I'll pass it over to you because it provides his  
17 concerns, but more specifically he wanted this  
18 question, I think, addressed in this public forum.

19 And with that, Public Counsel, if you could  
20 call your first witness.

21 MR. SHREVE: Thank you, Madam Chairman.  
22 Mr. Warren Hunnicutt.

23 And while Mr. Hunnicutt is coming forward,  
24 I'd like to give the audience some information. Also  
25 intervened in this docket is Consumer Action Network.

1 That's Monte Belote, Lou Putney. The Attorney General  
2 has announced that he is going to intervene the first  
3 part of the week, and I think that's going to be very  
4 helpful. I'm looking forward to working with the  
5 Attorney General on it.

6 Senator Crist will speak to you in a minute.  
7 But he has also filed an -- additional court cases,  
8 and I want to express the gratitude of the public in  
9 working with the consumers and how much you've done in  
10 helping us in this case very much. But Senator Crist  
11 has actually filed additional cases in this.

12 Mr. Hunnicutt, if you would.

13

- - - - -

14

**WARREN HUNNICUTT**

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

17

**DIRECT STATEMENT**

18

19 **WITNESS HUNNICUTT:** Thank you, sir. Madam  
20 Chairman, ladies and gentlemen of this Commission,  
21 Senator, I appreciate the opportunity to appear before  
22 you this morning, but I feel that the rest of the  
23 speakers will feel as I this morning, that it is an  
exercise in futility.

24

Ma'am, is there something wrong?

25

**COMMISSIONER KIESLING:** Yes. You need to

1 tell us your name and address for the record.

2           **WITNESS HUNNICUTT:** My name is Warren  
3 Hunnicutt, Jr. I reside at 7946 9th Avenue South,  
4 St. Petersburg. My phone number is 347-6683. I am a  
5 ratepayer for the illustrious Florida Power.

6           I have prepared a document which I would  
7 like to read, please. My remarks this morning are my  
8 own, no one else's, although I strongly feel there are  
9 many others who feel the same as I, that customers and  
10 former employees of Florida Power Corporation are  
11 bitterly disappointed.

12           In my mind it is an absolutely disgraceful  
13 situation. To start, allow me to read excerpts from  
14 two articles quoted from the St. Petersburg Times,  
15 issue of Friday, May 2nd, 1997. The first article was  
16 entitled, quote, "Bonuses for Cutbacks Bother CEOs,"  
17 end quotes.

18           The beginning paragraph states, and I'm  
19 quoting again, "Pay for chief executives at the 30  
20 corporations with the highest layoffs last year rose  
21 an average of 67.3% a new survey finds," end quotes.  
22 Other quotes in order of their occurrence are "Chief  
23 executives of big companies are continually being  
24 rewarded with fat compensation for laying off more  
25 employees, according to a study released Thursday, and

1 apparently even some CEOs think it's an outrageous  
2 practice. It has found the same trend for four  
3 consecutive years. Such excess pay should garner even  
4 less respect from the beneficiary is a leading job  
5 slasher the judge -- the study said.

6 "A new Business Week poll shows 56% said top  
7 managers should take salary cuts if their companies  
8 post poor results, and 88% said those managers should  
9 lose all or most of their bonuses. The study called  
10 the -- (Applause) The study called the initiative a  
11 sign that American society is getting fed up with  
12 excessive compensation."

13 Frankly I belong in that category.

14 The next article from which excerpts are  
15 taken, also from the same issue of the newspaper, is  
16 headlined "Netscape CEO cuts his own pay to \$1.00."  
17 Quote: "His decision to forego his salary in 1997  
18 comes at a time of rising pay for top executives and  
19 increasing pressure to link their compensation to  
20 their company's financial results in stock  
21 performance."

22 With that prelude, please allow me to get  
23 into the subject at hand. Tom Brokaw in his evening  
24 news broadcast on NBC had a segment called "The  
25 Fleecing of America." I would like to title my

1 discussion this morning "The Fleecing of Customers and  
2 Former Employees of Florida Corporation's and the  
3 Utility Service Commission."

4           Please note I cannot in good conscience  
5 refer to this august body as "Public Service  
6 Commission," for I have rarely, if ever, seen them  
7 serve the public. It seems that when -- (Applause)

8           It seems that when big brother Florida Power  
9 comes to the table, they, the Commission, say "What  
10 can we give you today," regardless of the purpose --  
11 (Applause) -- regardless of the purpose or rationale  
12 for the rate hike request or proof that it is needed.  
13 No, I have absolutely no confidence in the Utility  
14 Service Commission.

15           On April 18th, 1997, I opened the E section  
16 of the St. Petersburg Times. I could not believe the  
17 article about Florida Progress and Florida Power. It  
18 is impossible for me to believe that Jack Critchfield,  
19 chief executive of Florida Progress, and Dick Korpan  
20 are going to be awarded -- and I've got the word  
21 "awarded" in quotes, please understand -- to be  
22 awarded 35 years of service for actually spending 15  
23 and 18 actual years of very poor management. It seems  
24 most of Mr. -- (Applause) -- it seems most of  
25 Mr. Critchfield and Mr. Korpan's projects have lost

1 money or failed miserably, and for this they are going  
2 to be rewarded?

3           If the Public Service Commission and the  
4 Utility Service Commission, the Public and the Utility  
5 Service Commission, like the Florida Progress board,  
6 feels the two deserve additional time for their  
7 retirement, the paper states Mr. Critchfield's  
8 retirement as a result of this action -- or robbery,  
9 as I prefer to call it -- will increase to about  
10 \$700,000, then I have some bridges and swampland I'd  
11 like to sell to you. (Laughter)

12           Even the retired president of Florida Power,  
13 who I understand is receiving a retirement pay of  
14 approximately \$1000 per day, required a full 30 years  
15 of work to, quote, "earn this retirement".

16           And, of course, because of problems that the  
17 atomic energy plant created, it is stated by Florida  
18 Power itself, another rate increase was granted by the  
19 Utility Service Commission.

20           But Florida Power isn't all bad. They  
21 stated that if it found they are at fault for the  
22 problems, they will reimburse the increase to the  
23 customers. Do you believe this? (Laughter) That  
24 first they were granted an increase without any proof  
25 or support that such an increase was needed and,

1 second, they stated this increase would be rebated if  
2 they were at fault. I still have those bridges and  
3 swampland for sale.

4 And then there is the Midcontinent Life  
5 Insurance debacle. Many years ago, my life insurance  
6 agent sold me life insurance through that company  
7 because, as he said, it is the best. Then it was  
8 acquired by Florida Progress. Now it has been  
9 declared insolvent. This is good management?

10 It has been stated that Mr. Critchfield,  
11 because of the generous actions of Florida Progress's  
12 board, will be receiving approximately \$700,000 per  
13 year retirement pay. I ask this. It was reported the  
14 cost of repairing the Crystal River plant is now  
15 estimated at twice the original estimate, over  
16 \$200,000.

17 It was further stated that the profit of  
18 Florida Progress was 12.9 -- one, nine percent, and  
19 Mr. Critchfield was going to be awarded an additional  
20 15 years for his retirement, increasing, as I  
21 understand it, from \$300,000 a year to in excess of  
22 6 -- \$700,000 per year. (Audience responds  
23 negatively.) If management is that bad, and profit is  
24 in excess of 12% and Mr. Critchfield is being given 15  
25 years of additional service for retirement benefits,

1 more than doubling his existing retirement, why in the  
2 name of all that's holy should we, the people who are  
3 paying for all of this, be subjected to this  
4 disgraceful action? (Applause)

5 In my opinion, Florida Power should pay for  
6 its own mistakes, like any other business, including  
7 mine. I feel Florida Power should repair its own shop  
8 even if it means reducing the 12% profit and reducing  
9 Mr. Critchfield's retirement to a mere \$300,000 per  
10 year, where it should be.

11 I have talked to more than one Florida Power  
12 employee who, due to downsizing, was forced to retire.  
13 Believe me, they did not receive 35 years credit for  
14 their retirement unless they earned it. For the first  
15 time they told me that they were ashamed to admit that  
16 they had worked for Florida Power Corporation.

17 Since this document was prepared, an  
18 editorial in the May 14th, 1997 issue of the  
19 St. Petersburg Times -- I would like to read excerpts  
20 from that publication. I'm sorry. I can't read  
21 excerpts because -- yes, I do. I have it right here.

22 These are excerpts from the St. Petersburg  
23 Times. It's an editorial entitled "Asleep at the  
24 PSC," and I'm quoting excerpts, please understand.  
25 "There are more questions than ever about Florida



1 Power's management decisions and whether its customers  
2 should be forced to help pay for the plant's temporary  
3 shutdown. To fix the nuclear plant, it means the  
4 total estimated repair bill is more than \$200 million  
5 and climbing. At this rate, the cost will be more  
6 than the Utility's 1996 earnings and more than half of  
7 Florida Power's total investment in the Crystal River  
8 nuclear plant. If the five-member Commission is going  
9 to judge cases based solely on evidence presented by  
10 Florida Power and Shreve, then the State can save  
11 money by eliminating the Commission Staff and turning  
12 over its new Tallahassee offices to a State agency  
13 that actually does some work for taxpayers."

14 (Applause)

15 "Customers are being whipsawed by  
16 indifferent state legislators and a powerful utility  
17 more concerned about its executives and stockholders.  
18 The Commissioners should have rejected the increase if  
19 they were convinced the plant's problems were due to  
20 mismanagement, but they heard no evidence. Instead  
21 they ordered the PSC Staff to conduct an investigation  
22 that Chairwoman Julia Johnson said would be kind of  
23 doing that fact-finding and telling us whether or not  
24 the actions were more prudent or whether they were  
25 managerial problems."

1           I could go on and on. I've got certain  
2 items highlighted. But I think I've yakked enough  
3 here. But, finally, on the editorial page of the  
4 April 19th, 1997 issue of the St. Petersburg Times is  
5 an editorial entitled "Aquarium's Selfless  
6 Leadership," where certain leadership of the aquarium  
7 over in Tampa, due to saving costs and so forth,  
8 resigned. I feel each officer and director of Florida  
9 Progress, as well as members of the Utility Service  
10 Commission, should read and study this article, then  
11 resign from their respective positions for the good  
12 of -- (Applause) -- for the good of Florida Progress,  
13 Florida Power and all the customers who are suffering  
14 because of Florida Power and Florida Progress's dismal  
15 failures.

16           Thank you ma'am.

17           MR. SHREVE: Thank you, sir. Senator  
18 Charlie Crist.

19           UNIDENTIFIED SPEAKER: You got my vote.

20           WITNESS CRIST: Thank you. You got my  
21 effort.

22           Members of the Commission, Madam Chairman, I  
23 want to thank you for scheduling these hearings  
24 throughout the service area of Florida Power  
25 Corporation. I think it's important that you hear

1 from the people, but I mentioned this last evening at  
2 the hearing in Clearwater. This has been a lonely  
3 fight, but as you can see, it is lonely no more,  
4 thanks to these fine people being here, and I want to  
5 especially thank them. (Applause)

6 I work for you, and I appreciate that  
7 privilege and honor, and thank you so much for showing  
8 up today. It's important that these people hear from  
9 you, too, so thank you and God bless you for being  
10 here.

11 I want to review a little bit of the factual  
12 situation. Florida Power requested an \$88 million  
13 increase, which has been approved by the Florida  
14 Public Service Commission in February. One of the  
15 alleged reasons that this rate increase was approved  
16 was to help Florida Power cover the costs of various  
17 management problems that are associated with its  
18 Crystal River nuclear power plant and, as we were told  
19 earlier by the gentleman from the corporation, a  
20 broken pipe.

21 I believe this increase was wrong. Florida  
22 citizens should not have to bear the financial burden  
23 of Florida Power's mismanagement problems and  
24 misguided endeavors. Citizens throughout Florida are  
25 appalled by the rate increase and they have called me

1 about it. While other power companies in our state  
2 are lowering their rates, Florida Power has increased  
3 theirs.

4 Florida Power is the only source of energy  
5 to 1.3 million households, almost 4 million residents  
6 in our state, making them a monopoly for those people.  
7 Out of the four largest utilities in the state of  
8 Florida, Florida Power charges the highest residential  
9 electric rates. This appears to be a matter of a  
10 monopoly taking advantage of its customers, and it  
11 should not be allowed. (Applause)

12 To add insult to injury, while already  
13 paying the highest rates in the state, then again they  
14 are thrust upon them this \$88 million rate increase.  
15 I think we need to hear more about the investigation  
16 conducted by the Public Service Commission to  
17 determine whether you believe this rate increase is  
18 justified.

19 What is really disturbing is that literally  
20 24 hours after the \$88 million rate increase was  
21 granted by the Public Service Commission, Florida  
22 Progress Corporation, which is Florida Power's parent  
23 company, increased the dividend to their stockholders.  
24 Even more compelling and disturbing is that executives  
25 in the Company, as the previous gentleman addressed,

1 have risen to now an annual salary of \$1.7 million, a  
2 16.4 percent increase, despite their mounting  
3 problems. It defies logic that when a company is  
4 doing so poorly, that those at the top would be  
5 rewarded with their money. It's their money.

6 (Indicating) (Applause)

7           While more and more families are living on a  
8 fixed income, this rate increase will cost each  
9 household an additional average of \$50.00 over the  
10 course of the next year. I find it difficult to even  
11 try to explain the logic behind this rate increase to  
12 the citizens that I work for and represent,  
13 particularly in light of these numbers.

14           This increase appears to be the result of  
15 mismanagement and diversification on the part of  
16 Florida Power and Florida Progress. Florida Power,  
17 through its parent, Progress, has been involved in a  
18 variety of endeavors. They're involved in real estate  
19 development, boating and pleasure craft marinas and  
20 the insurance field, which now, as I read in the  
21 newspaper, is defunct. They apparently also want to  
22 get involved in the desalinization of our water. I  
23 don't know that these people would want to drink that  
24 water. (Laughter)

25           I think the argument is clear. If Florida

1 Power stayed focused on trying to provide good quality  
2 efficient power to us, they might do a better job at  
3 doing what they've been granted a monopoly to do.

4           The Public Service Commission has decided to  
5 grant this increase and having decided, in my opinion,  
6 not to protect the citizens that they have been  
7 assigned the responsibility of protecting. I believe,  
8 therefore, it is vital that we stay the course on this  
9 matter, that we continue to fight the increase. And  
10 as a result, initially I filed in circuit court a  
11 petition to enjoin the increase. Unfortunately that  
12 was denied here in circuit court.

13           I have appealed it to the Florida Supreme  
14 Court, as Public Counsel Jack Shreve has pointed out.  
15 And you are an outstanding public servant, sir, and  
16 thank you for everything that you are doing in this  
17 situation. (Applause)

18           Citizens depend on their government to  
19 protect them from these kinds of injustices. I am  
20 hoping that the justices of the Florida Supreme Court  
21 will rule in favor of their citizens.

22           Let me talk to you about what I believe this  
23 is all about. And I'm about done. This is America.  
24 This is a country that was founded on having good  
25 competition and choices. I'm an old quarterback. I

1 used to player quarterback at a school here in  
2 St. Petersburg, St. Pete High. It's not far from  
3 here. And I learned the lessons of competition and  
4 how important competition is.

5           There is no competition in this field.  
6 These corporations, these monopoly corporations, do  
7 not have to compete for the 1.3 million households  
8 that they serve, the almost 4 million residents that  
9 they provide power to. They are granted that monopoly  
10 by the government. That's wrong. This is not free  
11 enterprise we're talking about. It is anything but  
12 free. This is expensive monopoly enterprise.

13 (Applause)

14           These kinds of government granted monopolies  
15 should be a dinosaur. They should become extinct, and  
16 I believe we ought to have a little bit of good  
17 old-fashioned competition infused in the utility  
18 industry in the state of Florida.

19           You know, those of us who live in this area  
20 have been watching television advertisements by TECO,  
21 Tampa Electric Company, lately and newspaper  
22 advertisements talking about how they're lowering  
23 their rates, they're doing a better job. It is  
24 terribly tantalizing to have to watch those ads, and  
25 for all of these people, too, and to realize that not

1 one of us, if we don't like the rates that we get from  
2 Florida Power and the Commission, we can't go across  
3 the street and say, you know what, I'd like to use the  
4 other utility company. We don't have that choice.  
5 It's not available to us. We're stuck. We are stuck,  
6 and the only protector we have is the Public Service  
7 Commission. That's your role.

8 I don't know all the fine points of what's  
9 happening here, but I do understand right and wrong;  
10 and what is happening here is wrong. It is not fair,  
11 it is not right, and it is an injustice; and I implore  
12 you. You are public servants, like I am a public  
13 servant. This is the public that you serve. Please  
14 listen to them. I know that you will. I am eternally  
15 optimistic. You have an opportunity to right this  
16 wrong. Please do so. Please hear them.

17 Thank you again for being here. Stand up  
18 and work and represent your people. Thank you.

19 MR. SHEREVE: Thank you, Senator Crist.  
20 Mr. William Ikis.

21

22

23

24

25



**WILLIAM IKIS**

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

**DIRECT STATEMENT**

4  
5 **WITNESS IKIS:** I've come before the Public  
6 Service Commission. I have two electric bills. I  
7 can't figure out why one time a kilowatt hour is 132  
8 kilowatt hours, on the following month the kilowatt  
9 hours are 1,129. Now, where does them kilowatt hours  
10 come when you don't have the same meter reader all the  
11 time? Every time you turn around there's a different  
12 meter reader. And why should the Florida Power  
13 customers have to pay for all the downpour of Florida  
14 Power's neglect?

15 This is why I'm here today. I'm speaking  
16 for 300 residents at John Knox Apartments. One woman  
17 has had the same price of electric bill two months in  
18 a row. And the electric bill on studio apartments  
19 should not be more than \$28 a month.

20 Florida Power wants to have all the  
21 increases. The minute they go to the Public Service  
22 Commission, Public Service Commission says yes; they  
23 clap their hands and they get it.

24 **UNIDENTIFIED SPEAKER:** Right.

25 **WITNESS IKIS:** I vote the Public Service

1 Commission more than once in regard to the -- these  
2 raises. I have never had nobody from Public Service  
3 Commission to take and respond to my information.  
4 Today I am here in person to take and speak with them,  
5 also. I am here to take and request that they do not  
6 grant any more raises to Florida Power Commission  
7 (sic) at any basis, which is Florida Power's neglect.  
8 And we would like to have the Commission to take and  
9 intercede, to take and get some of the refund back  
10 with the neglect of Florida Power. (Applause)

11 MR. SHREVE: Thank you, sir. Anna  
12 Robichaud.

13 - - - - -

14 ANNA ROBICHAUD

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

17 DIRECT STATEMENT

18 WITNESS ROBICHAUD: Good morning. My name  
19 is Anna Robichaud, R-O-B-I-C-H-A-U-D. I live at 801  
20 Alamanda Way South, St. Petersburg, Florida,  
21 33705-4404. I'm a retired LPN since July 31, 1986.

22 And I'm here on behalf of all the little  
23 people that are going to have to go in their pockets  
24 for money they may not have to pay for something that  
25 I don't feel and many people don't feel it's their

1 business to have to pay. I pay for my boo-boos. Why  
2 can't Florida Power? (Applause) And I thank you for  
3 letting me speak.

4 MR. SHERVE: Thank you, ma'am. Molly  
5 Smeaton. Molly Smeaton. I believe it's  
6 S-M-E-A-T-O-N. (No response.) Molly Smeaton,  
7 S-M-E-A-T-O-N, 3475 41st Terrace South. (No  
8 response.) If she's out of the room and comes back  
9 in, would somebody call it to my attention, please?

10 Lee Nevtipil?

11 - - - - -

12 LEE NEVTIPIL

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

15 DIRECT STATEMENT

16 WITNESS NEVTIPIL: Good morning. My name is  
17 Lee Nevtipil. My address is 6287 Bahia Del Mar  
18 Circle, St. Petersburg Florida.

