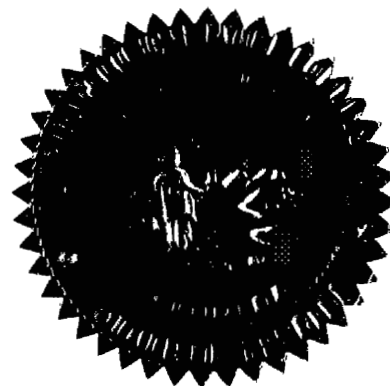


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 000824-EI

In the Matter of

REVIEW OF FLORIDA POWER
CORPORATION'S EARNINGS,
INCLUDING EFFECTS OF
PROPOSED ACQUISITION OF
FLORIDA POWER CORPORATION BY
CAROLINA POWER & LIGHT.



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PROCEEDINGS: WINTER PARK, FLORIDA, SERVICE HEARING

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

DATE: Wednesday, November 28, 2001

TIME: Commenced at 6:00 p.m.
Concluded at 9:30 p.m.

PLACE: City Commission Chambers
2nd Floor
City Hall
401 Park Avenue South
Winter Park, Florida

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

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FPSC-COMMISSION CLERK

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4 Power Corporation.

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7 Suite 812, Tallahassee, Florida 32399, appearing on behalf of
8 the Citizens of the State of Florida.

9 MICHAEL B. TWOMEY, Post Office Box 5256, Tallahassee,
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11 Twomey, Buddy L. Hansen, and Sugarmill Woods Civic Association,
12 Inc.

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15 appearing on behalf of the Commission Staff.

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P R O C E E D I N G S

1
2 CHAIRMAN JACOBS: Good evening. We'd like to call
3 this hearing this evening to order. We'll take care of some
4 housekeeping matters initially. Counsel, read the notice.

5 MR. ELIAS: Notice issued by the Clerk of the Florida
6 Public Service Commission on November 7th, 2001, advises that a
7 customer service hearing will be held at 6:00 p.m.,
8 November 28th, 2001, at the City Commission Chambers, City
9 Hall, 401 Park Avenue South, Winter Park, Florida. The purpose
10 of this hearing is to take testimony from members of the public
11 concerning rates and service provided by Florida Power
12 Corporation.

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

19 CHAIRMAN JACOBS: We'll take appearances at this
20 time.

21 MR. McGEE: Chairman, my name is James McGee, and the
22 address is Post Office Box 14042, St. Petersburg, Florida. I'm
23 appearing on behalf of Florida Power Corporation. With me is
24 Mr. David Bonk who is Florida Power's vice president for the
25 central region.

1 CHAIRMAN JACOBS: You probably will have to have --
2 we're under some logistical constraints tonight in terms of
3 getting input into the microphone. We may need you to step
4 over to the podium to get your appearances, if you would.

5 MR. MCGEE: Yes. My name is James McGee. My address
6 is Post Office Box 14042, St. Petersburg. I'm appearing on
7 behalf of Florida Power Corporation. With me is Mr. David Bonk
8 who is Florida Power's vice president for the central region.

9 CHAIRMAN JACOBS: Thank you.

10 MR. TWOMEY: Mr. Chairman, Mike Twomey, Post Office
11 Box 52567, Tallahassee, Florida 32314-5256. I'm appearing on
12 behalf of Buddy Hansen and the Sugarmill Woods Civic
13 Association in Citrus County.

14 MR. SHREVE: Jack Shreve, Public Counsel,
15 Charlie Beck, attorneys handling this case. We're handling it
16 on behalf of the Citizens in opposition to the rates that have
17 been asked for by Florida Power, representing the customers,
18 from Tallahassee, Florida. Thank you.

19 MR. ELIAS: I'm Bob Elias representing the Commission
20 Staff.

21 CHAIRMAN JACOBS: Good evening. My name is
22 Leon Jacobs. I'm a --

23 MR. SPRINGER: Michael Springer representing
24 Commission Staff.

25 CHAIRMAN JACOBS: I'm sorry. I jumped ahead of

1 Mr. Springer. My name is Leon Jacobs. I'm Chairman of the
2 Florida Public Service Commission, and we want to welcome you
3 here this evening to participate in the process that we believe
4 is very important and very integral to the deliberations we
5 will undertake and review of the earnings of Florida Power
6 Corporation.

7 This is a formal administrative proceeding which we
8 undertake pursuant to our ratemaking authority and pursuant to
9 our rules. Let me, before I go further, introduce my
10 colleagues to you. To my right is Commissioner Braulio Baez,
11 and to my left is Commissioner Michael Palecki. We are three
12 members of the five-member Public Service Commission, and we
13 are assigned this evening to take your customer input at this
14 proceeding. I should mention, however, that the case will be
15 deliberated by the full Commission at the time the decision --
16 the full case and evidence in this case is reviewed.

17 This time this evening is specifically set aside so
18 that we can take notice and take input on your views and your
19 evidence regarding the service issues and your experiences with
20 service from Florida Power Corporation and specifically under
21 the context of our jurisdiction to review the rates of the
22 company.

23 I am excited that we have such a number here. I
24 would like to emphasize, however, that our jurisdiction here is
25 specific to the processes and to the proceedings that we have

1 undertaken regarding the company. I'm aware that there are
2 some other issues outstanding. Our jurisdiction with regard to
3 some of the local issues that are outstanding with this company
4 is limited, very limited, so we will not have the opportunity
5 to resolve some of those local disputes that have been raised
6 with regard to the company. We know that there are many forms
7 that have been raised, but those issues will be resolved. And
8 I'm sure that there's competent and capable decision-makers out
9 there who can resolve those issues.

10 In that light, our time tonight is going to be best
11 served to take your comments regarding your retail electric
12 service and service quality with the company. And it will be
13 the best use of our time and your time, as well as your
14 neighbor's who are here with you this evening, to focus our
15 comments on those issues. We would very much appreciate your
16 assistance and your help with that.

17 As I indicated earlier, this is a formal
18 administrative proceeding. What that means is, your input
19 tonight is taken as official evidence, statements of evidence
20 that will go into the record and will be a part of our
21 deliberations when the Commission reaches a final decision on
22 what the just and reasonable rates of the company going forward
23 should be. In that light, we -- your statements tonight are to
24 be sworn statements, and in a few moments, I will ask all of
25 those members who are interested in speaking tonight to stand,

1 and we will administer an oath and ask for your acceptance of
2 that oath. As you are well aware, we are being monitored and
3 recorded by a court reporter this evening. That is, again,
4 because your statements are going to be taken as a part of the
5 record. So we're going to ask that you come forward to the
6 podium and speak fairly clearly and coherently so that she can
7 properly record your statement for our record.

8 Also, in that light, I know many times when
9 statements are made that you have some agreement, and there's a
10 tendency to want to echo that from your seats, but it will be
11 very helpful for us in our process, specifically for the court
12 reporter, if we only have one person speaking at a time. So we
13 would very highly encourage you and we would appreciate it if
14 you would withhold comments from the audience when another
15 person is speaking.

16 And if you would like to speak, by all means, we want
17 to give you every opportunity to do that. Most of you who will
18 be speaking will get an opportunity to sign up when you came
19 into the auditorium this evening. And if you signed up, you
20 will be called up to give your statements in the order, I
21 believe, in which you were signed up. If you didn't sign up
22 when you came in but you have determined that you would like
23 to, no problem, feel free to let us know. We'll offer you that
24 opportunity at the conclusion of the list of attendees would
25 have signed up previously, and you will be more than welcome to

1 come forward and give us your statement.

2 If you want to offer input but you're not comfortable
3 coming forward tonight giving a public statement, that's fine
4 as well. Many of you received a yellow special report when you
5 came in as well. If you'll turn that over to the next to last
6 page -- the front side of the last page, there is a form here
7 where we generally solicit your written comments regarding the
8 issue that we will be considering in this case. You are free
9 to submit those written comments to our Staff who are out in
10 the audience tonight, or you can mail them in.

11 Additionally, on the front, we listed information
12 regarding -- we have additional information regarding our Web
13 site, and I believe there is a function on our Web site where
14 you can enter your written comments electronically via the
15 Internet.

16 In many instances, our proceedings are broadcasted
17 over the Internet. Tonight, I don't believe we are. I'm
18 looking for the expert on that. Are we broadcasting tonight?
19 We're not broadcasting tonight. In many instances, our
20 proceedings are broadcasted over the Internet. I'm being given
21 the sign that that no longer is the case. So I will not invite
22 you to monitor this over the Internet.

23 And then the final point I want to emphasize is
24 really a reiteration of an earlier point. In my mind, this is
25 the crux of what I like to look to when I give full

1 consideration to what we determine to be just and reasonable
2 rates of the company. It is the level and to the extent to
3 which they have served the public that they are charged to
4 serve. So I am very interested to hear your experiences and
5 your comments, and I welcome those this evening. As I
6 indicated, we will swear you in in a moment, and then before
7 you come up and give your statements, we're going to allow the
8 formal legal representatives to give opening statements. And
9 as astute lawyers, I'm sure they will be well-spoken and
10 concise and perhaps even brief, but we do offer them an
11 opportunity. And then after that opportunity, we will make
12 sure that everyone has an opportunity to speak this evening.

13 Does anyone have any questions about how we proceed
14 or about the process that we'll adhere to this evening?

15 Very well. With that then, I would ask all of those
16 attendees who are here and interested in speaking this evening
17 to stand and raise your right hand.

18 (Witnesses collectively sworn.)

19 CHAIRMAN JACOBS: Thank you very much. You may be
20 seated. The company has waived its opportunity -- you didn't
21 want to do an opening statement?

22 MR. MCGEE: That's correct.

23 CHAIRMAN JACOBS: Okay. The company has waived its
24 opportunity to give an opening statement this evening, so we
25 are going to then turn to Mr. Shreve as Public Counsel.

1 Mr. Shreve has been -- represented the public for some time and
2 is very experienced, and you have every reason to have a great
3 deal of confidence in his capabilities.

4 Jack Shreve.

5 MR. SHREVE: Thank you, Mr. Chairman. Without Power
6 Corp making an opening statement, it's a little bit harder to
7 tell you exactly what this case is about. Sometimes there's
8 not as much interest when you're talking about a rate decrease
9 as it is when you're talking about a rate increase, but that's
10 where we are today. We feel that Florida Power Corporation is
11 overearning. We think it's time to cut their rates. The
12 Public Service Commission is to be congratulated. They have
13 brought Florida Power Corporation in for a rate review because
14 of their earnings.

15 Their statement of earnings forecasts was
16 13.2 percent. They have since the 11th tried to change that or
17 changed it to bring it down so that there are some changes that
18 we do not totally accept at this point, so we would still think
19 that they are vastly overearning. Inflation is low, interest
20 is low, and anything in the range of 13 percent is way too high
21 for a company to be earning.

22 They have offered a \$5 million rate reduction over 15
23 years. That is absolutely ridiculous. Their reduction, in our
24 opinion, and I think our testimony and evidence will show,
25 should be in excess of \$100 million, and that's where we're

1 going to want to go. One of the things that I would like to
2 point out -- and I won't take too much time because this is
3 really your night tonight -- there's been a purchase by
4 Carolina Power of Florida Power Corporation. Now, they're
5 going to try and pass the premium that was paid by Carolina
6 Power that was paid to their stockholders onto the customers.
7 Their stockholders walked away with that money, and there is no
8 reason whatsoever that the customers of Florida Power
9 Corporation should pay \$55 million a year for the 15 years that
10 they had it allocated for and advertised. We think the Florida
11 law prohibits the payment -- or any good will in the rate base.

12 Now, they're changing that, and they're going to try
13 and amortize it rather than calling it good will, but that's
14 exactly what it is when there's an overpayment above the market
15 value of the stock. We oppose that, and we think there should
16 be a much greater rate increase than has been called for by
17 them and what they have shown. And we intend to show that in
18 our testimony on behalf of you, the public. Thank you very
19 much.

20 MR. TWOMEY: Mr. Chairman, Commissioners, ladies and
21 gentlemen, good evening. My name is Mike Twomey. I represent
22 a gentleman by the name of Bud Hansen and the Civic Association
23 he's a member of, the Sugarmill Woods Civic Association, Inc.,
24 in Citrus County. They are customers -- residential customers
25 of Florida Power Corporation. I'll try and be brief.

1 I want to first say, I agree with everything that
2 Mr. Shreve said. He's a very able representative of the
3 consumers, has been for many, many years. It's important, I
4 think, that you understand that Florida Power Corporation, as
5 you probably -- most of you do, is a regulated monopoly. It is
6 a monopoly that has no competition in any real sense. There's
7 no competition to control the prices you have to pay to this
8 utility as if -- for example, for computers, gasoline. We all
9 know gasoline costs have come down with the reduction of crude
10 oil prices, come down substantially. So they're a
11 state-sanctioned monopoly. And in the absence of competition,
12 it's the job of these three Commissioners and the two other
13 Commissioners, make up the five, they have a legal
14 responsibility to make sure that your rates are fair, just, and
15 reasonable.

16 And one of the things they have to do to make sure
17 that your rates are fair, just, and reasonable is to see that
18 the costs that they make you pay to this utility to supply you
19 for electricity are necessary in providing that electricity,
20 that they're prudent in their amount, not a lot of Cadillacs,
21 gold-plated in the system and so forth, and that they're
22 reasonable. Okay.

23 Now, this Commission over the years when costs have
24 gone up in years past when there was inflation, money rates
25 went up, these utilities would come in when they had new power

1 plants. They would come in and they'd say, we have increased
2 costs, we have increased investments, you must increase our
3 rates. The Commission would examine it, and typically they
4 would increase the rates, although not always as much as the
5 utility has asked.

6 So Mr. Shreve has said costs have gone down. Now
7 it's time for this Commission to scrutinize the level of the
8 costs to this utility and make sure that whereas they always
9 raise your rates when costs were going to go up, if they give
10 you full due, and scrutinize the reductions and make sure that
11 your rates come down as much as they should.

12 Now, Mr. Shreve mentioned so, what costs have gone
13 down that you ought to see reflected in your rates as
14 reductions? Well, one is, is because this business is cost
15 plus, and this utility right now has the highest rates, highest
16 cost per thousand kilowatts for residential investor-owned
17 utilities of the four major ones in the State. They will come
18 down to second in January as a result of the fuel adjustment
19 reduction, but right now they're the highest.

20 So what costs have come done? Cost plus factors that
21 go into rates, one of them includes profit. Okay. Mr. Shreve
22 mentioned they're asking for something in the range of
23 13 percent. We all know, especially now, mortgage rates are
24 coming down. If you have investments, your return on
25 investments, whether they're debt or equity, they're all coming

1 down. Probably we would maintain that a fair rate of return
2 profit for this utility would be in the range not of 13 percent
3 but 9 or 10 percent. And that's really important, and it's
4 something that these Commissioners set. And it's kind of
5 wobbly. It's kind of like messing with Jell-O. They have a
6 lot of discretion in doing this. And you should watch later
7 how much return on equity these Commissioner give this utility
8 because every percentage point that they give them results in
9 you folks having to pay tens of millions of dollars more per
10 year in your bills. Okay. So if they give them 9 or 10,
11 that's one thing. If they give them 13, we're talking a lot of
12 money that you have to pay that Mr. Shreve, I'm sure, and I
13 would argue you shouldn't have to. Now -- so the profit
14 required by this utility needs to come down dramatically. They
15 ought to see that it's pushed as low as possible.

16 What other costs are we talking about -- and I'll be
17 brief -- that you should consider that have come down and
18 should be reflected in your rates? Mr. Shreve mentioned the
19 purchase of Florida Power by Carolina Power & Light. Okay.
20 It's kind of weird, ladies and gentlemen, because in the state
21 of Florida, Carolina Power didn't have to ask anybody in the
22 State whether they could buy Florida Power. It's weird because
23 if you wanted to go out and buy the smallest investor-owned
24 water and sewer utility in the state of Florida that this
25 Commission regulates that had, maybe, 100 mobile homes on it,

1 you'd have to come in and ask them. You'd have to get their
2 permission. But if you wanted to buy the first or second
3 largest electric utility in the State, you don't ask anybody in
4 the State. You just go out and do it, and then you come in
5 later and you try and make a case that you should get certain
6 amounts of money, good will, as Mr. Shreve called it, extra for
7 having made the purchase.

8 Let me tell you what they did. Okay. In order to
9 buy Florida Power, Carolina Power & Light had to offer a
10 premium, a huge premium, to the shareholders of Florida Power
11 Corporation in order to get them to sell. Now,
12 parenthetically, they also had to ship in a lot of extra dough
13 for golden parachutes for the top -- I forget how many it was,
14 a dozen, two dozen, whatever, the top management that Florida
15 Power left after the sale with obscene amounts of money,
16 obscene amounts of money in terms of buyouts, retirements and
17 that kind of thing. Okay. Somebody had to pay for that.
18 They're not going to try and make you pay for it directly, but
19 indirectly they will. And they also had to give hundreds of
20 millions above the worth of Florida Power, the rate base and so
21 forth, in order to convince all the shareholders that it was a
22 good deal, they should be bought out, they should vote for it.
23 Okay. And they did that, and they're trying to recover those
24 hundreds of millions of dollars. I think it approaches a half
25 or three-quarters of a billion dollars over the 15 years that

1 Mr. Shreve mentioned through this \$55 million a year which they
2 want this Commission to give them as an additional expense or a
3 cost of providing your electricity. Well, it's not like them
4 buying fuel. It's not like them buying new trucks or paying
5 for the salaries of linemen. It just isn't there. Okay.

6 And one of the things you-all need to do and one of
7 the things you-all need to think about asking your legislators
8 to watch is whether this Commission ends up giving them any of
9 that money, that good will, or whatever they want to call it
10 that isn't necessary at all, to provide your service. Now, had
11 they made a presentation they would have said, you should pay
12 for that because us being purchased by Carolina Power & Light
13 was good for you. It was good for you because we laid off a
14 bunch of our workers. I think it was 600, 700, 800 people,
15 good paying jobs in the state of Florida. The guys that didn't
16 get any parachutes. Okay. They got dumped. Good paying jobs
17 in the state of Florida and there were tens of million of
18 dollars of salaries annually associated with those positions.
19 Okay. You're still paying for those salaries from the last
20 rate case. What do you suppose they have done with the extra
21 tens of millions? In their pockets, in their pockets in the
22 sense that it's more money to pay for the shareholders and
23 dividends. Okay. But you're paying for it right now.

24 So one of the things you want to watch to see that
25 this Commission does aggressively is reflect every penny of

1 salaries and costs that they have done away with by merging
2 with Carolina Power & Light. Okay. So you want to see that
3 the reduced costs, which are good if they can still provide you
4 with adequate and reliable service, you want to see those costs
5 come out of your rates, and you want to see that the
6 unreasonable expenses, this good will thing, don't go in.
7 Okay. There's a lot more to a rate case. It's highly complex,
8 but those are a couple -- a few things that you folks ought to
9 watch. Thank you very much, Chairman.

10 CHAIRMAN JACOBS: It strikes me hearing those
11 comments that I left out a couple of matters. One, in addition
12 to the customer hearings that we will be holding, and there
13 will be additional customer hearings held in other areas of
14 Florida Power's service territory, there will also be a
15 technical conference -- actually, a hearing, a formal hearing
16 that will be held in Tallahassee, wherein there will be formal
17 testimony again given this time primarily by experts in all
18 fields of endeavors, law, accounting, finances, tax, and other
19 matters that go into the guts of calculating the expenses --
20 the true expenses of the company and in coming up with some of
21 those matters that Mr. Twomey and Mr. Shreve mentioned in terms
22 of the return that you'll get. So we will get formal expert
23 testimony from all of the parties that are involved in this
24 proceeding, and then our Staff will take that and evaluate it.
25 And all of that will be a part of our final deliberation.

1 I neglected to mention that there are several
2 representatives here tonight from the company, from Florida
3 Power, to answer any questions. And if you have specific
4 issues or concerns that come up, I may direct that you speak
5 with some member of the company staff to try and take care of
6 your particular interest. We want to responsive, if we can, to
7 a particular issue that somebody brings up. Here this evening
8 is Mr. David Bonk who is vice president of the central region
9 of Florida Power. Also, with us is Ms. Carol Cornell who is
10 the customer service supervisor, and she's in the back, and
11 Mr. Bob Matthews who is the reliability engineer for the
12 company. And as I indicated, if it became necessary, we'll
13 make sure that you have an opportunity to speak with them to
14 address your specific issues or concerns to them.

15 And then finally, when you come up to give us your
16 comment, please hold to the microphone briefly after you
17 complete. There may be questions of you that may come from
18 Commissioners and/or one of the parties that are present here
19 just to elucidate or clarify comments that you may have made
20 this evening.

21 And if there are no other questions, Mr. Shreve will
22 be calling you up, as I said, in the specified order. Thank
23 you.

24 MR. SHREVE: Thank you, Mr. Chairman.

25 Mr. Janosik.

1 CHAIRMAN JACOBS: While he's coming, if you would,
2 when you come to the podium, give us your full name and your
3 address for the record. Thank you.

4 JOSEPH JANOSIK

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

7 DIRECT STATEMENT

8 MR. JANOSIK: Yeah, this is Joe Janosik, Jr.,
9 241 Afton Square, Apartment 301, Altamonte Springs 32714. I'm
10 quite pleased that we have the opportunity this evening to
11 address some these issues to the Commission. It's about time.
12 My wife and I recently moved down here from Cleveland, Ohio.
13 We were living in a 1,600 square foot two-story home, and we
14 were pretty cost-conscious individuals, watching how much
15 electricity we used and whatnot. Over the course of a year, we
16 used about 4,200 kilowatts, you know, for that time frame.

17 We moved down here in September, and we moved down to
18 a two-bedroom, two-bath apartment which is about 800 square
19 feet. We got our first two electric bills which have equaled
20 more than half of what we used in a year, 2,300 kilowatts.
21 Now, we only used it -- you know, the air-conditioner three
22 weeks out of that eight-week time frame. I can understand
23 where air-conditioners, if you keep it really cold, it may
24 break them down or increase your rates, not the case.

25 So I spoke with customer service shortly after

1 receiving my first bill and requested that someone come out to
2 look at the meter readings, something was wrong with ours, to
3 check the accuracy. I was told I would have to hire an
4 electrician at my own cost, but electricians cost about \$100 an
5 hour, and have them come out on my own time and have the meter
6 read and make sure it was correct and there was no problems.
7 So I spoke with several managers over the course of the
8 following two weeks to try and get it -- have someone come out.

9 After paying the bill, I did place a call to the
10 Florida Utilities Commission in Tallahassee. I was directed to
11 their executive offices in St. Petersburg. I was told that
12 they would send me a do-it-yourself audit, and I did receive
13 that yesterday after waiting three weeks. It was one of these
14 little energy type booklets. It wasn't even an audit. So I
15 called and spoke yesterday afternoon at 4:30 to a Kim. I
16 explained that this wasn't an audit that I had received, and
17 she agreed with me after I informed her what was sent to me.
18 She told me that 99 percent of the meters are correct. And I
19 did explain, well, if you have a million customers, that's
20 10,000 wrong, that aren't being read. Real simple. I
21 explained that I'd be addressing some of these issues tonight
22 here at this meeting, and she was real quick to try and help me
23 get this resolved. I'll see if that happens.

24 She is going to be sending out someone to read the
25 meters and see if it is wrong. If it is correct, we will find

1 out. But I don't know, it's just the level of customer service
2 I think is real shady, a lot of arrogance I have dealt with.
3 Well, we don't have to do this, we don't have to do that.
4 Normally no one wanted to listen to my story when I had called.
5 I had to speak with several managers, and I think that it's not
6 fair.

7 CHAIRMAN JACOBS: Mr. Janosik, had you requested an
8 audit from the company?

9 MR. JANOSIK: Yes.

10 CHAIRMAN JACOBS: And that was not granted?

11 MR. JANOSIK: They sent me a little booklet
12 yesterday.

13 CHAIRMAN JACOBS: Oh, that came from the company.

14 MR. JANOSIK: Yes.

15 CHAIRMAN JACOBS: I was under the impression it came
16 from the Commission.

17 MR. JANOSIK: Not from the Commission. This came
18 from Florida Power Company yesterday.

19 CHAIRMAN JACOBS: And it is not -- can I see what --

20 MR. JANOSIK: By all means. Do you want me to bring
21 it up to you?

22 CHAIRMAN JACOBS: Yes. Thank you. And what I'd like
23 to do is go ahead and mark that as an exhibit. And what -- I'm
24 sure someone will come and they'll work with you to make sure
25 you do get the audit that you'd like to get done.

1 (Exhibit 1 marked for identification.)

2 MR. JANOSIK: Yeah, we'll see if it happens.

3 CHAIRMAN JACOBS: Any other questions?

4 MR. SHREVE: No. Thank you.

5 CHAIRMAN JACOBS: Thank you very much.

6 COMMISSIONER PALECKI: Thank you, Mr. Janosik.

7 (Witness excused.)

8 MR. SHREVE: Laura Potts.

9 LAURA POTTS

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

12 DIRECT STATEMENT

13 MS. POTTS: Laura Potts, 658 Sherwood Court,
14 Altamonte Springs, Florida 32701. Florida Power sucks, to put
15 it so bluntly. I'm angry, I'm mad, and I'm irate at this
16 point. I have a list here of my bills starting from May of
17 2001, a pretty normal bill, \$312.16. For June my bill went to
18 520.05. Their explanation was, well, ma'am, our prices went
19 up; your price went up. It almost doubled in a month's time.
20 Why is that? The rest of the bills, 400, mid 400s. It dropped
21 back down to about 300. Low and behold this November, \$618.34
22 they want from me. I asked myself why. Well, ma'am, I'm
23 sorry, our rates went up; your costs goes up too.

24 This is stealing. This is stupid. I have major
25 complaints with Florida Power. They call me idiots over the

1 telephone. They don't listen. I have nobody in person to talk
2 to. They closed down all the centers. If I want to talk to
3 somebody, I have to either go on-line or on the telephone for
4 it. That doesn't please me; it doesn't satisfy me. If I want
5 a copy of my bill, I have to wait three or four weeks for it to
6 come in the mail, once again, to see if they read my meter
7 correct in the first place, which they don't.

8 To jump ahead here. My other problem is, is that the
9 service with Florida Power is inadequate. They don't read my
10 meter, they guess my meter. They don't go around and
11 physically look at it. They estimate it. I am charged
12 anywhere from \$50 to \$100 extra a month that I shouldn't be
13 charged. Oh, I'm sorry, Ms. Potts, we made a mistake on your
14 reading. We will correct it as soon as possible.

15 Power surges, two to six times a day. What am I
16 supposed to do? Keep buying new computes every time one blows
17 because you guys have a power surge? Get real.

18 You know, I'm a hardworking mother of four, and I
19 don't have \$618.34 to pay out on an electric bill because your
20 prices went up and so my prices went up. Okay. If you guys
21 want to go and make some business deal, shake hands, kiss
22 whatever, that's your business, but don't bring it down upon me
23 and expect me to pay these high electric bills because you want
24 more money in your pockets. Hey, give me some of the money.
25 I'd be more than happy to use it for something good, like my

1 four children. Okay. You know what? What am I supposed to
2 tell them, you know, when their mother doesn't have the money
3 to pay the electric bill one month because it all suddenly
4 doubled? And, you know, being an average family, you now, in
5 Florida, you know, we make average money, and the electric goes
6 off for 24 hours and their pet dies. Well, you know, how is
7 Mommy supposed to explain it to them in the morning? You know,
8 I'm sorry about your pet, it died. Okay. There's nothing that
9 Mommy could do because Mommy didn't have electricity because
10 the electric company doubled my bill up on me. So what am I
11 supposed to do? Go and buy them a new pet and say, oh,
12 boo-hoo, get over it? You know, that's not right to do to
13 children, you know, and it's not right to do to us, you know,
14 to keep us suffering like this. And I'm going to stop now
15 because my temperature is rising. Thank you.

16 COMMISSIONER PALECKI: Ms. Potts, could I ask you a
17 question? My name is Mike Palecki.

18 MS. POTTS: Go for it.

19 COMMISSIONER PALECKI: The \$618 bill, was that for
20 the month?

21 MS. POTTS: Of November.

22 COMMISSIONER PALECKI: Is that the bill you just
23 received?

24 MS. POTTS: Yes.

25 COMMISSIONER PALECKI: And you were informed by

1 Florida Power Corporation that their rates had gone up, and
2 that's why your bill was higher for this month?

3 MS. POTTS: No, that excuse was given for the June
4 bill. When my June bill went from -- shall I say, my May bill
5 was \$312.16, and my June bill was \$520.05. They said that my
6 bill almost doubled because their rates went up, so in turn my
7 rates went up.

8 COMMISSIONER PALECKI: Did they give you a reason for
9 the November bill of \$618?

10 MS. POTTS: Actually, yeah, they did. They upped my
11 deposit by 380 because I was late with paying one bill in a
12 year's time, and my power was turned off for 12 hours. So they
13 upped my deposit from \$200 to an additional \$380 to make it a
14 \$580 deposit.

15 COMMISSIONER PALECKI: And they added that on to your
16 bill for that month?

17 MS. POTTS: Uh-huh. So that makes my bill, which
18 would normally be about 294, I figured it out, for November
19 without the deposit.

20 COMMISSIONER PALECKI: And you said that they had
21 estimated your meter readings. Have they told you that --

22 MS. POTTS: Uh-huh.

23 COMMISSIONER PALECKI: -- or do you know that from
24 going and checking the meter yourself?

25 MS. POTTS: From both. They apologized sincerely one

1 month because they charged me over \$100 for my electric bill.
2 They overread it by a thousand kilowatts.

3 COMMISSIONER PALECKI: But they told you that they
4 have made estimates rather than actually reading your meter?

5 MS. POTTS: Yes, yes. I have a fence separating the
6 backyard and the front yard, and the meter is right there,
7 right past the fence, and they would lean to look. They do not
8 go around the house. They do not knock on the door and say,
9 ma'am, do you have any dogs? I need to get in the backyard and
10 read your meter. They lean over my fence and look at it the
11 best that they can. That's not reading a meter.

12 COMMISSIONER PALECKI: But there's no vicious dogs or
13 anything that would make it --

14 MS. POTTS: It's on my account that I have no dogs,
15 and they're more than welcome to push the gate open, it's not
16 locked, and to help themselves to the meter; if they have any
17 problems, to knock on the door and to get me. They haven't
18 done it yet.

19 COMMISSIONER PALECKI: Thank you very much.

20 MS. POTTS: Thank you.

21 MS. McLEMORE: I have a quick question. May I ask
22 her what size castle she has? May I ask her the size of her
23 home?