19 COMMISSIONER GARCIA: Could you repeat your  
20 last name and spell it for me?

21 WITNESS NEVTIPIL: All right. The last name  
22 is Nevtipil, N-E-V-T-I-P-I-L. I'm a representative --  
23 resident of Pinellas County and a concerned electric  
24 user on Isla del Sol. I'm representing both myself  
25 and a condo association of 125 units, of which I was

1 president for many years.

2 In addition, I am the condo's representative  
3 to both Bahia Homeowners Association of 1,337 units,  
4 as well as the Isla del Sol Owners Association, in  
5 excess of 3,600 units.

6 The service rate that we are paying for the  
7 use of electricity, as you all know, is one of the  
8 highest rates for home use in the nation. When I  
9 reviewed my unit's electric bill for the past year, I  
10 find I am spending approximately an average of \$80 per  
11 month. I then checked with other owners who are  
12 absent for about six months of the year but must  
13 maintain their basic air conditioning during their  
14 absence, and find their average about \$65 a month.

15 Then I looked at my maintenance costs, and  
16 find the electric in the annual budget for the coming  
17 year is estimated \$18,900, or \$1,575 a month. In  
18 looking back to 1993, I found the building paid 15,874  
19 for the year. If my math is correct, the difference  
20 is \$3,036, or an increase in excess of 19% in the five  
21 years.

22 We have economized substantially by  
23 installing light bulbs that your experts recommended,  
24 and have taken all reasonable precautions, including  
25 timers, to reduce usage. Then during the last six

1 months we had at least three power blackouts. Each of  
2 these has resulted in expenses for motors that have  
3 been burned out due to these power surges.

4           We have no recourse to your corporation.  
5 When you add up the total yearly revenue that my  
6 association delivers to Florida Power, approximately  
7 \$115,000, which is for only three and a half percent  
8 of the residents of Isla, I believe that the current  
9 rate that has been approved and currently in effect  
10 should be reduced or eliminated entirely.

11           Was it the users that caused this major  
12 problem at Crystal River nuclear plant? I doubt it.  
13 You can bet the rate increases that it was Florida  
14 Power management, and the costs should be borne by the  
15 owners, namely the stockholders, of which many are  
16 residents of Pinellas County and Isla. Why should the  
17 executive office of Florida Power receive increases in  
18 pay and salary and bonuses on the performance that  
19 causes the rate increase?

20           I believe the residents that pay for these  
21 unjust rate increases are not only entitled to  
22 immediate reduction as well as pledge that the  
23 Commission will never again perpetrate this type of  
24 rate increase without fully investigating the  
25 necessity and hold a hearing for the customers that

1 will receive and pay for the service.

2 Thank you for the time to hear from the  
3 customer. On behalf of the customer, let the culprit  
4 pay, not the customer. (Applause)

5 UNIDENTIFIED SPEAKER: Bravo.

6 COMMISSIONER GARCIA: Sir, I just want to  
7 ask you a few questions. You said that you had had  
8 some motors burn out, or was it the power company that  
9 had some motors burn out, and therefore you lost  
10 electricity?

11 WITNESS NEVTIPIL: We lost -- we had  
12 three-phase motors, and we lost one phase coming into  
13 the building; and unbeknownst, it burned out two  
14 motors and motor relays that cost many hundreds of  
15 dollars to get fixed.

16 COMMISSIONER GARCIA: And that was because  
17 of a power fluctuation by the Company?

18 WITNESS NEVTIPIL: Yes.

19 COMMISSIONER GARCIA: And then you said you  
20 called them and you -- they didn't even come out?  
21 They --

22 WITNESS NEVTIPIL: No, they're not  
23 responsible for that.

24 COMMISSIONER GARCIA: Okay. I'd like you to  
25 speak with one of our engineers, which is right over

1 there, and I'm sure that one of the Company reps will  
2 also want to speak with you if you don't mind.

3 WITNESS NEVTIPIL: No, I don't mind.

4 COMMISSIONER GARCIA: Thank you.

5 CHAIRMAN JOHNSON: Sir, you also stated  
6 earlier that you had your written testimony and some  
7 petitions.

8 WITNESS NEVTIPIL: Yes.

9 CHAIRMAN JOHNSON: We could make that a part  
10 of our -- the correspondence side of our record, if  
11 you could at your convenience just hand those over to  
12 me or the court reporter there.

13 WITNESS NEVTIPIL: Okay. I'll do that.

14 CHAIRMAN JOHNSON: Thank you. And our  
15 engineers are seated here, the gentlemen in the white  
16 shirts. Thank you.

17 WITNESS NEVTIPIL: Thank you again.

18 MR. SHREVE:

19 Thank you, sir. Helen Swift.

20 HELEN SWIFT

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

23 DIRECT STATEMENT

24 WITNESS SWIFT: Thank you, Madam Chairman  
25 and Public Service Commissioners, thank you for

1 listening. My experience with Florida Power &  
2 Light --

3 COMMISSIONER KIESLING: What's your name?

4 WITNESS SWIFT: Helen Swift.

5 COMMISSIONER KIESLING: Thank you.

6 WITNESS SWIFT: Do I have to give my address  
7 and telephone number? It's all written down.

8 (Laughter)

9 COMMISSIONER GARCIA: It would be helpful,  
10 ma'am, if you could just give it for the record. You  
11 don't have to give your phone number. Just your  
12 address so that if we need to contact you and --

13 WITNESS SWIFT: Okay. I live at 1546 62nd  
14 Avenue, South Pinellas Point, St. Petersburg. I've  
15 lived there now for 12 years.

16 My experience with Florida Power & Light  
17 started the first year we moved here. Our telephone  
18 man came to install the telephone, and apparently he  
19 was a local man. And he was very polite. He rang the  
20 doorbell, told me who he was, showed me his  
21 credentials, and asked if he could go into our back  
22 yard to go up the telephone pole, which I thought was  
23 a telephone pole.

24 What I didn't know was that Florida Power &  
25 Light and the telephone company have a setup that



1 certain poles belong to the telephone company and they  
2 maintain them, and the others belong to Florida  
3 Power & Light and they maintain them, or they're  
4 supposed to.

5           **COMMISSIONER KIESLING:** Ma'am, let me just  
6 clarify. It's Florida Power Corporation that we're  
7 here about. Florida Power & Light is a different  
8 company. Do you get your service from Florida Power  
9 or Florida Power & light?

10           **WITNESS SWIFT:** As far as I know, it's  
11 Florida Power. We only get one bill, and it's the  
12 electric company. (Laughter)

13           **COMMISSIONER KIESLING:** Well, I understand,  
14 but you kept saying Florida Power & Light, and I  
15 needed to make sure the record was clear that you mean  
16 Florida Power.

17           **WITNESS SWIFT:** Oh. Right. The telephone  
18 man came back, thanked me for my politeness, and he  
19 said, I'm not sending my men up that pole. I said,  
20 why not. He said, it's not safe. So I went out and I  
21 looked at the pole. It's in our back yard, and it's  
22 on a four-footed easement that's a utility easement.  
23 The pole was riddled with termites, and it was right  
24 outside our bedroom window.

25           So I called the telephone -- the Florida

1 Power Company and I made an official complaint. I  
2 said that the pole was unsafe and I would like  
3 something done about it immediately, because the  
4 telephone people wouldn't even go up the pole.

5 I waited a week and prayed we weren't going  
6 to have a bad storm. Nothing happened. So finally I  
7 lost my temper, and I agree, I do have a nasty temper  
8 when I'm aroused. I'll fight tooth and nail for what  
9 I believe in. I called them up and I said, you either  
10 come and do something about this pole or I'm going  
11 file suit against the Company and I'll sue you for  
12 everything you own. (Laughter) Two days later I got  
13 a new pole. That was 12 years ago, and the same pole  
14 is still there. Nobody ever checks it.

15 Now, we have a utility easement for four  
16 feet along the back of our property. I don't know who  
17 gave permission. The cable company apparently had  
18 some kind of -- some -- anyhow, about four or five  
19 burly men leaped over my fence into my back yard; no  
20 permission, nothing. And when I went out to find out  
21 who they were and what they thought they were doing,  
22 they gave me a real hard time.

23 Like I said, I have a temper. They said  
24 they were working for Paragon Cable. So I went in and  
25 I called the vice-president of Paragon Cable, and I

1 said, who gave them permission to use our utility --  
2 four inches, four feet, or whatever you call it. He  
3 said the electric company has to give permission for  
4 that.

5           So I told him what happened, and I said, if  
6 they don't get out of my yard, I'm going to shoot them  
7 (Laughter) (Applause) And I meant it. I have a  
8 shotgun. I've lived most of my life alone. My  
9 husband was a sea captain, and I know how to protect  
10 myself, and I don't let anybody walk on me.

11           Then they changed our meter, and we got a  
12 bill -- and we were away for two weeks. We got a bill  
13 from the electric company for \$286, and we only used  
14 it for two weeks. So when we complained, they looked  
15 up the old meter, and that's not what it read.

16           What I'm trying to bring home to you people  
17 is, these people have cut back on maintenance so badly  
18 that they're a danger to the community now. You don't  
19 mess around with radiation. Either you do it right or  
20 you don't do it at all, and I don't know how you feel  
21 about it, but I wouldn't like another blowup like they  
22 had in Russia; and that was poor maintenance, too.

23           UNIDENTIFIED SPEAKER: Right.

24           WITNESS SWIFT: That's all I have to say.

25 Thank you for listening. (Applause)

1           **COMMISSIONER GARCIA:** Let me just state to  
2 you so that -- we don't want to get you angry on the  
3 next confrontation that you have with any of your  
4 utilities. (Laughter)

5           On the blue sheet, which our Staff is  
6 handing out, and Chairman Johnson mentioned it,  
7 there's an 1-800 number. If you ever have any problem  
8 with the Utility and you don't feel that they're being  
9 responsive -- and we do ask you to speak with them  
10 first -- call up that number and you will find that  
11 not only will we be responsive at the Commission, but  
12 the Company will also be responsive, if they weren't  
13 responsive to you as they should have been.

14           So if you feel or you run into any problem  
15 with any of the utilities that we do regulate -- we  
16 don't regulate your cable company, that's regulated by  
17 your local government -- but if you don't feel they're  
18 being responsive, all you have to do is pick up that  
19 number. It will not cost you money. And a file is  
20 opened, and there's a certain time limit under which  
21 they have to resolve that --

22           **WITNESS SWIFT:** Well, we have had problems.  
23 For one thing, oak trees in this state are sacrosanct.  
24 You can't knock them down. We spent almost \$800  
25 keeping the darn tree clipped back, but it grows

1 faster than you can -- than I can afford to clip it.  
2 Now, the wires run along the back of our property,  
3 both the telephone and the electric wires.

4 We're 77 years old and we can't climb trees  
5 anymore, but up until just the last two years we have  
6 tried to keep it clipped back ourselves. Now, where I  
7 came from, the utilities were responsible for keeping  
8 their right-of-way clear. For the first time since I  
9 lived there -- and that's 12 years -- they came and  
10 clipped the tree limbs, and we paid them \$50 to do it  
11 as a bonus. Now, I don't know --

12 COMMISSIONER GARCIA: Before you move off  
13 that point, did they ask you for that money?

14 WITNESS SWIFT: No, they didn't. I was so  
15 glad to see them do it, it was a gift. (Laughter)

16 COMMISSIONER GARCIA: I'm sure they'll be  
17 back now.

18 WITNESS SWIFT: Well, I don't even know if  
19 they work for the electric company or not, or whether  
20 they were just chartered to do this, but they should be  
21 doing it all over.

22 CHAIRMAN JOHNSON: Ma'am, Mrs. Swift, you do  
23 raise an excellent point in that the Utility does have  
24 an obligation to keep those -- the trimmed -- the  
25 trees trimmed so that they aren't endangering you or

1 the lines themselves.

2           You raised one other issue with respect to  
3 when they put in the new meter and you all were out --  
4 in for just a couple weeks and you were charged \$286.  
5 Did they explain that situation or rectify that  
6 billing?

7           **WITNESS SWIFT:** Well, they changed our  
8 meter, and apparently -- while we were gone, and when  
9 we came home we never noticed it. Who reads the  
10 meter?

11           **CHAIRMAN JOHNSON:** I'm going to --

12           **WITNESS SWIFT:** But we read it when we got  
13 the bill.

14           **CHAIRMAN JOHNSON:** Certainly.

15           **WITNESS SWIFT:** And -- well, it was really  
16 -- was apparently the service man's fault.

17           **CHAIRMAN JOHNSON:** Okay. Did they refund  
18 you the moneys that you -- if you were over-billed?

19           **WITNESS SWIFT:** We didn't pay it until after  
20 we decided that there was a mistake.

21           **CHAIRMAN JOHNSON:** Okay. Okay. Very good.

22           **WITNESS SWIFT:** . But there is one other thing  
23 that I wanted to tell you. If -- in the event that  
24 you cut back so far on your responsibilities to make  
25 it look more profitable, you're cutting your own

1 throat. That's the way I feel about it. If I have  
2 to, I'll buy a damn generator. Thank you. (Laughter)  
3 (Applause)

4 **CHAIRMAN JOHNSON:** Thank you.

5 **MR. FOREHAND:** (Inaudible)

6 **CHAIRMAN JOHNSON:** Excuse me?

7 **MR. FOREHAND:** May I make a couple comments  
8 on that?

9 **CHAIRMAN JOHNSON:** Florida Power Corp, you  
10 had --

11 **MR. FOREHAND:** Yes, ma'am --

12 **CHAIRMAN JOHNSON:** -- a couple -- did you  
13 want to respond to her questions --

14 **MR. FOREHAND:** Okay. Yes.

15 **CHAIRMAN JOHNSON:** -- or her concerns?

16 **MR. FOREHAND:** Ms. Swift, just real quickly,  
17 I apologize for the difficulties that you had earlier.  
18 I think you would like to know this, though. Late  
19 last summer we increased the pace of two of our major  
20 maintenance programs which addressed two of the issues  
21 you mentioned.

22 One is the inspection and ground line  
23 treatment of our overhead distribution poles, and we  
24 also are going a step beyond that, and the ones that  
25 can't safely be braced, we put a steel brace on them.

1 The others that can't, we're actually changing them  
2 out. I think right now we stand at a total of roughly  
3 3,500 poles that have been changed out just in the  
4 Pinellas County area this year.

5 The other piece on the tree trimming, we  
6 also accelerated that program; entered a new  
7 partnership arrangement long-term with a vendor, and  
8 have increased the funding level significantly on our  
9 tree trimming. We added an additional three and a  
10 half million dollars this year to our tree trimming  
11 budget so we can get back around to those cases more  
12 quickly than we have in the past and take care of that  
13 problem.

14 WITNESS SWIFT: (Inaudible)

15 COMMISSIONER GARCIA: Ma'am?

16 CHAIRMAN JOHNSON: Ms. Swift, the court  
17 reporter needs to record all of your comments, so if  
18 you could -- I know it's an inconvenience, but if you  
19 could come back up to the microphone, it would be  
20 helpful.

21 WITNESS SWIFT: I would like them to  
22 understand that I did complain about these wires being  
23 all tangled up in trees and vines. The wire did come  
24 down and it fell on our fence, and I didn't know which  
25 wire it was, and I wouldn't let my husband go out and



1 touch it. (Laughter) I complained --

2 COMMISSIONER GARCIA: That's the proper  
3 response. (Laughter)

4 WITNESS SWIFT: Damn right it is. I waited  
5 a long time to have --

6 COMMISSIONER GARCIA: But you know what I'm  
7 going to ask is -- and obviously the Company is  
8 stating for you that they've got a new program for  
9 this, or have increased the pace of this program. But  
10 I ask you -- obviously you've had some of your problem  
11 resolved. But if any of you in the audience see this  
12 type of problem where you have branches on lines near  
13 your home, call the company. And, again, if you don't  
14 get a response from them, you have our 1-800 number,  
15 and call us, because --

16 WITNESS SWIFT: I'm going to have to do  
17 that --

18 COMMISSIONER GARCIA: -- it is very  
19 dangerous.

20 WITNESS SWIFT: -- because we're running out  
21 of money to rectify it ourselves.

22 COMMISSIONER GARCIA: Absolutely. And you  
23 shouldn't be rectifying it yourself.

24 WITNESS SWIFT: Well, we do our best to  
25 cooperate. Thank you.

1           **CHAIRMAN JOHNSON:** Thank you, Ms. Swift.

2           **COMMISSIONER KIESLING:** Let me just suggest  
3 to you, ma'am, I think your generosity was outstanding  
4 to give that crew \$50, but they're being paid by  
5 Florida Power to do it, and you really don't have to  
6 spend your money to compensate that tree crew.

7           **WITNESS SWIFT:** I realize that, but my  
8 husband was contemplating doing it, and he's worth  
9 \$50, anytime, honey. (Laughter)

10          **COMMISSIONER KIESLING:** Absolutely.

11          **MR. STILES:** Madam Chairman, our next  
12 witness is Mr. Don Schwager, I believe. I think I'm  
13 pronouncing that right, S-C-H-W-A-G-E-R, at 2897  
14 Thaxton Drive in Palm Harbor. (No response.) I guess  
15 he's not here.

16          **CHAIRMAN JOHNSON:** Would you repeat the name  
17 one more time?

18          **MR. STILES:** It looks like Don Schwager.

19          **UNIDENTIFIED SPEAKER:** (Inaudible comment.)

20          **MR. STILES:** The next witness would be  
21 Ms. Anita Knapp.

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24

25

**ANITA KNAPP**

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

**DIRECT STATEMENT**

4  
5 **WITNESS KNAPP:** Good morning, members of the  
6 Commission, Florida Power representatives, Public  
7 Counsel, representatives and fellow citizens of  
8 St. Petersburg. My name is Anita Knapp. I live at  
9 5900 27th Avenue North here in St. Petersburg.

10 I am opposed to Florida Power Corporation's  
11 request for an increase for the following reasons:

12 Number one, Florida Power Corporation is a monopoly in  
13 Pinellas County which has consistently charged the  
14 highest residential rates in the state of Florida.

15 Number two, Florida Power Corporation's  
16 stockholders earn at my expense far more than the  
17 average industry return on a similar low or no risk  
18 investment.

19 Number three, Florida Power Corporation's  
20 top level management people earn huge salaries and  
21 retirement benefits which are majorly disproportionate  
22 to the benefit they provide the Company, which is  
23 supposed to be serving the customers.

24 And, four, Florida -- the cost of the  
25 excessive problems and outages at the Crystal River

1 nuclear plant should be charged either to Florida  
2 Power Corporation, if they are found guilty of  
3 mismanagement, or to the companies responsible for the  
4 problems and not to the customers.

5 All I ask of you, ladies and gentlemen, is  
6 to consider my comments, to consider all of the facts,  
7 and to rule fairly for all of us. Thank you very  
8 much. (Applause.)

9 MR. SHREVE: William Goff.

10 - - - - -

11 WILLIAM GOFF

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

14 DIRECT STATEMENT

15 WITNESS GOFF: My name is William Goff. I  
16 live at 6550 17th Street North in St. Petersburg.

17 I wish to voice strong opposition to these  
18 increases, and I was going to really take off on  
19 Florida Power, but I want to change my mind.

20 You people, you represent us, the people,  
21 and you're not doing it.

22 UNIDENTIFIED SPEAKER: Right.

23 WITNESS GOFF: No way. (Applause) I don't  
24 have any proof of this, but the perception is if  
25 Florida Power wants \$10 million more, they ask you for

1 20 and you cut it back and say, see, we look out for  
2 you.

3 UNIDENTIFIED SPEAKER: Right.

4 WITNESS GOFF: That's how the people feel,  
5 because we don't feel represented properly.

6 And just one other little comment about the  
7 monopolies that we've been hearing about. It was very  
8 interesting this week. I had a man knock at my door,  
9 and I went to the door and he asked me to sign this  
10 paper and said, you're going to get \$1.02 reduction in  
11 your cable bill. And I said, what's this all about.  
12 He said, GTE is getting ready to open up and we want  
13 to stay competitive.