24 CHAIRMAN JACOBS: I'll be happy to ask that.

25 MS. McLEMORE: Oh, I'm sorry.

1 CHAIRMAN JACOBS: No, it's no problem, just to make
2 sure we get it down on the record.

3 MS. McLEMORE: Oh, okay.

4 CHAIRMAN JACOBS: What size home do you have?

5 MS. POTTS: Four bedroom, two bath.

6 CHAIRMAN JACOBS: You say -- your indications as to
7 the number of times it's been estimated comes because you have
8 not seen the evidence of anyone coming to the property -- your
9 property to actually read the meter.

10 MS. POTTS: Oh, no, I've seen them come to read my
11 meter and seen them lean over the fence to read the meter, and
12 then I would call up immediately and say, they didn't look at
13 the meter. They lean over the fence, and they're estimating
14 it. Oh, I'm sorry, Ms. Potts. We'll send somebody out there
15 the very next day to read your meter. Nobody ever comes. They
16 don't read my meter, they estimate my meter. There's a big
17 difference.

18 CHAIRMAN JACOBS: And the month that you indicated
19 you had the \$100 excess of billing, do you recall -- as I
20 understand your statement, there was a confirmation that that
21 was an estimated bill?

22 MS. POTTS: Yes.

23 CHAIRMAN JACOBS: Okay. And how was that corrected?
24 How was the \$100 corrected?

25 MS. POTTS: I was credited on my next bill.

1 CHAIRMAN JACOBS: Okay. Thank you. Any other
2 questions?

3 Mr. Twomey.

4 MR. TWOMEY: Mr. Chairman, one question.

5 CROSS EXAMINATION

6 BY MR. TWOMEY:

7 Q Ms. Potts, did you say that the local office that you
8 used to go to has been closed?

9 A Yes, the one in Apopka and Longwood.

10 Q Both of them have been closed?

11 A Both of them have been closed.

12 Q Okay. So the buildings are not occupied. The people
13 are no longer there. Did they notify you they were doing that?

14 A I found out about it by, I went to go and pay my
15 electric bill and realized, hey, nobody's home anymore.

16 MR. TWOMEY: Thanks.

17 CHAIRMAN JACOBS: Thank you very much.

18 COMMISSIONER PALECKI: Thank you, Ms. Potts.

19 MR. SHREVE: Thank you.

20 (Witness excused.)

21 MR. SHREVE: Betty McLemore.

22 BETTY McLEMORE

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

25 DIRECT STATEMENT

1 MS. McLEMORE: Thank you, Chairman and Commissioners.
2 I don't normally use an outline, but this time I think I
3 better. I may forget I'm a little lady or something, but
4 anyway, I have a complaint with Florida Power. But first of
5 all, I want to thank all of you for being here because we do
6 need help in a lot of areas, so thank you, thank you.

7 But anyway, I want to say that I've been an Orlando
8 resident for 30-something years. The first 10 years I had OUC,
9 no problem. I loved their water. I haven't been happy since.
10 So for the next 20-something years I've had Florida Power, and
11 I've kept periodic logs off and on, and I just felt like, well,
12 how can one little lady fight City Hall? So I'd eventually
13 throw it away, but this past June, I have had enough. I said,
14 I'm going to stand on the rooftops, if necessary. I talked
15 with all the state representatives except two, and I did talk
16 with their aides in the office. I've been in to talk with our
17 County Chairman, Mr. Krotti (phonetic), recently. I've talked
18 with our County Commissioners. I've talked with officials in
19 Winter Park -- in Casselberry and also Mayor Hotard and
20 Representative Trovillion, and I said, somebody has got to tell
21 Florida Power to get their act together or move out. I said, I
22 have had it. I'm going to be their worst nightmare and I have.

23 But anyway, I'm going to give a little synopsis of
24 the problem I've had recently. And I know my son lives about a
25 mile from me, and in June he called me and said, well, my TV

1 went out. My neighbor's TV went out. Well, in September my
2 refrigerator went out at midnight, and I shut it off and waited
3 ten minutes. It didn't come back on. I waited 30 minutes, it
4 wouldn't come back on. It just hums like it normally does when
5 I have all these outages and surges. In June I had -- in 10
6 days I had 7, and I just found out they're not outages, they're
7 surges. I had one outage for an hour and a half, the only one
8 in my entire street. The fourth call I made to a lady in
9 Clearwater, a Florida representative, and she said, well,
10 you're on another street with three other people. I said,
11 what? I'm not even on the street with my 69 neighbors? And
12 she says, no, and she couldn't give me an explanation. But I
13 would love to know why I'm the only one on my street -- half --
14 on one side of my street, I guess, is on one breaker box, and
15 the other people are on another breaker box. There's one at
16 the rear of my yard, in the corner of my yard. I'm not on that
17 breaker box, or I don't know the terminology or the phrase, how
18 you say it. I'm not an electrician.

19 But anyway, there's one a little farther to the back
20 of me toward the right, and then mine is off to the right then.
21 And in other words, I can hear three breaker boxes any time of
22 the night, day go pow. And you wonder, well, I wonder who got
23 shot. No, I'm joking on that, but anyway, it is a problem.

24 And in September I had five outages -- or two of them
25 were outages, and the rest was surges, but the thing is, they

1 can call it what they want. My refrigerator went out and just
2 kept humming in September when there's a so-called surge, and
3 those surges to me are what's dangerous. My TV is usually on
4 even though I'm not listening because I'm retired now and I
5 putter around the house or the yard, whatever, but anyway, I
6 run and turn my refrigerator off because it's sitting there
7 humming before I can even reach there.

8 My TV, fortunately, comes back on, but I just found
9 out that I can't get 13, 14, and 15 on my TV. It's real
10 cloudy, and I had the Time Warner guy come out. And he says,
11 well, those stations are bad. Well, he plugged his little TV
12 on my cable thing and his worked fine. I said, well, it
13 doesn't make sense. All my other channels are good and
14 distinct, and I said, why aren't those? I said, could it be
15 from Florida outages? I asked him. He didn't volunteer. He
16 said it could be. It's just, more or less, the power that
17 they're getting or what -- I don't know. I don't understand
18 it. He couldn't explain it.

19 But anyway, I know that Florida Power since June are
20 really bombarding our monthly statements with little flyers
21 literally twisting our arms to get surge protection. I resent
22 that, and they are putting all of these articles on TV and in
23 the Orlando Sentinel a whole big old page, and it will say and
24 let me quote it, like you, we're always on. That's not true.
25 That's not true. And, you know, the public is not stupid.

1 I've got more than four years of college. I'm not stupid and
2 nor is your public stupid, so I've had it. Instead of putting
3 all of that money in so-called PR ads, put it in generators.

4 I talked with some of the Florida Power officials out
5 toward Oviedo, and one official came out and said, what can I
6 do to make you happy today? I said, you don't have the
7 authority to make me happy today. I said, the only way I could
8 be happy today is if Florida Power moved out today and give me
9 OUC. I love OUC and I always have, especially the first 10
10 years. And I've never heard any complaints. And the only two
11 people -- and you can put it on the record because I've talked
12 with them -- is Trovillion and Hotard. And, of course, Hotard
13 is the -- I may not pronounce it, but that's fine -- Hotard is
14 the Mayor of Winter Park, and he's part time, and he's a
15 full-time employee of Florida Power. And Trovillion is one of
16 our state representatives. He said right in the paper that he
17 thinks Florida Power should stay, and the paper didn't give a
18 name, but a former Winter Park Mayor said he thought Florida
19 Power should go.

20 So I called Trovillion. In fact, I had called him
21 before about school portables. I'm familiar with school
22 portables. And I said, they're not conducive for teaching or
23 learning, but anyway, he didn't agree with me on some little
24 issues. I never got nasty. He hung up on me. He's the only,
25 only official that's ever hung up on me. Well, you better

1 believe I'm going to fight him tooth and nail if he runs for
2 something. He's not up for reelection for state
3 representative, but with his ego, I'm going to fight him tooth
4 and nail somewhere. He'll run for something. I didn't mean to
5 say that, but that's all right. I want it on record.

6 But anyway, I've had all these outages. Now, it was
7 quiet in July after talking with all the Florida Power
8 representatives, very quiet. I don't even remember any little
9 glitches in July, but now it started in August again. I had an
10 hour and forty-five minutes, I was the only one on my street
11 that didn't have power on either side, and that's when the lady
12 said, well, you're on another street with three other people,
13 which is -- I would love to have a good explanation. I think I
14 deserve one. I would like for you to confirm today that I will
15 be put on either side of my street with other people.

16 But anyway, let me check my notes here. I don't
17 normally use notes, and I know better, but I don't want to get
18 too emotional. It's not very ladylike or businesslike or
19 professional. But anyway, I want the presence of Florida Power
20 out of Orange County, so I basically feel that I'm here -- and
21 I told all the state representatives, Chairman Krotti, and
22 everyone I speak with, I said, if one person calls and praises
23 you or complains, you better believe there's a thousand other
24 people out there that feel the same way. They're just busy
25 working and making a living and paying their taxes, and they

1 don't have time to come to day meetings or spend hours on the
2 phone. Sometimes I'm on the phone hours discussing some of
3 these issues for Orange County, and I tell all the Orlando
4 Sentinel writers and the TV newspeople that put the programs
5 together, I said, stick up for all residents of Orange County
6 and not some interest groups. And I said, tell it like it is
7 whether you step on Republican or Democrat toes. I said, tell
8 it like it is. So I've put moral to very high.

9 But anyway, I would like to see Florida Power take
10 some of its PR money on TV and the paper and so forth, full
11 page in the paper -- and you can look down at the bottom and
12 Florida Power is also using, what's that, Progressive
13 something? They make Florida Power a very small word. So
14 gentlemen, please do what you can because I'm not here for my
15 health. I'm here -- I hope I'm representing a lot of people in
16 all of Florida that has Florida Power. It's been a problem for
17 me for 20-something years, and I concur that a lot of other
18 people have had the same thing.

19 So I would like for them to take some of their
20 money -- and one of the representatives out toward Oviedo, he
21 promised to replace all three of the breaker boxes in my area.
22 And he said he would make sure that there were no trees near
23 the breaker box lines, and he would call me back -- or he asked
24 if he could call me back and make timely reports now and then
25 of what is transpiring as far as what they could do with the

1 problem we have. And I have not received one call since I
2 believe it was June, don't quote me on that, oh, 9/6, so that's
3 over two months ago. I called three or four times, and I could
4 never reach him. The lady that would answer the phone -- well,
5 he's unavailable right now. I said, well, please have him call
6 me. He has not done so. So it's a problem, and I probably
7 left out some good things I would love to say, but I'm not
8 going to go through my notes to see what they are. I think you
9 get the message; right?

10 Are there any questions?

11 COMMISSIONER PALECKI: I just have one question. On
12 the outage when you were the only house on your street that was
13 out, how long did it take before they got their trucks out
14 there and got the problem fixed?

15 MS. McLEMORE: I don't remember seeing any trucks,
16 but it was out about an hour and forty-five minutes.

17 COMMISSIONER PALECKI: In the daytime?

18 MS. McLEMORE: So in other words, I probably didn't
19 see the truck because my box is on another street.

20 COMMISSIONER PALECKI: Did they inform you what the
21 problem was at all?

22 MS. McLEMORE: No. But I finally got that lady --
23 the fourth call, as I said. I finally got that lady to say --
24 she wouldn't say who was on the line with me, but she did give
25 one address. And I knew he was over sort of behind, not on the

1 side or not behind, but catty-corner. His property comes to a
2 "V" sort of like mine. And I new the address because his house
3 number would be the same as mine. So I went over that evening,
4 and I asked him if his power was off and he said yes. And I
5 said, well, mine was off also, and they said that I was on the
6 line with you and two other people. So his was off also.

7 COMMISSIONER PALECKI: Thank you very much.

8 MS. McLEMORE: Thank you. Thank you for being here
9 again.

10 CHAIRMAN JACOBS: Ms. McLemore, the adjoining --
11 other than the three -- your house and the other two
12 residences, I assume that you had some way of seeing that their
13 power was on when yours was off?

14 MS. McLEMORE: No, I have to call or go and ask --

15 CHAIRMAN JACOBS: Okay.

16 MS. McLEMORE: -- because they're still in my -- oh,
17 I forgot to mention -- may I interrupt you here and say this?
18 That I live in a community that has a little over 700 homes.
19 Half of it is Florida Power, half is OCU. And it's all
20 considered auspices of the county. We're not in the city
21 limits, in other words. And I go over -- when I have the
22 longer outages, I go over and ask people, which is roughly
23 two to three blocks away at the end of my circle street, I ask
24 them, I said, did you have any outage? No.

25 So I find that interesting. Even during a bad storm

1 that we had -- now, all of these outages and surges I had, only
2 one was during a storm, but that's when all the people on my
3 street -- and apparently it was the big relay station over by
4 Econlockhatchee there or someplace. It probably blew or
5 something because it was sort of a bad storm. And if it is a
6 bad storm, hey, I understand. But all the rest of these
7 outages and surges, most of them were in the bright, sunny day
8 except one, and it was cloudy, overcast, and the very
9 first little thunder, I had a glitz. And every time I have a
10 glitz, I have to reset my phone tape. I have to run and turn
11 my refrigerator off and fortunately the TV comes back on.

12 So I asked one of the Florida Power representatives,
13 and I have their names here, I said, what am I supposed to do?
14 Turn my refrigerator off every time I leave home so my house
15 won't burn down? Well, no. But in essence, if it just sits
16 there and hums -- thank God when I went to bed at 12 o'clock to
17 get a drink out of the refrigerator, I noticed it was just
18 humming, so I cut it off for the night because I didn't want to
19 get burned alive. So it's real serious business, gentlemen, it
20 really is.

21 CHAIRMAN JACOBS: And I gather that you had not
22 gotten a surge protector?

23 MS. McLEMORE: No, no. And I spoke with one of our
24 state representatives. I said, don't you find it interesting
25 that all of a sudden when I have all of these outages, and I'm

1 sure it's other people too, that we have all of these little
2 flyers in there wanting us to buy surge protection? And they
3 are doing all this advertising. They really bombarded TV and
4 newspaper since June when the bad outages and surges started in
5 June, and then it was sort of quiet in July, and then I had a
6 lot in August. And now it's sort of being quiet. I had some
7 in September but not like 5 or 7 out of 10 days, but it's sort
8 of relatively been quiet lately. So I'm wondering why because
9 all of them except one was basically during a nice day. It
10 wasn't during storms.

11 COMMISSIONER PALECKI: Ms. McLemore, we have
12 standards that the utilities must comply with, and surges
13 are -- with our basically --

14 MS. McLEMORE: Within the jurisdiction.

15 COMMISSIONER PALECKI: They are within our
16 jurisdiction as far as safety and reliability, and we will have
17 our engineers check on the surge situation and report it,
18 because if it is causing a safety problem, it's something we'll
19 make sure we take care of.

20 MS. McLEMORE: Well, I feel they're a lot more
21 dangerous than being off for an hour or two because you have no
22 power so that means your refrigerator can't burn up. And my
23 refrigerator is not new, but it's very serviceable. All my son
24 did was come over 18 hours because I called him the next
25 morning. I didn't call him at midnight because he was

1 sleeping, but I called him the next morning. He said, well,
2 I'll come over after work at 4:00 and check your refrigerator
3 out. Well, I spent most of the day on the phone trying to find
4 someone -- a good refrigerator plus one that could deliver soon
5 because some of them couldn't deliver for two days. I said,
6 I've got a freezer full of meat and everything.

7 But anyway, he came over and said put a little -- he
8 said right on the phone the next morning, it's probably just a
9 little relay switch. And thank goodness, he's a pretty handy
10 guy. And he came over and within 30 minutes, he had that relay
11 switch in and it's been functioning ever since. So, no, no,
12 I'm scared to death of the surges. So I guess probably a good
13 electrician would concur with my idea because I'm afraid of the
14 surges.

15 COMMISSIONER PALECKI: Well, thank you very much for
16 your testimony today.

17 MS. McLEMORE: Thank you so much.

18 COMMISSIONER PALECKI: And we will make sure that
19 somebody from our Commission checks into the situation as far
20 as the surges are concerned.

21 MR. SHREVE: Thank you.

22 CHAIRMAN JACOBS: Thank you.

23 (Witness excused.)

24 MR. SHREVE: Diane Gaydos.

25 CHAIRMAN JACOBS: While Ms. Gaydos is coming, let me

1 last one, which was last month's bill, which was for 31 days,
2 8/28 to 9/28, my bill was -- don't have a heart attack on this
3 one, folks -- \$423.72. I went from 390 kilowatts to
4 4,917 kilowatts. I live in a small three bedroom -- three
5 room, excuse me, apartment.

6 I called Florida Power the day I got the bill. I
7 spoke to a girl by the name of Victoria. Pay your bill, or pay
8 the consequences. Oh, no, sorry, guys, I'm going to fight you.
9 I called back. I got another -- I've got all these names here,
10 supervisors, one after another. I got a Ray
11 Guerrino (phonetic), his extension, pay your bill. We're going
12 to terminate your services.

13 I had a gentleman tell me that I must have left my
14 oven on for two weeks. I said, do I look stupid? Please.
15 They told me to get an electrician at my cost. I went to my
16 complex. I said, I can't afford an electrician. No problem,
17 Diane, we're going to get one in there. We want to know too.
18 They brought an electrician in. The electrician, the
19 maintenance people -- I lost a half a day of work for this --
20 came to my residence, went through my complete apartment, four
21 and a half hours, found absolutely nothing wrong with my
22 appliances. They have checked the computer, the washer and
23 dryer, the stove, the refrigerator. If it was electric, they
24 checked it.

25 They called Florida Power back. Florida Power says,

1 we'll get back to you. They got back to my complex manager all
2 right. They said, you need to check her apartment. She has to
3 have something in there using the kilowatts. I said, please,
4 send somebody from Florida Power over here. I'll take the time
5 off from work, go through my apartment with me, the
6 electrician, everybody. Look and see what I've got going. I
7 live there by myself. I work half the time. I don't party.

8 I get no answers to this day. I talked to them last
9 week. This month's bill is higher than last month's bill. You
10 have to start paying. They want \$250 off me every two weeks.
11 There is no way. I will go without power and fight them on it.
12 It's impossible.

13 CHAIRMAN JACOBS: Do you have copies of your bill?

14 MS. GAYDOS: Yeah, I have everything right here.

15 CHAIRMAN JACOBS: Okay. I'd like you to leave
16 those -- if it's okay, could you leave those with us?

17 MS. GAYDOS: Oh, I have the originals. I don't have
18 copies. I didn't think to make copies, but I mean --

19 CHAIRMAN JACOBS: That's okay.

20 MS. GAYDOS: -- if there's a copier here --

21 CHAIRMAN JACOBS: No, no, no. What we'll do is,
22 we'll have somebody contact you and get you to send us the
23 originals, and we'll make copies and send them back, or you can
24 send us copies, however you'd like to do that.

25 MS. GAYDOS: I mean, I don't want the originals to

1 leave me right now because I've never been late with my bills.

2 CHAIRMAN JACOBS: That's fine. That's no problem.

3 MS. GAYDOS: And, you know, the other complex that
4 I've lived in wasn't as well insulated. My highest bill
5 there -- and it was a larger apartment -- was \$80. And the
6 girl across the hall has a larger apartment than I do in the
7 same building, her's is lower. Every single person in my
8 building, their bills are lower. They're all normal. Why did
9 mine jump so high?

10 CHAIRMAN JACOBS: When you say the other bills are
11 normal, do you have an idea of what kind of range that means?

12 MS. GAYDOS: From the other apartment you're saying?

13 CHAIRMAN JACOBS: Yes.

14 MS. GAYDOS: It's all, like, in the 40s. The highest
15 bill in that building was, like, around 48-something, and
16 they're bigger apartments. I've got the smallest apartment in
17 the building.

18 CHAIRMAN JACOBS: And I assume -- I'm sure that given
19 the review that was done by your maintenance, they checked for,
20 like, a space heater or a humidifier, in terms of that nature,
21 they checked for all of those things?

22 MS. GAYDOS: They checked for everything. I don't
23 have any of that stuff in my apartment. And I'm more than
24 willing to have Florida Power come there and make an
25 appointment and go through my apartment. I don't have a

1 problem with that, but don't get on the phone and tell me that
2 I'm doing stupid things or have a supervisor hang up on me when
3 I'm trying to get the situation rectified. There's a lot of
4 power going somewhere here. There's a problem.

5 CHAIRMAN JACOBS: Now, I assume that you have an
6 individual meter for your apartment.

7 THE WITNESS: Yeah, I do.

8 CHAIRMAN JACOBS: Have you monitored that?

9 MS. GAYDOS: My complex is doing it right now. I
10 have an electrician and a maintenance man monitoring it. We
11 spoke to Florida Power. We've tried to get them to come over,
12 even change the meter. Process of elimination. Try it. It
13 can't hurt to try right now. They don't want to do anything.
14 They don't want to hear nothing except pay this bill, and
15 honestly, I'm not paying it. There's no way.

16 COMMISSIONER PALECKI: Ms. Gaydos, you said that your
17 most recent bill was even larger than the \$423 --

18 MS. GAYDOS: I haven't gotten it yet. They just told
19 me over the phone it was larger. It's crossing in the mail
20 somewhere.

21 COMMISSIONER PALECKI: Did they tell you what the
22 consumption was in kilowatts?

23 MS. GAYDOS: No.

24 COMMISSIONER PALECKI: But they told you that just
25 for the one month's consumption it's going to be larger, or

1 because they're combining it with a prior bill?

2 MS. GAYDOS: No, just for the one month. It's going
3 to be larger than the last month's, which is \$423.72. Guys, I
4 have no heat on in my apartment. I'm afraid to put it on. I
5 have no air on in my apartment. I'm afraid to put anything on.

6 COMMISSIONER PALECKI: And you said that how many
7 months before had you had much -- you were talking about having
8 bills in the \$40 range?

9 MS. GAYDOS: Six months.

10 COMMISSIONER PALECKI: For six straight months --

11 MS. GAYDOS: Yeah.

12 COMMISSIONER PALECKI: -- they were in the \$40 range.

13 MS. GAYDOS: And I even questioned -- I said, you're
14 not estimating -- you know, we're not estimating it. That's
15 what your bill is. I said, this is wonderful. It's a brand
16 new apartment. There is a lot of insulation in it. I've seen
17 the insulation because I had a small ceiling leak, and they had
18 to bring the roofers in to, you know, go up in the reefs and
19 fix the reef area. So I know it's very thick insulated.

20 All the appliances in this apartment are brand new.
21 I understand mechanical things go wrong. It's just like your
22 car. You go out in it; you go to start it; it doesn't start.
23 I'm not a stupid person, but please, don't treat me like I'm
24 stupid. Don't tell me I leave my oven on for two weeks. Don't
25 tell me that I went out and got a water softener and installed

1 it in my apartment and things are going haywire. Don't tell my
2 apartment manager these things because this is not what the
3 case is. And I welcome Florida Power to come and look at my
4 apartment. I have nothing to hide. But when you can't put
5 heat on and you can't put your air on and you get supervisors
6 that are nasty, it's uncalled for.

7 COMMISSIONER PALECKI: I guess what I'm, perhaps,
8 suspecting is, we had someone earlier testifying that there
9 were estimates.

10 MS. GAYDOS: There were no estimates they said.

11 COMMISSIONER PALECKI: So they told you that each one
12 of your readings -- so it's not that they've made a mistake --

13 MS. GAYDOS: No.

14 COMMISSIONER PALECKI: -- and now are trying to make
15 up for it or collect back payments that they --

16 MS. GAYDOS: I questioned that, and they said,
17 absolutely not, that they were true readings, and they were
18 questioning me as to what I put in the apartment. I have a
19 small three room. What can I put in there? A whole machine
20 shop? Think about it. 4,917 kilowatts, come on.

21 COMMISSIONER PALECKI: Especially considering what
22 your prior consumption that it just doesn't sound right.

23 MS. GAYDOS: No. It's wrong. Like I said, the last
24 one was September 7th. That bill was \$41.96. The one before
25 that was \$42.89, and they were all within that same price range

1 and just about the same amount of kilowatts used. I mean,
2 nothing -- they even asked my manager to call the water company
3 and check to see if I'm using more water because maybe it had
4 something -- and Susan is like, her water bill is 35 cents
5 less, so, you know, hello.

6 What would Florida Power like me to do at this time?
7 I'm asking, what do you want me to do? Pay your ridiculous
8 bill? I'm not going to do it.

9 COMMISSIONER PALECKI: Well, there is a customer
10 service representative from Florida Power Corporation here
11 today, and I would like -- she's in the back row.

12 Could you please speak to Ms. Gaydos, and see if you
13 can look into this matter. It doesn't sound right if her
14 consumption every month for six months is in the \$40 range and
15 all of a sudden she gets this bill for \$423. It sounds like
16 there's something wrong, and if you could, please see if you
17 can work out something with Ms. Gaydos, I would appreciate it.

18 MS. CORNELL: Absolutely.

19 MR. SHREVE: Mr. Chairman, I'd like to ask Mr. McGee,
20 can you take care of letting her off the hook on this bill as
21 though a complaint has been filed until something is taken care
22 of? There's got to be an explanation for this, one way or the
23 other.

24 CHAIRMAN JACOBS: Well, here's what I'd like to
25 recommend. I'm going to ask that we go ahead and open a

1 complaint on this, and that should provide the safety net that
2 you need until the time it determines whatever cause there is
3 for the bills that you have. So I want to ask our Staff to go
4 ahead and open a complaint file on that. And if you would
5 then, within the context of that, you can discuss with them how
6 we can get copies of -- I would like to get copies of the
7 six-month bills and the two bills --

8 MS. GAYDOS: That's fine. I have no problem with
9 that at all. All I want is some help and some answers, and not
10 some stupid answers like I left my oven on for two weeks.

11 CHAIRMAN JACOBS: Thank you.

12 COMMISSIONER BAEZ: Mr. Chairman, I just want on that
13 note -- and revert to a couple of examples here already, but I
14 want this to go out to all the people in the audience as well.
15 Please know that there is a process at the Public Service
16 Commission where if you have a billing issue with the company,
17 there is a process that you can take advantage of that sort of
18 provides you with some kind of safety net so that it's not just
19 you against the company whereby, according to their tariffs,
20 they can cut you off. If there is a legitimate dispute as to a
21 bill, the Commission can help you. And the one thing that I
22 haven't heard in the few cases that -- the few people who have
23 already come up is that they have called the Commission. So to
24 that extent, I just want to remind you or let you know again
25 that there's -- you know, the Commission Staff is there, the

1 consumers affairs division is there to try and help you with
2 that as well. It doesn't always have to be -- we have a hand
3 raised there. I don't think the record is going to be able to
4 catch you.

5 CHAIRMAN JACOBS: If there's a question --

6 COMMISSIONER BAEZ: There was a question.

7 CHAIRMAN JACOBS: Yes, sir, Mr. Janosik.

8 MR. JANOSIK: Yes. I did call. I did call.

9 CHAIRMAN JACOBS: Oh, I'm sorry.

10 MR. JANOSIK: That's what I was talking about.

11 CHAIRMAN JACOBS: In fact, I recorded that --

12 MR. JANOSIK: Right.

13 CHAIRMAN JACOBS: -- your statement that you gave
14 them a call.

15 MR. JANOSIK: I also forgot to give you -- I do have
16 documentation on billing usage. Did you want me to provide
17 that? I've got copies.

18 CHAIRMAN JACOBS: If you'd like. Let the record
19 reflect Mr. Janosik, who gave his statement earlier, is going
20 to offer his statements of his usage to our Staff as well.

21 MR. JANOSIK: Right, right.

22 COMMISSIONER PALECKI: Could you please provide those
23 to the court reporter.

24 CHAIRMAN JACOBS: We'll make that -- we'll amend
25 Exhibit 1 to include that.

1 Do you have any questions of Mr. Janosik?

2 MR. SHREVE: Mr. Chairman, two very brief points.

3 One, I think you deserve an explanation one way or the other on
4 this as to what's happening and that's what you want. It might
5 be interesting if you'd have someone turn everything in the
6 apartment off and see if the meter is still running. Find that
7 out.

8 Two, the next place for you and everyone else here,
9 we're here on a rate case, a quality of service, and one of the
10 reasons we're here tonight is to hear from you about quality of
11 service because quality of service is supposed to affect the
12 return that is allowed to the company or their profit. And
13 that's what we're hearing right now, and that's one good reason
14 to hear this type of testimony. Thank you.

15 CHAIRMAN JACOBS: Thank you very much.

16 MS. GAYDOS: Thank you. And any help I get, I
17 appreciate it at this point because I have gotten nothing from
18 Florida Power.

19 CHAIRMAN JACOBS: Thank you.

20 COMMISSIONER PALECKI: Thank you, Ms. Gaydos.

21 MS. GAYDOS: Thanks.

22 MR. SHREVE: Thank you.

23 (Witness excused.)

24 MR. SHREVE: Mr. Freeman.

25 ROBERT H. FREEMAN

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

3 DIRECT STATEMENT

4 MR. FREEMAN: I'm Robert Freeman. I've resided in
5 West Orange County 69 years. I was born, raised, and worked
6 all my life in East Winter Garden. The nature of our business
7 is citrus growing and harvesting. I will just simply say that
8 the best friend we have in terms of right-of-ways is the
9 railroad because they keep their easements totally clean. The
10 state and county do good jobs with their roads; cities do good
11 jobs. I'm unique in that I purchase half of my power from
12 Sumter Electric and half from Florida Power.

13 Over the past 10 years, I have enjoyed continuous
14 small rate discounts from Sumter Electric. In my written
15 presentation to you, I have suggested at the end of it some
16 possible workshops, and I would urge you to include Mr. Duncan
17 from Sumter Electric, particularly in tree growth workshop, if
18 you ever host one, because under Sumter Electric, when I travel
19 clay roads in Lake County, I see mowers working on transmission
20 lines, distribution lines. It makes no difference what kind of
21 line, and at the same time, I see a spot applicator of
22 herbicide. I simply say to you, it goes a tremendous way in
23 taking care of tree growth.

24 I have some pictures which I'd like to pass to you to
25 illustrate the point. Occasionally you will see a beautiful

1 pole, and usually you'll find it's a communications tower. And
2 then I have other photos there of some of the problems I have
3 particularly with distribution lines.

4 One of the great problems with distribution lines,
5 particularly with me being a trucker, when the crews of Florida
6 Power work and they are forced to take down trees many times to
7 change poles out, they've got to cut the tree off high or cut
8 it at the ground, or my trailer is backing in at nighttime run
9 over the tree stump and ruin our 10.00x20 tires. I have a
10 couple of pictures here simply showing stumps and anchors that
11 I'd like for you to see. An anchor to a distribution pole
12 should never be closer than five feet to the road. I don't
13 pretend to know all the rules and regulations, but on many of
14 the county roads that our trucks meet, you have no other choice
15 except to get off to the side, and there are places you will
16 hit an anchor. There's one site -- and I've got a picture to
17 document it there -- four anchors have been in the ground for
18 six months and never a cable put on it.

19 Let me just come -- and I can't touch on everything,
20 but I spend every September, the third week, in Pinellas
21 County. I have to go to a sort course over there. I get in a
22 couple of days of vacation, but I was over there for Gabrielle,
23 which was a windstorm, and there was 50,000 outages in Pinellas
24 County alone from a little windstorm. I simply say to you in
25 my written comments that if something isn't done, if we don't

1 recognize why there is such an outage -- now there was limbs,
2 limbs, limbs in Pinellas County. And this is due to the
3 tremendous dry weather that we've had the past three years in
4 Florida, and oak trees broke down, but the problem I see with
5 power lines is if you're fortunate and live in a -- you're in a
6 residential area that's 20 years or younger, you're in Heaven.
7 You don't have problems.

8 Now, most of the people that I employ or work with,
9 they live in Park Ridge, Oakland, Tildenville, Fisherman's
10 Paradise and unincorporated areas of the county. The lines are
11 50, 60 years old. Florida Power out of no other choice has
12 gone in and made them secondary lines by simply wrapping -- and
13 many times these secondary lines will feed four, five, six,
14 eight houses. They can't get their trucks in to cut the tree
15 growth overhead, and sooner or later, we're going to have an
16 I-4 hurricane. And when we do, there's going to be millions of
17 houses out of power not for days but for weeks and weeks.

18 Now, at some point, at some point, the Commission is
19 going to have to give some impact, thought, and hopefully
20 regulation to the point that power -- that distribution lines
21 will be moved from the back of houses out to the road edge and
22 then the line buried on in to the meter. When you bury these
23 lines -- and there's one good place for a power line, and it's
24 the edge of a road right-of-way. When you move away from the
25 road right-of-way, this is where you really begin to get into

1 trouble.

2 I'll be happy to answer any questions in the future
3 on any written comments that I've had to make to you. I have
4 touched on a number of areas. I do want to mention pine trees.
5 There's been an enormous loss of I'll say 60-, 70-, 80-year-old
6 24-inch pine trees in Orange and Lake County due to dry weather
7 this year. In many cases, Florida Power has been forced to cut
8 these back, but they always cut them off 18-foot high right
9 under the line. Now, being a trucker and I haul a million
10 boxes of fruit out of Orange and Lake County, I run 40
11 trailers, it's so easy for me to bunk these dead tree stumps,
12 knock them over, and then at my expense I pick them up.

13 Let me just comment about a wild cherry tree growing
14 at the base of a pole. In three years -- it's up in the power
15 line. Many times, probably 50 percent of the time, it falls
16 over, and when it does, a deputy sheriff or an adjacent
17 landowner will come by with a chainsaw and just cut it off and
18 pull it back out of the road, and then there's nothing but a
19 sharp point at the base of the pole. Here again, these are the
20 places and things that eat up my 10.00x20 tires on trailers,
21 and I have \$100,000 worth of rubber trying to get in and around
22 telephone poles.

23 Let me just comment a moment about Dreyfus Orange
24 Concentrate Processing plant. I was a director in that plant
25 for many years. We sold to Dreyfus four years ago, and they

1 have now constructed a plan with Florida Power to cut back
2 power. And this mainly affects us when it's cold in the county
3 and obviously the power usage increases. And I would say
4 Florida Power does not have enough peaking to take care of that
5 situation. But under that roll back plan -- and it's only a
6 three-hour roll back, but it's really five hours because they
7 have to clean the evaporators. And I'm on Point 7 at the
8 moment. Last year the roll back on that plant lasted 15
9 straight days, from December the 30th, 2000 to January the
10 14th, 2001. Now, this resulted in 300 people being out of work
11 in West Orlando, South Apopka, East Winter Garden, Tildenville,
12 and these kind of areas. But more than that, it amounted to --
13 from Thanksgiving day to March 15th, people like myself, we
14 work 100 straight days because we're racing against time to try
15 to get fruit in. We're racing both against weather and also
16 the point of the fruit getting too mature.

17 Anything that causes us to lose time -- and if we
18 lose two days of harvest time, it doesn't just cost me in terms
19 of fruit but it costs my employees and other people in the type
20 of business that I'm in, it costs \$250,000 of lost employee
21 time if they are forced to roll that plant back seven straight
22 days.

23 Now, I'm simply saying, there's a need for better
24 peaking. I'm moving on to Point 10 in my written presentation
25 to say that I have solar hot water on the top of my house.

1 It's worked; the engineering is here. I have an hard time
2 understanding why Florida doesn't have a million solar hot
3 waters because the economics is there; the technology is there.
4 And I'm probably one of the few individuals that if I had the
5 right circumstances -- and one of them would certainly be a --
6 the right net meter regulation. I would want to put in my
7 backyard some trackers and ceiling photovoltaics, but yet I
8 can't do it unless it's a good sound investment for me, and I
9 don't think most people can and will.

10 I'll simply say that I've had more telephone calls
11 about net meter in the past 30 days than anything in the past
12 15 years when I got calls about EMF 15 years ago. And the
13 reason I'm getting calls -- and based on my telephone calls
14 that I really don't know the people, but 50 percent of them
15 want a net meter, and 50 percent don't want a net meter. I
16 simply say to you, and I know you've got a very important
17 decision to make probably next week or the week after, we
18 haven't had a net meter log ever in Florida. Now, 35 other
19 states do have it, but I don't think you're under the gun to
20 give a net meter log, let's say, next week. I would suggest to
21 you, work on that thing hard, work on it long, and try to give
22 Florida the strongest net meter law you can.

23 Now, I have put points in my written text to you of
24 things that I feel are important, things that I feel will sell
25 net meter. And yet if you pass a net meter regulation, as I

1 have seen a draft of it, at this point you won't have but very
2 little solar invested in Florida. Myself, I might put one
3 tracker in my backyard and produce a little bit of my own
4 electricity for my consumption, but I won't put in, let's say,
5 a four kilowatt system that would put green power on the grid.

6 When I see a big concentrate plant at Winter Garden
7 roll back 15 straight days this year, I'll say to you Florida
8 needs 5 percent or 10 percent of green power. That's all the
9 comments I have in lieu of time.

10 COMMISSIONER PALECKI: Mr. Freeman, let me --

11 MR. FREEMAN: Let me just make one other one.

12 There's one road in West Orange County. It's noted in my
13 comments to you. I call it Number 6. It's a new kV line on
14 Morton Jones Road. This line was built three years ago.
15 Florida Power did a beautiful job of cutting out the
16 right-of-way for the installation. The line was installed, and
17 they have never gone in and ever mowed, ever spot herbicided,
18 and it's one of the worst trash areas that the Orange County
19 Commission has to deal with today. It's an illustration of
20 where -- if a little bit of good judgment could have been used
21 at the right time, you could have saved a tremendous cost to
22 the -- now, the cost did build a sidewall trying to keep down
23 some dumping.

24 It's hard for me to say what's right and what's
25 wrong. I have worked with Florida Power for many years now.

1 I've had some wonderful relationships with people that have
2 long retired. The manager of Orange County and I communicate I
3 think well with, and I have probably sent enough memorandums,
4 like the one I put to you, that Florida Power could publish a
5 book, no less than 100, maybe 150 across 15 years' time. Ken
6 Cone is in the audience. He could deny that if he thought it
7 was in error. But I'll say to you that I've got four file
8 cabinets of power communication in my office, and you won't
9 believe how much communication I get anonymous from people all
10 over the United States. And I don't even know how they find or
11 get my name, and yet if I could show you the depth of my
12 Florida Power file, you would be amazed. It's limited to a few
13 brief memos between me and Ken Cone. Thank you.

14 COMMISSIONER PALECKI: Mr. Freeman, I want to -- my
15 name is Mike Palecki. I wanted to ask you if this situation
16 you've cited regarding the trash trees and vines, has this been
17 in existence since you've began receiving service from Florida
18 Power Corporation, or have you detected that there has been a
19 change in their maintenance, their tree farming, and their
20 herbicide use?

21 MR. FREEMAN: Well, I'll simply say to you that back
22 in the '60s, '70s, and '80s, I don't feel that we had the vines
23 and trash trees that we have today. It's only in the last 10,
24 12 years that trash trees have become to be such an enormous
25 problem. And I want to give you one example. At Cemetery Road

1 and Apopka-Vineland, I timed and watched Florida Power crews
2 take out an ear tree. They had to take it out to change the
3 pole out. It took four big trucks, eight men working four
4 total days to make a power pole change. That's the reason that
5 rates are high in the 21 counties of Florida Power, and because
6 they don't have the trash trees in the four counties to the
7 west, that's the reason we've enjoyed ten straight years of
8 rate reductions. Thank you.

9 COMMISSIONER PALECKI: Thank you.

10 CHAIRMAN JACOBS: Any other questions? Thank you
11 very much, Mr. Freeman.

12 (Witness excused.)

13 CHAIRMAN JACOBS: Let the record reflect that we will
14 mark your written statements and the pictures as Exhibit 2,
15 Composite Exhibit 2.

16 (Exhibit 2 marked for identification.)

17 MR. SHREVE: Stan Boyer.

18 CHAIRMAN JACOBS: While Mr. Boyer is coming forward,
19 let me say that feel free, if the gist of your statements have
20 been brought forward to adopt or basically incorporate into
21 your presentation statements that were given prior, in the
22 interest of time, that may help us, but I want to be clear,
23 please no one cutoff your comments. But if your concern was
24 adequately addressed in a prior speaker's statement, feel free
25 to adopt that as your own, and then given whatever additional

1 comments you think are necessary to mention in your statement.

2 Mr. Boyer.

3 STAN BOYER

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

6 DIRECT STATEMENT

7 MR. BOYER: Thank you. I live at 2128 Linden Road in
8 Winter Park. I've lived there for 40 years, and in most of
9 those 40 years, a good many of them, at least 20 of them I'm
10 going to say, I've had power outages in and out, in and out.
11 And the sad part is, across the street from me on the north
12 side of Linden Road, they never have outages. So myself, my
13 neighbors -- one of my neighbors is with me tonight -- we'll
14 all got front doors, look out and look across the street and
15 they have lights. We sit in our house for maybe a half hour,
16 an hour, two hours, whatever it might be, with no power. This
17 has been going on for years and years and years.

18 And I went out and made comments to men in the field
19 about it. They don't want to hear what I have to say. They
20 made comments, well, it's the trees or whatever like this for
21 40 years -- I'm going to say 20 to 30 years and not 40. But
22 I'm just fed up with the people, like these other people said
23 tonight. As I see it, it's like waving a red flag at a bull.
24 I'm in my house with no power. I look across the street in the
25 north side of Linden Road, they have always got power, always.

1 They don't know what it is to be out power. And that's my only
2 comment. Thank you, gentlemen.

3 COMMISSIONER PALECKI: Thank you.

4 MR. SHREVE: Thank you, sir.

5 CHAIRMAN JACOBS: I'm sorry, can I get your name for
6 the record, again?

7 MS. McLEMORE: Your name.

8 MR. BOYER: Stan Boyer.

9 COMMISSIONER BAEZ: Mr. Boyer, are the neighbors
10 across the street from you Florida Power customers?

11 MR. BOYER: Oh, yeah, oh, yeah. Sure are.

12 COMMISSIONER BAEZ: Thank you.

13 (Witness excused.)

14 MR. SHREVE: Mr. Edward Swietek.

15 EDWARD SWIETEK

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

18 DIRECT STATEMENT

19 MR. SWIETEK: My name is Edward Swietek. I live at
20 2217 Howard Drive. I've lived there since 1963. I possibly
21 look like a young fellow to most of you people, but I'm in my
22 70s. Florida Power has done two different things to me. I
23 feel like half of the time I'm with these people, the other
24 half that when I'm able to call in, they do me a service. It
25 was a while back -- I think back in -- this looks like August.

1 I started to keep a small record of outages. Now, prior to
2 that, there were plenty more.

3 And like Mr. Boyer, I could look out of my front door
4 and look at my neighbor, Colonel Gatch, who has attended the
5 meeting with me, and he has power and I don't have power. And
6 the funny thing about it is, I think probably about five years
7 ago or more I went down to the Florida Power Office on I think
8 it's Pennsylvania Avenue and I said, I'd like to get off the
9 phase that I'm on. And let me go back and digress a little bit
10 here.

11 When Winter Park started putting sewers in, they put
12 a lift station at the end of my block for the sewers, and a
13 little after that, I started to get power outages. And they
14 says -- they said to me, you should be happy because we attend
15 all of the outages concerning lift stations immediately.

16 Well, as you can see in that little note that I gave
17 you there, the power truck came from the lift station within an
18 hour, I think, after we had the outage in one instance, and the
19 Florida Power truck came later. So I eventually got the
20 people -- I think I'm off of that phase. Four houses on the
21 same transformer are supplied, and that's the Barber's on the
22 right of me, which is north. David Steel, who announces the
23 Magic games, is oblique to me. And I don't know my new
24 neighbor's name. But like I say, and Mr. Boyer says, he can
25 look out his front window and he can see his neighbor is having

1 power, and he does doesn't have power. But yet when you call
2 them, you don't get a reason.

3 Now, I do have reasons why we have outages in there.
4 Some were due to electrical storms, but the surges are
5 tremendous. I think my refrigerator is blown out now. I
6 worked for Martin Marietta for 31 years before I had retired,
7 and I'm almost sure that those outages and the surges are
8 causing my appliances to go bad. I've even put up emergency
9 lights because we tend to our grandkids when they're over. And
10 when the lights go out, I want to have some means for them to
11 see the exits to get out of the house in case there's an
12 emergency. That's basically what I wanted to say.

13 Now, on occasions when I have called Florida Power,
14 they have come down and replaced insulator switches and so
15 forth, but I had to hassle them, but they did come out. So I'm
16 torn between half of these people saying they have got weird,
17 weird service -- and I live right in Winter Park, and it's half
18 and half.

19 COMMISSIONER PALECKI: Mr. Swietek, what happens when
20 you have a surge? And how often have you had the surges?

21 MR. SWIETEK: I think I listed them on -- since the
22 8th of August on that sheet of paper. And I just started that
23 here just recently. There were plenty more before that.

24 COMMISSIONER PALECKI: Well, how do you know that you
25 have a surge?

1 MR. SWIETEK: How do I know?

2 COMMISSIONER PALECKI: What occurs when a surge --

3 MR. SWIETEK: What occurs? My TV will drop out. My
4 emergency lights will come on. All the appliances that have
5 the LEDs for the time and so forth will start flashing. They
6 will go to twelve o'clock midnight or so.

7 COMMISSIONER PALECKI: Can you tell when you have a
8 momentary outage and a surge? Is there any difference that you
9 can tell?

10 MR. SWIETEK: Yes, definitely.

11 COMMISSIONER PALECKI: What is different?

12 MR. SWIETEK: Well, if the refrigerator is on and I'm
13 sitting in the kitchen, I'm watching the TV set, the TV set
14 will go out. If the compressor is on, it will start groaning.
15 And I have called Florida Power, and they're telling me they're
16 trying to jack up the power to maintain the level. I said,
17 you're better off dropping the power than ruining everybody's
18 appliances. And, of course, my emergency light comes on
19 immediately. That's basically all I have to say. I, more or
20 less, repeated what they had to say in here, but --

21 COMMISSIONER PALECKI: Thank you, Mr. Swietek.

22 MR. SWIETEK: Any questions I can answer?

23 CHAIRMAN JACOBS: Thank you very much.

24 MR. SHREVE: Thank you, sir.

25 (Exhibit 3 marked for identification.)

1 (Witness excused.)

2 MR. SHREVE: Mr. Weesner.

3 JOHN WEESNER

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

6 DIRECT STATEMENT

7 MR. WEESNER: My name is John Weesner. I live at 100
8 South Interlachen Avenue in Winter Park, Florida. I grew up in
9 Miami and have lived elsewhere before coming back to Florida
10 and settling in Winter Park. I've been here almost 30 years.
11 I experienced electric service with other utilities, and when I
12 came to Winter Park, I experience the service with Florida
13 Power. My first experience had to do with my TV set failing
14 several times, and I was told by the technician that perhaps I
15 had an overvoltage situation, but eventually I determined it
16 was inadequate lightening protection on the line that was
17 serving my house. And I found that if I moved my cable
18 connection to the TV to the front of the house, the lines there
19 from the back of the house that I didn't have those problems
20 anymore.

21 But in the course of trying to understand this
22 problem, I got Florida Power & Light to put a voltage recording
23 meter on my electric service. And it's one of these things
24 with a round disk. And it went for one week, and so then I
25 took the disk off and turned it over to the blank side and let

1 it go for another week. And what surprised me about that was,
2 I didn't have an overvoltage situation, I had some of an
3 undervoltage situation. But more than that, the needle on that
4 would record all of these drops down to low voltage or zero,
5 and so what I had was a very poor quality of electric service.

6 I think I still have that situation because I now
7 have interruptible power supply on my computer, and I can sit
8 there with it next to me and I can hear it beeping. Even
9 though the lights don't go out, it is sensing a problem on the
10 line, and this is a frequent occurrence at my residence.

11 We go through a lot of light bulbs, too, much more so
12 than I experienced in other places. It amazes me how many
13 lightbulbs have to be replaced here, and it is different than
14 other areas where I've had electric service.

15 A study that was ordered by Winter Park indicated
16 that our electric facilities here in Winter Park are older than
17 the system average. The average age of the facilities are
18 older than the system average. And we have -- having a
19 relatively old electric system and poor reliability and rates
20 that are higher than other investor-owned utilities, I think
21 that this should be taken into account when you look at setting
22 rates for Florida Power Corporation.

23 Quality of customer service. It's been my experience
24 in the past when there are area-wide severe weather problems,
25 it's hard to reach Florida Power to report an outage. Even

1 when you do, response times are not very good. Even in good
2 weather, there were problems getting attention, though.

3 On a clear day several years ago, a squirrel lost his
4 life on the top of a Florida Power pole when he shorted out a
5 line and blew a fuse. We were out of power on one phase. And
6 after getting through to Florida Power Corporation -- it was
7 easy to do that day because no one else was reporting
8 outages -- it was 45 minutes, the response time. And what the
9 repairman told me was that they had to drive from Lake Mary,
10 considerably to the north, in order to come down and fix this
11 problem. And it surprised me that there weren't crews
12 available more closely than that. And this event took place
13 well before the acquisition of Florida Power by Carolina Power
14 & Light. Now, local customer centers have been closed,
15 staffing has been reduced, and I think this is likely to
16 aggravate the service quality situation.

17 A recent article, though, in the St. Petersburg Times
18 points out that in a recent storm response, I think it was
19 Gabrielle, Florida Power tried but failed in a timely fashion
20 to get crews in from North Carolina. When the crews did
21 arrive, communication and compatibility issues arose. This
22 really gives me concern when we have some problems here that
23 they're depending on crews from North Carolina to get down here
24 and help us rather than having crews here to help us.

25 My last point has to do with what I would call

1 business development and retention activities. The remaining
2 exhibits you have relate to this. And it's Florida Power
3 Corp's efforts to interfere with the City of Winter Park's
4 effort to study the feasibility of forming a municipal utility
5 and buying Florida Power electric facilities. I believe this
6 relates to their costs of service because it's my understanding
7 that some utilities will spend millions of dollars to try to
8 prevent a city from municipalizing.

9 There is evidence in articles in the paper,
10 information, City Commission meetings, a letter I received from
11 Florida Power, advertising I get in my bills and so forth that
12 Florida Power is mobilizing considerable resources to address
13 the City's efforts. They have hired consultants. They've
14 conducted phone campaigns. They have employed attorneys to
15 pursue lawsuits and, among other things, directed staff to sway
16 public opinion at community events. I guess that a corporation
17 like Florida Power has a right to retain and expand its
18 business, but I think that as a monopoly it should be
19 restricted from using funds from the ratepayers to finance such
20 activities. So I ask the Commission to look carefully at
21 Florida Power Corp's cost of service and consider that these
22 types of charges should not be included. Thank you.

23 CHAIRMAN JACOBS: Any questions? Thank you very
24 much.

25 COMMISSIONER PALECKI: Thank you, Mr. Weesner.

1 MR. SHREVE: Thank you, sir.

2 (Witness excused.)

3 MR. SHREVE: Mr. Giorgio.

4 TONY GIORGIO

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

7 DIRECT STATEMENT

8 MR. GIORGIO: My name is Tony Giorgio, and I
9 represent the Compassion Children's Foundation, and my address
10 is Post Office Box 1922, Apopka, Florida. I'm here actually
11 representing the medically-essential community, mostly children
12 that we deal with, and the lack of service that these families
13 are getting even though back in May we did pass a law asking
14 that lights not be turned off for these families and additional
15 deposits not be charged. The service level that these people
16 are dealing with when they have seriously ill children or
17 adults in a home is sickening, to say the least. They are
18 treated just the same as anybody else even though they have
19 this medically-essential problem.

20 The law is not being adhered to. And I will give you
21 some examples which really -- this is on a Florida Power
22 letterhead going to a person who has a seriously ill child here
23 in Orlando. Remember, the law states that they cannot charge
24 additional deposits. Recently, a payment was delinquent, a
25 late payment, and resulted in a service interruption. There's

1 two strikes against them against the law. Therefore, an
2 additional deposit of \$340 will be included as a separate item
3 on your next electric statement. This is against the law.
4 It's ridiculous. This company has done this for years. I have
5 been working on this for the last five years. This is the same
6 scenario we had three years ago before the law was passed.

7 Here's another situation, a seriously ill child in a
8 home, has a trach, has a feeding tube, mother and father
9 working. These are working families. They asked for an
10 extension until the paycheck came in because they had just come
11 back from the hospital, two days. The person in customer
12 service was extremely rude, told them just to pay the bill and
13 forget the letter from the doctor or anybody else. Their
14 medical supplier sent a letter asking them not to cut the
15 lights off, that they would even pay the bill. It did no good.
16 The lights were cut off for 28 hours, and they were charged an
17 additional deposit.

18 Also, the mother called and said, look, please tell
19 me if you're going to turn these lights on before dark because
20 I must get my child out. They assured her it wouldn't be a
21 problem. The lights were turned on after seven o'clock at
22 night causing her to get the child out of the home and bring
23 her to the hospital. This goes on and on. I have records, and
24 some of you know it, going back for years. This has never
25 stopped. Their service and the way they do things against the

1 medically-essential community is deplorable and it's heinous.
2 They need to be stopped. And it's not just Florida Power
3 Corporation. Most of the public utilities in this State stink,
4 to put it mildly, and I will not stop until something happens.
5 And if you want something to happen -- I must calm down. We
6 don't want a child to die. I don't want an adult to die.
7 We're heading in that direction, because even with a law that
8 we spent all these years trying to pass, we can't get them to
9 adhere to it. And the problem is, it's discriminatory. Okay.
10 These are medically-essential customers that they should be
11 catering to; they won't. They shut the lights off.

12 This is from the Tallahassee Democrat just the other
13 day, yesterday I believe it is. Because of the problems that
14 the people were having in the oyster industry, things were
15 closed. The bay was closed because of something in the water.
16 Florida Power agreed not to shut the power off for those people
17 who have seafood licenses. Now, do you mean to tell me they're
18 more important than people who are seriously ill in this State?
19 We play games and politics. It's time to stop. It really is.
20 They should never ever be allowed increases. They need to give
21 back \$100 million.

22 The other issue here, which nobody understands, is
23 when these good people give a dollar toward these so-called
24 funds that we have paying these people, they are never ever
25 told about it. Nine times out of ten, a customer service

1 person will not tell a medically-essential person that there
2 are funds available. They tell them to go to their churches or
3 go to their friends to get these funds. Now, the other
4 situation is, when these good people give their money thinking
5 these people are getting their bill paid, the companies -- the
6 agencies that they call throughout the State, especially the
7 excuse is the New York Trade Center tragedy, they're out of
8 money. I have heard they're out of money for the last five
9 years. Where is the money going? Does anybody know? Florida
10 Power and other utilities say, it's not our responsibility. We
11 give it to that charity. Well, I think if the customer base
12 gives a dollar, you better darn well know where that dollar
13 went. And why don't they? Why aren't they concerned with why
14 these agencies aren't helping their customers pay the bill? It
15 doesn't make any sense, it really doesn't, and it really has to
16 stop. They are making too much money on additional deposits
17 that they're getting away with.

18 Customer service, again, we had another situation in
19 Tallahassee, Florida. After the law was passed, we had it
20 written in that you did not have to just be on electric service
21 24/7 because there are a lot of different situations, so it was
22 if you are immediately sent to a hospital or a life-and-death
23 situation. And they had to recertify every year. This family
24 was sent the form, and when they sent it in, they were rejected
25 because they weren't on 24/7. The law states they did not have

1 to be. I called the Public Service Commission. We told them
2 about it. They were going to address the issue and change
3 their forms. This was back in October. It is now November.
4 That family still has not had an updated form or any contact
5 from the utility, Florida Power, that they can now recertify,
6 and they only have 30 days.

7 Everything goes to the side of the power companies in
8 this State and not to the customers, especially
9 medically-essential customers. These people have long-term
10 problems, and there's another person here who spoke and said
11 that one of the state legislators was uncooperative. Yeah,
12 because the attitude is, if you deem them deadbeats, then
13 everybody is going to believe it. The spin is that they're no
14 good, then forget it. These are hardworking people just like
15 everybody else here only they have seriously ill people in
16 their homes, and they can't help what happens to them. They
17 either put food on the table or they pay a bill. And if the
18 power company, which we don't have a choice going to anybody
19 else, can deal with a customer base like this, then it's
20 criminal. It's time they leave town. We don't need this kind
21 of attitude, especially with medically-essential.

22 These are life-and-death situations. We're not
23 talking about the guy with the common cold. We're not talking
24 about the person who's laid off. These are children who are
25 fighting for their lives. They're on equipment, but yet we see

1 the same thing, and we have a law in place. The audacity to
2 break the law, gentlemen, it's not fair. And I'm telling you,
3 I've been doing this for 18 years. I've been after you for
4 five years, and it will be another hundred years, but you'll
5 never ever get away with it. And if you're here as an
6 executive, you need to go down the line to your customer
7 service base and the \$4-an-hour person on that phone and let
8 them know they better stop treating these people the way they
9 treat them, because I get the calls. And the funny part is,
10 I'm the guy who doesn't have the budget in my agency to pay
11 these electric bills, and I tried to do it for them.

12 What's happening, gentlemen, to all the agencies
13 you're delivering money to who are not paying this bill? It's
14 time you find out. And you know what's happening? I'll tell
15 you what's happening. They are holding the money, whether you
16 give it United Way or you give it to the Community Service
17 Network, they are holding the money past the quarter, and their
18 agencies below aren't getting the dough, and they are saying
19 they are out of money. That's why. So therefore, the
20 customers are suffering. You're suffering because your bill is
21 not being paid, but charging \$350 to a person who has a law to
22 protect them is heinous, and it really has to stop.

23 And I can't see them doing anything but refunding
24 more money than they want to. I agree 100 percent, it should
25 be 100 million and even better, because let me tell you, in

1 Baltimore, Baltimore Gas & Electric pays into their system for
2 the needy, the medically-essential customer. \$11 million they
3 donate, 11 million. These corporations are just as big here in
4 Florida. Ask them. You know how much they give a year. What
5 is it? 500,000 maybe, if that?

6 CHAIRMAN JACOBS: Mr. Giorgio, if I may, in the
7 interest of time, if I'm not mistaken, I had asked Staff to do
8 some background work on determining just -- the experience of
9 consumers in other -- since the law has been passed. What I'd
10 like to do is ask -- so we can make sure we get as many of our
11 customers an opportunity for input --

12 MR. GIORGIO: Sure, I understand.

13 CHAIRMAN JACOBS: -- I'm going to represent to you
14 that I'm going to have Staff -- our Staff follow up on that.
15 I'm going to ask not just for this company but for all the
16 companies. I want to get an understanding -- if you were to
17 help us by giving us those cases that you're aware of where
18 compliance with the law is of some question.

19 MR. GIORGIO: We have them by the dozen. And the
20 problem is, Mr. Chairman, we should not be baby-sitters for
21 them to do the right thing.

22 CHAIRMAN JACOBS: I understand.

23 MR. GIORGIO: They need to do it, that's all. That's
24 all I'm saying.

25 CHAIRMAN JACOBS: I'm going to make sure we have all

1 the facts at hand, and I'm going to ask that you follow up on
2 that, and I'll communicate with you directly as to how that is
3 proceeding.

4 MR. GIORGIO: Well, I just wanted to let you know
5 that it's not happening and it's -- you know, I don't know.

6 CHAIRMAN JACOBS: I understand your --

7 MR. GIORGIO: You understand?

8 CHAIRMAN JACOBS: Definitely.

9 MR. GIORGIO: Okay. Because I get the phone calls,
10 and I know what's going on and I document them.

11 But the only other comment I'll leave you with is,
12 gentlemen have put ads on TV with kids running, and how you
13 care to keep the lights on, man, you're only fooling yourselves
14 because the general public knows you better. Get the kids off.
15 Don't use kids. Pay attention to these kids. Forget about
16 your advertising. Thank you.

17 CHAIRMAN JACOBS: Thank you.

18 COMMISSIONER PALECKI: Mr. Giorgio, I just wanted to
19 say, I appreciate what you're doing to try to help these
20 people.

21 MR. GIORGIO: Thank you.

22 CHAIRMAN JACOBS: Thank you.

23 (Witness excused.)

24 CHAIRMAN JACOBS: In order to give our court reporter
25 some level of relief, she's been working for a couple of hours.

1 We're going to take a brief recess, approximately ten minutes.
2 Let me say this before we break, however. We have only gone
3 through, I think, about half of our list, and we've gone
4 through about two-thirds of our time. So I do not want to free
5 up anyone's opportunity to speak, but I would ask you, if your
6 positions have been adequately addressed already tonight, feel
7 free to simply let us know that you would like to adopt the
8 statements that have been given, and we can condense your
9 statement in that manner.

10 Alternatively, if you'd like to give us a written
11 statement, again, that will be made a part of the official
12 record. So we'll break and come back in ten minutes.

13 (Brief recess.)

14 CHAIRMAN JACOBS: We want to call the hearing back to
15 order. We'll go back on the record. As I indicated prior to
16 going to recess, if you would like to adopt a statement that
17 has been previously given, when your name is called, just
18 indicate that to us, or you can come to podium and just stand
19 where you are and indicate that you'd like to adopt the
20 comments that have already been given, they do reflect your
21 experiences.