14 Let's get some competition for Florida  
15 Power.

16 UNIDENTIFIED SPEAKER: Right. Right.

17 WITNESS GOFF: Thank you. (Applause)

18 MR. SHREVE: Thank you Mr. Goff. Mr. Thomas  
19 Vath.

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**THOMAS VATH**

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

**DIRECT STATEMENT**

**WITNESS VATH:** Good morning, Chairperson  
Johnson, Commissioners, PSC Staff, Florida Power  
representatives, Senator Crist. I'm here today to  
protest the \$8 million rate increase granted by the  
PSC to Florida Power Corporation on April 1st.

**COMMISSIONER KIESLING:** Sir, would you tell  
us your name and address, please?

**WITNESS VATH:** Thomas Vath, V-A-T-H, 6984  
South Shore Drive, South Pasadena, Florida.

It appears the PSC granted the rate increase  
without sufficient information. This is frightening,  
because the Florida PSC is supposed to represent and  
protect customers from power monopolies. The  
appearance is that even though the Utility's Crystal  
River power plant has been mismanaged, the Utility  
gets a rate increase for bad management; and I read,  
"Will consider further rate increases to pay for  
increased fuel costs due to the problems at Crystal  
River."

A reward for bad management; that's the  
perception. In private industry a company with bad

1 management makes less profit. A company with bad  
2 management digs into their own pockets and the pockets  
3 of the owners for the expenses to correct the problem.  
4 Not Florida Power. They are rewarded with a rate  
5 increase, an increase substantial enough that the  
6 parent, Florida Progress, grants a dividend increase  
7 to the company's shareholders. That's the perception.

8           Somebody is not minding the store, and it's  
9 the Florida Public Service Commission whose job it is  
10 to protect the consumer. Chairperson Johnson, you and  
11 your Staff have done a disservice to the customers of  
12 Florida Power, and I hope you will rescind the  
13 April 1st rate increase and not grant further rate  
14 increases to Florida Power as a reward for their  
15 ineptitude. (Applause)

16           The Florida PSC should further investigate  
17 the recent rewards to CEO Critchfield and COO Dick  
18 Korpan, who received unearned years of credit to their  
19 retirement service. Who pays for these blatant  
20 rewards? The customers of Florida Power in the form  
21 of additional rate increases.

22           I'm asking the PSC to once again represent  
23 the consumers and not the utilities. I want to  
24 personally thank Charlie Crist for his efforts in  
25 bringing -- in making these hearings possible and

1 participating in the efforts to have this rate  
2 increase rescinded. Thank you. (Applause)

3 MR. SHERVE: Thank you, sir. Elizabeth  
4 Connor?

5 - - - - -

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

9 DIRECT STATEMENT

10 WITNESS CONNOR: Good morning to everyone.  
11 I am here today to reiterate my thoughts that I  
12 expressed in my letter to you -- oh. Elizabeth  
13 Connor, 6690 Pinellas Point Drive, St. Petersburg, a  
14 resident of 30 years.

15 As I was saying, I'm here to reiterate my  
16 thoughts that I expressed in my letter to you and my  
17 letter to the editor of the St. Petersburg Times in  
18 late January wherein I asked that you, the Public  
19 Service Commission, stand up for the people and say no  
20 to this rate hike; to send Florida Power back to the  
21 drawing board to fix their problems at Crystal River  
22 and pay for their own mistakes themselves like any  
23 other corporate entity must do in the United States  
24 today.

25 But no, you chose not to, which makes me



1 wonder what do the letters PSC really stand for? The  
2 Public Service Commission, or the Power Provider  
3 Service Commission? Wake up and listen to these  
4 comments today. These meetings should have been  
5 before -- these meetings should have been offered and  
6 comments taking before offering up the citizens to the  
7 monopoly who provides us power. Florida Power is  
8 business savvy, savvy enough to make their investors  
9 cash at every opportunity. How could you have  
10 approved this?

11           Were there stories of power shortages or  
12 rolling blackouts on Thanksgiving day when everyone's  
13 holiday turkeys were in the oven? Who knows? We were  
14 given no open lines of communication to have any  
15 discourse between this Commission and the public.

16           I'm saying today to please take heed of my  
17 comments after the fact, because we've been assured  
18 that you will listen and take these into consideration  
19 if there is a next time. I certainly hope so, because  
20 the next time you have a decision like this to make, I  
21 would like you to remember and have heard crystal  
22 clear that this citizen thinks about what the citizen  
23 thinks about subsidizing a public entity, and I  
24 formally request this board to fully represent the  
25 public's interests, which I believe is in your mission

1 statement. Thank you.

2 MR. SHEREVE: Thank you. Mark Mazo?

3 MARK MAZO

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

6 DIRECT STATEMENT

7 WITNESS MAZO: Good morning, Commissioners,  
8 Senator Crist. I would like to take this  
9 opportunity -- because I spoke last night and it was  
10 very late. I didn't have an opportunity to finish. I  
11 was tired. I would just like to take this --

12 COMMISSIONER KIESLING: Sir, would you --

13 WITNESS MAZO: I'm sorry. Mark Mazo, and  
14 it's 1 -- it's M-A-Z-O, and it's 14252 Puffin Court in  
15 Clearwater.

16 I would again like to take this opportunity  
17 just to express my thanks to the Commission for  
18 opening the meetings on this particular issue, and I  
19 think that everybody here would understand that you  
20 all are taking a lot of heat, not that it's not  
21 deserved or not that it isn't deserved, but you're  
22 here today doing it; and to me that says a lot in  
23 terms of your willingness to listen.

24 A couple questions that I have. Number one  
25 is when this issue comes back to the Public Service

1 Commission, if the Commission goes one way or the  
2 other, we know that Florida Power can take it to the  
3 Supreme Court. If -- obviously if they agree with the  
4 rate, they're not going to -- you're not going to take  
5 it to the Supreme Court.

6           However, if you don't, my understanding is  
7 that you need to put on evidence to show the Supreme  
8 Court that Florida Power mismanaged the Crystal River  
9 plant in order to not be able to give them the  
10 increase. Is that correct?

11           **CHAIRMAN JOHNSON:** Yes, sir, that is  
12 correct. And let me give you a little background on  
13 that particular issue. That's what this investigation  
14 is all about. Both Public Counsel is involved, and  
15 certainly the Company will have their position with  
16 respect to the outage, and it's our job and our  
17 responsibility to make a determination as to whether  
18 or not management's actions caused the outage and the  
19 extended outage.

20           Our Staff is investigating this issue right  
21 now. They will make a recommendation to the  
22 Commission, and given the facts in the record, that's  
23 what we need to base our decision one way or the  
24 other.

25           **WITNESS MAEO:** So, in essence, today what

1 we're hearing from the public, more of the emotions,  
2 it's viable, but it's not evidence in terms of whether  
3 they mismanaged the Crystal River plant? Am I  
4 correct?

5           **CHAIRMAN JOHNSON:** Well, yes. And it is  
6 valuable information, but they will -- there will be  
7 experts on both sides presenting evidence. There will  
8 be engineers. There will be all sorts of expert  
9 witnesses that will actually testify in a similar  
10 manner to the way that the witnesses have testified  
11 today.

12           One of issues -- and I know that there's a  
13 lot of customer confusion with respect to this  
14 issue -- but there are a couple different type cases.  
15 There's a rate case where a company comes in and  
16 they're trying to do certain -- get certain recoveries  
17 for their investment. And the case that we're dealing  
18 with now is a fuel adjustment case.

19           It's a process that occurs every six months.  
20 The moneys that the companies request through this  
21 fuel adjustment process, none of that includes any  
22 kind of a return. The companies can't make a profit  
23 off of this particular money. The companies can't use  
24 this to pay salaries. This is specifically for the  
25 fuel costs, the increased or decreased fuel costs.

1 That's the kind of proceeding that this is.

2           What we did in the first proceeding that was  
3 held was we had a lot of information, testimony that  
4 was filed, depositions taken that related to the  
5 actual fuel costs. The companies did present a case  
6 as to the fuel costs, and we ruled upon that.

7           The issue that we're dealing with today and  
8 the reason we ordered this investigation is that it's  
9 a two-fold issue. There's the cost and there's the  
10 cause. But before we felt comfortable actually  
11 denying this request, because we knew the costs were  
12 actually incurred and knowing that we would have a  
13 legal challenge, we opened this docket in order to  
14 thoroughly investigate, to make a determination so  
15 that if we did make a determination, it could be  
16 upheld on appeal. So it is a legal process.

17           This testimony is very valuable to us. We  
18 do understand that this is a substantial increase.  
19 Even though it's fuel adjustment, even though the  
20 companies aren't going to make any money off of this,  
21 this still means that the customers are paying money.  
22 We're very concerned about that. We want to do the  
23 right thing.

24           We need to have this kind of forum in order  
25 to both hear from our customers and hear from the

1 attorneys that are going to testify so that we can  
2 reach a decision that can be upheld in the higher  
3 courts.

4 WITNESS MAZO: Thank you.

5 MR. SHREVE: Could I interrupt, since we had  
6 some comments? I wonder if I could --

7 Mr. Mazo, I think you raised an excellent  
8 point, an excellent question as to what happens after  
9 the Commission decision is made and it goes to the  
10 Supreme Court, which we have had decisions go our way  
11 before and have lost them in the Supreme Court.

12 Everything that this Commission does is  
13 based on the record, based on testimony that's in  
14 there and has to be sworn testimony. There was a  
15 schedule established. Florida Power filed their  
16 justification, their evidence about four to six weeks  
17 ago. We were given a date that we had to --  
18 intervenors on behalf of all of you -- to file  
19 testimony.

20 We have done an investigation. We are  
21 continuing to do an investigation, and we filed  
22 testimony, and I believe we have placed -- and we're  
23 handling it a little different than the other cases.  
24 We're not relying on Nuclear Regulatory Commission  
25 documents. We're putting in evidence from a nuclear

1 engineer that's reviewed it. We've got the  
2 information. He's got the expertise. And we think we  
3 have already put a case in the record that will  
4 justify not giving Florida Power the increase and  
5 basing the decision on mismanagement. (Applause)

6           However, they've put a case on. We've put a  
7 case on. The decision of the Commission must be based  
8 on the record. Right now that is the record. Any  
9 recommendations that come after the hearing are not  
10 evidence. I think we've already put the case in and  
11 put in enough to carry it through the Supreme Court on  
12 your behalf.

13           **WITNESS MASO:** Mr. Shreve, a question for  
14 you. Was your case completely put in prior to the  
15 decision on the fuel adjustment increase, or on the  
16 fuel adjustment that they --

17           **MR. SHREVE:** No. When the decision was  
18 initially made, there was no evidence put in by our --  
19 us. We had filed objections to the increase going  
20 into effect because Florida Power had not justified  
21 the increase. The burden is not on the customers.  
22 The burden is on Florida Power to justify it.

23           Now, they showed that there was an increase.  
24 We all knew that, but the justification for the  
25 increase was not there, and we filed weeks before the

1 hearing saying, don't let them come in here at the  
2 last minute and put something in that we don't get a  
3 chance to test and explore.

4 They did not try to put anything in. There  
5 was no evidence as to the justification. There was  
6 only evidence as to the amount, and we filed  
7 objections to that early.

8 WITNESS MASO: Well, it just -- it seems to  
9 me that the Commission didn't have the full benefit of  
10 all your evidence and they're doing that now, trying  
11 to take the full benefit and understanding which way  
12 to go with this --

13 MR. SHERVE: And I think --

14 WITNESS MASO: Would that be correct?

15 MR. SHERVE: And I think the Commission is  
16 at this point taking a look at the evidence to see  
17 what the justification is. I think they are. The  
18 point I'm trying to make is, I don't care who  
19 investigates what. If you don't put it in the record  
20 and take a position on it, it's not going to be there  
21 and it is not going to be able to be used by the  
22 Commission in their decision or the Supreme Court in  
23 upholding their decisions either way. If they go with  
24 Power Corp or if they go with us, that has to  
25 supported by the record or the Supreme Court will



1 overturn it.

2           There are two pieces of information in the  
3 record now, two pieces of testimony, Power Corp's  
4 justification and our opposition to it, and we think  
5 we've carried the burden and put enough in the record  
6 for the Public Service Commission to decide with the  
7 customers and uphold it in the Supreme Court.

8           **WITNESS MAEO:** I understand. The only point  
9 that I was making, I've heard a lot of PSC bashing  
10 last night and today, and I'm not inclined to go along  
11 with that at this time. I think they're making the  
12 effort to protect the public's interest at this time.  
13 Whether they should have done it sooner is another  
14 issue, and I'm not talking to that.

15           They're making the effort now, and I think  
16 they're listening, and I just -- I'm making a point to  
17 commend them for doing that.

18           **MR. SHREVE:** And I think you're exactly  
19 right. There is going to be a hearing that the  
20 Commissioners are going to have evidence and they're  
21 going to have the testimony available to them to make  
22 the decision, and I think they're doing the right  
23 thing.

24           I think they're going forward and taking a  
25 look at the justification, and I think they will pay

1 attention and I think they will take a look at the  
2 evidence and the record and make their decision on  
3 that. The only point I'm making is, it's got to be  
4 put in the record and you can't go out and investigate  
5 something if you're not going to do anything with it.

6           **WITNESS MAZO:** To that issue I have  
7 something that I'd like to reiterate on Mr. Twomey's  
8 statement earlier today, and that is, if I'm  
9 correct -- and, again, I know that I don't have all  
10 the facts, but if I'm understanding him, there's a  
11 short window of opportunity to come up with all of the  
12 testimony and the evidence that is necessary to be in  
13 the record.

14           And based on what I understood Mr. Shreve to  
15 say last night or read some of your nuclear regulatory  
16 expert's testimony, that your expert, Public's expert,  
17 didn't have time to conduct all of the investigation  
18 necessary to really come back and say categorically,  
19 this was mismanaged -- this shutdown is a result of  
20 mismanagement. Am I incorrect?

21           **MR. SHEREVE:** You're partially correct. Our  
22 nuclear expert did have enough time to focus on the  
23 facts that we found and say, even based on the facts  
24 without a complete investigation, "these mistakes were  
25 made by management". Our testimony was that there was

1 mismanagement.

2           However, we did not have enough time to  
3 fully investigate, and if we find anything else, we  
4 want to be able to put it in. Power Corp had a  
5 certain period of time to put their testimony in. We  
6 only had two weeks after Power Corp put in their  
7 testimony. The Staff of the Public Service Commission  
8 had another two weeks to put in their testimony.

9           We were limited more than the Staff was. I  
10 guess all we're saying in our testimony is, we aren't  
11 trying to say we have looked at everything, but we  
12 have looked at enough to find mismanagement.

13           WITNESS MAEO: Well, my point today, just in  
14 reiterating what Mr. Twomey said, was that I would  
15 certainly request and support his position that the  
16 Commission look at extending that time, if necessary,  
17 so that this is -- I'm sure that Florida Power -- this  
18 is a major issue. If I -- again, if I understand it  
19 correctly, right now the raise that the power -- that  
20 we are paying as customers on our home bill could  
21 happen again, because we've only covered seven months,  
22 and if we're experiencing ten -- if Florida Power is  
23 covering \$10 million a month in additional replacement  
24 fuel costs, we're -- that's going to happen again. So  
25 I'm urging the Commission again to take as much as

1 time on this, because it's obviously a major issue. I  
2 have a question for Florida Power -- I'm sorry.

3           **COMMISSIONER CLARK:** Let me interject one  
4 thing, because you made a very important point. Not  
5 only do I serve as Chair, but I'm also the prehearing  
6 officer on this particular case.

7           As Chair, I did indeed instruct Staff that  
8 we open this investigation docket. One of my concerns  
9 was the fact that customers were being charged this  
10 extra money and we still had some investigating to do.  
11 I put the investigation on an expedited schedule with  
12 very tight time frames in hopes that we could resolve  
13 this issue in a way that would lead to the kind of  
14 proof that would be necessary to uphold our particular  
15 decision.

16           Now, it has been brought to my attention  
17 that perhaps the time limits are too tight. I think  
18 that those will be arguments that the attorneys will  
19 make. No filings have been made yet, but the  
20 attorneys will probably make filings before the  
21 Commission for us to entertain whether or not there  
22 was adequate time.

23           The first effort was to try to do this in an  
24 expeditious manner to make sure that the customers'  
25 interests were being protected as quickly as we could,

1 but now I hear some of the attorneys, and perhaps we  
2 will hear from filings, that in order to do a really  
3 good job, they will need more time. That may be an  
4 issue that the Commission will be faced with,  
5 determining whether we should extend the investigation  
6 docket to give more time.

7 We've not seen the filings yet, but I'm  
8 certain if they were to come in, that we'd have an  
9 opportunity to entertain that question and your  
10 concern.

11 WITNESS MAEO: Well, one of things -- and,  
12 again, without knowing all the facts, but hearing some  
13 of what Mr. Shreve said and what's been said today --  
14 that if Florida Power -- there's no question about  
15 justifying a fuel cost increase. The plant was shut  
16 down. They have to supply -- to supply us with power,  
17 they have to go out and buy it somewhere else and pay  
18 the higher costs, of which they're coming back and  
19 asking you to pass on to us. Again, we're not talking  
20 profit, we're talking about paying for the replacement  
21 fuel.

22 If that's the case they put on, we know with  
23 litigation that we're talking about proving  
24 mismanagement and justifying to the Supreme Court that  
25 there was mismanagement, unreasonable management, so

1 that you can turn down the rate or the fuel adjustment  
2 request; and I think that's going to take a lot more  
3 time than what's anticipated at the moment.

4 Now -- maybe not. I have a question --

5 MR. SHERVE: Could I --

6 WITNESS MASO: Certainly.

7 MR. SHERVE: I want to agree with what  
8 Commissioner Johnson said, and I do want to state what  
9 I feel was her justification for putting this on an  
10 expedited manner.

11 Right there, right now the customers are  
12 paying a fuel adjustment charge, and they want  
13 something done and in the record so that there's  
14 some -- so that if it can be justified, it's  
15 justified; and I think the reason she put on the  
16 expedited hearing -- or expedited schedule was so that  
17 this could be done and it could be looked at and that  
18 charge be reversed as soon as possible if it's not  
19 there.

20 Now, I want it understood that I've been in  
21 this case the whole time, and I think we have put on a  
22 case already that overcomes what the company says. I  
23 think our case already will stand up in the Supreme  
24 Court, and I think our case already shows  
25 mismanagement. So I just don't want anybody to think

1 that we don't have a case already out there showing  
2 what should be done.

3 WITNESS MASO: Well, it might not be  
4 necessary to extend the time, and it might be. I'm  
5 just suggesting that what Mr. Twomey had said --

6 MR. SHEREVE: I understand.

7 WITNESS MASO: -- for it to be looked at  
8 with all due diligence.

9 MR. SHEREVE: I understand, but --

10 WITNESS MASO: And --

11 MR. SHEREVE: -- I did want to say why I  
12 think Commissioner Johnson, rightfully so, tried to  
13 move things as quickly as possible. If they want to  
14 grant more time, that's another matter, but I do know  
15 that she was trying to get things moving as quickly as  
16 possible because the customers wanted some answers as  
17 quickly as possible.

18 WITNESS MASO: And I think the customers do  
19 appreciate that, and I think that one of the things  
20 that you all have set up, that I think all the  
21 customers realize that you can reverse this; that  
22 there can be refunds, and that you haven't just  
23 blanketly (sic) said, here you can have this, no  
24 questions asked. And that is not the case, and that's  
25 why we're here today, and that's why you're

1 entertaining witnesses.

2           One of the questions that I have, which was  
3 mentioned -- I think Mr. Fordham (sic) said it  
4 earlier -- that the violations that have been cited  
5 over the years didn't cause the outage. The question  
6 that I would have is with the violations and, again,  
7 it's just that it's a question -- when you have  
8 violations, I assume that Florida Power knew about  
9 these issues that were in violation when they  
10 happened, or they -- at some point in time they found  
11 out about them, or at some point ahead of time Florida  
12 Power knew the rules so that they would not be in  
13 violation. Would -- I mean, that would be correct,  
14 wouldn't it? I mean, you all were cited with  
15 violations by the NRC, were you not? Over the years  
16 you've been cited a number of times is what I've  
17 been -- is what I've heard. Is that not true?

18           **MR. FOREHAND:** There have been -- correct.  
19 There have been some violations over the years; that  
20 is correct.

21           **WITNESS MAZO:** And if I understand  
22 violations, that means that Florida Power has not done  
23 certain things that they should do to meet those  
24 standards, whatever these standards would be that you  
25 were cited for.



1           **MR. FOREHAND:** I think that's a fair  
2 description, yes, sir. (Applause.)

3           **WITNESS MAZO:** And that would be a  
4 management -- that would be a management oversight or  
5 a conscious decision.

6           And my point here is that when you're in  
7 violation, management has to take responsibility for  
8 that. That is not necessarily -- that may not be the  
9 reason for the outage of the power plant, but it's an  
10 indication of management. Either they consciously  
11 decided to be in violation or it was an oversight.  
12 Either way it's poor management. (Applause)

13           **MR. FOREHAND:** Mr. Mazo, let me clarify  
14 that. We can't consciously decide to be in violation.  
15 There are very strong penalties that can be applied by  
16 the NRC to not only the Company, but to individuals.

17           The folks that are involved in that plant  
18 understand very clearly their personal liability for  
19 making decisions that are outside the operating  
20 parameters of the plant. The things that have  
21 happened have been -- have not been planned, have not  
22 been, you know, thought out and decided to violate a  
23 rule. That does not occur.

24           And when an incident has happened, the  
25 majority of the time we have brought that incident to

1 the attention of the NRC and said, here is something  
2 that happened. We're required to do that, yes; but  
3 most of the time it has been things that we have found  
4 that occurred as were the cases that happened  
5 recently.

6 So I think it's important to make that  
7 clarification that you do not intentionally do  
8 anything that steps outside the operating parameters  
9 of the plant.

10 WITNESS MASO: I think my position simply is  
11 that there is preventive maintenance. Florida Power  
12 should know the rules and they should make sure the  
13 violations do not occur ahead of time instead of after  
14 the fact.

15 One last thing. I know I've been up here  
16 for a while.

17 UNIDENTIFIED SPEAKER: Yes. (Audience  
18 response.) There was a lady -- it wasn't my  
19 intention, and I apologize.

20 There was a lady that I was talking to in  
21 the audience, and she asked me -- she didn't want to  
22 come up. She was nervous. Mrs. Bowman asked me to  
23 speak. Her name is Jacwin Bowman, and it's 7974  
24 Sailboat Key Boulevard, 305 South Pasadena.

25 And to me this is -- this is very important,

1 because Mrs. Bowman, different than people I've heard  
2 today or yesterday, is a stockholder of Florida Power.

3 She says "I do not believe that Florida  
4 Power should be given a rate increase to cover the  
5 cost of the Crystal River fiasco. The executives and  
6 board of directors were only interested in profits,  
7 not efficiency. They embarked on a ruthless  
8 cost-cutting job reduction. To the best of my  
9 knowledge, they cut the work force at Crystal River  
10 about 50%, yet they raised executive bonuses and gold  
11 parachutes to obscene proportions.

12 "Anytime you operate a nuclear plant with a  
13 skeleton force, you should realize there would be dire  
14 consequences. Unfortunately I'm a stockholder who  
15 feels that the executives and board of directors  
16 should give up their salaries and incentives and put  
17 that money into saving the company.

18 "The electric customers should not suffer  
19 increases in their electric bills to pay for the  
20 mistakes of mismanagement -- of management. I do not  
21 see how executives who receive millions of dollars a  
22 year will go on welfare if they are paid the average  
23 salary of their workers until the Crystal River  
24 problems are solved." (Applause)

25 And that was Ms. Bowman's. Again, it's not

1 evident, but there is a stockholder coming before you  
2 saying how she feels.

3           **CHAIRMAN JOHNSON:** Thank you very much for  
4 sharing that and thank you for your testimony.

5           **MR. FOREHAND:** Madam Chairman --

6           **CHAIRMAN JOHNSON:** I'm going to entertain  
7 your question, but we're going to have to take a  
8 break. Our court reporter has been going for quite a  
9 while. Could we perhaps -- is this an answer or is it  
10 a question?

11           **MR. FOREHAND:** Answer.

12           **CHAIRMAN JOHNSON:** Since the gentleman may  
13 want to leave, I'm going to allow you to answer the  
14 question after which, ladies and gentlemen -- we only  
15 have one court reporter here, and she's been looking  
16 over here at me. I think she's a bit tired. We're  
17 going to take at a lunch break as soon as we answer  
18 the question. (Audience responds negatively.)

19           **MR. FOREHAND:** Quick point of  
20 classification. The gentlemen in the written response  
21 asked the question of -- or mentioned the skeleton  
22 crew and the cutbacks at Crystal River.

23           I think it's important for folks to  
24 understand the level of attention that has to be paid  
25 at that plant, and probably the number of employees

1 involved would help highlight that.

2           We have one nuclear plant in this company,  
3 Crystal River 3. Paul, I believe right now there are  
4 approximately 800 employees full time dedicated to  
5 that one plant. We have approximately 58 power plants  
6 that are not nuclear spread throughout the system.  
7 There are four large coal-fired plants at Crystal  
8 River. There are a number of other plants around  
9 system. So about 58 plants.

10           The total number of employees to run those  
11 58 plants is equal to slightly less than the number of  
12 folks that run the one nuclear plant. So I think it's  
13 a good clarification to make sure folks understand  
14 there is not a great deal of downsizing at the Crystal  
15 River plant, and there are a large number of employees  
16 who are dedicated because of the strict guidelines the  
17 NRC has. Thank you.

18           **CHAIRMAN JOHNSON:** Before you say anything,  
19 let me make sure you all understand. This is a  
20 15-minute break for the court reporter and for some  
21 Commissioners, but we have to take this break. She  
22 cannot keep taking, without having a break herself.

23           (Brief recess.)

24

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25           **CHAIRMAN JOHNSON:** We'll reconvene the

1 hearing if you will settle back down. We've taken  
2 care of a couple of housekeeping matters. One,  
3 several members of the public stated that it was very  
4 cold in the room, so we've tried to regulate the  
5 temperature a bit. Also, a couple members of the  
6 public have suggested that they have other  
7 appointments this afternoon, and they've asked me to  
8 request that to the extent that you can limit your  
9 comments, that would be appreciated.

10           Now, we aren't going to limit you to any  
11 time limits, but if there are customers here who  
12 signed up to testify that would just like to adopt the  
13 comments of others, when your name is called you can  
14 do that; but if you prefer to testify, feel free to  
15 come forward and we will accept your testimony until  
16 the last person has actually testified.

17           We're going to reconvene by having the  
18 question that the gentleman posed earlier,  
19 Mr. Coffin's question. First, Company, I would like  
20 for you to read the question aloud so that all of the  
21 customers will have the benefit of knowing what the  
22 question is that the gentlemen posed to you, and then  
23 answer that question. Thank you.

24           MR. FOREHAND: Madame Chairman, the question  
25 is: "Are your people and contract people working 24

1 hours per day 7 days per week to fix CR-3? If yes,  
2 approximately how many people work on each shift? My  
3 concern is that you're putting the most people to work  
4 to fix CR-3 versus just working a normal Monday to  
5 Friday 8:00 to 5:00 job. The extra fuel cost is 24  
6 hours per day 7 days a week."

7 Absolutely. I mentioned earlier that we  
8 have approximately 800 employees that are full time  
9 for the Crystal River plant year-round as we operate,  
10 or even during an outage. That number has now swelled  
11 from 800 to 1,700 people that are on site currently.  
12 The employees that are there are working six 10-hour  
13 shifts 60 hours a week. There are three shifts a day.  
14 Well, it probably works out to a little bit different  
15 than that, but the shifts are around-the-clock during  
16 that time period. And obviously you end up getting  
17 into a logistical nightmare trying to have that many  
18 folks on site, but there is a very, very intense  
19 effort on with a tremendous amount of folks to be able  
20 to bring it to closure.

21 CHAIRMAN JOHNSON: Thank you. Public  
22 Counsel?

23 MR. SHREVE: Yes, ma'am. Janet Dollar.  
24  
25

1 **JANET DOLLAR**

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

4 **DIRECT STATEMENT**

5 **WITNESS DOLLAR:** I guess it's good afternoon  
6 by now. I am Janet dollar, which is only worth about  
7 10 cents today. I live at 5623 80th Street North,  
8 St. Petersburg, Florida 33709.

9 You know, if a hurricane caused damage to  
10 Crystal River, I think I would feel sorry and maybe I  
11 would understand, but this was not an act of God; it  
12 was simply mismanagement. And you know very well  
13 while I was working if you mismanaged anything, or you  
14 did something that was not according to the way it  
15 should be done, you were given a reprimand or maybe  
16 even fired if they kept track of your mismanagement --  
17 suggestions.

18 Why should we pay for it? Not only do we  
19 pay for the outage, but the stockholders are getting a  
20 big increase and also the executives are getting big  
21 retirements and so forth.

22 Now the state Attorney General's Office will  
23 investigate. But how come PSC did not question this  
24 increase before? Isn't that their job? You know, it  
25 had bothered me that PSC members are selected by the



1 governor instead of being elected, but now I really  
2 feel that the PSC will be doing a real good job, and  
3 I'm looking forward to seeing that in the paper.

4 Now, on March 28th the newspaper, Times,  
5 said, Mr. Crist -- said Mr. Crist has said PSC should  
6 re -- serve the public. On April 4th in the paper  
7 Mr. Crist was told by a headline to mind his own  
8 business.

9 Mr. Crist, I want you to know, cares for the  
10 public, and I'm glad he takes care of our business.

11 On April 16th I read that a Florida Progress  
12 subsidiary was seized. That took in 175 policy  
13 holders -- are involved for \$164 million in claims.  
14 Florida Power has \$87 million involved in  
15 Midcontinent. Do we have to pay that bill? I want to  
16 know.

17 On May 21st in the St. Pete Times,  
18 Ms. McAllen of Altamonte said -- and she says it  
19 all -- "I object to the whole process and have a  
20 feeling the hearings are a force -- a force,  
21 F-A-R-C-E."

22 I really feel by this time hearings are a  
23 very good thing, and I am hearing things I've never  
24 heard before, and I'm sure -- and I really feel sure  
25 that something will be done. And thank you very much.

1           **CHAIRMAN JOHNSON:** Thank you very much.

2           **MR. SEREVE:** Thank you. Now, I may be wrong  
3 with this, and I will be happy to be corrected, but  
4 the -- where you said there was a statement in the  
5 paper about telling Senator Crist to mind his own  
6 business, unless I'm mistaken that was written by  
7 someone from Florida Power; the letter to the editor.  
8 I may be wrong on that, but I think I recall seeing  
9 that. So I think that was the case.

10           If I could, I think things will move a  
11 little faster now. I had some discussions with some  
12 people that think they are going to be able to cut out  
13 some of their remarks. If anyone wants to adopt what  
14 someone has said earlier, I think we would welcome  
15 that.

16           Also, I have had some people come forward  
17 that evidently really have some time problems that  
18 are -- and I can't accommodate everyone, but there are  
19 some people that have some real emergencies or time  
20 problems. If you do, I'd be glad to have you come up  
21 and sign this and give me some type of reason so we  
22 can move right along. But I'm going to try to  
23 accommodate who I can, but I think we'll be through a  
24 lot quicker than we would have.

25           **WITNESS DOLLAR:** Sir, you're right. It was

1 Florida Power who said it.

2 MR. SHERVE: Thank you. (Laughter) So they  
3 don't speak for me, and probably no one else in this  
4 room.

5 Irene Wolthoff?

6 - - - - -

7 IRENE WOLTHOFF

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

10 DIRECT STATEMENT

11 WITNESS WOLTHOFF: My name is Irene Rego  
12 Wolthoff, 4643 29th Avenue North.

13 COMMISSIONER GARCIA: Ma'am, could you spell  
14 your name for me? I didn't hear it or --

15 WITNESS WOLTHOFF: You don't want to try.  
16 W-O-L-T-H-O double F.

17 COMMISSIONER CLARK: I still didn't get it.  
18 Would you --

19 WITNESS WOLTHOFF: W-O-L-T-H-O double F.

20 COMMISSIONER CLARK: Oh. Wolthoff.

21 WITNESS WOLTHOFF: Wolthoff. It's hard, I  
22 know. Madam Chairman, Commissioners, Senator Crist --  
23 you are the greatest. I have known Charlie. I  
24 watched him as he was at St. Petersburg High School.  
25 He has done a great deal for us, and we know that

1 everyone appreciates him.

2           As I stand before you, I really wonder why  
3 I'm here to talk. First of all, I am going to cut my  
4 comments short. I think Mr. Hunnicutt spoke  
5 eloquently, and he has said many things I might have  
6 thought to say. I'm thinking will it make a  
7 difference and what can I say that's not said before.

8           And a lot of people seem to think, why go;  
9 what does it matter. I've asked people why don't you  
10 come to these hearings, and they say, for what reason;  
11 it's the same way with voting, they don't listen.

12           First of all, I entered into the energy  
13 management program -- and this is different, because  
14 Mr. Hunnicutt spoke of other things -- to have my  
15 water heater shut off whenever Florida Power needed to  
16 conserve energy. I thought this was a great plan and  
17 I still have it, and I know I can turn it off if I  
18 don't want it.

19           When it was first introduced, I received a  
20 monthly credit of 350 on my bill. When we received  
21 notice not too long back, it was being discontinued  
22 unless you used a certain number of kilowatts, and I  
23 understand -- I have it down here someplace how much I  
24 have to use. 1,284 kilowatts before they give me a  
25 credit.

1           Now, I have it on at the present time. They  
2 have used it, I believe, twice this week. I called  
3 last night to Florida Power because I noticed it was  
4 off at 6:00, which is fine, and I asked how long is it  
5 going to be off, and the lady said, well, it was five  
6 hours. I think they started around 5:00. That's all  
7 right, too.

8           But I agreed to stay on this program, but I  
9 have not received a credit in months because I'm not  
10 using the amount they want me to use; and this week I  
11 just said it had been cut off. And I figured this out  
12 and it could be a \$42 yearly loss for me and a gain  
13 for Florida Power.

14           Now, last year, June through October, I  
15 believe, I got the credit and I probably would again  
16 this year because once the air conditioners are going,  
17 I probably will. But if I don't use it, it could  
18 amount to pretty close to -- I think it was 47 or  
19 something in that vicinity.

20           Now, you've allowed them to increase our  
21 bill by \$4. That's another loss and another gain for  
22 Florida Power. My total bill will be increased yearly  
23 by approximately -- and I could be a little over, a  
24 little under -- by \$90, and that may not sound much to  
25 you people. I'm sure if I were making your

1 salaries -- but I was born too soon. We did not make  
2 those salaries and, therefore, \$100 is a lot of money  
3 to a lot of us; and I'm sure there are people in this  
4 audience that feel the same way.

5           So multiply that by the number of  
6 constituents, and I think you'll see that that's a  
7 pretty hefty revenue. Perhaps it's time for Florida  
8 Power to look into your management, any waste, and  
9 perhaps some of your upper echelon salaries. They're  
10 pretty good. The consumer needs a relief. Many  
11 people have to live very frugally to survive these  
12 continued increases. The stockholders are very  
13 important, but so are we.

14           Please listen carefully to the concerns of  
15 the people and be guided to consider them carefully  
16 before you give Florida Power another increase. Thank  
17 you very much. (Applause)

18           **CHAIRMAN JOHNSON:** Thank you.

19           **MR. SHREVE:** Thank you. Mr. Nuccio.

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1                   **ROSS P. NUCCIO**

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

4                   **DIRECT STATEMENT**

5                   **WITNESS NUCCIO:** Good afternoon. My name is  
6   Ross Phillip Nuccio. I reside at 501 Villa Grande  
7   Avenue, South St. Petersburg.

8                   **CHAIRMAN JOHNSON:** Could you spell your last  
9   name, please?

10                  **WITNESS NUCCIO:** Nuccio; N like in Nancy,  
11   U-C-C-I-O.

12                  Ladies and gentlemen, thank you for allowing  
13   me to speak. I have -- I'll make it short. I have a  
14   few questions. My question is to the PSC. Your  
15   salaries, will you explain to me and the public how  
16   you people are being paid? Are the utilities paying  
17   you people? I don't -- necessarily Florida Power, but  
18   earlier, Julia Johnson, you told me there is a --

19                  **CHAIRMAN JOHNSON:** That we're paid through a  
20   trust fund.

21                  **WITNESS NUCCIO:** A trust. Thank you very  
22   much. Through a trust fund. Now, that trust fund,  
23   the moneys acquired in that trust fund are by all the  
24   utilities, phone companies and everything else;  
25   correct?

1           **CHAIRMAN JOHNSON:** Yes, sir.

2           **WITNESS NUCCIO:** And in all good sense, if  
3 you people are paid by the utilities, how can you  
4 judge fairly in our behalf, the public? I would like  
5 some answers how you can do that.

6           Also, I'd like to know, all the perks that  
7 the Florida Power Company let you people -- are  
8 available to this; your golf games and your things  
9 that you go places to.

10           And my next question is -- I'm very nervous  
11 is.

12           **COMMISSIONER GARCIA:** Why don't you allow  
13 the Chairman to -- over here. Why don't you allow the  
14 Chairman to answer each of your questions real quick.  
15 That way we won't miss any of the questions, and --

16           **WITNESS NUCCIO:** All right. The first  
17 question, your pay structure.

18           **CHAIRMAN JOHNSON:** One of the -- and we had  
19 talked about this just briefly, and I think perhaps it  
20 was your wife that suggested that the money should  
21 come from the taxpayers and, in fact, the ratepayers  
22 are taxpayers.

23           We talked about a lot of state agencies are  
24 paid through the general revenue. Now, general  
25 revenue is the money that's derived generally through



1 the state tax assessment. This is another assessment  
2 mechanism whereby each company, not just Florida  
3 Power, but all of the companies that we regulate,  
4 including the water companies, are assessed a  
5 regulatory assessment fee; and those funds make up  
6 this regulatory assessment trust.

7           Everything that is approved, however, must  
8 go through the legislature. The process is very  
9 similar to the general revenue process in that every  
10 year our salaries and our budget must be approved by  
11 the legislature. To the extent that the legislature  
12 makes cuts in the general revenue, they do the same  
13 thing for our trust fund.

14           Those funding sources aren't treated  
15 differently at all. We don't get paid directly by  
16 utilities. It's just through this funding mechanism  
17 that has been set up in this way.

18           **COMMISSIONER GARCIA:** Regardless of what's  
19 collected through that fund, we don't get that money.  
20 It comes through the legislature. So if the utilities  
21 paid a lot or a little, it doesn't matter. There's no  
22 direct correlation.

23           **WITNESS NUCCIO:** Thank you.

24           **COMMISSIONER CLARK:** I'd like to add  
25 something, too. When we see that that fund is

1 collecting more money than we need, we direct the  
2 utilities to decrease that. So we have decreased the  
3 revenues that are needed because of what the  
4 legislature does. The legislature watches our budget.

5           **CHAIRMAN JOHNSON:** And another question to  
6 follow up or a response following up to the end part  
7 your question where you had suggested that we play  
8 golf or we do activities with the utilities, we are  
9 prohibited by law from doing such and we don't,  
10 whether we were prohibited by law or not.