22 And with that, we'll continue. Now, let me also
23 state that we are scheduled to go until 9:00. We do want to
24 try and get everybody's statement in, so, Commissioners, we
25 will stay over, but we would like to not stay too late. We

1 have a twelve o'clock hearing tomorrow in Daytona that we'd
2 like to get to. And with that, the next witness.

3 MR. SHREVE: Ms. Moxley, Fae Moxley. I believe
4 Mr. Ellman's gone. Mike Whiting.

5 MIKE WHITING

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

8 DIRECT STATEMENT

9 MR. WHITING: Good evening. My name is Mike Whiting.
10 I live at 405 Lakewood Drive in Winter Park. I wish I had been
11 one ahead on the list. I could have gone home and eaten dinner
12 by now, but that's the way it goes. When you are a "W," you're
13 used to coming towards the end of everything. I'd like to
14 thank all of you from the Commission for coming here. It's
15 really great to see three Commissioners here. I really didn't
16 expect this. We got the notice saying that this meeting was
17 potentially going to be very brief, so I told my wife I would
18 be home for dinner by seven o'clock. And my stomach is
19 growling, yours probably are too, so I'll try to be very brief
20 in my comments.

21 What I would like to address really relates to
22 reliability, and I'll be talking about Winter Park
23 specifically, but I suspect my comments apply to much of
24 Florida Power's system. In Winter Park, Florida Power service
25 is so bad that it's the butt of local jokes. There are all

1 kinds of jokes about how bad our electric service is. We moved
2 here in 1982. We very quickly gave up on the thought of having
3 our digital clocks actually work. We have moved the VCR out of
4 our bedroom because it was too annoying to have to look at that
5 flashing twelve o'clock through the entire night.

6 Now, I own a summer home in Michigan, and I was there
7 in September. Everything was working fine. I won't be back
8 there until May, and I expect all the digital clocks to be
9 working fine in May. Michigan has wicked winter storms. This
10 is on Lake Michigan. I don't know why the service is so much
11 better up there than it would be down here.

12 Florida Power's poor service is borne out in numbers.
13 Florida Power's system average outage is 102 minutes per year
14 for 2000. In Winter Park in 2000 our number was 150 minutes,
15 so not only do we have the worst utility in the State in Winter
16 Park but we are 50 percent worse than the already poor
17 statewide average. But contrast, our neighbor to the south,
18 Orlando Utilities' average outage was 33 minutes. That's five
19 times better than the service we have in Winter Park.

20 If you've had a chance to drive around our beautiful
21 city, and I'm not sure if any of you have, the reason for these
22 numbers is very obvious. We have a very antiquated power
23 system. Florida Power put very little money back into this
24 system. I'm a businessman, and it's very obvious what Florida
25 Power is doing. They're using our system as a cash cow to pay

1 for their other operations or to pay dividends for their
2 out-of-state owners. Florida Power is collecting about \$30
3 million a year in revenues in this city based on the franchise
4 fee collections that we get in Winter Park. I'd like to see a
5 significant chunk of that reinvested in Winter Park. They're
6 obviously not doing that right now, not doing enough.

7 Now, as I'm sure you're aware, we have contentious
8 negotiations going on in this city over our franchise renewal.
9 During those discussions, you should also be aware that Florida
10 Power has regularly used the Public Service Commission as a
11 shield to hide behind in response to our demands for better
12 service. For example, they've told us that the Public Service
13 Commission will not allow them to pay for undergrounding power
14 lines to improve service. They've told us that the Public
15 Service Commission will not allow them to establish objective
16 reliability standards that they have to meet such as improving
17 this dismal 150 minutes a year. And they've also told us that
18 you don't allow financial penalties for poor service. Now, my
19 impression was, the PSC is here to protect the ratepayer, to
20 protect the consumer, and exactly the opposite seems to be
21 happening in our franchise discussions. You've become the
22 shield that they're hiding behind.

23 These kinds of things are normal provisions that you
24 might find in a business agreement in a normal business, and I
25 don't qualify the electricity business as normal because it's a

1 regulated monopoly. Why should the power business be
2 different, though? For example, if we do municipalize in
3 Winter Park -- and we haven't made that decision yet. We're
4 just evaluating our options -- Orlando Utilities Commission is
5 willing to come into this town and have objective reliability
6 standards, have financial penalties, and to pay for
7 undergrounding power lines. Why can't we get that service from
8 Florida Power? Not only does Florida Power have the worst
9 reliability in the State, they also have the highest rates.
10 The worst service and the highest prices, that's a pretty
11 combination. No wonder you've got angry people all over
12 central Florida and probably in other parts of their service
13 territory too.

14 Now, if we were dealing with a normal product, the
15 answer would be simple: We would find a new supplier. But
16 things aren't that simple with electricity. You've got arcane
17 rules and regulations that's most of us don't understand. You
18 have 30-year franchise agreements, and it's extremely
19 complicated to switch suppliers.

20 The PSC could help Winter Park and other cities that
21 have Florida Power as their power provider by doing a few
22 things. These are the kinds of things I'd like you to
23 consider. These aren't necessarily rate case type things, but
24 they're things I think you ought to be looking at in the big
25 picture in the electric industry in the state of Florida.

1 Number one, there should be objective reliability standards
2 that all utilities have to meet. Why should we be stuck with
3 this terrible service here? And if they don't meet those
4 objective reliability standards, there should be financial
5 penalties for that. That's what happens in most businesses.
6 If you don't perform well, there are penalties associated with
7 that.

8 You should also require Florida Power to reinvest
9 some of the revenues it collects in cities back into improving
10 service in that city. We're sick and tired of our town being
11 used as a cash cow to pay for everybody else. And lastly, but
12 not least, you should require utilities to include purchase
13 options in their franchise agreements. This is the only way
14 cities have to require their utilities to offer reasonable
15 service. Florida Power wants us to sign a new franchise
16 agreement here with no purchase option on it, and then we're
17 stuck with them in perpetuity. Now, we have bad service now.
18 What's it going to be like if they have no threat of ever
19 losing us as customers? During these negotiations, Florida
20 Power told the City of Winter Park that franchise purchase
21 options were illegal in Florida, yet Gulf Power is signing
22 franchise agreements with purchase options. So what's Florida
23 Power afraid of?

24 So, as I said, we have the most expensive and least
25 reliable power in the State. These aren't specific comments

1 necessarily on the rate case, but I'd like you to be thinking
2 about these things in the future to try and help cities like
3 Winter Park get some reasonable level of service. Thank you.

4 COMMISSIONER PALECKI: Thank you, Mr. Whiting.

5 (Witness excused.)

6 CHAIRMAN JACOBS: Before we go to the next witness, I
7 think it's reasonable to recognize that the company has brought
8 several people -- several of its executives here to make sure
9 that they are responsive and they do hear your statements and
10 they are -- and I will let Mr. Bonk address how the company is
11 going to respond.

12 MR. BONK: Thank you, Chairman Jacobs. I appreciate
13 it. I'll be very brief. I'm not up here to comment
14 specifically on any of the issues that have been raised
15 tonight. What I did want to say to everyone here, though, is
16 that we do value this opportunity to hear firsthand from you.
17 Florida Power is committed to improving its service and to
18 reducing its price, and those commitments have been made
19 publicly to the PSC and to our customers. And we're working
20 hard to do that. I want to make a statement to everyone here
21 tonight that we also are committed to working with the
22 customers individually that have been up at the podium here
23 relating some problems and concerns.

24 The PSC has indicated their desire to follow up
25 directly with some of these individuals to help solve problems.

1 Those folks can also expect a call from us in the next day or
2 two to work with them, whether they be unexplained high bills,
3 unexplained estimates, frequent outages, any of the types of
4 problems that have been raised here this evening. We talk with
5 literally thousands of customers every day on the telephone,
6 and we survey our customers, but this kind of feedback is
7 really invaluable. So rather than the company being defensive
8 and saying, we don't want to hear this, we really welcome and
9 value the opportunity to hear this, and we want to help do
10 something about it. But that message was not being conveyed,
11 and Chairman Jacobs graciously allowed us the opportunity to do
12 that.

13 If you do have specific problems, again, I want to
14 reiterate the fact that we've got some experts here that can
15 help solve some of those problems and deal with them tonight.
16 In the absence of that, we'll be taking your name and address,
17 and expect a call from us in the next day or so. We really do
18 want to work with you-all to help solve these problems.

19 Thank you, Chairman Jacobs, for the opportunity to
20 just reinforce that message. I appreciate it.

21 CHAIRMAN JACOBS: Thank you.

22 MR. SHREVE: Mr. Chairman, can I request -- I think
23 the Power Corp will keep the Commission advised of whatever
24 contacts they make and whatever problems they solve. I'd like
25 to have our office also advised of anything that takes place

1 along those lines.

2 MR. BONK: Absolutely.

3 CHAIRMAN JACOBS: Certainly.

4 MR. SHREVE: Wanda Salerno. Wanda Salerno.

5 Mr. McAuliffe.

6 CHARLES McAULIFFE

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

9 DIRECT STATEMENT

10 MR. McAULIFFE: My name is Charlie McAuliffe. I live
11 in Winter Park on Lake Sue on Fawsett Road, and I've been
12 living there for about 30 years. And we've had problems with
13 Florida Power I won't say from the beginning, but until it
14 developed, it got worse over the years. Like the last year,
15 for instance, I have a unique three-phase power coming into my
16 house. And it's for one reason alone, and it's a five-horse
17 three-phase motor that's down on the lake that pumps the water.
18 And if you don't have all the three phases, they drop a phase,
19 then the motor burns up, which happened. And I think it was
20 \$389 I had to pay last year for it.

21 So what I've done, I sent letters out, and I've had a
22 very good response. When we've had problems, we've had -- like
23 this year, we've had 5 power outages and 32 surges. And if you
24 want, I could give you a copy of the enclosure so that you will
25 get an idea of what's going on. And they've very responsive

1 and very efficient in coming. I have no complaints with the
2 people that I have dealt with at Florida Power. However, this
3 is a continuing theme. And the letter that I just wrote was
4 November 6th, and we have the problems of surges which are
5 typical of that going on in that enclosure. They seem to have
6 an idea of what the problem is, but they have never come up
7 with a solution. I'm just waiting.

8 In the meantime, there's a little background behind
9 it. I have two sons that live in Winter Park, and they have
10 problems with Florida Power. And they are on Dorsey (phonetic)
11 Drive and Cornwell (phonetic) Road, 32790 and 32792 in the
12 code. And I also have two sons that live in Orlando on Barbara
13 Ling (phonetic) Lane and Mockingbird Lane in Audubon Park, and
14 they have Orlando Utilities Commission, and they never had any
15 problems whatsoever. So I don't know what to say. If we could
16 get Florida Power to fix the problem, I wouldn't have any
17 problem. In the meantime, I'll just wait for them to do
18 something.

19 COMMISSIONER PALECKI: Mr. McAuliffe, you said that
20 Florida Power Corporation has an idea of what the problem is.
21 What is that?

22 MR. McAULIFFE: Well, they came around and looked at
23 the place, and I'm on the end of a line which makes it a little
24 more difficult, I guess, and they figured that maybe they were
25 going to enlarge the circuit breakers or enlarge the

1 transformer that's within sight to see if it might solve it,
2 but so far nothing has actually been done.

3 COMMISSIONER PALECKI: Thank you.

4 MR. SHREVE: Thank you, sir.

5 CHAIRMAN JACOBS: Your logic makes a great deal of
6 sense to me, Mr. McAuliffe.

7 (Exhibit 4 marked for identification.)

8 (Witness excused.)

9 MR. SHREVE: J. W. Jones.

10 J. W. JONES

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

13 DIRECT STATEMENT

14 MR. JONES: My name is Wayne Jones. I have live in
15 Winter Park. Post Office Box 448 is my address. I find the
16 testimony to be compelling and emotive tonight, as I'm sure you
17 do. And I'm so glad that you all are here to hear it. We
18 appreciate you coming. I simply wanted to extend Mr. Whiting's
19 remarks by informing the Commission about an offer made to the
20 City of Winter Park by the Orlando Utilities Commission, who
21 would be interested in the serving the needs of the City of
22 Winter Park should the City of Winter Park choose to
23 municipalize. The rate that was offered the City of Winter
24 Park was 30 percent less than the rate Florida Power is
25 currently charging the City of Winter Park. And it seemed to

1 me to be quite interesting given what was said by the fellow
2 who spoke for the Sugarmill development in Citrus County who
3 suggested that the margin of Florida Power, which was now
4 13 percent, should be perhaps taken down to the more reasonable
5 level of 9 percent. If that were to happen, that would be a
6 30 percent decrease in their rate structure which would equal
7 the rate structure that was offered to the City of Winter Park
8 by the Orlando Utilities Commission. And it seems to me that
9 that comparative is a real one because we're in the same labor
10 market and the costs of generating a kilowatt of electricity in
11 the case of the Orlando operation as compared to Florida Power
12 should be reasonably similar. So I would be in favor of
13 disallowing the rate increase and even going further if the
14 Commission should choose to do so and damp down those rates to
15 put them in a more competitive position, a more realistic
16 position.

17 The other thing I would like to point out which
18 developed which came to light in the discussions between the
19 City of Winter Park and Florida Power was that in one of the
20 substations here, it has been a constant source of concern and
21 a constant source of power interruptions. It is my
22 understanding that that substation has consistently appeared on
23 the five worst performing generating stations in the state of
24 Florida over a number of years. And the City of Winter Park
25 has requested that this substation be replaced repeatedly, and

1 it's my understanding that it has not yet been replaced. It
2 may be the source of some of these outages that you've heard
3 about tonight. Thank you.

4 COMMISSIONER PALECKI: Thank you, sir.

5 CHAIRMAN JACOBS: Questions?

6 MR. SHREVE: Thank you, sir.

7 CHAIRMAN JACOBS: Thank you.

8 (Witness excused.)

9 MR. SHREVE: Mr. Vaughan. Mr. Vaughan.

10 John Stevens. John Stevens. John Ramer.

11 JOHN RAMER

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

14 DIRECT STATEMENT

15 MR. RAMER: Commissioners, fellow citizens, I'm
16 John Ramer. I graduated from Carnegie Institute of Technology
17 with a BSEE in 1956. I've been doing electricity in power,
18 electronics, and stuff that I'll never be able to talk about
19 for 40 years. Thank goodness I'm not doing that anymore.
20 However, now and then my friends will ask me questions.
21 Mr. Oliphant is here. He's one of my friends. And another one
22 of my friends told me, John, my lights are flickering.
23 Something doesn't seem right about my electricity. And I could
24 have replied by stretching Shakespeare a bit and saying, the
25 quality of your voltage is strained, but I didn't say that.

1 So my friend lives in an older part of Winter Park.
2 This part was built out roughly in the '50s. It has the
3 typical 100-year-old stick-and-wire low voltage distribution.
4 Much of it looks to still be 50 years old. I think those
5 transformers and a lot of the equipment could well be coming
6 collector's items, but not being one for conjecture, I got my
7 volt meter. Actually, I've got two of them. I put one volt
8 meter into this side of the road where one side of one phase of
9 the residential power in this 120, and then I plugged the other
10 one in this 120, and then when the wind blew, we watched. And
11 it went down, up, down, up, seesaw. Mr. Oliphant will tell you
12 about that too.

13 I said, okay, let's check the house. We very quickly
14 checked the house and found out it's a fairly new electrical
15 system in the house. I said, I know this is hard to believe,
16 but maybe it's coming from the pole pig that way. So we
17 watched it out there for a while and sure enough. Well, here
18 the story gets long. There were telephone calls and then there
19 were telephone calls and then there were telephone calls. Oh,
20 at about the same time, leading up to that time, there was an
21 increase in the -- have any of you ever seen sparkles in
22 Channel Two or Channel Six, especially if you have an outside
23 aerial? If you have, that's caused by an electrical
24 phenomenon, which I'm not going to talk about. So after many
25 phone calls -- I can't tell you how many, I didn't keep a

1 record of it -- the guys came out. And they -- I don't
2 think they -- yeah, they did put a volt meter on for a while
3 and said everything was okay. Well, the wind didn't blow for a
4 couple of days, and everything was all right. Eventually after
5 more phone calls, whatever it was -- and we believe it's
6 something called a soft neutral, that might mean something with
7 the power company technical guy. I'm not a power distribution
8 guy. I just know about it. And that was the end of the case.
9 Now -- but it's not the end of the case, gentlemen.

10 Everybody in Winter Park in an older house or even a
11 newer house with the old electrical infrastructure is subject
12 to this. And this ain't 5 percent. This ain't 10 percent.
13 This can be 15 and 20 percent and 25 percent. Do you know what
14 this does to a TV? Did you listen to the guys who told you
15 about their TVs? That's not surges, my friends. That's
16 overvoltage. I can't handle this anymore. Bang. Can you see
17 it anywhere on your equipment? No. Unless you happen to be
18 watching a film at length and you say, gee, that's bright and
19 then it goes away. Anyway, it's all over. It's old
20 infrastructure. It's literally junk. My personal opinion is,
21 although this isn't part of the rate thing, is that the value
22 of the 50-year-old infrastructure which is most of what's in
23 Winter Park is \$1. Thank you.

24 COMMISSIONER PALECKI: Mr. Ramer --

25 MR. RAMER: Sir.

1 COMMISSIONER PALECKI: -- can I ask you one question?
2 You heard the previous witness, Mr. Jones, testify about one of
3 the substations that's located in Winter Park. Do you have any
4 knowledge as to --

5 MR. RAMER: Well, now you broached that, I'm not
6 sure. I heard the word "substation" and "generating station,"
7 and I'm at sea here and I need help. Is he here?

8 COMMISSIONER PALECKI: Mr. Jones.

9 MR. JONES: You're going to have to stay at sea
10 because I'm not sure of the correct technical --

11 MR. RAMER: Well, do you know what it looks like?

12 MR. JONES: A substation.

13 MR. RAMER: A substation usually has a fence around
14 it, you know, and great big breakers.

15 MR. JONES: That's it.

16 MR. RAMER: Is that it?

17 MR. JONES: Yeah.

18 MR. RAMER: Okay. Not a generating station.

19 CHAIRMAN JACOBS: Let --

20 MR. RAMER: Well, go look at the age on all of the
21 equipment in it, and it probably belongs in the same pot as the
22 stuff that I've been talking about. There's very few
23 replacements being done these days.

24 COMMISSIONER PALECKI: I just want everyone here to
25 know that our Staff will look into this issue of the

1 fluctuations, the surges, and we'll also look into the
2 substation.

3 MR. RAMER: Okay. If you would, as a technical
4 issue, and I know there's no engineers amongst you today --

5 COMMISSIONER PALECKI: No.

6 MR. RAMER: -- if you will get your engineer to get
7 one of his engineers and say, soft neutral, residential areas,
8 old, old equipment overhead, and have them talk to you about it
9 and have them show you.

10 COMMISSIONER PALECKI: Thank you, Mr. Ramer.

11 MR. SHREVE: Thanks.

12 MR. RAMER: You're welcome.

13 (Witness excused.)

14 MR. SHREVE: David Johnston.

15 DAVID JOHNSTON

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

18 DIRECT STATEMENT

19 MR. JOHNSTON: Mr. Chairman and Commissioners, my
20 name is Dave Johnston. I live on Darcey Drive in Winter Park,
21 and I'm probably the former Mayor that this lady was mentioning
22 about being upset with Florida Power. I served as Mayor for
23 six years and City Commissioner for six years in Winter Park.
24 I think some things have to be pointed out about Florida Power
25 in Winter Park. That's a chart that I will give you that the

1 city -- I got it from the city. It shows that they had the
2 highest rates. The second thing is, Florida Power has
3 approximately 1,100 feeders in their system. Seventeen serve
4 Winter Park residents. Out of the 17 Winter Park feeders, 10
5 different feeders have appeared on the worst performing feeders
6 list in the last eight years. Six have appeared on multiple
7 years. And there's a chart for you to review.

8 The reliability of service has been mentioned.
9 Here's a chart comparing Winter Park with other areas. We have
10 the worst service. I think it was interesting that this
11 gentleman from Florida Power said that they were here to listen
12 to and will respond to those concerns of our residents. You
13 know, wouldn't it have been nice if those residents had had
14 their concerns listened to and responded before having to come
15 before the Public Service Commission and had some concerns
16 handled, and they didn't have to come out and appear and take
17 your time with those matters?

18 Florida Power has closed all the customer service
19 centers. We had a beautiful center at the corner of
20 Denning (phonetic) and Minnesota Avenue. The building is still
21 there, but it's not used as a customer service, so our
22 residents cannot go there to pay their bills, talk to a
23 representative. There's no one there to hear their complaints
24 or respond to their complaints. This great company that is
25 very interested in serving the citizens of Winter Park -- as

1 you know, we are in a discussion and deliberation about whether
2 they should be -- continue to have a franchise in Winter Park.
3 You know, they collect from all of us ratepayers a franchise
4 fee. Florida Power has gone to court to get the judge -- and
5 the judge ruled that they would hold in escrow the moneys that
6 they are collecting from the residents and ratepayers of Winter
7 Park, and they're holding it. This is a severe financial
8 burden on the residents of Winter Park. And services in the
9 City of Winter Park have had to be curtailed because Florida
10 Power took this effort to try to damage Winter Park, and this
11 is a great public service concerned company. I think it's --
12 it's something that should be looked at and -- it should be
13 looked at. They have the worst service, the highest rates, and
14 they shouldn't be able to continue to serve Winter Park.

15 COMMISSIONER PALECKI: Thank you.

16 CHAIRMAN JACOBS: Thank you. I just want to -- I
17 appreciate your comments --

18 MR. JOHNSTON: Yes, sir.

19 CHAIRMAN JACOBS: -- but I wanted to make sure to
20 reiterate that the matters that are before --

21 MR. JOHNSTON: I understand that, sir. I understand
22 that too, but I think -- you mentioned that service, rates are
23 all factors.

24 CHAIRMAN JACOBS: You're comments on the rates, I
25 think, are -- I mean, on the service --

1 MR. JOHNSTON: And their community interest have a
2 lot to be desired.

3 CHAIRMAN JACOBS: Thank you for your comment.

4 MR. JOHNSTON: Thank you. I appreciate you coming.

5 CHAIRMAN JACOBS: And I assume you wanted to have
6 these charts included. We'll mark those as an exhibit.

7 (Exhibit 5 marked for identification.)

8 MR. JOHNSTON: Yes. I asked the city to provide
9 those for me.

10 MR. SHREVE: Thank you.

11 MR. JOHNSTON: Thank you.

12 (Witness excused.)

13 MR. SHREVE: Elizabeth Greinger. Elizabeth Greinger.
14 Mr. Oliphant.

15 JAMES OLIPHANT

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

18 DIRECT STATEMENT

19 MR. OLIPHANT: My name is James Oliphant, P. O. Box
20 3266, Winter Park 32790. Thank you for this opportunity. I've
21 been an electronics technician for a number of years as well as
22 a certified mil spec solderer. I've been in Winter Park for 10
23 years and have had poor power service during that period of
24 time. I called Florida Power numerous times, I would easily
25 estimate over a hundred times. It's interesting that they seem

1 to lose negative calls, because I would call and say, I've been
2 complaining about power outages, about burning out VCRs, about
3 burning out television sets, and they'd say, this is the
4 first time we've heard of this. So I began very carefully
5 jotting down in my datebooks here all the people I spoke with,
6 the exact days and times that I spoke with them, and I have a
7 quite extensive list of them.

8 Basically I started insisting that Florida Power come
9 out and check my meter, check my service, check the neutral and
10 see what's wrong and why I keep burning out television sets and
11 VCRs and seeing the picture get larger and smaller on my TV set
12 and the lights flickering. They refused a number of times but
13 eventually did send out trucks. They would look it over and
14 say, there's basically nothing wrong.

15 One time I called and they said the transformer in my
16 backyard is choked out by vines in it. And they sent an
17 inspector out, and he said it was fine. Two days later, it
18 exploded. In the middle of the night, they had a cherry picker
19 out there with spotlights repairing it. I can see how it's
20 more cost-effective to do that at 1:30 a.m. with the lights on
21 as opposed to just doing it during the daytime and cutting back
22 the vines.

23 I've gone through, again, a number of electronics, so
24 by the end of last year, I had put in a series of
25 electroluminescent night-light panels in my house. These

1 things are designed to run for about 20 years on very low
2 current and low voltage. I burned out four of them in a
3 two-week period. The only way you can kill those is to
4 overvolt them. So I took out my electronic meters, and I
5 started hooking it up on my electrical service. And I would
6 notice fluctuations of about 12 to 15 volts, which isn't that
7 much, but I was concerned about it and I called Florida Power.
8 And I said, I have to be getting an overvoltage type situation
9 on this. They sent out a technician, and they said they would
10 put on a recording volt meter from Florida Power. They sent
11 the technician out; he looked at; he refused to put the meter
12 on.

13 Numerous other calls late last year and the beginning
14 of this year. My power had been going out on average
15 sometimes, particularly in March, twice a week and not
16 necessarily just for minutes but as much as five hours at a
17 time. I was told that it is the trees in Winter Park, and it
18 is the bad weather in Winter Park. I said, well, why is it
19 that in my backyard OUC customers on the street behind me keep
20 their lights on? I can be sitting here for five hours with no
21 lights, look out my back window and see my neighbor watching
22 the television with OUC power. So I finally did get people to
23 come out and check the neutral. They replaced the neutral on
24 my electrical service. They said, it must be something in your
25 house causing this problem. They said, perhaps it's your hot

1 water tank. And I got this story a number of times, different
2 things that it must be. It was two engineers that came out to
3 my house, Jessie Griffin (phonetic) and Gil DeFreitas. They
4 told me that -- it was back -- the late spring, early summer --
5 it was my hot water tank shorting out. I said, that's very
6 interesting because I have my water tank shut off at the
7 circuit breaker. I turn it off during the summer.

8 They again refused to hook up the recording volt
9 meter of their own, so I went out and -- my regular meters, I
10 can catch different voltages at varying times, but I did not
11 have what's called a recording volt meter. I went out and
12 purchased a Fluke, excellent quality recording volt meter. It
13 records the highs and the lows as well as time stamps how long
14 it remains at the highs and lows, and I hooked it up to my
15 electrical service. And sure enough, December 17th, last year,
16 I got a recording voltage on one line, one side of 159.6 volts.
17 Now, I have surge suppressors on all my electronics; however,
18 metal oxide barristers and spark gaps are not designed to take
19 a slow voltage rise. They're designed to take a quick voltage
20 rise, a spike, and shutdown the UO ratings at 320 volts,
21 330 volts, right in that range. They're not designed to
22 shutdown when you slowly creep the voltage up on them. Now,
23 TVs and VCRs are designed to run between 110 and 120 volts.
24 They don't do well at 160.

25 I said, we need to hook up the recording volt meter

1 of our own, so you can see this. I've taken photographs and
2 showed them to the engineers. They weren't willing to accept
3 it until they had their own recording volt meter on it. I kept
4 being told that they don't have the equipment available, don't
5 have the equipment available.

6 Back in March, I had numerous outages as well every
7 two weeks -- I'm sorry, twice a week all during March. The
8 voltage was fluctuating up to 151 volts. They did come out on
9 the 16th of March, and they replaced my transformer out in the
10 backyard. It was the old PCB type, and it was an antique. And
11 OSHA has outlawed the PCB oils in them now, and those are still
12 existing here. And I did get a new transformer. I was told
13 that would take care of the whole problem. Two days later, the
14 power went out for several hours.

15 The following Thursday, the 22nd, my voltage went to
16 a high of 132.4 volts and a low of 92.8 volts. That's per the
17 recording volt meter, and I have photographs of the meter here.
18 I told the engineers that at any time the voltage could go low,
19 but it only went high when it was high wind conditions, and I
20 kept asking during the high wind conditions, please bring your
21 recording volt meter out at that time. They finally agreed to
22 bring it out when the weather was stated to be beautiful for
23 the following week, and they installed the recording volt meter
24 on March 23rd, Friday. The weather was beautiful, and of
25 course, there were not voltage overages. However, their

1 computer records show and they do admit right here to
2 undervolting the power. The total voltage coming into my house
3 they put an approximation here of 212 volts as per -- and there
4 are several different charts here as to the way they have
5 charted this. I have made this copy so you gentlemen may have
6 these copies. And that the total on each leg of the 240 normal
7 line coming in was only 105 volts on each leg, so being
8 undervolted, which is something else that kills electronics as
9 well as motors and compressors. That's giving them too little
10 voltage. And again, when you turn around and creep the voltage
11 up at the high end, if you bring it up slowly, the surge
12 suppressors do not clamp out the voltage until they hit their
13 trigger voltage.

14 They came back out, and they removed their recording
15 volt meter after about two weeks. I kept saying, I want this
16 on until you are -- it proves it to you that this is a problem.
17 They kept removing it. They would bring it back for a two-week
18 period when the weather was good. The weather would turn bad,
19 they would come out and remove the recording volt meter. So
20 they never showed on their records these high voltages. I have
21 numerous photographs I brought, however, of voltages in the
22 140s, 150s, and up to, again, 159.6 volts as well as numerous
23 low voltages on these.

24 They do admit to the low voltages, and if you'd like,
25 you can have these copies. We bounced back and forth on this,

1 and they told me that they were going to take it away again for
2 a two-week period. This was June 14th of this year. It's
3 still not been returned to my house. Back about three weeks
4 ago, a technician came out to remove the adapter which was put
5 on my electrical meter here so they could hook the recording
6 volt meter to it. And I said, you're not supposed to remove
7 that. You were supposed to bring back the recording volt meter
8 to hook up again to show these voltage fluctuations. Well,
9 again, since the 14th of June, there's been no Florida
10 equipment recording volt meter on my power line. The problem
11 has not been solved. They just seem to forget about it.

12 Something interesting, too, I'd like to mention, I
13 did put in a new air-conditioning system back a few years ago,
14 and I called -- I saw ads on television talking about other
15 companies who would give you credits and special deals if you
16 put a higher efficiency energy system into your home. And I
17 put in a high efficiency Trane heat pump system as well as a
18 water recirculation system. I called Florida Power about it.
19 They said they offer no credits, no assistance, no help
20 whatsoever. I also called Orlando Utilities this summer and
21 said I would love to have their service in my home because
22 literally their poles are a stone's throw away from my home,
23 but they said they were prevented from doing so due to the
24 Florida Power franchise.

25 MR. SHREVE: Was there any particular reason that

1 they had to take the meter off every two weeks? Why couldn't
2 they just leave it on there?