11           Under the leadership of Commissioner Deason  
12 when he was Chairman, we even restructured ourselves  
13 in such a way to require more than the law would  
14 require with respect to our interactions with the  
15 utility. We don't drink a cup of coffee that they  
16 offer so that there will not be an appearance of  
17 impropriety. We don't play golf with them unless we  
18 pay for our own golf fees. We don't vacation with  
19 them.

20           Those kind of activities are prohibited by  
21 law, and more importantly, we have very, very  
22 strenuous rules at the Commission that ensure that not  
23 only the Commissioners, but even Staff members have a  
24 high code of ethics so that the public will have some  
25 confidence in our ability to serve.

1           **WITNESS NUCCIO:** Thank you. This is -- this  
2 is -- enlightening to me. Thank you very much.

3           My next question is: Do PSC -- and we all  
4 heard earlier about the inadequacies of Florida  
5 Power -- could grant them a rate increase, and that  
6 befuddles me. That's all I have to say. Thank you.

7           **COMMISSIONER GARCIA:** I'm sorry. What was  
8 the question? Forgive me.

9           **WITNESS NUCCIO:** Well, the question was,  
10 sir, that in light of the inadequacy of Florida Power  
11 and its executives to run a sufficient economical  
12 utility, how you can possibly give them an increase  
13 under these aspects; okay? And the other thing is --  
14 never mind. The question has been answered already.

15           **CHAIRMAN JOHNSON:** Mr. -- and it's Nuccio?

16           **WITNESS NUCCIO:** Nuccio, yes.

17           **CHAIRMAN JOHNSON:** I'll answer the last  
18 question that you asked. This investigation that  
19 we're conducting now, it includes both your testimony  
20 and your thoughts and the thoughts of the other  
21 customers, and it also includes testimony that's being  
22 filed on both sides. I understand what the NRC, their  
23 citings that they've made against the Company, and  
24 also the news reports. But what we must do is base  
25 our decision upon information that's in the record.

1           We have to have the attorneys question  
2 Florida Power Corp and question the other witnesses  
3 and provide us with a basis for making a determination  
4 as to whether or not there has been mismanagement. I  
5 know that you are convinced that there's  
6 mismanagement. The reading it in the newspapers and  
7 hearing it on the news and knowing what's happened  
8 with the NRC.

9           We, in the role that we play, it's a  
10 quasi-judicial role. We sit as judges. We have to  
11 have evidence brought to us before we can make that  
12 determination, and that's what we're doing with this  
13 process.

14           Now, I know that doesn't give you all of the  
15 comfort in the world that you need. One of the things  
16 that you've suggested quite clearly, I think, is why  
17 didn't we wait. One of the issues that we're dealing  
18 is with is we know that the costs were incurred, but  
19 we need to find out what caused it.

20           Our concern and one of the reasons why we  
21 have the process that we have is that whatever  
22 decision that we make must be subject to scrutiny by  
23 higher courts. And so the way we've set this up, this  
24 is an interim decision. I know you're paying the  
25 money and you have to pay it every month, but what

1 we've done is made that money subject to refund, so  
2 that when we get to this final decision, if we  
3 determine, based on the record after people have been  
4 sworn in, that they were wrong, then we can refund you  
5 that money and feel a little more comfortable that our  
6 decision can be upheld by the courts if it's later  
7 appealed by the company.

8           Certainly I know that's not the full answer  
9 that you wanted here, because you are paying those  
10 moneys every month. That's why I tried to set this  
11 hearing on an expedited schedule, so we can get to the  
12 answer as quickly as possible, so that we can make  
13 sure we are protecting you and the other customers and  
14 the Company as a whole. Our job is to protect the  
15 public interest, to ensure that you're being charged  
16 fair and reasonable rates.

17           **WITNESS NUCCIO:** To be honest with you, my  
18 thought was that you people weren't looking out for my  
19 behalf. That was my distinct and -- feeling deep in  
20 my heart. (Applause)

21           And the other thing is, has anybody ever  
22 inquired if Florida Power owns the oil companies that  
23 supply them with their oil? Think about it. Thank  
24 you.

25           **MR. SHERVE:** Thank you, sir. Mr. Lippe.

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

4 DIRECT STATEMENT

5 WITNESS LIPPE: Hi. My name is Gordon  
6 Lippe. I live at 791 63rd Avenue South in  
7 St. Petersburg.

8 First a quick comment to Florida Power about  
9 the company that you hired to take care of the trees  
10 and the trimming. They stink. Find another company.  
11 They left -- broke my gate, left trees and trimmings  
12 all over my yard. I come home and find my dog is out.  
13 It's not necessary. But that's totally different.

14 COMMISSIONER GARCIA: Sorry, sir. They  
15 broke property? They broke --

16 WITNESS LIPPE: Oh, yeah. Yeah. My gate  
17 was -- gates were left open and hanging, and they -- I  
18 saw them on the street later that week and asked them.  
19 They said, oh, no, we didn't do that. Okay. Well,  
20 whatever.

21 COMMISSIONER GARCIA: Would you speak to one  
22 of our people before you leave?

23 WITNESS LIPPE: Oh, absolutely.

24 COMMISSIONER GARCIA: The gentleman sitting  
25 right there at the end.

1           WITNESS LIPPE: No problem at all. No  
2 problem at all.

3           I'm here really to kind of say to you as the  
4 PSC that -- and my question that doesn't necessarily  
5 require an answer is -- you know, Florida Power was  
6 fined \$500,000, is being looked at by the Nuclear  
7 Regulatory Committee. They're -- everyone knows that  
8 the top executives have been given raise increases,  
9 that the dividend rates were paid out at an additional  
10 two and a half percent to their shareholders.

11           While Florida Power is the typical '90s  
12 company, how did they solve this? They gouge their  
13 customers. You know, I don't really necessarily  
14 understand how. Also, I don't think a lot of people  
15 realize that Florida Power was able to have a law  
16 passed that says they will always be a profitable  
17 company. I'd personally like my own law passed that  
18 way for myself, you know.

19           I think that an investigation should maybe  
20 happen before rate increases are given. Isn't a  
21 normal rate increase -- if someone asks for a rate  
22 increase, aren't there public hearings like this?  
23 Normally there are. Instead, it was taken and kind of  
24 slid in with the fuel costs, which is done every six  
25 months.

1           But my question to you, the PSC, is: Will  
2 you be as willing to allow with the Telecommunications  
3 Act that was passed by Bill Clinton last year with --  
4 deregulates all the monopolies in all the industries,  
5 including Florida Power.

6           Florida Power is a monopoly. No questions  
7 asked. I have no choice in my power company. Are  
8 you, the PSC, going to be as ready and willing and  
9 quick to act when other companies, whether it be Enron  
10 or Joe Bob's Power Company, comes to you and says,  
11 "Well, we would like to offer other electrical  
12 services for the local area." Will you be as willing  
13 to and as quick to act to say yes to them to put a  
14 little pressure on Florida Power to make their rates  
15 come down?

16           Obviously monopolies feel that, well, with  
17 deregulation it just is going to drive increased  
18 costs, it's going to raise the prices. Well, it  
19 really doesn't. Telephone prices have been coming  
20 down, rates have been coming down all over the place.

21           Are you, PSC, going to be as willing to  
22 allow competition to come in and put a little pressure  
23 on them? Doesn't necessarily need to be answered;  
24 just something to think about.

25           Just wanted to make it quick. And in



1 closing, I would like to congratulate Florida Power.  
2 You know, a lot of people have been getting on them.  
3 I would like to congratulate them, because it takes a  
4 lot of work to make the Nuclear Regulatory's watchdog  
5 list. Congratulations. (Applause)

6           **CHAIRMAN JOHNSON:** Mr. Lippe, there's some  
7 responses to your questions.

8           **COMMISSIONER CLARK:** I just wanted to point  
9 out to you that before President Clinton and the  
10 Congress acted, this Commission recommended to the  
11 Florida Legislature that we needed to open up the  
12 local exchange market to competition, and we  
13 recommended to the legislature that that be done, and  
14 the legislature did it in 1995, a year ahead of the  
15 federal government.

16           So when we see and when we conclude that it  
17 would be advantageous to introduce competition, we are  
18 the first one there recommending to the legislature  
19 that it be done. And we are looking at that. We have  
20 our Staff looking at it. We have held forums to get  
21 an idea of some of the obstacles and things we have to  
22 address, and we are looking at it by our -- through  
23 our Staff, and the Commissioners are very much aware  
24 of what's going on and --

25           **WITNESS LIPPE:** Is there a time frame? I

1 mean, I've heard anywhere between a year to five  
2 years. I think that as this forum has -- and people  
3 have been showing and speaking, I think that process  
4 may need to be speed up a little bit. I think that a  
5 little bit of competition may be a little bit helpful  
6 and stimulate some things to be solved.

7           **COMMISSIONER CLARK:** We are looking at it.

8           **CHAIRMAN JOHNSON:** And you do recognize --  
9 and I'm not certain if you stated it or not -- but you  
10 do recognize that right now Florida law prohibits the  
11 kind of competition in a large scale way, the way  
12 you're referring. It's the law, not the Commission  
13 that's stopping competition from coming into the  
14 state.

15           **WITNESS LIPPE:** I know that. It's that --  
16 that's -- hey, I think that also a law being passed to  
17 guarantee that a company is profitable, that's --

18           **CHAIRMAN JOHNSON:** Well, you made that  
19 point, and let me clarify it. It is, with respect to  
20 Florida law for all of monopoly utilities, that the  
21 utility have an opportunity to earn a reasonable rate  
22 of return.

23           If they were in a competitive environment  
24 they would have an opportunity to earn a reasonable  
25 rate of return, but there's no guarantee. They still

1 have to come in to us and prove that what they did was  
2 prudent, that their investments made sense. They  
3 don't just automatically get the money.

4 If they come in and if they can't prove  
5 their case, then they don't get an automatic profit.

6 **WITNESS LIPPE:** Right.

7 **CHAIRMAN JOHNSON:** They must come in and  
8 make a demonstration, and I think the law was set up  
9 in that way, because with the monopoly there is a quid  
10 pro quo. They are providing a service, and they  
11 are -- they don't have competition. We're supposed to  
12 be the surrogates for competition.

13 But in that way, I guess what the  
14 legislature in their wisdom determined is that, well,  
15 you've got to give them a chance; they aren't  
16 government; you've got to give them a chance to make  
17 money, but you don't have to guarantee it to them.  
18 And that's what we try to do. We give them a chance,  
19 but they have to come in and prove that they deserve  
20 it.

21 In this case through this investigation, if  
22 they don't prove it, and if there was inefficiency or  
23 ineffective management, then they won't be able to  
24 recover those costs. So that's kind of how the  
25 process works. It's a slow process. It's a

1 frustrating process. I understand what you're saying  
2 about the increases already being imposed, but it's  
3 the process that we're dealing with and dealing  
4 through. But we welcome your comments and your  
5 suggestions for change.

6           **WITNESS LIPPE:** I think deregulation needs  
7 to happen a little quicker, put a little pressure on  
8 the big boys. Thank you. (Applause)

9           **CHAIRMAN JOHNSON:** Thank you.

10           **MR. SHREVE:** Thank you. Rosette Walsh.

11   - - - - -

12   **ROSETTE WALSH**

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

15   **DIRECT STATEMENT**

16           **WITNESS WALSH:** Good afternoon, everybody.  
17 My name is Rosette Walsh. My address is 11105 4th  
18 Street East, Treasure Island, Florida, and  
19 unfortunately I am a customer of Florida Power. I am  
20 also president of Florida Consumer Action Network.

21           As far as myself and our members, we feel  
22 that this hearing is an example of putting the cart  
23 before the horse in that you have allowed the increase  
24 without actually getting them to justify the cause of  
25 why the fuel cost increased. (Applause.)

1           We needed to have that independent  
2 investigation prior to everybody having to pay the  
3 bill.

4           In our area we have many senior citizens who  
5 are on a fixed, low income, and we also have a lot of  
6 young families who unfortunately have minimum wage  
7 earners, and while the increase might not be too much  
8 for a Richardson, Korpan or -- Critchfield. It's a  
9 lot of money for these people. And even if they do  
10 get it back at some future time, they have had to cut  
11 their budgets someplace else to pay this additional  
12 money now.

13           One of the things that has not been  
14 mentioned previously is that not only do we pay for  
15 the increase in our own personal power bills, but  
16 we're paying for it in other ways, too. We pay for it  
17 in that our taxes pay for city government, who has to  
18 pay for electricity; county government, state  
19 government, and need we mention the educational  
20 crisis? The schools have no money, but now they'll  
21 have to pay more for their electric also, so we have  
22 increased the burden on them.

23           Florida Power used to be a very progressive  
24 electric company that had pretty good corporate  
25 citizen standing through their aggressive load

1 management program, which was a positive incentive for  
 2 energy efficiency and benefited our environment.

3           However, in 1995 they reneged on their  
 4 consumer commitment and after installing their load  
 5 management equipment in many, many homes, now only  
 6 give the energy credits to the energy hogs and not to  
 7 the poor low income persons who are trying to reduce  
 8 their energy bill so that they can make ends meet.

9           We would like the Public Service Commission  
 10 to remember that they are supposed to be protecting  
 11 Florida consumers and not become a party to the  
 12 financial rape of the customers. Thank you.

13 (Applause.)

14           MR. SHREVE: Thank you. Did Molly Smeaton  
 15 ever come back in; Molly Smeaton we called a good  
 16 while back? (No response.)

17           Frank Lu Bue? (No response.) Frank Lu Bue?  
 18 I believe it's L-U-B-U-E. (No response.)

19                               - - - - -

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25

**DICK HOLMES**

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

**DIRECT STATEMENT**

4  
5 Dick Holmes, H-O-L-M-E-S. I'm here speaking  
6 for the South Pinellas Senior Citizens Club, Pinellas  
7 County's oldest advocacy group, chartered in 1963. I  
8 think the statement just made by the Florida Consumer  
9 Action Network really said just been all I would have  
10 to say in that regard.

11 When it comes to frugal living and senior  
12 citizens, this \$2.23 a month hit is really going to  
13 hurt. We're already being hit with high health care  
14 costs, and prior to even this, some of our senior  
15 citizens have to make decisions on whether to eat dog  
16 food or health care; and now we have to throw this  
17 factor of \$2.23 a month in for electric costs.

18 I'm going to disregard everything I've had  
19 to say here in deference to all the other speakers  
20 that want to come before you and I know that you want  
21 to hear, and go back a little bit and give you a  
22 nuclear power -- a little history from my perspective.

23 Twenty-five years ago I was facing groups  
24 just like this talking about the woes of fission  
25 nuclear power, and a bunch of us young people were

1 feel it as much as anybody else. And you also made  
2 the statement that you have a cogeneration plant  
3 coming on line, or being improved upon or whatever, in  
4 Polk County that's going to be the most efficient in  
5 the country.

6 I would like to recommend that you mothball  
7 Crystal River, take your losses, and go with the most  
8 efficient cogeneration in the short haul until we can  
9 truly assess what nuclear power is going to end up  
10 costing us. But this nickel and diming or pennies add  
11 up, as you say, and \$2.23 a month really needs to be  
12 rescinded and take a look at this whole nuclear power  
13 debacle. And with that, I thank you.

14 MR. SHREVE: Gonzales Ortez.

15

- - - - -

16

GONZALES J. ORTEZ

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

19

DIRECT STATEMENT

20

21 WITNESS ORTEZ: My name is Gonzales J. Ortez  
22 and I reside at 220 6th Avenue North, St. Petersburg.

22

23 In reference to the Public Service, I'm very  
24 disappointed in you. I have been a customer of  
25 Florida Power since 1960, and I have appeared many,  
many times before the Public Service Commission.



1           You should have come to us first and asked  
2 us, and give your -- give our opinions; but you didn't  
3 do that. You remind me of our city council.

4 (Laughter) Exactly.

5           You turn around, you got a company that's  
6 causing -- that's 11 million in debt with the Florida  
7 International -- and who do you want to pay for it?  
8 The taxpayers, and that's exactly what you're doing  
9 with Florida Power Corporation.

10           Now, let me just say another thing here.  
11 This business about the franchise fees, in my opinion,  
12 is a double-dipping. We all pay that. And first of  
13 all, we're talking about St. Petersburg. I don't know  
14 anything about any other municipality.

15           St. Petersburg had the right in our 1931  
16 charter, we had the right before the Florida Power  
17 Corporation could get a franchise raise, it was up in  
18 the public to have a referendum. 1975 our charter was  
19 changed. The people didn't realize they gave that up.  
20 Okay? That's another expense towards us.

21           So it's up to the City Council. And, of  
22 course, I known already what the City Council is going  
23 to do. They're going to turn around and they're going  
24 to raise the franchise fee. They just raised it last  
25 year, so that's another burden on the taxpayers. They

1 in return get it from us, give it to the Florida Power  
2 Corporation. Florida Power Corporation then turns  
3 around and gives it to the City. So where in the  
4 world are they paying their taxes for the use of our  
5 streets? And I consider this as very unfair. And  
6 there's other taxes included in this. Why, Florida  
7 Power is having a wonderful time on us.

8           You know, years ago it was a treat to do  
9 business with Florida Power, but at the present time  
10 it certainly is not, because the fact is that the  
11 Florida Power Corporation -- and as a resident of this  
12 city since 1960, I see a difference in this Florida  
13 Power Corporation. I see things that I never saw  
14 before, and this is a good example of what Florida  
15 Power is doing.

16           Florida Power -- and if the State keeps on  
17 allowing this to go on, you'll be losing residents of  
18 the state of Florida, and that's within jurisdiction  
19 of these people. Florida Power Corporation, in my  
20 opinion, is too busy worrying about other problems,  
21 dealing in other problems when they should be taking  
22 care of this matter.

23           Years ago I came before this board. I was  
24 opposed to this nuclear plant. They turned around and  
25 said it was going to be a very cheap thing for us; we

1 were all going to benefit. Well, I never believed  
2 that, because Turkey Creek, I believe up in -- towards  
3 Miami with Florida -- with the Public Light up there,  
4 they had their troubles, and we're having our  
5 troubles; and it's unfortunate that we are having  
6 troubles.

7           And the fact is that Florida Power  
8 Corporation is responsible for the safety and the  
9 welfare of the people of this area who they serve, and  
10 if they feel that they can't handle this business, my  
11 advice to the Florida Power Corporation, leave.  
12 Leave. You do me a favor. (Applause)

13           And I would see -- that's what I would like  
14 to see. I would like to see competition. They have  
15 monopolized us a long time. And the Florida Power  
16 Corporation today is only concerned about their  
17 stockholders and their board of -- their head of  
18 the -- people who run the building; run the situation.  
19 That's all they're interested in.

20           We people who work hard, who live on  
21 pensions, the young people that receive very few  
22 moneys, the elderly people that live on -- does the  
23 Florida Power Corporation consider those people who  
24 have to have it? They don't consider that. There was  
25 a time when Florida Power Corporation had a heart, but

1 Florida Power Corporation, turn around and say, "Well,  
2 it's none of your business," it is our business.  
3 Without our paying the bills, you wouldn't be here.  
4 And I sure would like to see them go, to tell you the  
5 truth, and I hope we do get competition.

6 I've been waiting for this for a long time  
7 because Florida Power, in my opinion, has never did a  
8 good job, is the way I see it. And I know one thing  
9 that -- I wish we had another Paula Hawkins. She was  
10 the lady that knew how to handle this company. She  
11 never let them get away with it, and that's what we  
12 need today.

13 And I say one thing more. I said I hope  
14 that you make the correct decision in reference to  
15 this, and I feel like as if you have deserted us. You  
16 have deserted me. I can't speak for the other people.  
17 And I'm very ashamed that you did this to us.

18 And I think that also I want to thank  
19 Representative Sullivan, who has also tried his best  
20 to have the Attorney General to look into this mess.  
21 This should have been done properly. You are here to  
22 represent us, and I feel that you have deserted us.  
23 (Applause)

24 UNIDENTIFIED SPEAKER: Should Mrs. Johnson  
25 call a meeting?

1 represented about 24.4% of the net operating income of  
2 the building. In 1996 that increased to 27.1% of the  
3 net operating income, a 17% increase.