3 MR. OLIPHANT: They keep saying that they don't have
4 the equipment, they don't have the equipment, which is
5 interesting, though, because I asked to speak with an engineer
6 at OUC, and he said they have tons of equipment and definitely
7 if there was a problem with one of their customers, they would
8 have the equipment there until the problem was solved. Also,
9 the type of equipment that OUC was using was far more advanced
10 to these different setups. In fact, when the engineer came
11 out, he had to ask me for some tools to help hook it up with
12 alligator clips to my power panel inside the house because we
13 wound up getting both a meter outside and inside. They kept
14 insisting it must be my house causing the problem. And my
15 service is 20 years old, by the way, in my house, so it's not
16 an antique, 200 amp service.

17 CHAIRMAN JACOBS: Does that complete your statement,
18 Mr. Oliphant?

19 MR. OLIPHANT: I'm sorry?

20 CHAIRMAN JACOBS: Does that complete your statement?

21 MR. OLIPHANT: Yes, sir. Thank you.

22 COMMISSIONER PALECKI: Thank you, Mr. Oliphant.

23 MR. SHREVE: Thanks a lot.

24 MR. OLIPHANT: Thank you very much.

25 CHAIRMAN JACOBS: We have your charts, but you

1 weren't going to leave the pictures with us?

2 MR. OLIPHANT: These are my original Polaroids.
3 However, I can make copies, and I'd be happy to get them to
4 you.

5 CHAIRMAN JACOBS: No, unless the Commissioners would
6 like to see them. No, no, I think your statement is --

7 MR. OLIPHANT: Okay. Perhaps I could just pass one
8 of these by. I'd like to get this back, and I would like to --
9 I can show you the highs and lows, though, on the recording
10 volt meter. Again, this is a Fluke.

11 MR. SHREVE: I think the testimony that's placed in
12 the record describes --

13 CHAIRMAN JACOBS: Yeah, the testimony is descriptive
14 enough.

15 MR. OLIPHANT: Thank you, sir.

16 COMMISSIONER PALECKI: Mr. Chairman, I just want --
17 I'm not sure that these photographs might not be valuable to
18 our engineers.

19 We do have your phone number so we can contact you.
20 So if our engineers do need these photographs, we'll get in
21 touch with you.

22 MR. OLIPHANT: Very good. Thank you.

23 MR. SHREVE: Thanks.

24 (Exhibit 6 marked for identification.)

25 (Witness excused.)

1 MR. SHREVE: Joyce Sellen. Joyce Sellen.
2 Mayor Pronovost.

3 BRUCE PRONOVOST

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

6 DIRECT STATEMENT

7 MR. PRONOVOST: Good evening. My name is
8 Bruce Pronovost, and obviously, I'm a resident of the City of
9 Casselberry, but I'm also -- one of the many hats that I do
10 wear is the Mayor of Casselberry. And I'm speaking to you this
11 evening in both of those capacities. I'd like to first provide
12 you with a copy of a communication from our staff that outlines
13 some of our concerns with regard to Florida Power. We have a
14 number of concerns that relate to Florida Power's rates,
15 reliability, as well as their inability to perform under the
16 terms of previously existing contracts.

17 First, in the Casselberry community, we have no
18 effective guarantee that our local community will receive
19 consistent and reliable service. Florida Power now has a
20 monopoly in this franchise area, and we have been unsuccessful
21 in obtaining reliability language inserted into our franchise.
22 My question before the Commission is: Can the Public Service
23 Commission guarantee reliability and establish reliability
24 standards and their ordinance benchmarks for a community such
25 as Casselberry?

1 Next, in the last several months, Florida Power has
2 spent an inordinate amount of money involving itself in
3 political shenanigans. They have hosted breakfasts, dinners,
4 added local sponsorship to communities, and have been involved
5 in push-pulling to try and convince the customers that their
6 service is reliable when in fact it is not. My concern is that
7 they are using ratepayers revenue to pay for this nonsense. So
8 the question obviously is: Can the Public Service Commission
9 limit the ratepayer revenue used for such activities?

10 In addition, Florida Power has forced the City of
11 Casselberry, as well as other municipalities around the State,
12 to retain legal services and incur substantial legal costs to
13 ensure that the language that already existed in our franchise
14 is lived up to. In other words, Florida Power has been
15 unwilling to abide by the previously agreed contract. I'd like
16 to repeat that because I think it's worth noting. Florida
17 Power has been unwilling to abide by a previously agreed
18 contract. Again, ratepayers should not be paying for those
19 legal costs. What they should be paying for is reliable
20 service.

21 In a community such as Casselberry, the Casselberry
22 community is forced to pay the legal costs on behalf of the
23 city to fight for rights that we already have in a contract and
24 then as ratepayers again have to pay for Florida Power's legal
25 fees to fight against that. So the question, again, can the

1 Public Service Commission limit the ratepayer revenue used for
2 such activities?

3 Now there's been a great deal of time between rate
4 studies. It would certainly be more equitable to the customers
5 that Florida Power demonstrate their needs for rate increases
6 in a more timely manner. In Casselberry, we conduct rate
7 studies every three to five years. It's certainly imperative
8 that this takes place because market conditions do in fact
9 change, and ratepayers do in fact have a right to be heard.
10 Therefore, can the Public Service Commission provide more
11 frequent rate studies to ensure fair and equitable rates?

12 In addition to all of these, in Casselberry we
13 believe that there is a huge disparity between the classes of
14 customers. In Casselberry we are predominately a residential
15 community; yet this residential tax -- this residential rate
16 base is subsidizing the industrial ratepayers. I certainly
17 don't think that it is equitable that the electric customers in
18 Casselberry subsidize industrial customers in other portions of
19 the State. Certainly we would like to see a rate structure
20 that is more equitable to all classes. So the question before
21 the Public Service Commission is: Can the Commission provide a
22 rate structure that is more equitable to all classes of
23 customers?

24 In closing, what I would like to share with you is a
25 story that we encountered in our negotiations with renewing the

1 franchise agreement with Florida Power going back. We started
2 our negotiations back in 1997, and they have been ongoing
3 since. The franchise agreement did in fact expire in April of
4 this year. Early on in doing our due diligence, we asked the
5 question of Florida Power, what is the quality of service in
6 the Casselberry community? What is the reliability in
7 Casselberry? Well, Florida Power said they were not able to
8 provide us that information because of the way they assemble
9 their information and their data and their data collection,
10 that they were not able to break out the Casselberry community
11 from other parts of the central Florida area, but we had
12 nothing to worry about because in fact that the quality of
13 service was very good.

14 Well, we received some information from the Public
15 Service Commission that showed in fact that in Casselberry we
16 have two of the worst feeder lines in the state of Florida in
17 Florida Power's system. Certainly this gives questions -- rise
18 to the question, can we in fact depend on Florida Power
19 independently to provide fair and equitable rates as well as
20 good quality service?

21 In short, I would like to say that all of these
22 questions we hope that you would have the opportunity to
23 address, and certainly with respect to the specific issues or
24 specific questions that are coming before you with respect to
25 the \$100 million as well as the rate study, we certainly -- I

1 think you can conclude that we're certainly in favor of both of
2 those taking place and certainly the rate study taking place as
3 soon as possible so that not only the Casselberry community but
4 also other municipalities, as well as other communities around
5 the state of Florida, will be ensured that there will be fair
6 and equitable rates for their communities and our community as
7 well as good quality, reliable service. Thank you.

8 CHAIRMAN JACOBS: Thank you.

9 COMMISSIONER PALECKI: Thank you, sir.

10 MR. SHREVE: Thank you, sir.

11 (Exhibit 7 marked for identification.)

12 (Witness excused.)

13 MR. SHREVE: Dr. Schluckebier.

14 JACK SCHLUCKEBIER

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

17 DIRECT STATEMENT

18 MR. SCHLUCKEBLER: Thank you. Members of the
19 Commission, I'm here as the city manager for the City of
20 Casselberry and also as a resident and ratepayer in the Florida
21 Power system. My own individual bill, which is in my wife's
22 name -- her name is Young, and that's much easier to spell, so
23 we quite often use that on a lot of our accounts -- probably
24 totals in the range of \$2,400 a year. So it's not a big fiscal
25 issue for me personally. However, the city's legal -- excuse

1 me, electric bills range between 500,000 and 600,000 per year
2 as where in multiple businesses, water, wastewater, facilities
3 services and so on with several buildings across an eight
4 square mile area.

5 The Mayor was kind enough to share a lot of comments
6 that the city has concerns that we've engaged directly and
7 indirectly with Florida Power in our various negotiations, and
8 so I won't reiterate. But I wish to add my own affirmation
9 that those are very big concerns in Casselberry, and we've been
10 struggling with them for several years. I would like to
11 comment on a few things that he did not really get into
12 in-depth.

13 One, we believe that Florida Power -- I think this is
14 a significant rate issue, that Florida Power underserves the
15 concept of conservation. When you look at their Web site,
16 you'll know exactly what I mean. If you have a \$200 a month
17 power bill and a low to medium income and you need some
18 insulation or water heater insulation jacket or, Heaven forbid,
19 a new AC system or heat pump, how are you going to do that?
20 How are you going to do that? It's not practical. And what
21 that means is it doesn't happen.

22 And I -- having worked in cities that operate
23 electric systems and gas systems, water and wastewater systems,
24 I understand utilities well enough to know that if it's not
25 practical, it's not going to happen. And so if you take half

1 of your customers who have expensive bills and deny them the
2 opportunity to have real and effective conservation, it's not
3 going to happen. So I would urge you to consider something to
4 get Florida Power and other investor-owned utilities in the
5 conservation business in this State. And that's all I have.
6 Thank you.

7 CHAIRMAN JACOBS: Thank you. Any questions?

8 COMMISSIONER PALECKI: Thank you.

9 MR. SHREVE: Thank you.

10 (Witness excused.)

11 MR. SHREVE: Colleen Cleary. Colleen Cleary.

12 Mr. Chairman, that's the last speaker we have as signed up.

13 CHAIRMAN JACOBS: Very well.

14 MR. BLACKWELL: I did sign up.

15 CHAIRMAN JACOBS: We may have called your name while
16 you were out of the room.

17 MR. BLACKWELL: No, I've been sitting here. That's
18 all right.

19 CHAIRMAN JACOBS: Come forward and give your name for
20 the record.

21 BRUCE BLACKWELL

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

24 DIRECT STATEMENT

25 MR. BLACKWELL: Ever since the Air Force, I didn't

1 want to miss a line. My name is Bruce Blackwell. I live at
2 1624 Roundelay Lane in Winter Park, Florida. I've lived in
3 Winter Park for 22 years. I've lived in foreign countries
4 before. I am probably, other than the utility lawyers that are
5 here, the only guy that's in his prior life been a utility
6 lawyer. And I, in fact, for some years was a lawyer for
7 Southern Bell and later was a lawyer for AT&T. And what got me
8 to Orlando was the suit to break up the Bell system. I'm proud
9 to say I was the youngest guy asked to join the trial team. I
10 was 32 years old. I turned them down. I hadn't seen my family
11 in two years. Walter Alford (phonetic) back then was general
12 counsel. Some of you have been around a long time, another
13 Great Gatsby. What I want to talk to you about, though, is,
14 you have a rate case pending. Literally as with the Bell
15 system up until about '74 what you normally had were rate
16 decreases, telephone service, power services. People were not
17 looking for increases. Starting in '74 with the inflation we
18 had, people always started dealing with rate increases.

19 The problem that you are hearing both by antidotal
20 evidence tonight and by people who actually understand
21 electricity, which would include the first two guys down here
22 and Mike Whiting in the back because he actually deals with
23 electric power generation in his real world job, is that
24 Florida Power has been providing its customer rate base with
25 very poor antiquated old service. And they have been charging,

1 at least the people where I live, the highest rates in this
2 State. When you have in this little burg of Winter Park, which
3 is made up largely of fairly educated people who have chosen to
4 stay in this little bedroom community because we do have a
5 wonderful quality of life here, when we have over the last five
6 years 30 percent of our feeder lines have been on the State's
7 worst 3 percent, then you know we are having difficult problems
8 with service.

9 When you close our customer service facility because
10 you are not any longer a Florida-based utility but are in fact
11 a utility owned out of the state of North Carolina and you have
12 cut your work force by approximately 10 percent because you
13 want to appear that you are saving money, what you are doing is
14 in effect reducing the service that you give to your customers.

15 Now, we have a wonderful district manager back there,
16 and most of you -- if you don't already know him, it's Ken
17 Cone. And Ken Cone is a fine man. And I don't think you'll
18 find anybody in Winter Park who will say a bad word about Ken
19 Cone, but Ken Cone doesn't have any power anymore. Ken can't
20 effect change. Ken cannot give us new equipment. We are
21 dealing with antiquated stuff. The last transformer around me
22 blew last week. It used to be about an every-other-week
23 occurrence. I don't know so much about surges, but I know that
24 I have digital clocks, and if I really wanted to keep my
25 digital clocks working, every other day I would go around and

1 deal with about 20 of them in my house. So I just leave them.
2 I never know what time it is except from looking right here.
3 Okay.

4 The truth is, until they deal with better service,
5 reliability standards, until they are willing to negotiate with
6 committees to give us a fair system -- and look, we're dealing
7 with a regulated monopoly. There is nothing other than
8 basically telephones and electric companies in this country
9 that are guaranteed a rate of return. They are going to make
10 money. You are not going to be in a negative rate of return.
11 You are making a positive rate of return which you will allow
12 them to do in which they are entitled to do because they are
13 having to take in parts of the State that nobody wants to
14 serve. Let's just say maybe that's the green swamp, you know.
15 Then there's requirements that come with that, and here's the
16 problem that our communities have had. And I think it's very
17 important when you are looking at the broad scale of a rate
18 base case.

19 The problems that we are having as communities -- and
20 I am not the lawyer representing the City of Winter Park, but I
21 have read the court decisions. They have basically said, we
22 are going to hijack you, Winter Park, Casselberry, fairly soon
23 to be Apopka. Right now, there are seven central Florida
24 communities which are dealing with new franchise issues because
25 we have come to the end of a 30-year period, and we are dealing

1 with having them say, you know, we're going to give you no
2 system reliability standards, not a single one. You've just
3 got to trust us. We're going to do a good job.

4 Now, that might be okay if in fact in the past we had
5 had really good service. But you're on statistics, you're on
6 studies, the stuff that we had to get from you because they
7 would not voluntarily produce it in a lawsuit without motions
8 to compel, we got the data to show that the service is poor in
9 this community and in Casselberry and, candidly, everywhere
10 else around here.

11 Now, we have a lot of trees, but we've got
12 representatives of OCU here. We've got College Park. College
13 Park has got just as many trees as Winter Park. It's not as
14 good as Winter Park, but they have as many trees as Winter
15 Park. They don't have the kind of outages, and OUC has agreed
16 and for twenty years has said, we're going to put 1 percent our
17 area underground every year and basically at our cost. You
18 can't even discuss that concept with Florida Power. Okay. You
19 just basically cannot discuss many issues with Florida Power.

20 What they have said to this community that I live in
21 and to Casselberry is, you know -- particularly in Winter
22 Park's case, we have passed the franchise period. We had to
23 file a lawsuit to make them keep collecting the franchise fee.
24 There were not willing to do so. Now, is that a good corporate
25 citizen? I don't know where you're from, sir. I don't know if

1 you're from Raleigh. I don't know if you're from
2 St. Petersburg. I don't know where you're from, but the truth
3 is, your corporate strategy is backfiring all over the State.
4 You guys have got the ability with staff, because again, I used
5 to be a utility lawyer, to deal in a lot of areas about what
6 you folks ought to be dealing with with an appropriate
7 corporate strategy.

8 Now, that's not direct rate base issues, but it
9 really is in the broader context what they have to deal with,
10 and when they basically say to a little city like Winter Park,
11 which has 25,000 citizens, that, okay, we'll collect it. Now,
12 you understand that the 5th District Court of Appeal, which is
13 where we are, has basically ruled that Florida Power's legal
14 position in this issue about franchises is totally off the
15 wall, has no legal merit whatsoever. We had to fight the same
16 issue in Winter Park. We went to the circuit judge. The
17 circuit judge basically made the identical ruling of the 5th
18 District Court of Appeal. We've had to deal with the issue of,
19 well, are you going to allow us -- give us now the money you've
20 been putting in escrow, this \$1.6 million. I mean, we don't
21 have a particularly large budget in Winter Park when you only
22 have 25,000 people.

23 You know what their response is to us? No. Until
24 the Supreme Court of Florida -- or in fact, what they have said
25 three months ago was, until the Energy Commission up in D.C.

1 says we've got to turn money back, we're not going to turn it
2 back to you. Why have they said that? The reason they have
3 said that is that by that kind of brute power, they can
4 overpower a small community like Winter Park, a small community
5 like Casselberry, which is much smaller than we are, the
6 community of Dunedin, the communities all over the State. And
7 you're going to have franchises now coming due over the next
8 several years in a time when you guys are dealing with utility
9 deregulation, and the county -- which are issues -- thank God
10 it's you guys and not me, okay, but you're going to be dealing
11 with those issues, and they are saying, you can't even buy your
12 poles and wires. And then they say, guess what? We've got a
13 fully depreciated system. If you want to buy your poles and
14 wires, we're going to charge you \$100 million. And what do you
15 think they're saying that for? Do you think they're saying
16 that so they can adversely effect the voters in this community
17 and say, my God, whatever this company wants, we'll give them?
18 That's in effect what they're doing.

19 Now, because I used to be a utility lawyer, because
20 I'm an American, I think people have got a lot of freedom of
21 speech, and they have got the ability to use their money how
22 they see fit, but they do have a lot of economic power. We
23 don't get the opportunity to write little notes and put them in
24 every bill of every ratepayer in the City of Winter Park or the
25 City of Casselberry. See, here, we're just doing this great

1 job for you, and let's tell you about the last little league
2 team that we supported, you know, and how we've sent all this
3 money to the September 11th fund. We don't have the ability to
4 do it. They shouldn't use rate base money to do it. I'm not
5 sure your rules prohibit it. You need to look at it, a lot of
6 things you guys ought to look at in connection with what they
7 are currently doing. Because they are not a Florida-based
8 utility anymore, you-all don't have as much power as I think
9 you'd like to have.

10 The communities -- I don't know a single community
11 that candidly would like to operate their own electric power
12 system. They really don't want to. The good news for us,
13 we've got OUC, and they're willing to provide the power to
14 everybody. And you know what? Their reliability is five times
15 better, five times better.

16 Citizens do not understand the concept of franchise.
17 The citizens do not -- general citizens, average people, they
18 do not understand the concept of why these people have defined
19 service areas. I understand it, you understand it, they
20 understand it, and it makes sense. But the problem is, if the
21 service which is, quote, serving you is in fact disserving you,
22 how do we have the opportunity to get service at reasonable
23 rates? And I think -- if it wasn't Mr. Whiting, it was
24 Mr. Jones who indicated that OUC is willing to give us rates at
25 30 percent less. We're dealing in the same areas for electric

1 power generation. So that's stuff that they need to look at.
2 They don't -- I don't believe they -- one, if you send them a
3 signal that says, we're not going to give you a rate
4 increase -- and in fact after looking at it, and I've read some
5 of your 150-page orders over the years which cover lots of
6 things, if in fact you say, you need to deal with this, this,
7 this, this, and this, you may catch the corporate attention of
8 that corporation up in Raleigh, North Carolina. Until you do
9 that, cities all over the state of Florida are going to
10 basically be held hostage or have to damn close to bankrupt
11 themselves to fight them because they have said in every single
12 case they will not cut loose any money until the last court in
13 the land has spoken. In this case, that would be the Florida
14 Supreme Court, but they have lost at every level, and their
15 position is truly nonmeritorious.

16 CHAIRMAN JACOBS: I'm sure -- Mr. Blackwell, you
17 probably understand this point, but I do want to make sure that
18 those nonlegal members of the audience are clear on the idea
19 that most of the matters that are included in the disputes
20 having to do with the franchise are matters of private
21 contract.

22 MR. BLACKWELL: And I understand Florida constitution
23 on private contract, but you know -- and that is -- you are
24 absolutely right. But the issue of contracts are that parties
25 who have a franchised area must negotiate in good faith. It is

1 implied in every contractual relationship in Florida, and if in
2 fact, they have the franchise for this area, then they have a
3 duty to negotiate in good faith. And the truth is -- and I am
4 impassioned on this issue because I think this is the biggest
5 issue that's come up to Winter Park in the last 25 years, is
6 that Florida Power has not negotiated in good faith with us.
7 They have not negotiated in good faith with Casselberry, and
8 they have a corporate strategy which basically is -- it is
9 backfiring on them throughout the courts. It will ultimately
10 backfire on them. I want them to hear, they're going to lose.
11 They are going to pay fees, but in the interim, they may
12 bankrupt the good citizens of Winter Park and others, and they
13 don't seem to be too concerned about doing that, and that is
14 something that is relevant for your rate case.

15 CHAIRMAN JACOBS: Well, I appreciate your passion,
16 but the less we delve too deeply into matters that I think are
17 probably going to be more adequately and more completely dealt
18 with in a court --

19 MR. BLACKWELL: But you-all need to know what's going
20 on, and I'm not sure you're constantly aware of the positions
21 that Florida Power has taken. And they are a regulated
22 utility.

23 CHAIRMAN JACOBS: Well, tonight is -- and I think
24 there's been some good input that has kind of framed the issues
25 in terms of how they relate to the overall quality of service

1 the company delivers.

2 MR. BLACKWELL: I would rather not be here, Chairman.
3 I would rather have Florida Power serving my needs.

4 CHAIRMAN JACOBS: I understand.

5 MR. BLACKWELL: This is the last thing in the world I
6 want to deal with. When you leave us no options, you leave us
7 no options.

8 CHAIRMAN JACOBS: I understand. Very well. But the
9 point I want to really be clear on is, we will absolutely -- we
10 heard and we will absolutely take into consideration the
11 comments that have come forward about the quality of service
12 that is being rendered, and we will follow up on that. But I
13 want to also be just as clear in saying that to the extent your
14 disputes have to do with your ability to achieve reliability
15 issues under that private contract, that is a matter that I
16 think is going to be resolved in another forum.

17 MR. BLACKWELL: It will. However, if in fact you
18 understand, as I think you and the other members of the
19 Commission do, that the Florida Power position at present is
20 throughout this State that in negotiating new franchises they
21 will not give you a purchase option, then basically they are
22 holding you in involuntary servitude and perpetuity. That is a
23 big problem.

24 CHAIRMAN JACOBS: That's a legal strategy. I'm sure
25 that there are very capable lawyers out there who will be able

1 to address that in a court. But I want -- I think you
2 understand my point --

3 MR. BLACKWELL: I absolutely do.

4 CHAIRMAN JACOBS: -- and we're very clear on how we
5 will approach this. And I think we will be consistent with
6 that throughout our proceedings.

7 MR. BLACKWELL: They do listen, however, when you
8 folks speak privately or publicly about how they operate their
9 business. I know that from my years with Southern Bell.

10 CHAIRMAN JACOBS: Well, as we indicated earlier, some
11 of the ways this proceeding began had to do with, and as
12 Mr. Shreve announced here, it had to do with --

13 MR. BLACKWELL: Mr. Shreve has been here a long time.
14 (Laughter and simultaneous conversation.)

15 CHAIRMAN JACOBS: -- under the merger agreement. But
16 having said that, I don't want to interrupt any of your
17 comments, but I would like to go ahead and move forward.

18 MR. BLACKWELL: No, I appreciate it. You have been
19 very patient. Actually, Florida Power has been very patient.
20 This can't have been a wonderful opportunity for them -- I
21 mean, a wonderful situation for them tonight. Thank you.

22 MR. SHREVE: Obviously, as you know, a company is
23 entitled to recover its prudent legal expenses, and I will tell
24 you, we will take a look at the legal expenses being expended
25 by the company and see if they are being prudently incurred in

1 fighting on some of these franchise fees and see if it's all
2 being handled in good faith. We'll certainly take a look at
3 it.

4 I have been around a long time, and I'll tell you a
5 quick story. About two weeks ago, I went down to a place I
6 used to go from time to time, and there was some new roads in
7 there. I went in and started talking to somebody in a little
8 scuba shop and said, do you know what was over here a while
9 back? Do you know what was over here a while back? And
10 telling him all these different things, and this young man,
11 surely he didn't know he said it, but he said, you are really
12 old. But Mr. Alford and I go way back.

13 MR. BLACKWELL: Yes, you-all do. "The Ecology Of A
14 Cracker Childhood," have you ever read that book? You should
15 read that book.

16 Thank you, sir. Any questions? Thank you-all very
17 much.

18 COMMISSIONER PALECKI: Thank you.

19 CHAIRMAN JACOBS: Thank you.

20 (Witness excused.)

21 CHAIRMAN JACOBS: Would you give your name for the
22 record, please.

23 JOHN ECKBERT

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

DIRECT STATEMENT

1
2 MR. ECKBERT: Yes, sir. My name is John Eckbert,
3 Winter Park City Commission, 1414 Grove Terrace, Winter Park.
4 And I'll be very brief because most of my comments have already
5 been reflected in the audience, but I will just say that, first
6 of all, thank you for coming. It does my heart a great good to
7 see you here and listening to the concerns, and I think it's
8 appropriate that this proceeding took place here in Winter Park
9 because in these very chambers we have had very long
10 discussions with Florida Power regarding the franchise renewal.
11 It's been -- I'm sure you could probably sense some of the
12 frustration that's built up in the community on how those
13 proceedings have taken place. And I would just say -- and I
14 appreciate your willingness to look at the legal costs
15 associated with -- that Florida Power has incurred in these
16 disputes.

17 I would also encourage you to consider the marketing
18 and the lobbying and the public relations costs that are being
19 incurred right now by Florida Power as well. Subsequent to the
20 fallout of the franchise not being renewed, we have seen full
21 page color ads in all of the local newspapers by Florida Power
22 as well as extensive radio and TV advertising campaigns,
23 significant push-pulling, as well as just straightforward
24 pulling, as well as letters to residents. In fact, they have
25 just rented out the sideboards of the Winter Park Trolley

1 Company for Florida Power to promote their own reliability for
2 our city. So it's quite a concern that -- you know, having
3 lost in the franchise renewal discussions, having lost in the
4 courts that it appears that a campaign is being taken to the
5 public at large in an attempt to make this case through the
6 public's eyes and spending a great deal of money in the process
7 along the way, so I would just ask for your attention on that.

8 From a rate case basis, I don't know if you have any
9 recourse over marketing expenses, public relation expenses on
10 that side, but it will be interesting to track what money was
11 spent in the Winter Park/Orlando MSA prior to Casselberry and
12 Winter Park making the decisions we have and Longwood now as
13 well. And then after that decision, I think you will see
14 dramatic spikes in public relations dollars spent in our
15 community. Once again, thank you so much for coming. I
16 appreciate your long hours and patience with these proceedings.
17 Thank you.

18 CHAIRMAN JACOBS: Thank you.

19 Mr. Shreve.

20 MR. SHREVE: Just one thing so you will know and your
21 question is right. Public relations funds that are expended,
22 our position has been and most of the time the Public Service
23 Commission's position has been that that should be excluded and
24 not passed on to the ratepayer when it is public relations.

25 COMMISSIONER PALECKI: Thank you for inviting us to

1 your beautiful city and letting us use your facilities here.
2 We appreciate it.

3 MR. SHREVE: Thank you.

4 CHAIRMAN JACOBS: Thank you very much.

5 (Witness excused.)

6 STEVE STEWARD

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

9 DIRECT STATEMENT

10 MR. STEWARD: I'll make one last comment. It will be
11 brief. I appreciate you-all coming to Winter Park. My name is
12 Steve Steward, 2908 Cove Trail, Winter Park, Florida. As this
13 whole meeting pertains to rates, I'd just like to take one
14 other case in and talk about reliability of service. I've
15 lived in my home since 1992, but particularly since June of
16 this year, I've had four power outages. I've seen a drastic
17 decrease since -- I don't know if it's related to the North
18 Carolina deal or not.

19 I've also had poor response from Florida Power in
20 dealing with issues. I've got a power line that drops into my
21 house a couple years back when a storm -- I say it's a couple
22 of years, but it was not that long, but during a storm a branch
23 fell on the line. I called Florida Power to please try to take
24 it off because I didn't want to mess with it. They never came.
25 I finally got up and cut it off, but the process of that it's

1 dropped a line to my house that I can almost reach up and touch
2 it. I will forward on pictures of this that I have.

3 A second issue, I've called them, and I've got
4 documents of this, that the power line behind my house down at
5 the bottom, we back up almost to a swamp, so I have to
6 attribute it to that, but I brought it to their attention I'm
7 very concerned that line is going to fall down. The pole is
8 rotten and no response back. So I will follow up with letter
9 on this.

10 This hearing has been useful to understand how we can
11 use the Public Service Commission to address these concerns,
12 and maybe I'll get some of the folks from Florida Power to
13 address that.

14 And the last thing is -- I'm going to give you a copy
15 here. I've got -- we're a part-owner of a house up in Ocala
16 Forest which is served by Clay Electric. And that letter there
17 documents how Clay Electric -- I'm not sure you're aware of
18 this, but I wanted to bring it to your attention, that they
19 have -- are talking to Florida Power about problems they've
20 had. So you've got another utility pointing the finger at
21 Florida Power. I thought it would give some credence to it.

22 I heard another gentleman talking about conservation.
23 Years past, I really liked their energy management credit where
24 you signed up and they take away the power. I'm not sure why
25 that went away, but that's dropped by almost in half. It seems

1 like that would help conservation and allow them to deal with
2 the surges during the wintertime and electricity and stuff.
3 I'm not sure why that's gone away.

4 And my last point would be, I hope that you will
5 stick up for the citizens of Winter Park in Florida. We have
6 lost all our banks to North Carolina, and now we've got all our
7 utilities going to North Carolina. I hope you will help the
8 Florida citizens and watch out for our interest.

9 COMMISSIONER PALECKI: Thank you, Mr. Steward.

10 CHAIRMAN JACOBS: Thank you very much, Mr. Steward.

11 (Witness excused.)

12 CHAIRMAN JACOBS: Let's absolutely be sure, is there
13 anyone who hasn't had a chance to speak who would like to?

14 Well, it absolutely has been an education, and I
15 appreciate all the time and effort of you citizens coming out.
16 This is the real guts of our process. To let you know, from
17 here, again, we'll have other hearings. You can look on our
18 Web site and find out the exact dates of those. I believe
19 they're going to be in the Tampa-St. Pete area, and then we'll
20 have a technical hearing in the January/February time frame,
21 and then the Commission will make a final decision on this in
22 the May time frame. Thank you again. And if there's nothing
23 else, we're adjourned for the evening.

24 (Exhibits 8 marked for identification.)

25 (Exhibits 1 through 8 admitted into the record.)

(Service hearing concluded at 9:30 p.m.)