4           So far for the first quarter of 1996 versus  
5 the first quarter of 1997, which doesn't include this  
6 recent rate increase, the costs have gone up in  
7 downtown St. Pete some 10%. Those costs get passed on  
8 directly to the tenants.

9           The same type of relationships exists in  
10 other cities in Florida as well as throughout the  
11 southeastern region and for suburbs as well as office  
12 buildings in downtown areas.

13           My point is that we are in a competitive  
14 situation in Pinellas County vis-a-vis all the other  
15 counties in Florida in attracting businesses and  
16 companies and families to our area, and to the extent  
17 that our rates that we pay here are disproportionate  
18 to those other areas, we cannot attract new  
19 businesses, new families, upscale jobs or keep our  
20 current employment. In fact, we lose companies to  
21 other areas because their costs are less.

22           Electricity represents about 27 to 39% of  
23 net operating expenses, as I've said. This is the  
24 single largest component of operating costs that gets  
25 passed on to these tenants, and every time we have to

1 do a rate increase, the property managers hear about  
2 it. We very quickly get priced out of the market for  
3 incoming tenants when one-third of our budget  
4 increases are going up faster than our competitors.

5 I would also mention that per a Jacksonville  
6 Electric Authority newsletter, spring of 1997, there's  
7 a chart in there about Florida residential rates, and  
8 it lists the 10 Florida cities and their costs and  
9 shows that for a 1,000 kilowatt cost average for the  
10 12-month period of April 1996 through March of 1997 --  
11 here again, not reflecting this current cost  
12 increase -- that the costs ranged from \$87.72 for  
13 Tallahassee and \$87.67 for St. Petersburg, downward to  
14 \$69.36 for Pensacola and \$68.65 for Jacksonville.

15 St. Petersburg paid over \$18 more per month  
16 than Jacksonville or Pensacola, and over \$14.00 more  
17 per month than Lakeland. This creates that disparity  
18 I'm talking about that stymies economic development in  
19 Pinellas County. This \$18 -- or 14 -- rather \$18.00,  
20 is about 27% more than Pensacola or Jacksonville  
21 residents pay. That's a significant difference.

22 Due to this cost disparity, our Pinellas  
23 County, economic development efforts are stymied. We  
24 don't make the short list of city choices when costs  
25 of operations are compared. As a commercial real

1 estate professional, we deal with companies that come  
2 from New York, Pennsylvania, Minnesota, St. Louis, all  
3 around, and they look at all the cities in Florida and  
4 they look at the quality of life and they look at  
5 costs, but when the realtor or the broker that's  
6 representing that company says, hey, here are the  
7 costs, St. Petersburg and Pinellas County gets cut at  
8 the long list; never makes it to the short list.

9           That hurts the people in Pinellas County.  
10 Again, Pinellas County is priced out of the market for  
11 business relocations. We're priced out of the market  
12 for family relocations where people might choose to  
13 reside or retire or come here to seek a job and we're  
14 priced out of the market for quality education.

15           Our schools use a disproportionate share of  
16 their funds locally for the funds that they get from  
17 Tallahassee for electricity compared to other cities  
18 in Florida. That means fewer teachers can be  
19 employed. That means higher teacher-pupil ratios.  
20 That means lesser quality of education, and it means  
21 less teaching materials for the teachers to use in  
22 teaching those children.

23           All this boils down to one basic tenet or  
24 whatever, and that is, it means fewer employment  
25 opportunities for the 850,000 citizens living in

1 Pinellas County.

2 I would ask that you roll back the rate  
3 increase, and I would ask that you give Pinellas  
4 County parity when it comes to rates, and gets the  
5 situation on a level playing field where the citizens  
6 of Pinellas County can interact with the rest of the  
7 state on a fair basis. Thank you.

8 MR. WHEELER: Rose Marie Gasser.

9 - - - - -

10 ROSE MARIE GASSER

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

13 DIRECT STATEMENT

14 WITNESS GASSER: Hello. I'm Rose Marie  
15 Gasser of 12425 6th Street East, Treasure Island. I  
16 would like to say, first of all, thank you very much  
17 to Senator -- I mean Representative Crist and Senator  
18 Sullivan and, also, I'm so happy to hear that  
19 Butterworth is going to help us, the average citizen.  
20 I will say ditto on the speech of my predecessor. I  
21 think his name was Mr. Short. Also Rosetta Walsh and  
22 Mr. Holmes.

23 I would like to say, looking over my notes  
24 to not be redundant of everything else that went  
25 before, I do not want Crystal River opened unless I am



1 shown a change that there will be a little more  
2 responsibility. Not a little more, a lot more  
3 responsibility shown by the management of Florida  
4 Power.

5 I would like to put into the record the  
6 little pamphlet they have on their information table  
7 in the back, and it is said "Why our nuclear plant is  
8 temporarily out of business." I have written in  
9 again. I looked at this brochure this morning and I  
10 saw that it started, of course, with the latest  
11 closure explaining "since September '96".

12 I moved here in '86, and I moved here in  
13 fear. I had lived in Germany and Chernoble had  
14 occurred, I believe in October of '86. I left in  
15 December. I know people say, oh, there, she's a  
16 flake, she's worried about all this stuff, one of  
17 those antinuclear people.

18 Well, when you see what happens -- I was  
19 1,200 miles away from Chernoble, and the radiation  
20 blew our way. Children were not allowed out to play.  
21 There was food panic. All the food that was already  
22 processed people would buy, steal, whatever they  
23 could, because they knew that the future food was  
24 going to be irradiated.

25 I was with American Corporation. All of the

1 people who had children under 12 asked for transfers  
2 because the scientists said that they would be  
3 irradiated, they would have strontium 90 in their  
4 bones and everything else, and all probabilities of  
5 long-range leukemia.

6           And what I would like to say, it says here  
7 on this little pamphlet that they are trying to  
8 conform to the hypothetical emergency situations  
9 divined by the NRC, and some of these situations have  
10 a statistical probability of occurring once in 11.6  
11 million years. Well, I've seen Murphy's law, and if  
12 they have done so badly in the past, Murphy's law is  
13 certainly going to sit on us.

14           And the next thing is Julia Johnson, or  
15 Ms. Julia Johnson, our Chair, you have said at least  
16 eight times when I was paying attention that you are  
17 interested in fair and honest rates. I don't think  
18 that we have been treated too fairly as our  
19 predecessor -- I don't know the gentleman. I think  
20 his name was Mr. Short -- said, why does Pinellas  
21 County have the highest rates in the state?

22           And I -- you said you will see that we'll  
23 have those fair and honest rates. I also want you to  
24 worry about my safety and the safety of the  
25 1.3 million households and about 4 million people, and

1 if something happens there at this nuclear lemon, as  
2 Ralph Nader called it in 1991, and that we're at the  
3 bottom of the watch list of the 18 power -- nuclear  
4 power plants in the southeast, what will happen? This  
5 might go everywhere, even where you live. So be  
6 careful.

7           **MR. SHREVE:** Thank you. Mr. Glenn Phillips.  
8 Glenn Phillips. (No response.) John R. Kapili,  
9 K-A-P-E-L-I, I believe. (No response.) I might  
10 explain, it's a little hard sometimes in pronouncing  
11 the names. The ones that I pronounce correctly are  
12 the ones that I made the decisions on. The ones that  
13 I'm missing, Commissioner Garcia and Commissioner  
14 Deason helped me with those. (Laughter.)

15           Phyllis Dutrow? (No response.) Karen  
16 Starks?

17           - - - - -

18           **KAREN STARKS**

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

21           **DIRECT STATEMENT**

22           **WITNESS STARKS:** My name is Karen Starks. I  
23 live at 1134 Jackson Street North in St. Petersburg.  
24 I, like a few of my predecessors, are far more  
25 concerned about what this plant can do to our

1 environment, to our children, to all life on this  
2 planet. It goes beyond money. Money and greed might  
3 be what is behind it, but the issues here are what are  
4 the results of that.

5 Florida Power has not proved to me that they  
6 are capable of handling this responsibility, and I am  
7 not willing to put my life in their hands. I don't  
8 care about their rate increases. What difference does  
9 it make what they charge if we're not here to enjoy  
10 it?

11 I know that many people in this world live  
12 without electricity. Quite frankly, I've become used  
13 to it. I like it. I enjoy having a refrigerator. I  
14 ripped the air conditioners out of my house, and as  
15 far as the people who go up north and leave their damn  
16 air conditioning burning, I have a few words for them,  
17 but I shan't impose that upon you. (Laughter)

18 I don't believe in waste, but I happen to  
19 know that we are an intelligent people, that we of all  
20 the creatures of this planet have been given the  
21 intelligence to change our environment and to create a  
22 better life for us and our children; and within our  
23 hands -- this is not utopia, this is disaster, and it  
24 is only one of many evils.

25 And I am not putting Florida Power down in

1 any way and, quite frankly, if you want to raise my  
2 rates, that's just fine, but you give me a better  
3 place to live, not a worse place or a place where life  
4 is not capable of living. Thank you. (Applause)

5 MR. SHREVE: Thank you. Bradley Gray?

6

7 BRADLEY GRAY

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

10 DIRECT STATEMENT

11 WITNESS GRAY: Madam Chairwoman,  
12 Commissioners, representatives from Florida Power, the  
13 PSC, I think I've covered everybody now who is here  
14 under duress. I would acknowledge our senator who  
15 unfortunately had to leave, probably the only friend  
16 until he had to leave, obviously because of his  
17 schedule, who was the only friend that we have in this  
18 room, because we are hostages.

19 Now I'm going to speak for 60 seconds. Has  
20 that got your attention? And then I'm going to leave  
21 this microphone.

22 We are being held hostages, myself and  
23 everyone else seated behind me. We are hostages of  
24 your electric meters. And when this meeting adjourns  
25 you're probably going to go to lunch, and it's a good

1 possibility that a number of you 30 minutes later will  
2 have totally forgotten about us. That's not to say  
3 you're going to go away. You're going to physically  
4 go away, but those monthly rate increases and hikes  
5 are not going to go away. Don't forgot about us.

6           And I'm speaking now not so much to the  
7 people in front of me as I am to my neighbors behind  
8 me. There is a grassroots organization being  
9 organized right now as I speak here in Pinellas  
10 County. Let me use an acronym. It's called PRICE,  
11 P-R-I-C-E. PRICE stands for Pinellas Residents  
12 Investigating Costly Electricity.

13           I hope you remember us, and I hope everybody  
14 listening to me in this room right now remembers this  
15 organization, because we are not going to go away, and  
16 we are growing. It's a group of people who are simply  
17 fed up. And I invite anyone in this room who has a  
18 pen or pencil in their hand to take down a phone  
19 number right now and they can get in touch with this  
20 organization. It's a St. Petersburg local number;  
21 392-5763, PRICE, Pinellas Residents Investigating  
22 Costly Electricity. I'll repeat that number.  
23 392-5763.

24           And to the ladies and gentlemen who are  
25 seated behind me who have come here today as I have

1 because we are concerned about what these people are  
2 doing to us, let's get motivated, let's get organized.  
3 Let's not let this go out of our minds the moment we  
4 leave this room.

5 I would like to think that this meeting has  
6 an effect upon these people, but it may not; but if we  
7 organize, we can make it do that. Thank you.

8 MR. SHREVE: Thank you. Ruth Swain.

9 WITNESS SWIM: Ruth Swim.

10 MR. SHREVE: Swim. I'm sorry.

11 - - - - -

12 RUTH SWIM

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

15 DIRECT STATEMENT

16 MR. SHREVE: Swim, I'm sorry.

17 WITNESS SWIM: Good afternoon. My name is  
18 Ruth Swim. I'm a resident at 516 12th Avenue  
19 Northeast, St. Petersburg. I've been here in Florida,  
20 a resident, since 1989.

21 And most or everything that I would have  
22 said or acknowledged has already been said and it  
23 doesn't need to be said again; that increases came  
24 before hearings; there were estimates that were  
25 outrageous, and then three days later they were

1 doubled. And I feel like Will Rogers who says "All I  
2 know is what I read in the newspaper," and it's really  
3 very frustrating and frightening.

4 I would like to especially say that I  
5 appreciate the people who have spoken out on the whole  
6 aspect of nuclear energy. I have long been a "no  
7 nukes" person. I was when I lived in Maine before I  
8 came to Florida and I still feel that way.

9 As one of the gentlemen said, they promised  
10 us cheap, very cheap, electricity. It would be safe.  
11 It would be regulated, this and that; but everyone  
12 knows that there's no place on this planet to dispose  
13 of nuclear waste. And I, for one, would sleep better  
14 if I lived in Crystal River knowing that that plant  
15 was down, and I hope they never get it going again. I  
16 really do.

17 If there's an alternative, if there's  
18 another location with another means of operation, I  
19 would be all for it, but I think we need to take all  
20 these things into consideration. It isn't only money.  
21 It isn't only \$2.22. The increases come harder on  
22 many of us who are retired people, and -- but I think  
23 the element of safety -- we hear a lot about ecology,  
24 about acid rain, of industrial waste, pollution of the  
25 air and the waterways. Even our automobiles have to



1 be tested for emissions.

2           We're all out to protect our environment,  
3 but then when I read in the paper that there are  
4 millions and millions of dollars that have to be spent  
5 on either creating or prolonging something that's a  
6 hazard to all of us, that's where I really get  
7 frightened. And I think that each one of you here  
8 will do what you can to reverse the major issue right  
9 here and now, the rate increase, and -- but it's not  
10 the people or the issues. It's -- it goes much  
11 further than that.

12           And I think we should all be grateful that  
13 we live in a country where we can get together like  
14 this and express our feelings. There are many parts  
15 of the world where you couldn't get -- where you  
16 wouldn't be allowed to stand up and say what you  
17 thought. So we should be grateful for that. Thank  
18 you very much. (Applause)

19           MR. SHERVE: Thank you. Jay Slimmer -- it  
20 Looks like S-A-L-L-M-A-R. It's at 35 West 36th  
21 Avenue, I think.

22           COMMISSIONER GARCIA: You should have had  
23 Commissioner Deason help you with a few more of those  
24 names.

25           MR. SHERVE: He helped me with this one. 35

1 West 36th avenue. Anyone? (No response.)

2 Winnie Foster?

3 UNIDENTIFIED SPEAKER: She had to leave.

4 MR. SHEREVE: Okay. Thank you. Gary Hugh  
5 Arnold. Gary Hugh Arnold. (No response.)

6 Nancy Whitman?

7 UNIDENTIFIED SPEAKER: She left.

8 MR. SHEREVE: She left. Okay. One thing I  
9 would like to say, it's tough when you have people  
10 that have to stay so long and they can't really stay,  
11 but it is great that we have the size crowd that we  
12 do. So it does become inconvenient for the people  
13 towards the end of the time. It's much, much better  
14 than having one or two people show up and not have any  
15 crowd here to show the Commission exactly what their  
16 feelings are. So although -- it really cuts both  
17 ways. I think it's great that we had that size crowd.

18 Bill Wright -- Bill W-U-G-H? W-R-I-G-H? At  
19 1647 Lake Avenue. (No response.)

20 Dee Billings?

21 UNIDENTIFIED SPEAKER: She left.

22 MR. SHEREVE: Okay. Thank you. Mary  
23 Scribner?

24 UNIDENTIFIED SPEAKER: She left.

25 MR. SHEREVE: Monte Belote.

1 UNIDENTIFIED SPEAKER: He stepped out for a  
2 minute.

3 MR. SHEREVE: Okay. We'll get him when he  
4 comes back.

5 UNIDENTIFIED SPEAKER: Some of these folks  
6 had to go earn some money to pay for the increases.

7 (Laughter)

8 MR. SHEREVE: Okay. P. D. Lacey? (No  
9 response.) Joan or JoAnne Deguire, D-E-G-U-I-R-E?

10 - - - - -

11 JOAN DEGUIRE

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

14 DIRECT STATEMENT

15 WITNESS DEGUIRE: My name is Joan Deguire,  
16 D-E-G-U-I-R-E, 7200 17th Lane North, St. Petersburg.

17 And, yes, I'd like to advise you against any  
18 increase certainly until Florida has proved to be more  
19 competent than they are right now. And it's  
20 absolutely appalling in -- one of the talks that we  
21 had preceding this meeting was a lovely talk by the  
22 Florida Power gentleman. He said trust and  
23 confidence. And I would like to have trust and I  
24 would like to have confidence, but I -- it has not --  
25 I haven't seen very many examples of it, and I'm

1 appalled that the executives of Florida Power have  
2 been granted such huge increases.

3 I've never known of a company -- and I've  
4 worked for many years -- where you were given an  
5 increase when you were incompetent and mismanaged your  
6 company, and I'm very sad about that. I won't  
7 continue to talk. Some other people, Mr. Hunnicutt in  
8 particular, has spoken very eloquently, and -- but I  
9 would like to say that I think that the -- what you  
10 make, your salary, your bonuses, whatever, should be  
11 based on the performance of your company.

12 That's the only incentive these people will  
13 have, and that hasn't proved true in this case?  
14 Unless you think that I'm negative, I am a  
15 stockholder, and -- but I would like to see the  
16 Company do well, but I do not think they should be  
17 granted any increase until they have proven their  
18 competency. Thank you. (Applause.)

19 MR. SHREVE: Thank you. Mr. Lacey?

20

- - - - -

21

22

23

24

25

1                   **DAVID D. LACEY**

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

4                   **DIRECT STATEMENT**

5                   **WITNESS LACEY:** My name is David D. Lacey,  
6   L-A-C-E-Y, 6100 21st Street North, A-16 In Town  
7   Apartments North.

8                   I'm a small stockholder in addition to being  
9   a consumer. I have a measly 150 shares. I had hopes  
10   that Florida Power would be a good company and a  
11   profitable one, but personally I think they're  
12   indifferent, not only to the consumer, but to the  
13   stockholder.

14                   In regards to the indifference to the  
15   stockholder, I cite to the holding of their last two  
16   meetings, last year in Missouri and the previous year  
17   in Texas. I called up twice last year asking how many  
18   stockholders they had in the state of St. Louis -- I  
19   mean, the state of Missouri, and I was promised that  
20   information, which I never did receive.

21                   I'm sure they did that to avoid criticism  
22   from if they had their meeting here in St. Petersburg  
23   where a majority of the stockholders would be present  
24   to criticize management procedures, pay -- unjustified  
25   pay increases in view of their poor management

1 procedures.

2 I think it's entirely wrong. I agree with  
3 those previous speakers who have criticized pay  
4 increases for Jack Critchfield and other executives  
5 and increased pension rights in view of their  
6 performance.

7 As to indifference, I cite not only their  
8 not replying to my inquiry about the meeting in  
9 St. Louis, but one time when I was up north and I was  
10 ill and in and out of the hospital and delayed paying  
11 my bill until the date it was due, I received promptly  
12 a notice that if it was not settled, they would turn  
13 it over to a collector.

14 However, a couple years later when I  
15 received a bill for \$70.00 and had spent only a few  
16 days that month in Florida, I wrote back directing my  
17 reply "Maintenance Department, Meter Reader or  
18 Whoever, this is much more than I would consume in an  
19 entire month."

20 The next month I received from the \$70  
21 previous bill a credit for 65. I wrote back saying  
22 "It will be six months before I return, and I would  
23 appreciate it if you would send me a check." I  
24 resented their using my money to make a profit. And I  
25 did not receive any apology for the error in their

1 bill estimate. Those are two criticisms I have to  
2 offer as to their indifference.

3 I was also a participant in the load  
4 management fee when they first offered it. Then when  
5 they jacked up the consumption, I called them up and  
6 had them remove the control, because I was not going  
7 to subject myself to having my service cut off at an  
8 inconvenient time when it wouldn't permit me any  
9 savings.

10 And I strongly object to these extension of  
11 benefits, too, and pay increases. I think that  
12 concludes what I have to say. Thank you.

13 MR. SHREVE: Thank you, sir. Monte Belote?

14 - - - - -

15 MONTE BELOTE

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

18 DIRECT STATEMENT

19 WITNESS BELOTE: Good afternoon,  
20 Commissioners. I had a long-winded presentation, but  
21 having been through three and a half hours of  
22 testimony at this point, I think we'll try and do this  
23 in 30 seconds or less.

24 The major issue before us is not just about  
25 a broken pipe, as Florida Power suggests. It's more

1 like a pipe dream, or better, a pipe nightmare. If  
2 the ongoing outage of Crystal River 3 was really about  
3 fixing a pipe, that would be one thing, but instead,  
4 Florida Power says, "Oh, and by the way, we're going  
5 to make some major repairs that could have or should  
6 have been done 10 years ago before the Nuclear  
7 Regulatory Commission is about to shut us down."  
8 Well, that might be more likely.

9           The plant has been down before and, properly  
10 managed, the plant should have made those  
11 modifications during one of their planned outages. A  
12 properly managed company would maximize the on-line  
13 performance of their plants, and if a problem arises,  
14 it should be brought -- repaired safely, of course,  
15 and then brought back on line in a timely manner. But  
16 you only have to look at your electric bill and look  
17 in this room to know that that's not the case.

18           Clearly, Florida Power Corporation  
19 mismanaged this outage and their nuclear plant, and  
20 Florida Power should pay for their own mistakes, not  
21 Florida's customers. Thank you.

22           MR. SHEREVE: Thank you, Monte. Mr. William  
23 Ellis?

24  
25



## 1 WILLIAM ELLIS

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

## 4 DIRECT STATEMENT

5 WITNESS ELLIS: William Ellis, 936 29th  
6 Street North, St. Petersburg, Florida.

7 I like what you said. I heard what Monte  
8 said. I'm not an eloquent speaker, and I think he  
9 said some good things in a good way.

10 All righty. I've listened to a lot, and I  
11 apologize to be redundant on some things, and I  
12 promise not to be too long-winded. You're here  
13 getting testimony and there might be a couple nuclear  
14 engineers in here. I don't think so. And I think the  
15 only thing we can give you is we're upset, and why  
16 we're upset is simply because we can understand this  
17 to some degree.

18 We're upset because we perceive there's  
19 mismanagement. I mean, here -- I picked this up  
20 today. We were directed to look at the brochure, and  
21 I highlighted some points where it discusses that  
22 there are violations that they had, mismanagement.

23 It said "These violations, however, are not  
24 related to why it's out of service." If you have an  
25 automobile -- which I'm sure most of the you do --

1 let's say you don't change your oil, but you do  
2 everything else. You take care of your car pretty  
3 well except for changing the oil. You never do it.  
4 Something else could go wrong because you're not  
5 taking care of that one area. I mean, again I'm not a  
6 nuclear engineer, but this is a plant, it's a machine,  
7 and if you mismanage some parts, how is that not going  
8 to affect some other portion of it? That's lost upon  
9 me.

10 And they said here that they've made some  
11 changes in management team. If it isn't broke, don't  
12 fix it. Right? Something is obviously wrong.

13 UNIDENTIFIED SPEAKER: Right.

14 WITNESS ELLIS: Right. Thanks. The thing I  
15 also want to ask about -- since what we're giving here  
16 is emotional testimony, and I think is really meant  
17 for the most part to make us feel better that we're  
18 being listened to to some degree -- and I really do  
19 appreciate that. Muttering over the newspaper hasn't  
20 been very satisfying, but this makes you feel a little  
21 better.

22 The evidence that you need is going to come  
23 from experts, people that go in and take a look at  
24 things, right? And you have experts that say they are  
25 wrong; they've messed this up. (Indicating) You have

1 experts to say you're not, right? (Indicating) You  
2 do. Are you all going to decide which of these two  
3 experts are wrong or lying, and I'd like to know how  
4 are you going to do that?

5 I mean, you're equally qualified as we are  
6 to make a decision of who is a good expert in nuclear  
7 engineering. How in the world is the burden of proof  
8 that you have going to be satisfied? Now, I think  
9 that's probably my biggest question.

10 And second of all, I also want to ask just  
11 for my, I guess, strange curiosity, how much interest  
12 are we going to be paid on our money that we give,  
13 that we're being charged now that might be given back  
14 to us, because I'd like to do something with that  
15 money now? That's pretty much it.

16 CHAIRMAN JOHNSON: I think your first  
17 question went to our role as judges.

18 WITNESS ELLIS: Yes.

19 CHAIRMAN JOHNSON: And how do we evaluate  
20 the evidence. There are numerous factors. One,  
21 you're right; we weren't nuclear engineers, we're  
22 attorneys and accountants. We have engineers on staff  
23 who will be assisting us in making recommendations,  
24 and we will listen to the engineers and the testimony  
25 of the witnesses that will be put forth before us.

1           They will present their case. They will lay  
2 out their case. Part of their case will be educating  
3 us as to what they think went wrong and why. The way  
4 that our staff is set up, we have engineers that will  
5 analyze, critically analyze, all of the evidence  
6 that's put forth, all of the proof that's put forth,  
7 and they, too, will make recommendations to us. But  
8 we'll use our own independent judgment to evaluate  
9 that and make our determination. That's how we do it  
10 on all of our cases.

11           Certainly several of the commissioners  
12 sitting here have been involved in utility regulation  
13 for 15 years or more. I've been involved for about  
14 five years. But given the process that we've set up,  
15 the way we will have them come in and actually --  
16 there'll be a hearing. The attorneys will cross  
17 examine and put on -- first the attorney will put on a  
18 case. Then Jack Shreve might cross examine that case.  
19 So we'll have a very deliberative process to try to  
20 get to the facts and to the answers, and then we'll  
21 make a recommendation based upon the professional  
22 opinions, the Staff opinions, and then our own  
23 professional judgment.

24           With respect to the question about the  
25 interest, do we know the exact amount or -- oh. I

1 guess we won't know until that determination is made.  
2 It's the commercial -- the paper rate, I believe?

3 WITNESS ELLIS: So we're going to get -- we  
4 are going to get interest for this money that's  
5 being --

6 CHAIRMAN JOHNSON: Oh, certainly.

7 WITNESS ELLIS: Okay.

8 CHAIRMAN JOHNSON: And I don't know. Is  
9 there any use -- or any sense in telling him what it  
10 is now to give him a gauge?

11 MS. BASS: It's 30-day commercial paper  
12 rate, so it changes on a monthly basis, and it's done  
13 on a monthly basis. The interest is calculated based  
14 on that rate.

15 COMMISSIONER DEASON: That rate is reported  
16 in the Wall Street Journal.

17 WITNESS ELLIS: Okay. Great. But thank  
18 you. Thank you all for your attention.

19 CHAIRMAN JOHNSON: Thank you.

20 MR. SHERVE: Thank you very much.

21 (Applause.)

22 Mr. Jerry Dempsey? (No response.)

23 Mr. Dempsey? (No response.) Bonita Agar? (No  
24 response.) Bonita A-G-A-R, or possibly A-G-A-N? (No  
25 response.)

1 George Cherbonnier? George Cherbonnier,  
2 C-H-E-R-B-O-N-N-I-E-R? (No response.)

3 June Young?

4 - - - - -

5 JUNE YOUNG

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

8 DIRECT STATEMENT

9 WITNESS YOUNG: Hello, everyone. I'm June  
10 Young, and I was here two years ago.

11 I don't like speaking at meetings like this.  
12 It didn't do any good two years ago. I was here to  
13 speak with you, Chairman Johnson, and the rest of the  
14 you about the load management. And I never did hear a  
15 word, but I understand in October you turned us all  
16 down.

17 We were here in the summer and we had to  
18 wait until October to find out, because we were going  
19 to get interest back and all that, but I understand  
20 you turned us all down in October, so we never had any  
21 change in the load management when they took it away  
22 from us.

23 I was getting -- most people were getting  
24 around 9 to \$12.00 a month, and on a big bill, I think  
25 mine went down to 97 cents. So I waited until last

1 month and had it all taken out of my house because  
2 someone brought up the fact that our load  
3 management -- also we were paying the bill to have the  
4 little box have the light on and off, and -- so I did  
5 stick with you pretty long.

6           So I wanted the people here to know if you  
7 have a load management box, I'd suggest you have them  
8 take it off, because they're getting a chance to turn  
9 your power out when they need it, but you're not  
10 getting anything back much, a few cents a month,  
11 maybe, unless you're a big user. So check your load  
12 management boxes and get them off. I waited two  
13 years.

14           The other thing is, Julia, Mrs. -- Chairman  
15 Johnson, it bothered me that you are considering this  
16 only on a fuel management type thing, because first of  
17 all, Florida Power -- and I am a stockholder. It's a  
18 sluggish stock. It doesn't really amount to much at  
19 all even if they give an increase. It's nothing like  
20 the stock market is going crazy. Anything similar,  
21 you know, that I had years ago is worth tons more.  
22 It's not worth much to stockholders.

23           When they became Florida Progress, I think  
24 they've been able to hide what they're doing in  
25 Florida Power inside Florida Progress, and hard for

1 you to see what's going on in Florida Power --  
2 (Applause) -- because I think they're making a lot of  
3 profit in Florida Power and losing it in Florida  
4 Progress, and I think it's -- they own the Barnett  
5 Bank building. We don't call it the Florida Power  
6 building. They own a lot of property, and I think  
7 that in considering them, you need to separate them  
8 from Florida Progress.

9 I think -- I like to take my utility bill  
10 and just hold it up. We have another apartment and it  
11 was empty, so we were going to leave our electricity  
12 on but turn it all off. It would have cost me, I  
13 think, 11 or \$12.00 a month to turn it all off and  
14 continue to work with Florida Power on it for this  
15 reason. We have an \$8.95 charge a month to have  
16 someone read the meter even if we don't use the  
17 electricity, and that also brings in some taxes with  
18 it.

19 It used to be \$5.95 a month to read the  
20 meter. I've seen the man come around. I bet he makes  
21 an awful lot of money to make \$5.95 a month to read  
22 everybody's meter, but now he's getting \$8.95 a month.  
23 So Florida Power increased it \$3. I don't think that  
24 meter reader is getting all that money.

25 I think there are a lot of costs in that



1 bill other than the fuel costs that we -- that they  
2 have padded it with. For one thing -- and utilities,  
3 we pay a lot to the City of St. Pete to take our trash  
4 to the waste management company. They burn it up and  
5 they sell it to -- they sell the power to Florida  
6 Power and we pay again to get that energy back on the  
7 other bill.

8           And so -- and then the other thing, let's go  
9 to the nuclear management part. The nuclear plant  
10 when it was begun was supposed to be an economy. And,  
11 incidentally, I'm speaking with facts. It says on  
12 this thing "Let's hear your feelings." I'm trying to  
13 stick with facts, okay, because I think you're a  
14 factual kind of person.

15           I'm sure that when they built that nuclear  
16 plant it was considered by the federal government as  
17 something that would help the people, and I'm sure  
18 they probably had all kinds of grants to help them do  
19 it. I'm sure along the way they had a lot of benefits  
20 for building that plant, and now that it's gone sour,  
21 they want to turn to us and say, well, it went sour,  
22 so now you pay the bill.

23           I think that they took their chances then,  
24 and they should be paying the bill on that nuclear  
25 plant now if it's not working, and if they're going to

1 close it or whatever.

2 But the main thing I'm saying is the bottom  
3 line is, look at who's making the money and who's  
4 paying the money; and you can't just say the fuel, the  
5 fuel bill.

6 Years ago the Commission did find out that  
7 Florida Power was buying its own fuel from somewhere  
8 else, and I think in your history you will see that  
9 there was a big scam that went on, and they found out  
10 that Florida Power was buying the fuel from themselves  
11 and charging a lot more than it was worth when they  
12 put that fuel charge on our bill. And we're finally  
13 refunded a little bit. But many, many years ago, so  
14 that's what I'm just saying.

15 And I appreciate your being here, but I  
16 think we do need to deal in facts, and you need some  
17 detectives to check on Florida Progress and Florida  
18 Power, and I don't think a utility should be able to  
19 create a big corporation and hide themselves  
20 underneath it.

21 I don't know if there are any others in the  
22 nation that do that, but I don't think they should be  
23 earning our money, and they should be having real  
24 estate and insurance companies. These are all facts.  
25 And I think they've muddied the water all along when I

1 see my bill with all those different things and then  
2 the taxes to go up with them.

3 So I appreciate it. Thank you very much.

4 (Applause.)

5 MR. SHREVE: Thank you.

6 CHAIRMAN JOHNSON: Thank you.

7 MR. SHREVE: Jay Lasita.

8 - - - - -

9 JAY LASITA

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

12 DIRECT STATEMENT

13 WITNESS LASITA: Hi. I've been in the  
14 middle of a City Council meeting all morning, so I  
15 don't have anything particularly prepared on paper,  
16 but I'm going to just give you a few comments from the  
17 heart.

18 My name is Jay Lasita. I'm on the City  
19 Council here in St. Petersburg. And I was -- attended  
20 a portion of the meeting last night, and I was struck  
21 by a couple comments that were made.

22 First there was a Mr. Acton. He works at a  
23 convenience store. He's a retired -- he retired to  
24 Florida and apparently did not have enough retirement  
25 to just make it on his resources, so he took a job at

1 a convenience store. The man makes \$5 an hour.

2           The cost of the average bill is going to go  
3 up to the point where he'll have to work an extra  
4 hour, roughly, a month, as I understand it, give or  
5 take, depending on whose estimates. It could be less,  
6 it could be a little more.

7           My question is, why should he have to spend  
8 an extra hour of his time each month paying for  
9 mistakes made by Florida Power, paying for a problem  
10 at its nuclear regulatory facility and likely  
11 mismanagement.

12           The other comment that stood out was the --  
13 I forget his name; the gentleman who is the director  
14 of purchasing for the Pasco County School Board. He  
15 mentioned -- and I don't begrudge anybody a right to  
16 make a living. I don't begrudge anybody their income.  
17 But he mentioned that Mr. Critchfield's recent bump in  
18 salary -- not to mention the other executives who even  
19 got higher percentages -- that the \$1.7 million would  
20 buy some 1,200 computers and 50,000 books for that  
21 school system.

22           As parents of two school age children, that  
23 means a lot to me. They are not able to bring their  
24 school books home on a regular basis. I think this is  
25 really a dollars and cents issue for consumers, and I

1 believe that we need to rethink this approach. The  
2 citizens and the consumers of this state, and this  
3 county especially, should not be made to pay for  
4 mismanagement and poor facilities.

5 I also wanted to thank Senator Crist for the  
6 work that he's been doing in spearheading this,  
7 bringing a high profile to it. I think that that's  
8 extremely important that public officials get out  
9 front on these issues.

10 This proposed rate increase, the one that  
11 was put in place, and prospective ones coming out of  
12 this circumstance doesn't hit people just one time in  
13 the residential bill either. As a public official,  
14 recently elected albeit, but still I know that via  
15 school board, via your county taxes, via your  
16 municipal taxes, that it ultimately hits consumers  
17 two, three, four, five times, either in increased fees  
18 or reduced services as a result of the greater bills  
19 that we at the various government levels have to  
20 absorb.

21 I think that this is wrong. I believe that  
22 we need to, as I said, rethink this. I think, as I've  
23 said to you in the past, that you are indeed the  
24 Public Service Commission, not the Utility Service  
25 Commission. I think you need to act accordingly in

1 the greater public interest here.

2           The groundswell of people that you had last  
3 night and, from what I understand, the Winter Park  
4 meeting and, from what I understand earlier that you  
5 had here, that should tell you something. And, you  
6 know, we stopped electing the Public Service  
7 Commission to take some of the politics out of it.  
8 I'm not saying there's politics here per se, but it  
9 sure would be good if you could, you know, roll back  
10 some of these approaches.

11           One of your people had said that -- didn't  
12 want to tip your hand, but that if depending on the  
13 results of these hearings, if it seemed like Florida  
14 Power is giving lousy service, that you might rethink  
15 some of the approaches.

16           Well, the clear fact that so many people are  
17 showing up here and the clear fact that we're having  
18 such problems with the Crystal River facility and  
19 questionable management should tell you that that's  
20 some sort of lousy service. So we're being asked to  
21 pay more for less, essentially.

22           You know, I could really go on. I don't  
23 want to -- you know, a lot of other folks have been  
24 here and talked and probably said some of the same  
25 things that I'm saying. So I'm going leave it at

1 this. I would suggest that Florida Power focus on its  
2 main directive, which is to provide good -- provide  
3 power at a good affordable rate.

4           And one other point; one other point. One  
5 of the gentleman -- I believe it was you from Florida  
6 Power -- last night mentioned to, I think it was the  
7 gentleman who had been a former CEO of a utility. You  
8 said something about absorbing \$146 million rather  
9 than passing that on as a rate increase because of the  
10 pending, you know, likelihood of competition and  
11 deregulation of the power industry in the future.  
12 That's well and good. You know, it's likely to  
13 happen.

14           My thinking here is if that's a virtual fait  
15 accompli, if that's going to happen, why not take the  
16 approach now, okay? Why not act like you have the  
17 competition now, because that way when you do have the  
18 competition maybe there will -- you won't have to  
19 engage in some huge public relations, you know,  
20 display to keep some of the customers that you're apt  
21 to lose based upon the way things are now.

22           And all I ask again is that you act in the  
23 public interest, members of the Commission. I  
24 appreciate your time and, you know, do not approve  
25 these increases, and roll back the one you already

1 have approved. Thank you very much. (Applause)

2 **CHAIRMAN JOHNSON:** Thank you.

3 **MR. SHERVE:** Thank you, Jay. Mr. Walter

4 Blanchard?

5 - - - - -

6 **WALTER BLANCHARD**

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

9 **DIRECT STATEMENT**

10 **WITNESS BLANCHARD:** My name is Walter  
11 Blanchard. I live at 560 12th Avenue Northeast in  
12 St. Petersburg.

13 I'm not going to go through all of the  
14 previous testimony, because a lot of people have  
15 brought things up. I want to try to base my remarks  
16 on the rubrics of roles, accountability and  
17 responsibility laid on top of the concept of  
18 disenfranchisement, which Senator Crist had pointed  
19 out earlier.

20 The events are well known. I've been here,  
21 a resident for about six months, so I don't know all  
22 of the history, but I've certainly been here to know  
23 about the plant shutdown, the costs, the estimates of  
24 repairs that have been asked for, the rate increase  
25 that was asked for.



1 I was here when the Commission noted in  
2 February that Florida Power had given little evidence  
3 to justify its income, and then a few days later on  
4 February 19th granted the increase, and then a couple  
5 of days after that, Florida Progress awarded  
6 stockholders and management increases. Interesting.

7 PSC promised investigation. That's ongoing.  
8 At least at some point, much of the documentation that  
9 was used was in-house stuff done by the Florida Power  
10 Company.

11 Now we hear that the initial estimate of  
12 costs was about half of what it should have been. So  
13 we're hoping that this -- I hope, anyway, that this  
14 investigation continues.

15 Somebody mentioned earlier about the cause  
16 of this failure at Crystal River. Well, it's  
17 certainly not the consumers that caused it. And is it  
18 the role of the power -- the PSC to assure that the  
19 power company makes profits over its obligation to  
20 recommend the consumers?

21 I think what we have here is a classic  
22 example of what in academia we used to call "blaming  
23 the victim". If this were a sociology course or a  
24 political science course, we would look at the current  
25 situation as a paradigm of blaming the victim in a

1 corporate phenomenon.

2           Management is responsible for the proper  
3 operation of Florida Power. That's its role. The  
4 entities that we have at stake here are the private  
5 company, the Florida Power Company. The PSC, which is  
6 a quasi everything, not just quasi-judicial, Madam  
7 Chairman, but quasi-executive and quasi-legislative,  
8 which is an interesting thing to look at. If you  
9 think of the American tradition of balanced powers and  
10 checks and balances, you've got it all. So we need to  
11 look at that role carefully.