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

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

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

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

18 DATED THIS 14th DAY OF DECEMBER, 2001.

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 21
 22
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 24
 25

Tricia DeMarte

 TRICIA DeMARTE
 FPSC Official Commission Reporter
 (850) 413-6736

Ex 1

5.0 System Valuation

These are three generally accepted methods of valuing an electric system Original Cost Less Depreciation (OCLD), Replacement Cost, Replacement Cost Depreciated (RCLD) and comparable sales. OCLD is the original installed cost of the electric facilities less the accumulated depreciation. RCLD is the replacement cost of a new electric distribution system. BV's analysis calculated both methods. As in many other business establishing a value of an asset, comparable sales are used. No distribution system assets have been sold recently, therefore no data is available on comparable sales prices.

OCLD

FPC did not provide the City with the original installed costs of its distribution assets. BV estimated this value using FPC's existing FERC Form 1. This FERC data establishes that the average age of FPC's distribution system is 10 years old. The general feeling is that the City's distribution system is older than that of FPC's average system. Therefore BV reduced FPC's average installed costs by took 80% of FPC's original costs as the original installed costs of the City electric system. A detailed inventory of the assets within the City would be needed to determine the actual installed costs.

FERC's Average Installed Costs	\$1437/customer
Less 20% adjustment for the City's age	\$216/customer
Estimated Original Costs of the City system	\$1221/customer
Less: Accumulated Depreciation (18.75 years/30 years) 62.5%	
OCLD Distribution System Value	\$458/customer

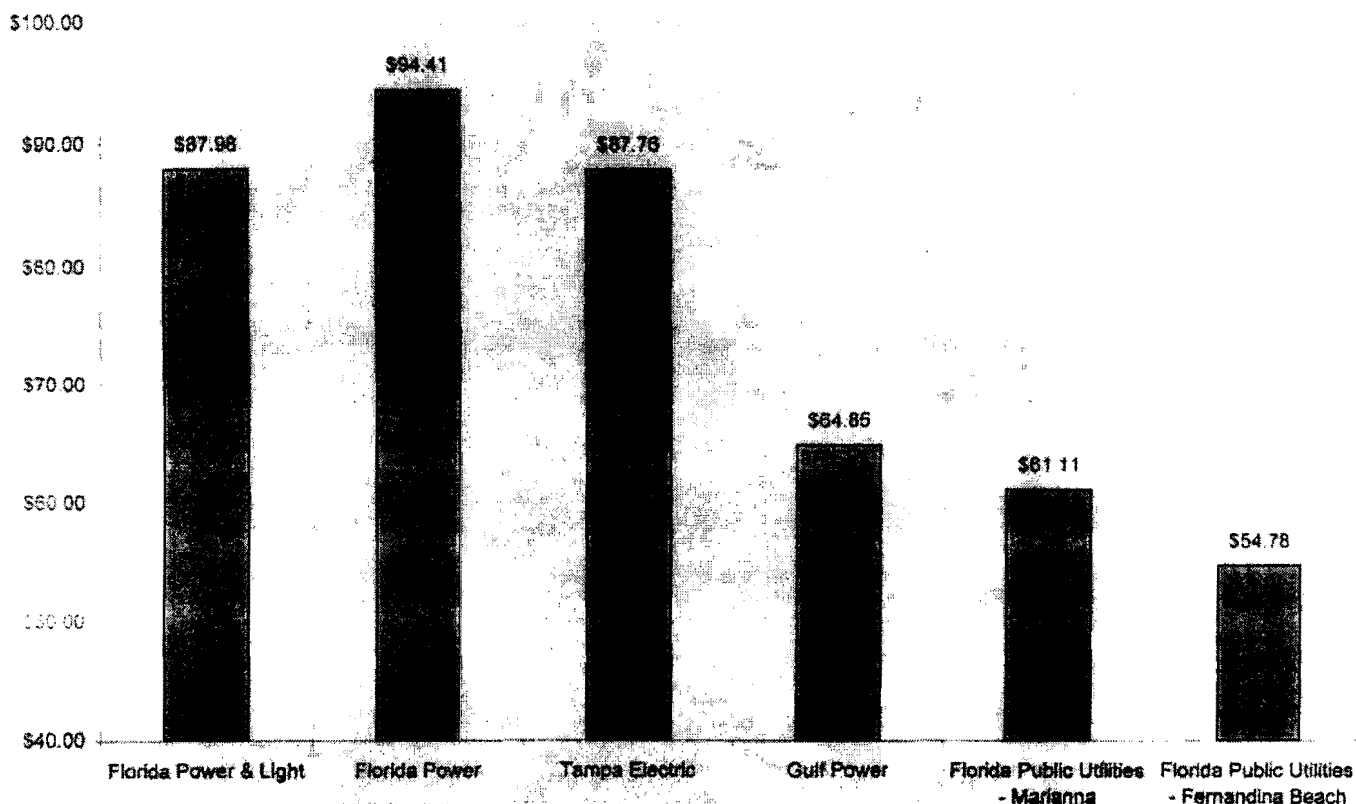
FPC did provide the OCLD for the Winter Park and Lake Aloma substations in its report. BV used FPC's value in its analysis. BV also used FPC's assumption of market value for the substation land.

Original Installed Costs	\$1,833,790
Less Accumulated Depr.	\$1,054,547
Land (Market Value)	\$900,000
Total Estimated OCLD Substation Costs	\$1,679,243
Substation Value per Winter Park Customer	\$131/customer

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 00824- EI EXHIBIT NO. 1- Winter Park
COMPANY/ WITNESS: Jansick
DATE: 11-28-01

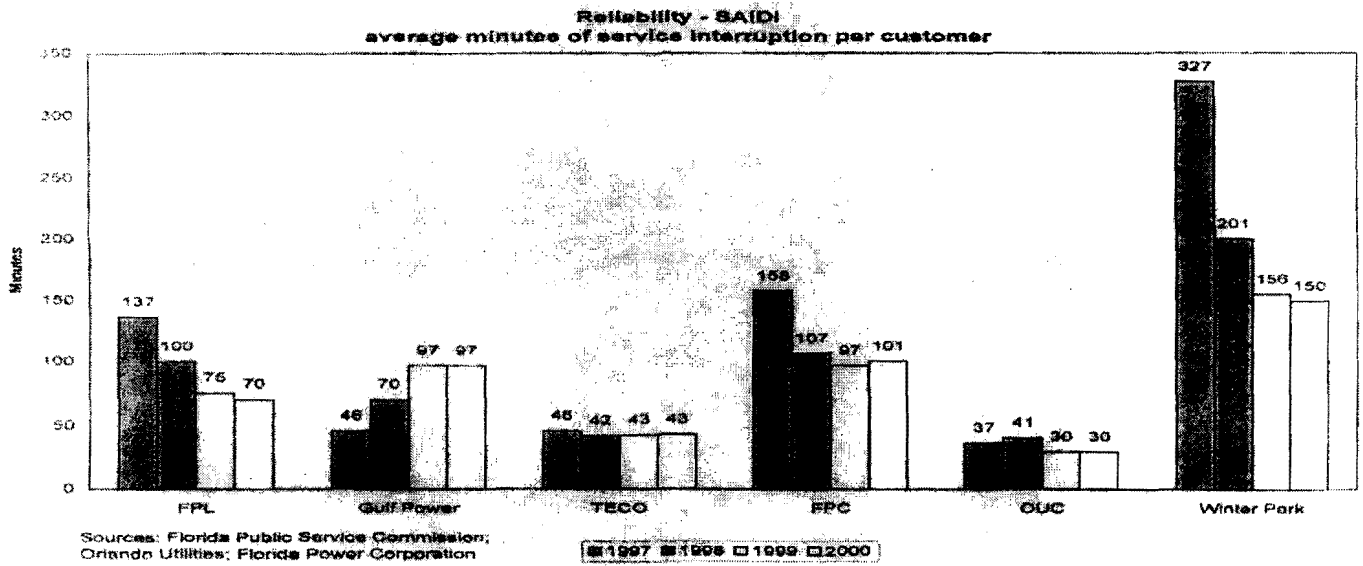
Ex 2

Total Cost for 1,000 Kilowatt Hours - Residential Service



Sources: Florida Public Service Commission

Ex 3



St. Petersburg Times

Let's check Florida Power's readiness Series: EDITORIAL
St. Petersburg Times; St. Petersburg, Fla.; Sep 26, 2001;

Abstract:

Florida Power Corp. of St. Petersburg is no longer a locally owned company. It is now part of Energy Progress, headquartered in Raleigh, N.C. The merger resulted in layoffs for hundreds of Florida Power workers and golden parachutes for a handful of top Florida Power executives. Even before [Gabrielle] struck, customers had been complaining about what they saw as a change for the worse at Florida Power - in both its service and its attitude toward customers. Now that the power is back on, Florida Power may have an even tougher job repairing its relationship with the community.

Florida Power spokesmen said Gabrielle caught the company by surprise when it abruptly accelerated and changed course. They sent for reinforcement trucks from North and South Carolina, but drivers couldn't beat the storm. When Gabrielle hit, the trucks were somewhere in Georgia. When they arrived in St. Petersburg, their radios were incompatible with the local company's equipment.

hxx3
5x4

EX 5

Cities face one-time grab for power

Nine communities may try to buy their electric systems from Florida Power. OUC is ready to step in.

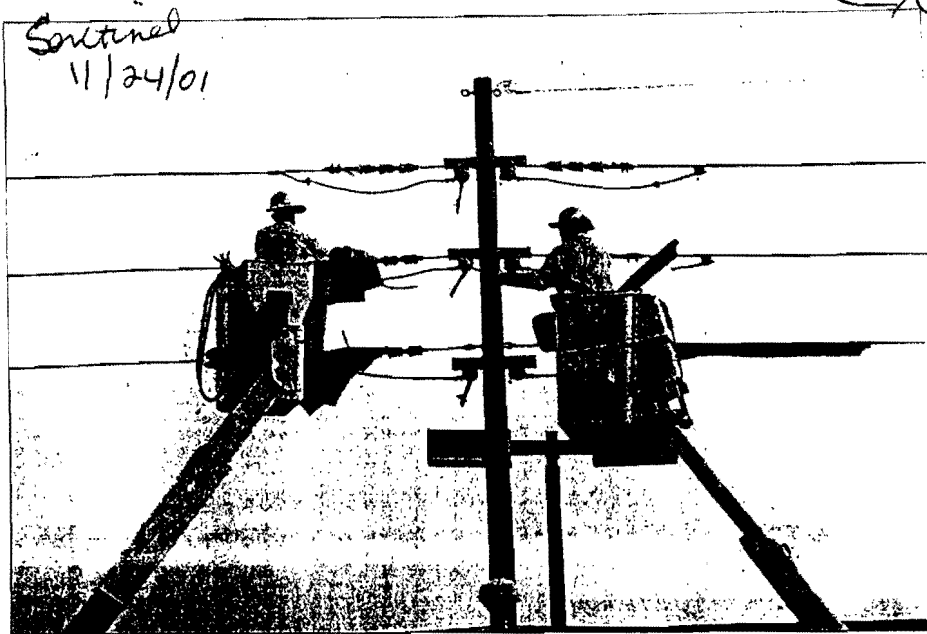
By MARK SCHLUEB
SENTINEL STAFF WRITER

A lot of people are keeping a close eye on the power lines that crisscross Central Florida these days.

Lucrative agreements that allow Florida Power Corp. to serve nine communities in Orange and Seminole counties have either already expired or will expire by 2003. That leaves hundreds of millions of dollars up for grabs — for Florida Power, for the cities involved, and for customers.

But perhaps the one with the most to gain is the Orlando Utilities Commission, which has offered to provide power to three of the cities and is closely watching the others. If all of them fall into place, OUC could see its territory double and its profits soar.

Winter Park City Commissioner John Eckbert said his city will face



PHILAN M. EBENHACK/ORLANDO SENTINEL

Power play. The Orlando Utilities Commission could see its territory double if it picks up several Florida Power franchises

no more important decision in the next 50 years.

"The financial stakes are enormous for us, and they're even bigger for Florida Power," he said.

The "franchise agreements" now under scrutiny give Florida Power the exclusive right to provide electricity to homes and businesses in Winter Park, Casselberry, Maitland, Longwood, Lake Mary, Oviedo, Apopka, Belle Isle and Edgewood.

But there's a clause in each of

those agreements that allows the cities to buy the electric systems within their boundaries from Florida Power, even if Florida Power doesn't want to sell. With the electric lines, switches and substations in hand, city officials could buy electricity on the wholesale market and run the system themselves, or they could turn it over to another company to run.

Supporters of so-called "municipalization" see it as an opportunity to

decrease the frequent outages under Florida Power — and as a way to bring in more cash to city coffers. Customers could see the lights go out less often and see faster repairs when they do, supporters said.

But critics see it as a costly bonanza.

Either way, city officials will only get one chance to make the decision. Florida Power executives are ada-

PHILAN SEE POWER, B10

SATURDAY, NOVEMBER 14, 2003

Florida Power's rates are highest in state

POWER

claim that they want the buyout clause removed from future agreements, so cities would never again have an opportunity to purchase their electric systems.

The Orlando Utilities Commission, which serves about 180,000 customers around Orlando and St. Cloud, is closely watching negotiations in each of the cities, but none more closely than Winter Park's.

Winter Park and Florida Power are now in court-ordered arbitration that will force the utility to tell the city the value of the electric system. Once a price tag is determined some-

time next summer, city commissioners will decide whether to buy the system.

Like an invading army slowly gaining ground, OUC thinks serving Winter Park will allow it to serve more communities to the north. As the Orlando-owned utility's territory grows into Winter Park, it would be easier to serve Maitland, Casselberry, Longwood, Lake Mary, and — further out — Oviedo and Apopka.

"It's like a domino effect," OUC Marketing Director Roseann Harrington said. "If Winter Park falls, we could potentially serve the others."

That could be profitable for the city of Orlando, which re-

ceives 60 percent of OUC's profits. Every new residential electric customer for OUC means another \$94.54 a year for Orlando's budget. It would also allow the utility to spread its costs over a larger group of customers, keeping its rates more stable.

OUC has already offered to serve Winter Park, Belle Isle and Edgewood. OUC officials promised those communities they would make technical improvements that would reduce the number of power outages, and contribute money toward burying electric lines underground for aesthetic reasons.

OUC officials said the utility can produce enough electricity with its own plants and through existing contracts with other utilities to serve the other towns.

"If the other cities follow that course of action, we'll certainly be ready," CEO Bob Haven said.

But city officials are finding that buying a utility system is an uphill battle. Florida Power,

which stands to lose a chunk of its 500,000 Central Florida customers, has been fighting the move in court in Winter Park, Casselberry and other cities.

And the company has taken its fight to the public, as well. Florida Power has mailed letters to customers criticizing the study of municipalization in Casselberry and Winter Park. City officials have accused the company of conducting telephone "push polls," with slanted questions aimed at countering critics.

The utility is so focused on Winter Park that Florida Power CEO William Habermeyer invited select residents to a dinner at the library to discuss the issue two weeks ago.

The difficulty of purchasing a private utility system has kept other cities from doing it. It hasn't been done in Florida since the 1940s, when Key West bought its electric system.

Florida Power spokesman Craig Eicher said that's because municipalization just doesn't make sense. It's too ex-

pensive and risky for taxpayers, he said, and most cities just don't have the know-how to run a utility.

"A company that's been in the business for over a hundred years develops a certain level of expertise," Eicher said.

Three weeks ago, Florida Power executives unveiled a plan they say will improve reliability and customer service throughout the state. The company also has proposed a sharp cut to its rates, which are the highest of any utility in Florida.

Critics, though, said none of the cities served by Florida Power has taken over electric service because the company makes it so legally costly to do so.

"They're certainly formidable opponents with a lot of resources," Casselberry City Manager Jack Schluckebier said. "But we're in this for the long haul."

Mark Schlueb can be reached at mschlueb@orlandosentinel.com or 407-420-5417.

A Commitment to Reliability

Florida Power and Winter Park have been partners for 70 years



New Technologies — We continue to invest in the latest system enhancements to deliver the most reliable, cost-efficient power possible

Generating Capacity — Because your energy needs are growing, we're adding significantly to our generating capacity to stay ahead of increasing demand

For more information on our continued commitment to your community, please contact Ken Cone, your Florida Power Community Relations Manager, at 407.646.8338 or visit our Web site, www.fpc.com.

Helping Your World Work.™

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Florida Power
A Progress Energy Company

Florida Power
A Progress Energy Company

Florida Power, now part of the Progress Energy family, is committed to continual improvements for our customers.

In a recent survey of electric utility customers, a nationally respected research firm reported that customers ranked Progress Energy, parent company of Florida Power, among the best in the country in customer satisfaction.

Together we have weathered all types of storms and emergencies including hurricanes, freezes and tornadoes. Over the past five years, Florida Power has expended an enormous amount of money and effort to improve the system for Winter Park while taking great care to preserve the city's beautiful tree canopy. We have upgraded our facilities and equipment, installed new technology, and committed increased resources to improving our response time to outages. Our pledge to you is ongoing, and we feel it is our responsibility to communicate some important information about the service you can expect from us in the years to come.

Reliability — Florida Power is committed to investing in ongoing system improvements. You can be assured of continued reliable and dependable service from us.

Storm Restoration Expertise — In time of major storms and other emergencies our response is second to none. Our vast resources and expertise enable us to provide quick and safe power restoration to all the communities in our system.

EXC



STATEMENT OF ELECTRIC SERVICE

NOVEMBER 2001

ACCOUNT NUMBER

54772 15530

FOR INQUIRIES 24 HOURS A DAY OR
PAYMENT LOCATIONS CALL:
1-407-828-1010

TO REPORT A POWER OUTAGE:
1-800-228-8485

PLEASE VISIT US AT: www.fpc.com

MELISSA JANOSIK

241 AFTON SQ APT 301
ALTAMONTE SPG FL 32714

SERVICE ADDRESS
241 AFTON SQ APT 301
ALTAMONTE SPG FL 32714

DUPLICATE DATE NOV 29 2001	TOTAL AMOUNT DUE 244.63
NEXT READ DATE ON OR ABOUT DEC 11 2001	DEPOSIT AMOUNT ON ACCOUNT NONE

METER READINGS

METER NO.	007132429
PRESENT (ACTUAL)	054442
PREVIOUS (ACTUAL)	053623
DIFFERENCE	000819
TOTAL KWH	819

RS-1 001 Residential Service

BILLING PERIOD	10-09-01 TO 11-07-01	29 DAYS	
CUSTOMER CHARGE			8.85
ENERGY CHARGE	819 KWH @ 5.33700¢		43.71
FUEL CHARGE	819 KWH @ 2.88500¢		23.63
*TOTAL ELECTRIC COST			76.19
GROSS RECEIPTS TAX			1.95
MUNICIPAL FRANCHISE FEE			5.05
MUNICIPAL UTILITY TAX			5.22
LATE PAYMENT CHARGE FOR PREVIOUS BILL			2.31
TOTAL CURRENT BILL			90.72
AMOUNT PAST DUE			153.91
TOTAL DUE THIS STATEMENT			\$244.63

Having your phone number helps us identify your service location during power outages. Our records show your phone number is 407-774-9648. TO UPDATE, PLEASE CALL TOLL FREE 1-866-221-6450. Payment of your bill prior to the above due date will avoid a late payment charge of 1.5%. Your account has a past due amount of \$153.91 and electric service may be disconnected. Please pay immediately.

ENERGY USE

DAILY AVG. USE -	28 KWH/DAY
USE ONE YEAR AGO -	0 KWH/DAY
*DAILY AVG. ELECTRIC COST -	\$2.63

TO CHANGE MAILING ADDRESS, CHECK DETACH AND RETURN THIS SECTION ZPO5 08983
BOX BELOW AND ENTER ON THE BACK



DELINQUENT	CURRENT CHARGES
153.91 PAST DUE	90.72 NOV 29 2001

FLORIDA POWER
P.O. BOX 33199
ST. PETERSBURG,
FL 33733-8199

ACCOUNT NUMBER - 54772 15530

|||||
MELISSA JANOSIK
241 AFTON SQ APT 301
ALTAMONTE SPG FL 32714-3852

TOTAL DUE
244.63

PLEASE ENTER AMOUNT PAID

54772155306000002446320000001539160000000907200100000000009



The Illuminating Company
 P. O. Box 3638
 Akron OH 44309-3638
 1-800-599-3101

Your current **PRICE TO COMPARE** for generation from The Illuminating Company is **4.7 cents per kWh**. For you to save, a supplier's price must be lower. To obtain an **"Apples to Apples"** comparison of available competitive electric supplier offers, visit the PUOO web site at www.ohioelectricchoice.com

Messages

Energy conservation tip: In the summer, set your air conditioning to 78 degrees, which is comfortable and cooler than the temperature outside. Also turn off a room air conditioner when leaving for several hours.

Illuminating Company Detail

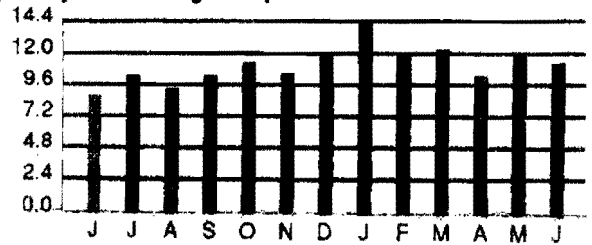
Basic Charges	
Rate - Residential 50	
Customer Charge	\$ 4.75
Delivery Charge	9.33
Transition Charge	15.86
Generation Related Component	9.19
Total Basic Charges	\$ 39.13
Illuminating Company Billing Total	\$ 39.13

Meter Reading and Electric Use Information

<i>Next Scheduled Meter Reading</i>	06/29/01	
Residential 50	Total Annual KWHs	4,160
	Average Monthly KWHs	347
Meter Number	002014048	
Service To Date	05/31/01	
Service From Date	04/30/01	
Days Service Used	31	
Present Meter Reading (Actual)	84,927	
Previous Meter Reading (Actual)	84,575	
Kilowatt Hours Used	352	

Your Energy Use Pattern

Average KWH per day	Average KWH per day	This Year	Last Year
	Meter Reading	11.4 (Actual)	9.0 (Actual)
	Average Temperature	60 °	62 °



The
**DO-IT
YOURSELF
HOME
ENERGY
CHECK**

November 19, 2001

Melissa Janosik
241 Afton Sq Apt 301
Altamonte Spg FL 32714

Reference Number: 5477215530

Dear Melissa Janosik,

Thank you for your recent request for the Do-It-Yourself Home Energy Check Survey. The survey is designed to help you learn more about your home's energy consumption. In order to provide you with a detailed, personalized analysis of your home, you will need to establish some electric usage history.

At this time, we recommend delaying your request until you have enough history at your residence to generate a meaningful report. In the meantime, we have included a packet full of energy saving tips to help you save on your electric bill. Your request will be held on file and in approximately three months we will automatically mail you a survey so that you can get started on saving energy. Again, thank you for your request and interest in the program.

Sincerely,



Maxwell Wright
Program Coordinator



FACTS

For Saving Energy and Money

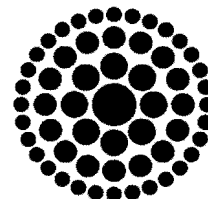
The following energy-saving information is intended to help you reduce your electric bills, but at the same time, stay comfortable and have the convenience of your appliances. You will find several ways to lower your energy bills, and most of these "tips" do not cost anything to implement.

SUMMER TIPS

Because of air conditioning in the average Florida Power household, twice as much or more electricity is used in the months of June, July, August, and September than in April or May. So, if your bill is \$70 - \$80 in April, it will probably be \$160 or more in July and August based on normal summer weather. If it is extremely hot, costs can go even higher.

To Save on Air Conditioning

- Set the temperature a little higher. Most people can be comfortable with a setting of 78-80 degrees, plus you'll save 6-8% off your cooling costs for each degree above 78.
- When you leave home for 8 hours or more, turn off the air conditioning or set the thermostat up a few degrees.
- Be sure your filters are clean. They should be checked monthly. (Remember to check filters that may be in a unit located in the attic.) Coils of an outdoor unit should be free of debris and not blocked by plants, shrubs, etc. Be sure the return air grill inside your house is not blocked by furniture or other items. (If you have more than one return, check them all.) A return needs a free flow of air for the air conditioning to operate most efficiently.
- Keep exterior doors and windows closed when air conditioning is on. Turn off kitchen or bathroom exhaust fans when your air conditioning is operating.
- Caulk and weatherstrip leaky windows and doors.
- Use a ceiling fan or portable fan to supplement your air conditioning. A fan can make you feel 3 to 4 degrees cooler (and only costs 1/2 cent per hour to operate) so you can set your thermostat a few degrees higher and save on cooling costs. Use in occupied rooms since fans cool people not rooms. As a safety precaution, turn off ceiling fans when you leave your home.
- For central air conditioning systems, keep the fan switch on your thermostat in the "Auto" position when cooling. This gives you better cooling and humidity control. Having the fan switch "on" continuously could cost \$25 extra a month on your electric bill.
- Use shades or drapes to block the hot sun from heating up your home. Use awnings, trees and shrubs to shade your home.
- If you suspect your air conditioning system is not cooling properly, have it checked promptly. A unit that is having operational problems can cause extremely high bills.
- If your air conditioning equipment is older and less efficient, compensate by being extra careful about temperature settings, hours of operation, and filter condition.



**Florida
Power**

WINTER TIPS

Even though we live in Florida, there are days when we need to turn on the heat, which then increases our energy bills. If the weather is unusually cold or stays cold for a prolonged amount of time, bills can increase significantly. Remember, it is less expensive to keep your home at 70 degrees if the outside temperature is 50, than if it were 30. Being energy-wise with your use of heat will help reduce winter energy bills.

To Save on Heating

- For Heat Pump Users – Set your thermostat within two degrees of your comfort level – consistent atmosphere control is most comfortable and economical for heat pump heating. This strategy also keeps the home's strip heat from activating (illuminating the emergency heat indicator on your thermostat), preventing override of the heat pump's heating capability and reduction in energy efficiency.
- Keep your thermostat at the lowest comfortable temperature – 68 to 70 degrees is recommended. Every degree above 70 costs an additional 3-6%. (Example: Keeping your home at 75 degrees could cost up to 28% more on your bill than keeping it at 70.)
- Lower your thermostat at night or when no one is home. Use an electric blanket at night. They cost just pennies to operate.
- Keep exterior doors and windows closed when heat is on.
- If you have a fireplace and aren't using it, make sure the flue is closed. Consider glass doors to help prevent heat loss when your heating system is on.
- Using a portable heater for "spot" heating lets you lower the temperature in the rest of the house. However, using it too much can be very costly! One 1500-watt resistance heater operating 24-hours a day for a month would cost more than \$80.
- Remember the weather when you receive your electric bill.

YEAR-ROUND SAVING TIPS

To Save on Refrigeration

- The coils of your refrigerator should be clean, not clogged with dirt. Check and clean.
- A leaky gasket on your refrigerator door can greatly increase energy use and cost. If you can feel cold air around the closed door or there is a great deal of moisture collecting at certain spots around the door, your refrigerator is costing more than it should to operate.
- If your refrigerator temperature is set too low, your operating costs will increase. Refrigerator temperature should be 35 degrees to 42 degrees. Freezers should be zero.
- The more often you open the refrigerator door (or keep it open) the higher the operating cost will be.
- Putting a second refrigerator in a hot garage or utility room can double its operating costs. If you need the extra storage, keep it as full as possible. If you don't need the space, you might want to "pull the plug."

To Save on Water Heating

- Check for water leaks. If your water bill has gone up, it could be an indication of leaks.
- Use cold or warm water for laundry.
- Add an insulating blanket to an older water heater and set the water temperature at 120 degrees if you do not have a dishwasher and 130-140 degrees if you do.
- If your home will not be occupied for two days or more, turn off your water heater at the circuit breaker.
- Install low-flow showerheads and faucet aerators.

To Save on Pool Pumps

- Pool pumps can add significantly to your monthly electric bill. Make sure your timer is working and reduce operating hours as much as possible.

Miscellaneous Saving Tips

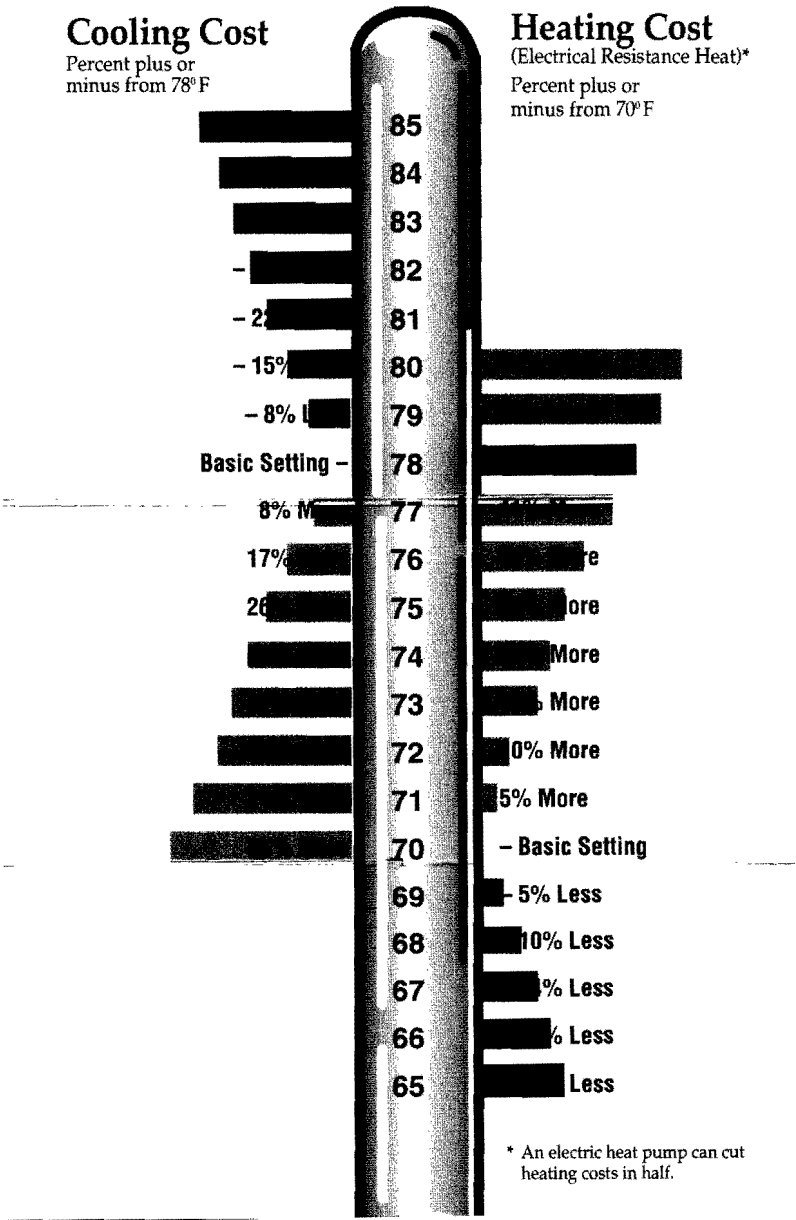
- Water beds can increase your electric bill. Be sure they are properly covered and the heater is set as low as possible or turned off altogether. If your children have water beds, check the thermostats and make sure the beds are made up each day if the heat is on.
- Be sure your home is well insulated. A minimum attic insulation value of R-19 is recommended.