12           The stockholders are responsible to see that  
13 the management does its job. The power company or  
14 private entity is responsible to its stockholders,  
15 but, of course, if you pay the stockholders off, they  
16 don't feel the pinch, and are not in there at the  
17 corporate meetings making demands, because they got  
18 their money.

19           Ivan Illich back about 20 years ago wrote a  
20 book called "Tools for Conviviality" in which he  
21 points out that institutions, like utilities, like the  
22 Public Service Commission or the legislature, are  
23 initially designed to be the tools of the people who  
24 use them, but that over the years somehow or other  
25 that role gets reversed and the institution begins to

1 use its clients as the tool to keep itself going; and  
2 I think that we have to understand that.

3           The Public Service Commission is a tool of  
4 the people. You're our representative. We are  
5 otherwise disenfranchised, and if you don't represent  
6 us, no one does. You're appointed by the governor, an  
7 executive. You are confirmed by the senate, the  
8 legislative power.

9           The senate and the governor are responsible  
10 to the citizens. We can vote them out of office if we  
11 don't like what they do. However, what do we do if we  
12 don't like what the PSC does? Is this lifetime  
13 tenure? Is there an impeachment process? You know,  
14 maybe we should have an impeachment process.

15 (Applause.) I've already suggested to Senator Crist  
16 that we have an amendment to the Sunshine Law that  
17 requires that meetings of this type be public in the  
18 newspaper; not in the Administrative Bulletin, which  
19 nobody gets, but in the public press, so I don't have  
20 to find out about these meetings by reading it in the  
21 newspaper story; that I can look at the legal notices  
22 and see these things published in the events.

23           So what do we have here? We have a --  
24 Florida Power provides a service. It's a tool for me.  
25 I use that for my house. Somebody talked about

1 joining the energy savings plan, and then you change  
2 the rules in the middle of the road and you say, if  
3 you don't use 1,400 kilowatt hours, you don't qualify  
4 for the rebate. Well, I'm a single person. I live  
5 alone. I'm not a business; I'm not going to use 1,400  
6 kilowatt hours.

7           Who changed those rules? Did you approve of  
8 that? Did the Public Service Commission approve that  
9 change in rule that says you have to use 1,400  
10 kilowatt hours?

11           UNIDENTIFIED SPEAKER: Yes.

12           UNIDENTIFIED SPEAKER: Yes.

13           UNIDENTIFIED SPEAKER: Yes.

14           CHAIRMAN JOHNSON: Yes, we did.

15           WITNESS BLANCHARD: You did? Why does it  
16 matter? Isn't the aggregate savings in kilowatt usage  
17 what's important to the company, not how much an  
18 individual consumer uses? Why can't you do as they do  
19 in other states: You put a little meter on the box  
20 and on those off-peak times you get reduced rates no  
21 matter how much you use. If you use it off peak, you  
22 get a break.

23           Don't say to me I have to be a small  
24 business in order to get a break and still shut down  
25 the appliances on peak times. That doesn't help me.

1 You didn't help me. (Indicating the Commissioners.)  
2 You didn't help me at all. They came to you and said,  
3 "We want to change the rules. We want to have this  
4 apply only to big users."

5 UNIDENTIFIED SPEAKER: Right. (Inaudible  
6 audience comments.)

7 WITNESS BLANCHARD: You didn't help me at  
8 all. You are accountable for helping the public, the  
9 consumer. That's your responsibility; not to help the  
10 power company. They got plenty of help. They got  
11 lots of money. They can hire big-time attorneys.

12 UNIDENTIFIED SPEAKER: That's what they're  
13 doing, just helping the utility. (Inaudible audience  
14 comments.)

15 WITNESS BLANCHARD: See, we don't do that.  
16 So if something goes wrong with the ability of the  
17 Company to provide the service to its clients because  
18 some of its resources become unavailable, the Utility  
19 then goes around and asks the clients who have no  
20 voice in the operations of the company or of the  
21 effectiveness of managers to pay for that? Not the  
22 owners, the shareholders?

23 If I own Florida Power and they make  
24 mistakes or they lose resources, as an owner of the  
25 business, that's my responsibility to fix, not my

1 clients', not the people to whom I'm supposed to be  
2 providing service.

3 Remember, this is a private business  
4 regulated as a public utility. It is, as has been  
5 pointed out before, a monopoly. Maybe with  
6 deregulation we might have a choice with the place  
7 across the bay --

8 UNIDENTIFIED SPEAKER: Why not?

9 WITNESS BLANCHARD: -- that seems to be --  
10 you know, maybe customers ought to have a choice.  
11 Maybe a little competition won't hurt. We need to  
12 have that. We have no choice now. We have a  
13 governmentally regulated monopoly.

14 Here's what I believe the actions should be:  
15 I think the PSC should rescind the April rate increase  
16 and announce a moratorium on further increases, which  
17 we've already got hints about, until Florida Power can  
18 verify that those responsible, the owners and the  
19 management, have exhausted all of their resources,  
20 have made no personal gain, and that Crystal River is  
21 operational.

22 I think out of that we have some  
23 expectations. I think Florida Power will act  
24 responsibly as a monopoly on the public trust to  
25 provide services to the communities. I think the

1 Public Service Commission will act responsibly as a  
2 public body to protect the consumers, not the utility.  
3 We benefit by having confidence that the Utility and  
4 the public regulatory commission are acting  
5 responsibly. Future rate structures need to be based  
6 on responsible actions of both the public and private  
7 entities.

8           So in closing, the PSC, a public body should  
9 rescind the April rate increase, and Florida Power, a  
10 private body, should accept its responsibility for  
11 proper maintenance and management of its business to  
12 provide services to customers. Consumers, the  
13 clients, the customers, should not be accountable for  
14 corporate responsibilities. I thank you. (Applause.)

15           **CHAIRMAN JOHNSON:** Thank you.

16           **MR. SHEREVE:** Thank you, Mr. Blanchard.

17           **CHAIRMAN JOHNSON:** How many witnesses do we  
18 have?

19           **MR. SHEREVE:** I know there's a concern about  
20 the court reporter. I'm not -- I have six that are  
21 here that are signed up, but I'm not sure that all of  
22 them are here. If you'd like for me to just run  
23 through them real quick and just ask who is here.

24           **CHAIRMAN JOHNSON:** Yes.

25           **MR. SHEREVE:** Robert Stano. Mr. Stano is

1 here. Tom Holter? (No response.) Emil Firkus?

2 WITNESS FIRKUS: Yes.

3 MR. SHREVE: All right. Mr. Firkus is here.

4 Steven Fellner? Steven Fellner?

5 UNIDENTIFIED SPEAKER: (Inaudible comment.)

6 MR. SHREVE: Okay. He's gone. Thank you.

7 Conlin James or James Conlin? Okay. Fred Tomaski?

8 We have four.

9 CHAIRMAN JOHNSON: We're going to need to  
10 take a five-minute break to at least give the court  
11 reporter an opportunity to rest her hands. She's been  
12 going at this for two hours, so we're going to take a  
13 five-minute break.

14 (Brief recess.)

15 - - - - -

16 CHAIRMAN JOHNSON: Ladies and gentlemen,  
17 we're going to take our places and try to wrap this  
18 up. I appreciate all you staying so late, and I want  
19 to make sure I can try to get you all out of here  
20 before nightfall. Public Counsel?

21 MR. SHREVE: Robert Stano.

22 - - - - -

23

24

25



## ROBERT STANO

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

## DIRECT STATEMENT

4  
5 WITNESS STANO: My name is Robert Stano, and  
6 I live at 4027 Benson Avenue here in St. Petersburg.

7 I wonder -- I raise a question in my mind  
8 when the energy saving was changed and the  
9 requirements were changed. One of the remarks by the  
10 Florida Power at the time was the fact that they could  
11 buy power at a very cheaper rate on the thing. I  
12 raise a question at this point, has -- is -- would it  
13 be possible for the Commission to urge Florida Power  
14 to make a quick review of their energy saving?

15 I hear people taking their boxes out on the  
16 thing. We've got a terrible emergency here, the rate  
17 increase and so on and so forth. I wonder if the  
18 Commission could just issue a -- an order or a  
19 request, or something voluntary or involuntary one way  
20 or another, to Florida Power to say, could you please  
21 come up with something to change immediately your  
22 incentive to save the rate on the thing. In other  
23 words, to get those boxes back in, because I'm sure  
24 that they're buying energy from the other outfits, and  
25 load management is a terrible problem on the thing for

1 them, and anything that could be done to increase  
2 their load management capabilities would be a big  
3 help.

4           This could be something that I wonder if it  
5 could be done within, we'll say, a month or something  
6 like that; anything to cut this loss down.

7           I raise a second question on the thing, and  
8 this is something that I think Florida Power is --  
9 they've got a horrible public relations policy.  
10 They've got a problem. It's a bad problem on the  
11 thing, and it's going to hurt them in the future,  
12 because one of these days we're going to have  
13 competition, and when we do, they're going in with a  
14 heavy load on their back and they aren't going to be  
15 able to compete.

16           I wonder if -- I would urge Florida Power to  
17 do -- come up with some explanation, and perhaps the  
18 Commission should consider this here. Apparently  
19 they've got the highest rates in the state on the  
20 thing. Perhaps there should be some beginning on an  
21 investigation as to why their rates are the highest.

22           Obviously some of the other electric  
23 companies are doing things better than they are. I  
24 don't know why their rates are cheaper. I would love  
25 to have an explanation as to why the rates are cheaper

1 in other parts of the state.

2 UNIDENTIFIED SPEAKER: Right.

3 WITNESS STANO: And I wonder again, perhaps  
4 the Commission could just -- well, do we have to do  
5 things formally and have these big hearings and have  
6 all the lawyers and all the huge amounts of people to  
7 do this here? I wonder if the chief Commissioner  
8 could just write a letter to Florida Power and say --  
9 and give it to the newspapers and say, now, you people  
10 have got the highest rates in the state and you've got  
11 a bad public relations, and our job, of course, is to  
12 get the best electrical power at the lowest price, and  
13 so on and so forth. Could you review your operation  
14 and give us some idea as to just why your rates are  
15 the highest, and have you considered looking at the  
16 other companies to see why their rates are lower, and  
17 call for an answer; or is this too simple?

18 COMMISSIONER GARCIA: You know what? He  
19 makes a good point, though, about the energy  
20 conservation program. Clearly the costs that were  
21 associated with the reevaluation of the energy  
22 program, which this Commission voted on about -- I  
23 think it was about a year and a half ago. We were  
24 here about two years ago at --

25 UNIDENTIFIED SPEAKER: In this room.

1           **COMMISSIONER GARCIA:** In this room? Was one  
2 of the public hearing -- could the Company reevaluate  
3 that program and see if the levels in which its cost  
4 savings are effected are changed now by that plant  
5 being out in terms of those who already have the meter  
6 boxes installed in their house? I understand that the  
7 long-term benefits of putting in more equipment in  
8 more persons' homes may be more costly than what you  
9 get back.

10           But, clearly, if all these persons who have  
11 this equipment in their home -- and while I can  
12 understand for retaliation people wanting to pull  
13 these boxes out if they don't get any of the  
14 benefit -- I can also see that if the Company may be  
15 putting a lot of this equipment into more aggressive  
16 functions since it's going to have a reduction in  
17 production use, stated somewhere in the neighborhood  
18 of 13 to 16%, is what this plant represented in its  
19 production -- if the Company could look at that  
20 program and perhaps see if there are some benefits to  
21 changing the incentives so that while the Company is  
22 in this difficult period we can reward those who are  
23 providing some of the conservation that will be  
24 needed.

25           **WITNESS STANO:** If it could be done just on

1 a short-term basis while the Crystal River plant is  
2 out, this would be some help. Even if it was just a  
3 small amount, this would offset the -- those of us  
4 that have the boxes in, instead of taking the boxes  
5 out, if we kept the boxes in, that would help to keep  
6 the rate down, that they could give us just a little  
7 bit of more help on the thing.

8           **COMMISSIONER GARCIA:** Well, I'm sure he  
9 can't draw the numbers right now, but --

10           **WITNESS STANO:** No, but they've got  
11 computers and they've got engineers and they've got  
12 experts and --

13           **COMMISSIONER GARCIA:** And I'll ask them --

14           **WITNESS STANO:** And if somebody starts out  
15 with the will to do it --

16           **COMMISSIONER GARCIA:** No, I know --

17           **WITNESS STANO:** -- I'm sure --

18           **COMMISSIONER GARCIA:** -- that they've got a  
19 very good core group of people who work on this  
20 program, and certainly no one should underestimate  
21 this Company's commitment to energy conservation,  
22 because they do have the largest, as the Company has  
23 stated, in the world; and clearly that's not only  
24 their good work, but the fact that the people in this  
25 community are committed to the concept. So if they

1 could get back to me, I'd appreciate that.

2           **MR. FOREHAND:** Be glad to take a look at  
3 that. It is possible the economics would change that.  
4 Now, I guess the -- on the surface, the only thing  
5 that worries me is that is, as you know, a recovery  
6 through the energy conservation cost recovery clause,  
7 and if it comes out of this direction, it's going to  
8 come from over here; but we'll have to take a look at  
9 what impact it would have.

10           **WITNESS STANO:** I wonder -- I raise another  
11 question on the thing. Has the Commission -- since  
12 apparently we've got a shortage of electricity on the  
13 thing -- and I'm sure you people have got -- your load  
14 management people have got plenty of problems -- has  
15 the Commission considered the possibility of going to  
16 the public and say, look, we don't -- we lost Crystal  
17 River. We lost 13% or 15% or whatever it is. Can we  
18 please ask the public to decrease the amount of  
19 electric. Even a 1% decrease would sure be a big help  
20 to your load management people.

21           **COMMISSIONER GARCIA:** You mean in terms of  
22 conservation?

23           **WITNESS STANO:** In terms of -- just a  
24 voluntary -- just turn off one light in every house in  
25 Pinellas County. It will help, won't it? Just one

1 light in every house. Just turn out one light in  
2 every house.

3 COMMISSIONER GARCIA: Well, certainly I  
4 think the Company has regular programs which it does  
5 to try to reduce consumption by its customers, and  
6 maybe this summer will be a good time for the Company  
7 to have an aggressive program in that area, also, but  
8 I know that the Company --

9 WITNESS STANO: But I -- can it come from  
10 the Commission, too?

11 COMMISSIONER GARCIA: It can, but they have  
12 a much more direct line to you since they're in your  
13 pocketbook every month --

14 WITNESS STANO: Yeah, but --

15 COMMISSIONER GARCIA: -- and we don't have a  
16 way to go directly to you and to speak to each and  
17 every one --

18 WITNESS STANO: Well, but the newspapers  
19 follow you, and if you just --

20 COMMISSIONER GARCIA: Only on the --

21 WITNESS STANO: Every time you talk to a  
22 newspaper reporter --

23 COMMISSIONER GARCIA: -- bad news --

24 WITNESS STANO: -- slogan. Turn off one  
25 light every night; just anything to help this thing

1 out.

2 COMMISSIONER GARCIA: Thank you.

3 CHAIRMAN JOHNSON: Thank you, sir. I really  
4 appreciate your comments and your suggestions as to  
5 some more alternative means for dealing with the  
6 issues. (Applause.)

7 MR. SHREVE: Thank you, sir. Mr. Firkus?

8 - - - - -

9 EMIL FIRKUS

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

12 DIRECT STATEMENT

13 WITNESS FIRKUS: Yes, sir. I'm Emil Firkus.  
14 I pay the mortgage at a duplex and cottage at 218 7th  
15 Avenue North in St. Pete.

16 COMMISSIONER GARCIA: Sir, could you repeat  
17 and spell your last name for us?

18 WITNESS STANO: Pardon?

19 COMMISSIONER GARCIA: Your last name, could  
20 you repeat it for us.

21 WITNESS FIRKUS: Firkus, F-I-R-K-U-S.

22 COMMISSIONER GARCIA: Thank you.

23 WITNESS FIRKUS: Yes. And when I read about  
24 this -- that the Public Service Commission okaying the  
25 rate and the increase in the -- about \$4 a month or



1 something, and I say that's a real misnomer for naming  
2 it a Public Service Commission.

3           And I pay three light bills, and I collect  
4 from the two tenants, and when I'm going to -- and  
5 they can hardly make it now and I'm supposed -- and  
6 they come up with another \$4? Well, I can't --  
7 it's -- it makes it difficult on people like a  
8 small-time man like me.

9           And the power went out and I -- a few months  
10 ago, and I called up. When I called up they said a  
11 squirrel had gotten into the transformer. So that was  
12 out. So I says, well, I have some screening in the  
13 shed, I says. They could use that maybe and they --  
14 wouldn't happen next time.

15           So anyway, that's -- it's completely --  
16 it's -- and I'd like to thank Charlie Crist for doing  
17 what he's trying to do for us people. Thanks again,  
18 Mike.

19           MR. SHREVE: Thank you, sir. James Conlin?  
20  
21  
22  
23  
24  
25

1                                   **JIM CONLIN**

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

4                                   **DIRECT STATEMENT**

5                   **WITNESS CONLIN:** Jim Conlin, 421, 77th  
6   Avenue, St. Pete Beach.

7                   The last meeting I went to was 30 years ago.  
8   And I believe you're supposed to represent the people,  
9   to protect us from being gouged. I hope do you that.  
10   Thank you.

11                   **MR. SHERVE:** Thank you, sir.

12                   **CHAIRMAN JOHNSON:** Thank you.

13                   **MR. SHERVE:** Mr. Tomaski.

14                                   - - - - -

15                                   **FRED TOMASKI**

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

18                                   **DIRECT STATEMENT**

19                   **WITNESS TOMASKI:** Chairwoman Johnson,  
20   Commissioners, Public Counsel, Florida Power, my name  
21   is Fred Tomaski and I'm with the Florida Consumer  
22   Action Network.

23                   We have approximately 40,000 members  
24   throughout the state of Florida, from the Keys all the  
25   way to the Panhandle. I talk to people every single

1 day that I'm at the office, and we have a field canvas  
2 that goes out every single day. These are just some  
3 of the names of the people that we talked to.

4 (Indicating documents.)

5 Of all the people I've talked to that are  
6 within Florida Power's area, and that is from Pinellas  
7 Point down on the south as far north as Tallahassee  
8 and all the way into central Florida, I have yet to  
9 find one person to tell me that they're satisfied with  
10 the rate increases that Florida Power is forcing on  
11 them; and I don't think that that's right.

12 Every single one of these people that have  
13 signed these petitions, no one has said, yes, give  
14 Florida Power that money. Let's listen to the people  
15 and let's do what's right. Thank you.

16 MR. SHREVE: Thank you. Commissioner,  
17 that's the last name we have.

18 CHAIRMAN JOHNSON: Thank you very much. It  
19 looks as if we've exhausted our witness list. I just  
20 want to take this time to thank you, particularly all  
21 of you who stayed for the entire proceeding.

22 Your comments were made an official part of  
23 this record and your comments can be used as a basis  
24 for our decision, and I want you to know that your  
25 testifying today does make a difference, and I'd like

1 to thank you all for coming out.

2                   This hearing is adjourned. Thank you very  
3 much.

4                   (Thereupon, the hearing concluded at 2:35  
5 p.m.)

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STATE OF FLORIDA)  
: CERTIFICATE OF REPORTER  
COUNTY OF LEON )

I, H. RUTHE POTAMI, CSR, RPR Official  
Commission Reporter,

DO HEREBY CERTIFY that the Service Hearing  
in Docket No. 970261-EI was heard by the Florida  
Public Service Commission 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, consisting of 176 pages, constitutes a  
true transcription of my notes of said proceedings

DATED this 2nd day of June, 1997.

  
\_\_\_\_\_  
H. RUTHE POTAMI, CSR, RPR  
Official Commission Reporter  
(904) 413-6732