A FEW DEGREES WILL MAKE A BIG DIFFERENCE

One of the most effective and inexpensive ways to reduce your air conditioning and heating costs is to adjust your thermostat setting.

For cooling, set your thermostat at 78°F or higher. The savings can be significant. For each degree you raise your thermostat setting, you reduce seasonal cooling costs by six to eight percent. And, by using ceiling fans to supplement an air conditioner, most people can raise their thermostat setting three degrees and feel just as comfortable.

For heating, set your thermostat at 70°F or lower.



Tips for more efficient air conditioning

1. Check filter frequently and replace when dirty. Clogged filters mean higher operating costs.
2. Don't try to maintain different temperatures in different rooms with a ducted cooling system. You'll unbalance the system and reduce its efficiency.
3. The "auto" fan setting provides the most economical operation and humidity control. The "on" setting provides more uniform air motion, sound level and room-to-room temperature.
4. When away from home for a day or more, turn unit off or set temperature 5° to 10° above normal summer setting with fan on "auto" for mildew protection.
5. Good insulation will result in lower operating costs.
6. Keep windows and doors closed when the cooling equipment is in operation.
7. Look for the Energyguide label when you purchase a new air conditioner. Generally, an efficiency rating (SEER) of 12 or more (BTUs per watt) is excellent; 10 to 11 is good. Avoid units with a SEER below 10.
8. Keep room air conditioners turned off when no one is using the area they cool.
9. Close draperies and shades on sunny windows.
10. Consider portable fans, ceiling fans or whole-house attic fans. As a supplement or for air conditioning equipment, fans are very efficient.
11. Plant deciduous trees to shade south and west facing windows and walls from direct sunlight in the summer.

Tips for more efficient heating

During the winter, set your thermostat at 68°-70° F (20°-21.1° C) during the day and 60°-65° F (15.6°-18.3° C) at night. Each degree you lower your thermostat reduces heating costs 3 to 5 percent. By setting your thermostat back 10 degrees at night (8 to 10 hours), you can save 10 to 20 percent in heating costs.

Electric Heat Pump Customers can cut their heating costs in half. For maximum efficiency, gradually increase your thermostat setting a few degrees over a period of time. This allows your heat pump to heat your home without "emergency back-up heat." Emergency back-up heat will increase your heating costs and should only be used if necessary. It is also recommended that you leave your fan setting in the "auto" position.

Winter tips for saving energy and money

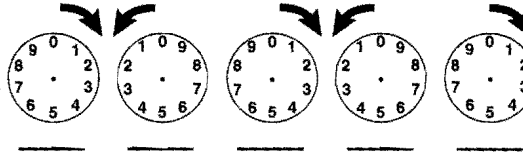
1. Replace filters frequently. Clogged filters will increase heating costs.
2. Close up air leaks that make your home hard to heat. Caulk and weatherstrip leaky windows and doors. Seal up openings through walls. Have ducts checked for leaks.
3. Keep doors and windows to heated areas closed day and night.
4. Open drapes and shades on the sunny side of the house to help warm the home during the day. At night, close drapes and shades tightly to cut heat loss.
5. Keep the fan on your central unit in the "auto" position. Leaving the fan "on" continuously can add \$15 a month to your heating costs.
6. Dress warmly to trap body heat so you can lower the thermostat.

Call your local Florida
Power office for more
energy-saving tips and a
FREE Home Energy Check.

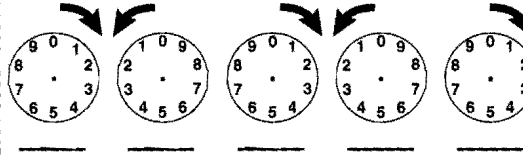


Keep your record below

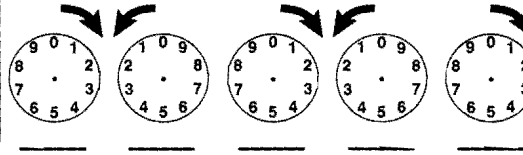
DATE



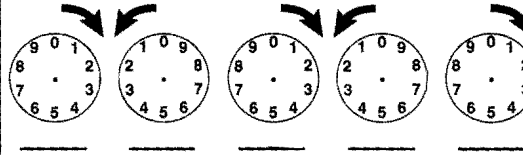
DATE



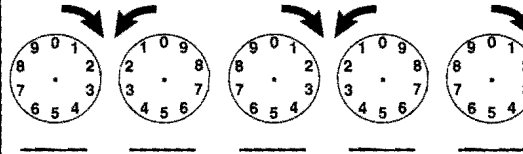
DATE



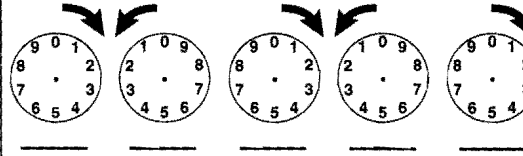
DATE



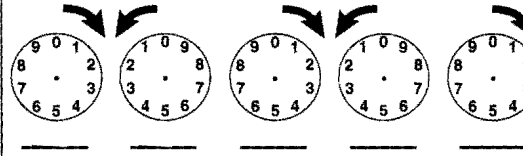
DATE



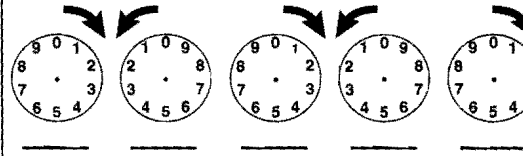
DATE



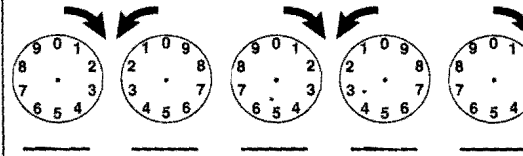
DATE



DATE



DATE



Ira Mr....

EN GY

Usage

It makes dollars and sense to keep track of the electricity you use by reading your electric meter regularly. That way you can see how your kilowatt-hour usage relates to the electric appliances you use.

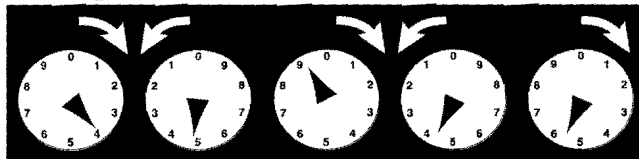
Reading your electric meter is quick and easy.

HOW:

The meter runs much like the odometer on your car. The dial to the right has to go around completely before the next dial on the left advances one number. Starting with the first dial on the right, write down the last number passed by each dial pointer. Remember that some dials turn clockwise and others counter clockwise.

IMPORTANT NOTICE: If a dial pointer looks like it points directly on a number, check the dial to the right to make sure that pointer has passed "0".

Sample:



The correct reading is:

3 4 9 4 5

Subtract your previous meter reading (or the reading from your last electric bill) from this reading. This will show how many kilowatt-hours (kwh) of electricity you have used since then.

$$\begin{array}{r} 34945 \text{ present meter reading} \\ - 34320 \text{ previous meter reading} \\ \hline 625 \text{ kwh used} \end{array}$$

WHEN:

You can read your meter either daily or weekly.

However, always read it at the same time of the day, so you have



2

P. H. FREEMAN & SONS, INC.

CITRUS FRUITS
640 EAST PLANT STREET
WINTER GARDEN, FLORIDA 34787
407-656-2433 • FAX: 407-877-2952
E-MAIL: PHFREE@ATT.NET

TO: Florida Public Service Comm. November 28, 2001

FROM: Robert H. Freeman

SUBJECT: Needs in Unincorporated Areas and Rural Areas of West Orange and Lake Counties

I am Robert H. Freeman, residing in West Orange County for 69 years. I have owned and operated P.H. Freeman & Sons in Winter Garden for 33 years. The nature of our business is citrus growing and harvesting.

We purchase half our power needs from Florida Power and half from Sumter Electric Coop.

We have seen rate cuts over 10 years from Sumter Electric Coop and they have few lines off the edge of the road right-a-way, as well as much less tree problems due to good spot herbicide and their mowing program of once a year.

However, Florida Power Corporation is a different story:

- 1) There is a problem with trash trees and vines, such as Grape Vines, Wild Cherry trees, Ear trees which grow into power poles and guide wires. There is a need for regulations to spot herbicide all rural lines on the edge of road way once per year. This would contain the trees/vines at the base of the poles and guide wires.
- 2) The third week of September, Pinellas County experienced wind from Hurricane Gabrielle with 50,000 homes out of power. Many limbs were down. Worldwatch publication #158 "Unnatural Disasters" notes that \$1.00 spent now would prevent up to \$7.00 later.
- 3) Tap lines - wrapped, secondary line: No cut or trim trees over these lines. We need lines with more than two customers and lines over 150' to be upgraded to edge of road or bury lines - 20%/year over a 5 year period. Should we experience a hurricane like Donna in the future we will have millions out of power.
- 4) Regarding the 230 kV line in Lake County. I own long 5 acres which is now worthless. A loss of \$50,000. Florida Power will build 200 miles in Polk County to bring power from west of Fort Meade to Reedy Creek. Two of those plants need to be at Polk-Lake County line west of US 27, then a short 10 mile line over to Reedy Creek substation.
- 5) Poles: (a) Tree stumps and dead trees cut off 18' high under lines are hard to avoid when parking a 40 foot fruit trailer at night.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 000824-EI EXHIBIT NO. 2
COMPANY/ Freeman
WITNESS: _____
DATE: 11-28-01

(b) Anchors for guide wires:

1. Never two feet from county road as West Crown Point Road and Fuller's Crossing Road.
2. New Lines: Must mark anchor with 5' upright (yellow) flags. For six months there have been four anchors under the powerline on Moore Road. They are easy to run over and destroy our 10:00X20 trailer tires at a cost of \$200/each.

6) New 44 kV line on Morton Jones Road, North of Gotha. There is a fast grow back of oak trees with no mowing or herbicide. Trash due to oak trees on County Road. A little spot herbicide work could have prevented a big problem for the County.

7) Dreyfus Orange Concentrate Processing plant at Winter Garden:

The Roll back power plan of 3 hours actually results in 5 hours each day, due to cleaning the evaporators before shut down. The Roll Back lasted 15 straight days, Dec. 30, 2000 to Jan. 14, 2001, resulting in 300 people being out of work each day - including 15 of Freeman employees.

Regulation is needed to prevent a Roll Back of power to exceed one out of every three days

8) A Red power pole is a pole located within 5 feet of a paved road, usually due to widening of road with turn lanes and there is 15 feet to the edge of road right-a-way. A few exist and they are very dangerous. It is very difficult to stop a 22 Ton load of oranges at the SW corner of Health Central Hospital to avoid ambulances and at the same time avoid two "red poles" on the southside of the intersection. This 50 year old line needs to be upgraded and a few feet buried to prevent road hazzard.

9) Some old 69kV lines are poorly designed and need to be upgraded. The north line into Groveland should follow the edge of Cherry Lake Road and County Road 19 into Groveland. The present line runs through agricultural property with 10 90 degree. turns with part of the line in Cherry Lake swamp. The swamp is very dry at this time and the threat of fire is ever present, which would destroy the 69kV line.

10) Net Meter Need:

I have received a number of phone calls, some for -- some against. Most calls since EMF in the late 80's. I want strong Net Meter Regulations. I have Solar hot water which works well and save 20% of total electric need. If I invest \$20,000 - \$30,000 in good solar base, we must have a guarantee of having a Net Meter. If I produce "Green power" the Utility should compensate every three months for any net production. You should not be expected to give power to the Utility Company without being reimbursed.

11) Regulations are a must, it is the only guarantee of good service customers have.
I thank the PSC for their hard work to establish good regulations.

I would urge the Public Service Commission to:

- 1) Reduce tree growth at the poles and vines on guide wires.
- 2) For safety - completely take out dead ~~pine~~ trees and not just cut off 18' high.
- 3) Reduce long Tap lines to cut outage from hurricanes.
- 4) Limit future 230 kV lines and larger lines with better location of plants to need of power.
- 5) Limit utility Roll Backs of power to only one out of every three days to protect working people from loss hours.
- 6) Give Florida a strong Net Meter Regulation, with proper compensation to Solar Net Producers every three months or 120 days.

Thank you for the opportunity to address you.



























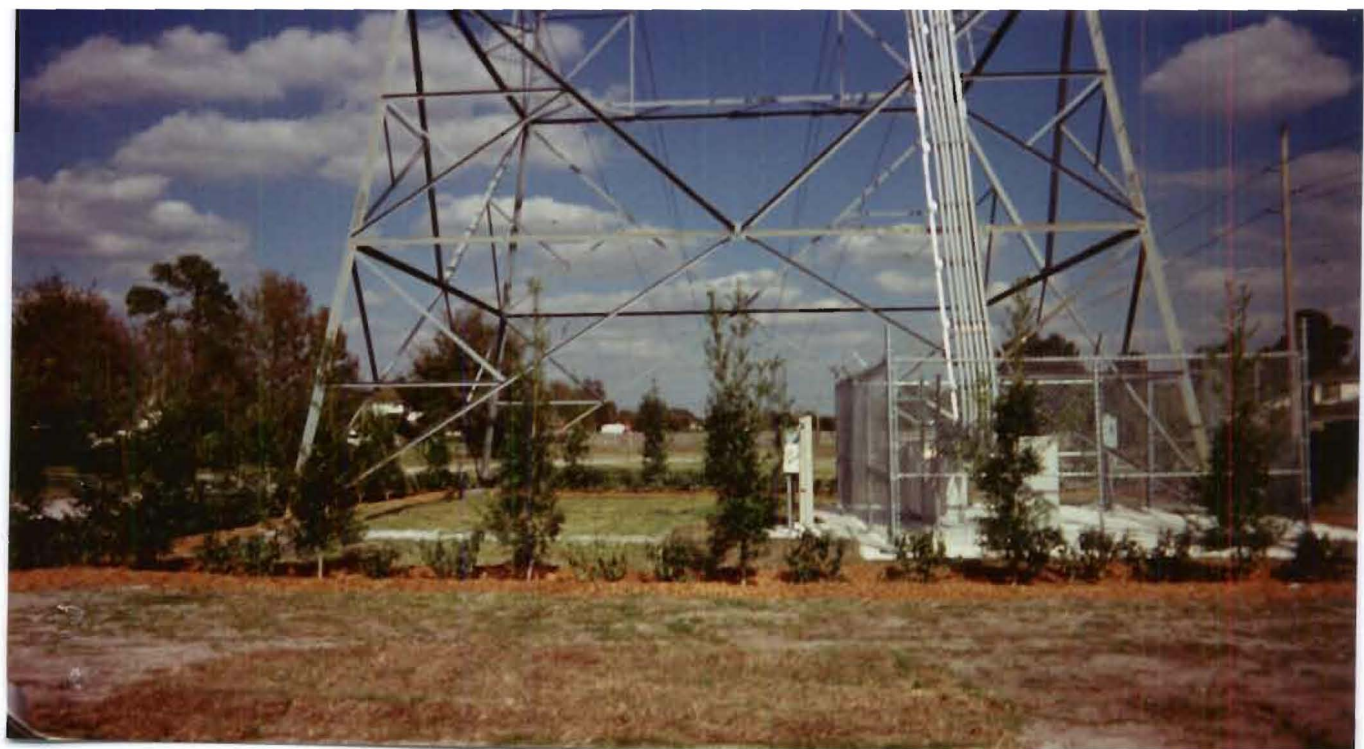














POWER FAILURES

DATE	TIME OF FAILURE	DURATION	REMARKS
08-21-01	1734	1.5 min	Loss of Pwr Lightening Storm
08-21-01	1737	0.1 min	Loss of Pwr Interrupted service
09-10-01	2144	0.5 min	Loss of Pwr Interrupted service
09-15-01	1400	40 min	Loss of Pwr Limbs on xformer
09-29-01	1034	1H 46min	Loss of Pwr Lift sta #17 trk eta 1100 Pwr trk eta 1155 1220:59 Pwr bk up. Only 4 hse out + Lift sta.
10-01-01	1605^		Called Fl Pwr, Mr Brad A. Rickert..Mr Martin rtn call. I gave Mr Martin the above data which has been compiled since my last data dump. I specifically told Mr Martin I want OFF the phase that supplies my home electrical power. Mr Martin said he has put in a WO to change the phase we are on now.

10-01-01 I called Mr Martin again to inform him that the pole behind 2111, and 2217 have vines that cover the poles. He made a note of this and commented that the poles were recently surveyed. I mention that the outage on 09-29-01 was in the area of 2111, wether the wines caused the power failure was unknown to me. Fl Pwr worked at that area.....

10-04-01	1631	0.05	Momentary Lost Pwr, needed reset
10-05-01	1205		Visit by Fl Pwr Nick, from Fl Pwr, arrived to survey the service off the pole which provides power to 2217 Howard Drive. This was in follow up to the WO mentioned above. I was notified by nick that when the service will be switched we will be notified BEFORE the switch is made. This service will be performed within the next week or two.....

10-08-01	0930	2 Trucks, 4 Men	Notified PWR will be off Fl Pwr arrived to correct pwr outage at 2217 Howard One man on pole pulled wires loose with yellow pole
	1008		Pwr Off

A new piece (color white) wire was reinstalled on same line the other piece was removed. (I don't believe the phase was changed.???????)

	1056	Pwr On	Outage 48 minuets Fl Pwr departed.
10-23-01	1110	Off / On	Outage 2hrs25minutes Fl Pwr arrived (4Trks) to rework pole on Randy Ln (Lines that run behind my home) Fl Pwr replaced Insulators;3 Switches and Misc items which include new wire and squirrel protectors. Homes were notified the day before of the rework outage.

11-12-01 At approximately 1205PM a momentary power fail was sufficient to drop all power to utilities and had to be Reset. There was no apperant storm in the area.

E. SWIETEK
407 644 355

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 000824-EI EXHIBIT NO. 3
COMPANY/ Swietek
WITNESS. _____
DATE: 11-28-01

LETTER TO FLA POWER
MR GIL DEBRETTAN OPER. SUP.

11/6/2001

EXN. #

11/6/01

RECORD OF INTERRUPTIONS IN ELECTRICAL SERVICE BY FLORIDA POWER CORP.
AT A PRIVATE HOME (201 WEST FAWSETT ROAD, WINTER PARK, FL 32789-6017).

Date	Time	Comments
1/24/01	7:13AM	Lights flickering
1/28/01	1:15PM	Power off
"	2:28PM	Power on
1/31/01	6:24AM	Surge (Kitchen thermostat and solar heating motor turned on)
2/2/01	?AM	Surge (turns on C. D. player)
2/16/01	8:00PM	Surge " " " "
2/22/01	6:30AM	Surge " " " "
3/5/01	3:04PM	Surge " " " "
"	3:25PM	Power off then on
3/13/01	?AM	" (turns on a C. D. player and the solar heating pump doesn't turn off)
3/19/01	6:30PM	Surge (turns on a C.D. player)
3/26/01	7:00AM	" "
4/13/01	4:50PM	" "
4/20/01	2:38PM	" "
4/25/01	11:30PM	" "
4/26/01	7:10PM	" "
4/27/01	?AM	" "
5/15/01	10:12 PM	" "
5/28/01	?PM	" " and power out for 30 minutes
6/1/01	12:20AM	" "
6/3/01	11:54PM	Power off
6/4/01	3:30AM	Power on
"	?AM	Surge (turns on a CD player)
6/6/01	3:54PM	" " (storm)
"	6:48PM	Power off
"	7:15PM	Power on
6/21/01	?	Surge (turns on a CD player)
6/22/01	?AM	" "
"	12:20PM	Lost one phase leg of 3 phase power
"	2:00PM	Restored lost phase leg
8/23/01	7:23AM	Surge (turns on a CD player)
8/30/01	7:30PM	" "
9/14/01	3:26PM	Power off
"	7:00PM ?	Power on
10/10/01	4:00PM	Lost one phase leg of 3 phase power
"	5:00PM	Restored lost phase leg
10/25/01	8:20AM	Surge (turns on a CD player)
11/5/01	?AM	" "
11/13/01	1:57 PM	" "

(407)645-1229

11/13 ADDED

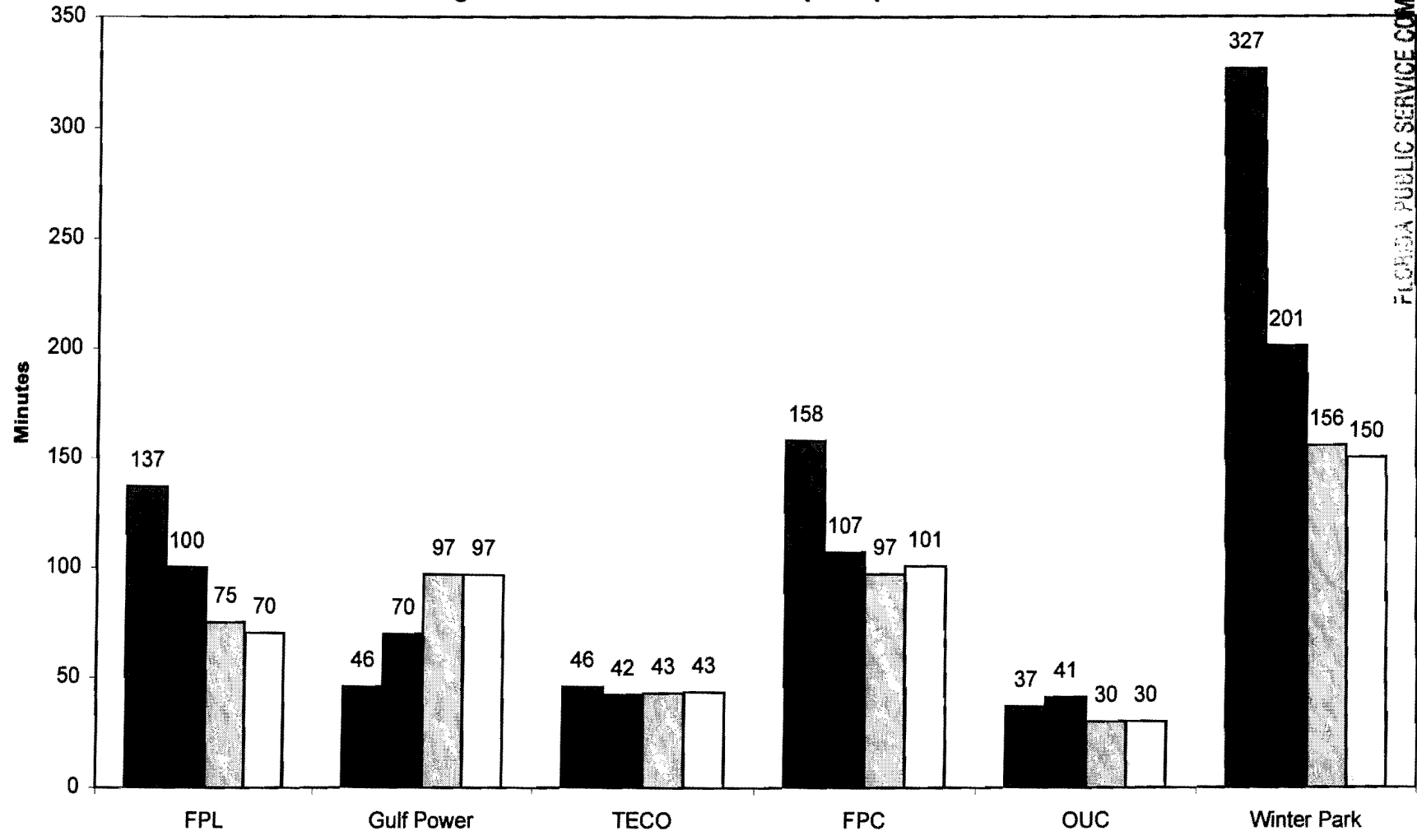
11/13/01
NOTE! LOOKED AT
ANOTHER POWER LEG ON
ROCKWOOD WAY THAT APPEARED
TO ONLY HAVE 2 PH. THIS
WOULDN'T WORK FOR ME SINCE
I HAVE 3 PH. SUGGEST REPLACING
EXISTING TRANSFORMER WITH
LARGER CAPACITY

FLA POWER
ACCOUNT # 99996-22382

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 000824-ET EXHIBIT NO. 4
COMPANY:
WITNESS: M. A. [Signature]
DATE: 11-30-01

EXH. 5

Reliability - SAIDI average minutes of service interruption per customer



Sources: Florida Public Service Commission;
Orlando Utilities; Florida Power Corporation

■ 1997 ■ 1998 ■ 1999 □ 2000

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 000824-ET EXHIBIT NO. 5
COMPANY: OUC
WITNESS: [Signature]
DATE: 11-28-01

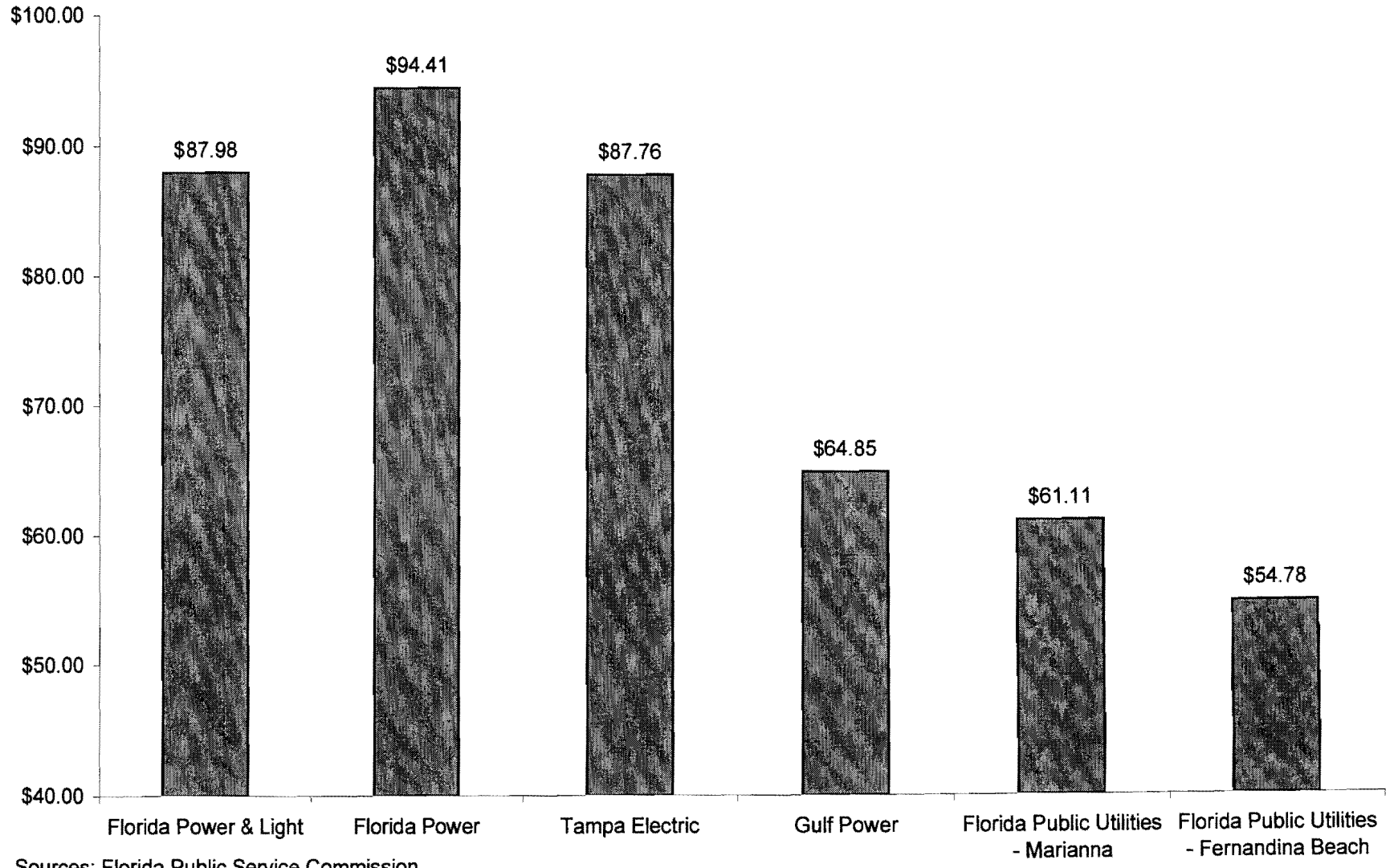
City of Winter Park Feeders Appearing on
FPC's 3% Worst Performing Feeders List
1993 Through 2000
(Source - Florida Public Service Commission)

Sorted By Feeder				Sorted By Year			
Feeder	Year	Number	L-Bar	Feeder	Year	Number	L-Bar
w0003	1994	3	128	w0009	1993	4	25
w0003	1995	4	103	w0014	1993	4	220
w0003	1996	7	55				
w0003	1997	3	119	w0003	1994	3	128
w0003	1998	3	53	w0008	1994	4	55
w0003	2000	4	102	w0014	1994	6	76
				w0152	1994	4	24
w0005	1995	6	15				
				w0003	1995	4	103
w0008	1994	4	55	w0005	1995	6	15
w0008	1996	4	66	w0011	1995	4	52
				w0014	1995	5	62
w0009	1993	4	25				
w0009	2000	6	34	w0003	1996	7	55
				w0008	1996	4	66
w0011	1995	4	52	w0011	1996	4	51
w0011	1996	4	51	w0014	1996	5	49
				w0160	1996	5	30
w0014	1993	4	220				
w0014	1994	6	76	w0003	1997	3	119
w0014	1995	5	62	w0014	1997	4	33
w0014	1996	5	49	w0158	1997	4	32
w0014	1997	4	33				
				w0003	1998	3	53
w0150	1999	6	78				
				w0150	1999	6	78
w0152	1994	4	24				
				w0003	2000	4	102
w0158	1997	4	32	w0009	2000	6	34
w0158	2000	4	33	w0158	2000	4	33
w160	1996	5	30				

Note: FPC has approximately 1,100 feeders in their system of which 17 serve Winter Park residents. Out of the 17 Winter Park feeders 10 different feeders have appeared on the worst performing feeder list in the last 8 years. Six have appeared multiple times.

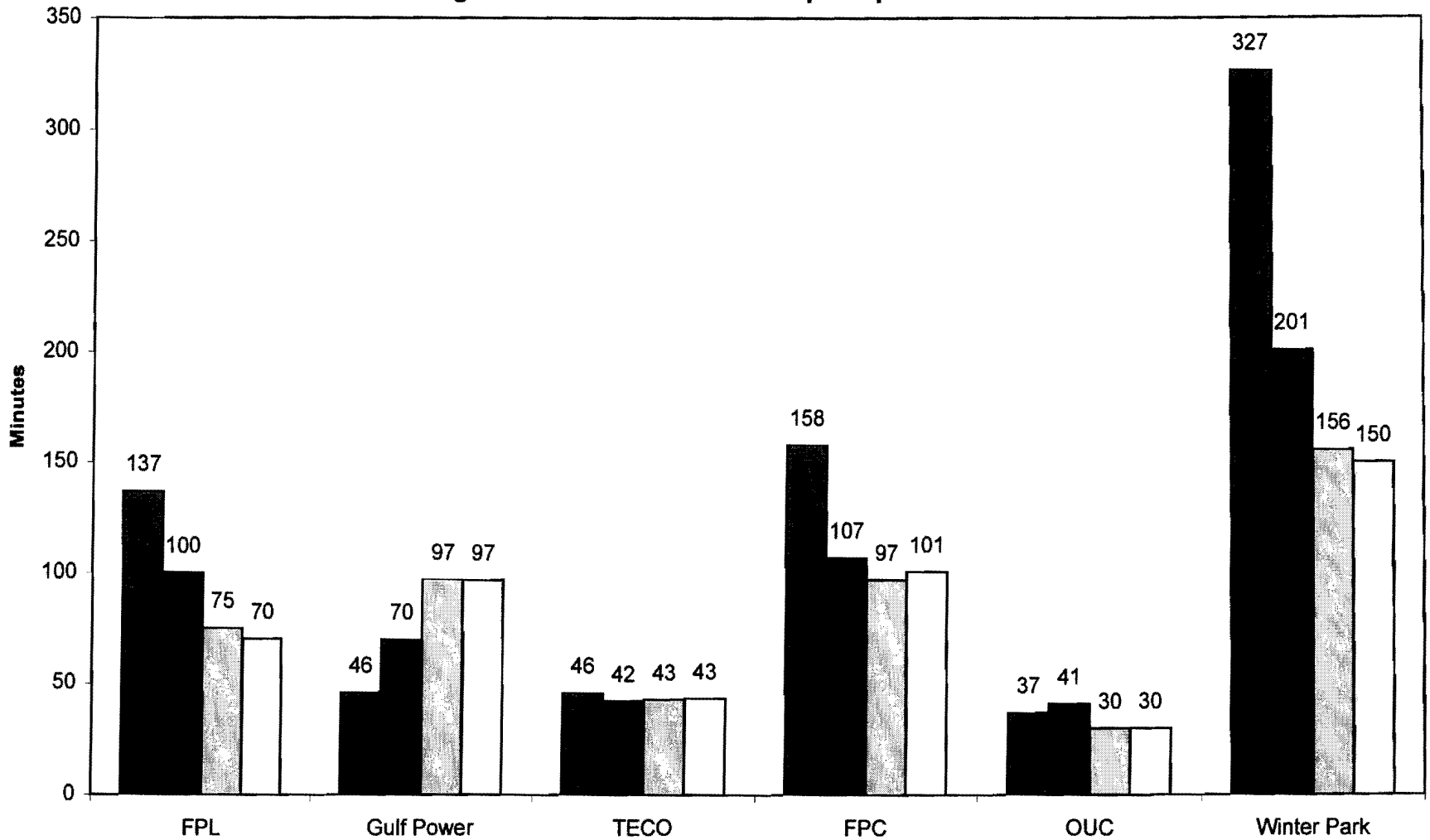
L-Bar represents the average length of the outages.

Total Cost for 1,000 Kilowatt Hours - Residential Service



Sources: Florida Public Service Commission

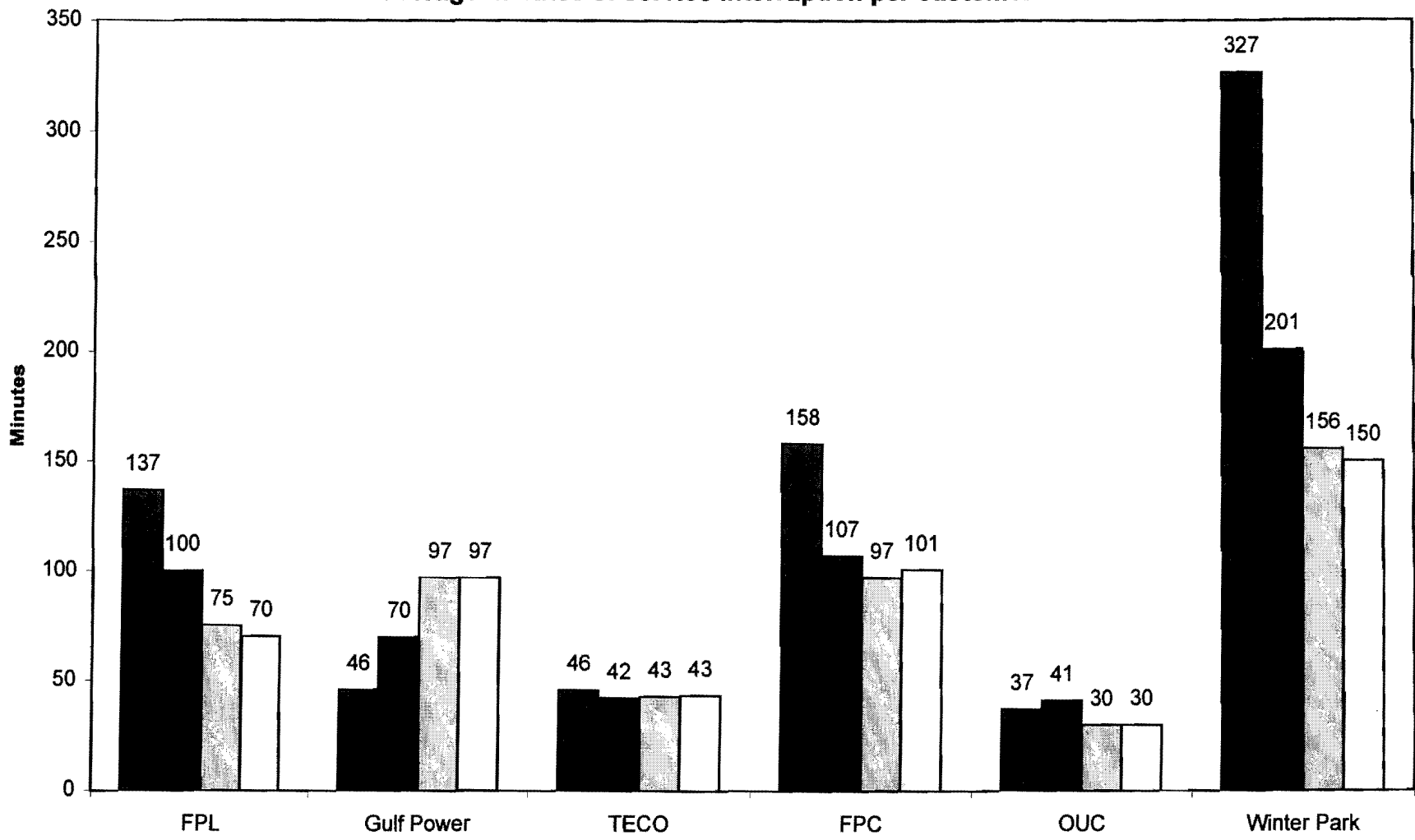
Reliability - SAIDI
average minutes of service interruption per customer



Sources: Florida Public Service Commission;
 Orlando Utilities; Florida Power Corporation

■ 1997 ■ 1998 □ 1999 □ 2000

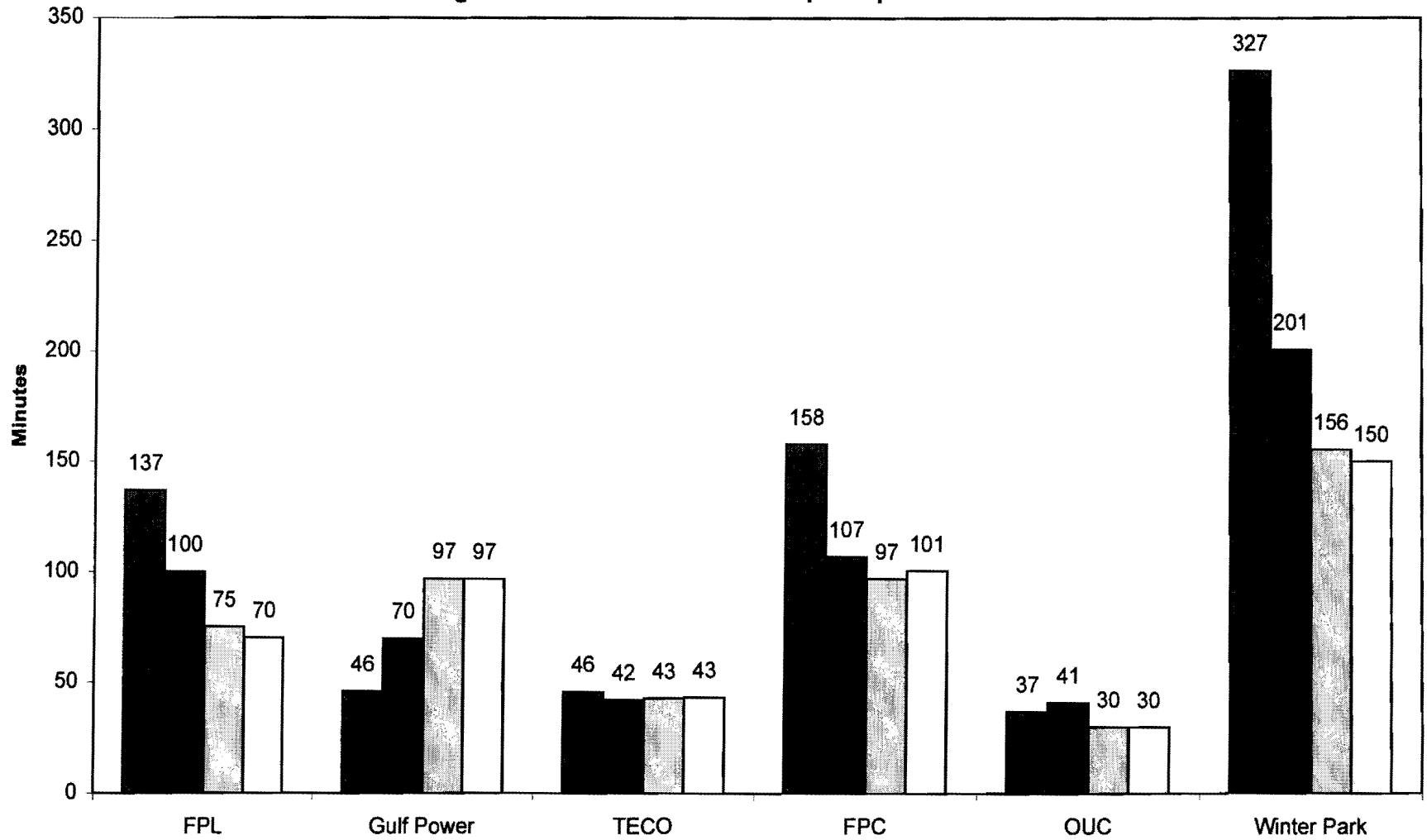
Reliability - SAIDI
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Sources: Florida Public Service Commission;
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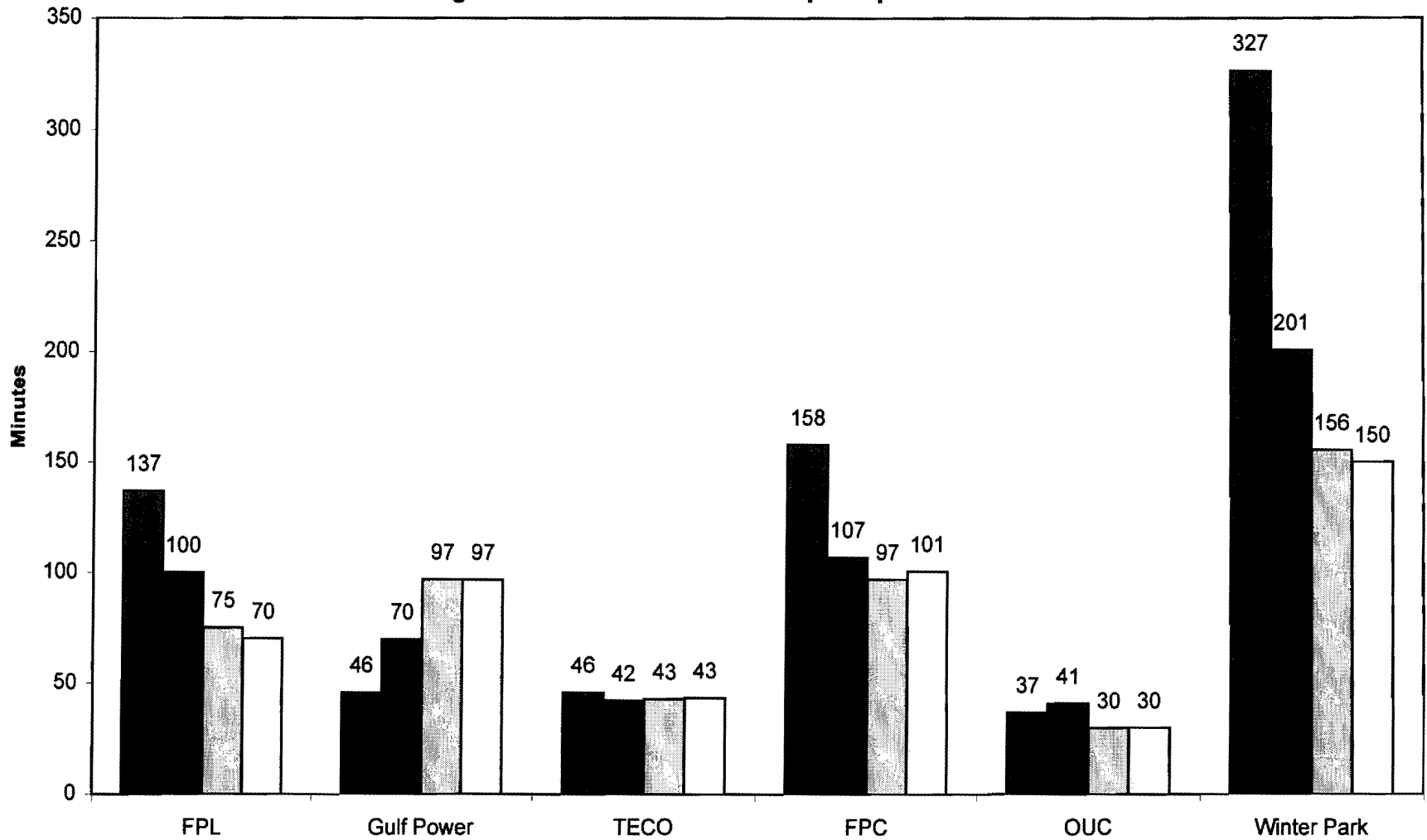
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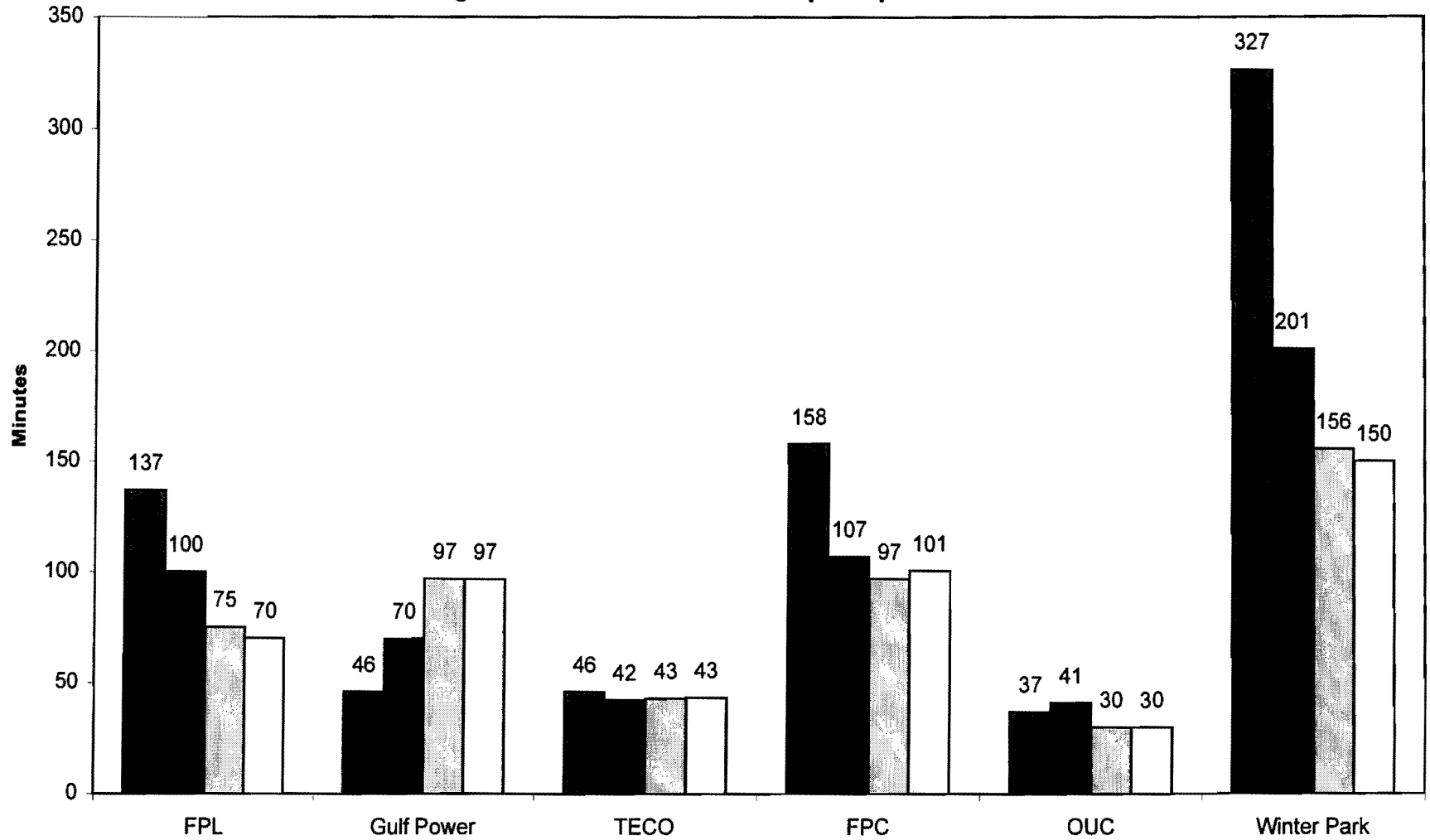
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Sources: Florida Public Service Commission;
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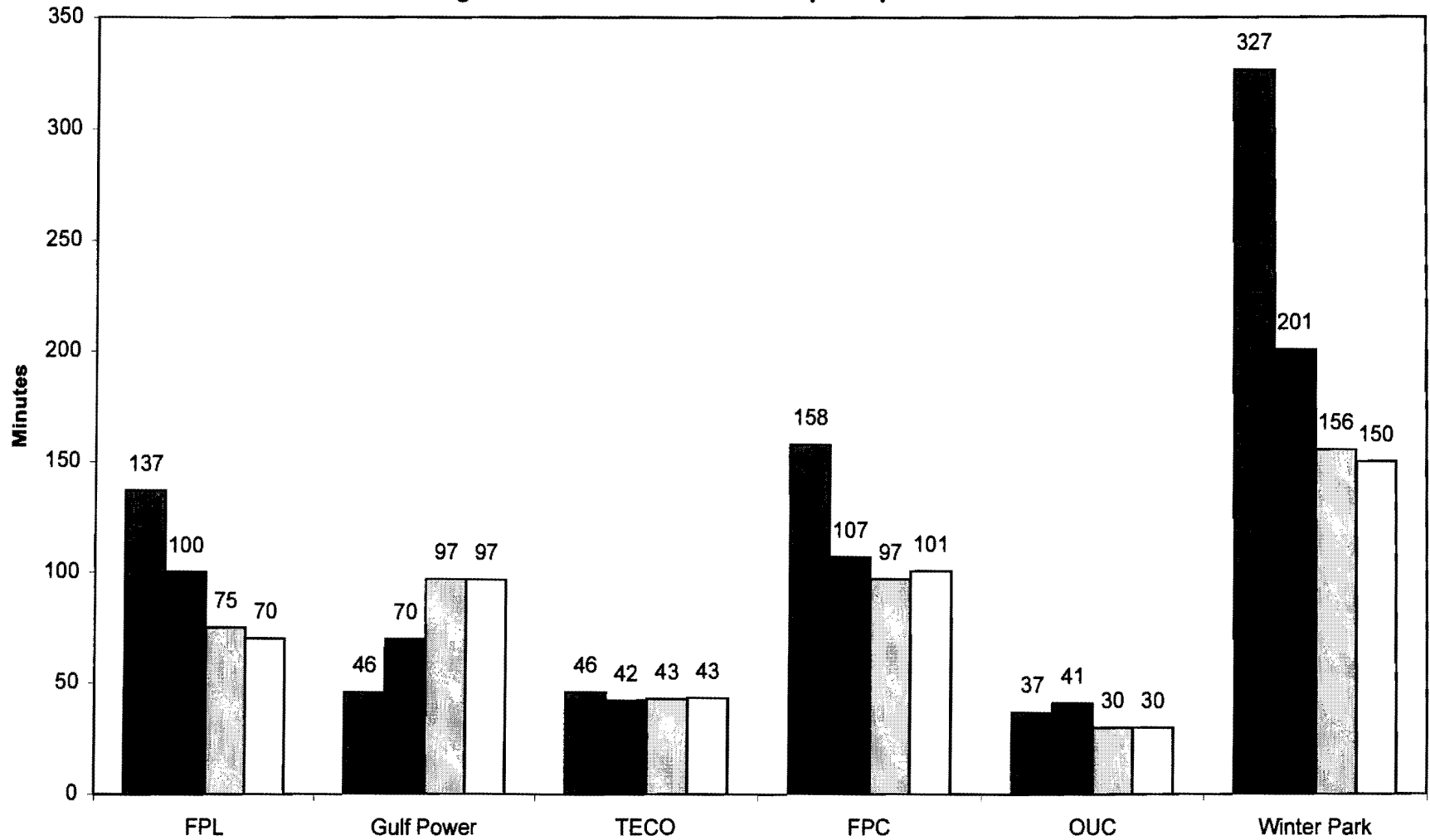
Reliability - SAIDI
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Sources: Florida Public Service Commission;
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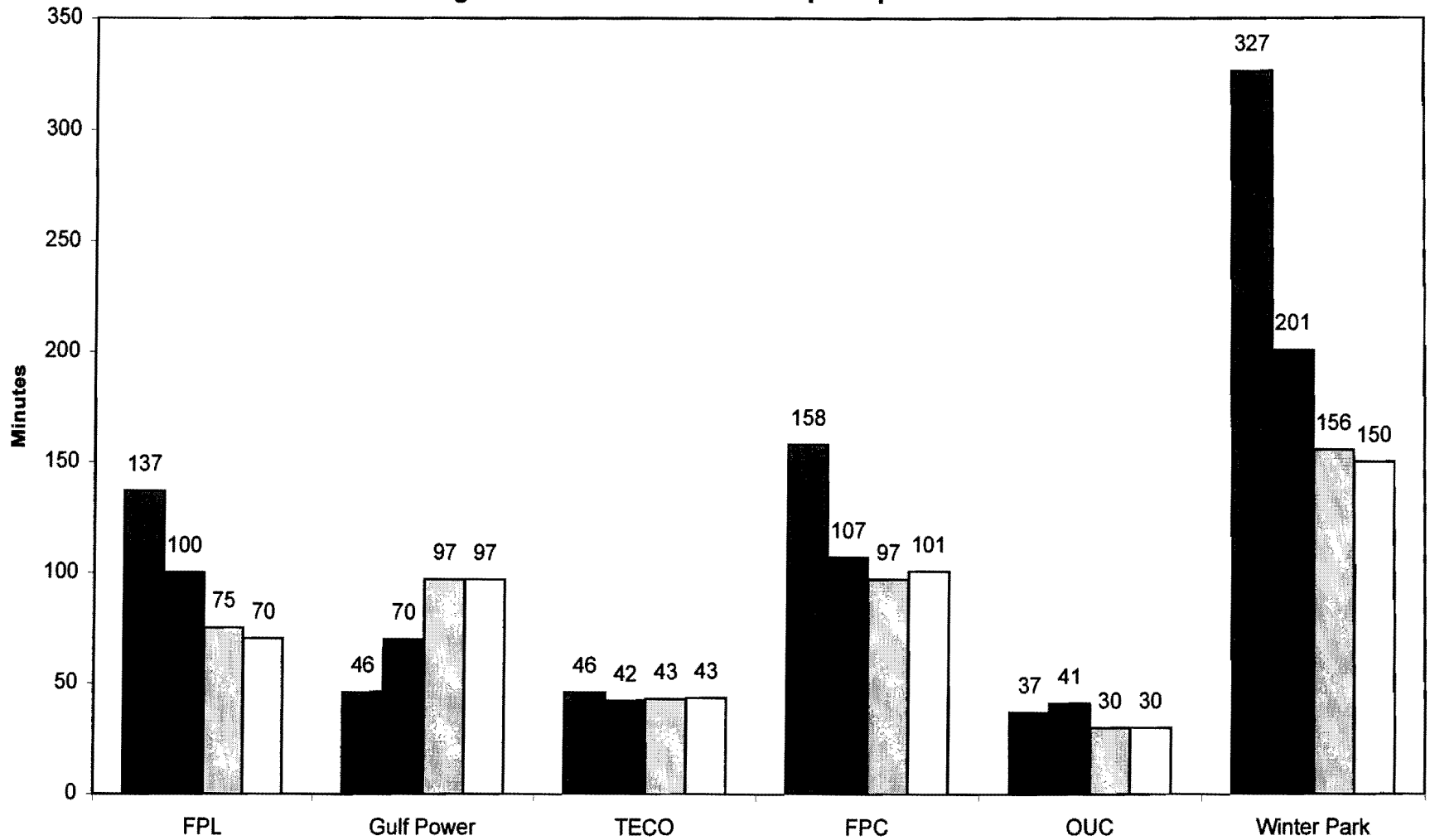
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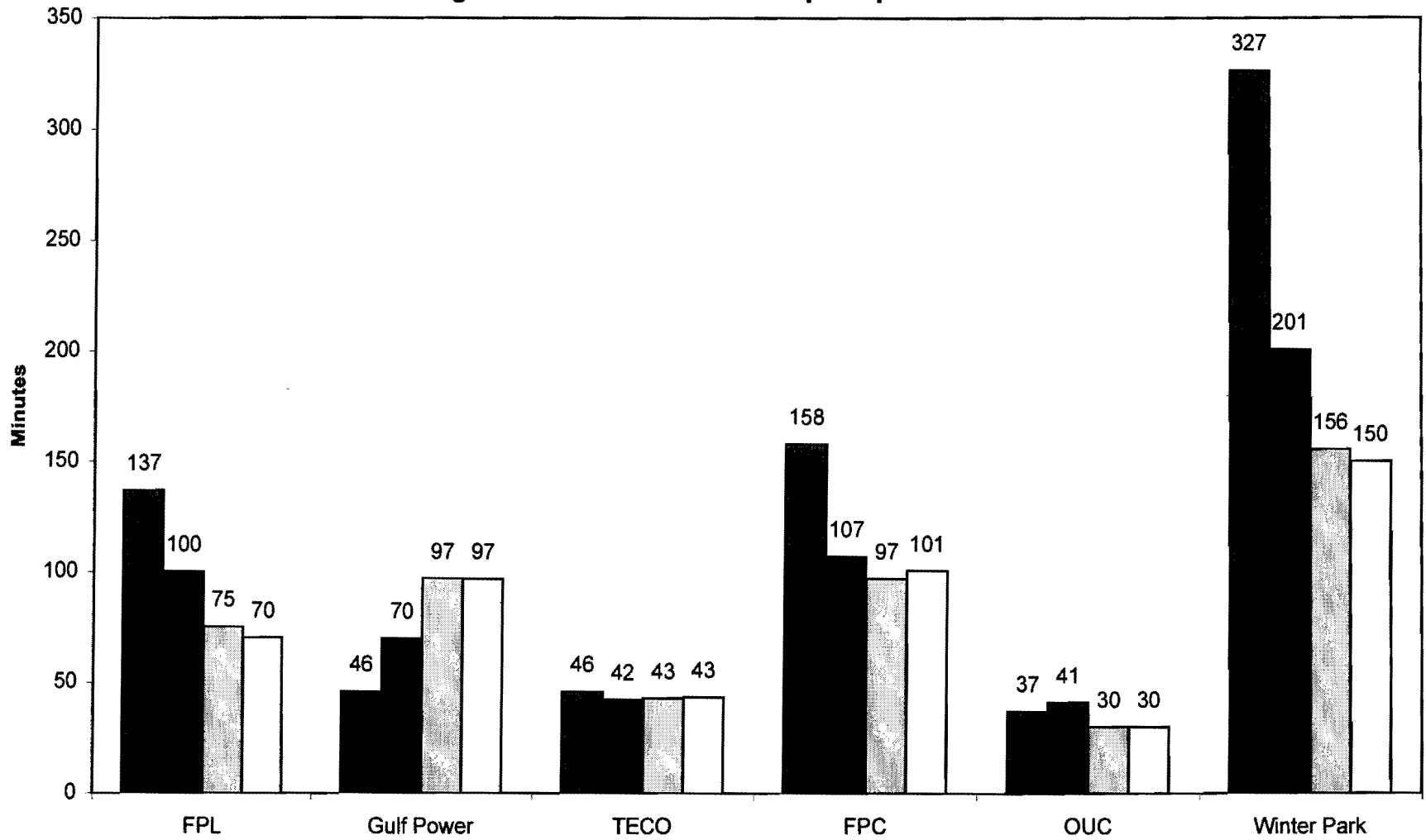
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Sources: Florida Public Service Commission;
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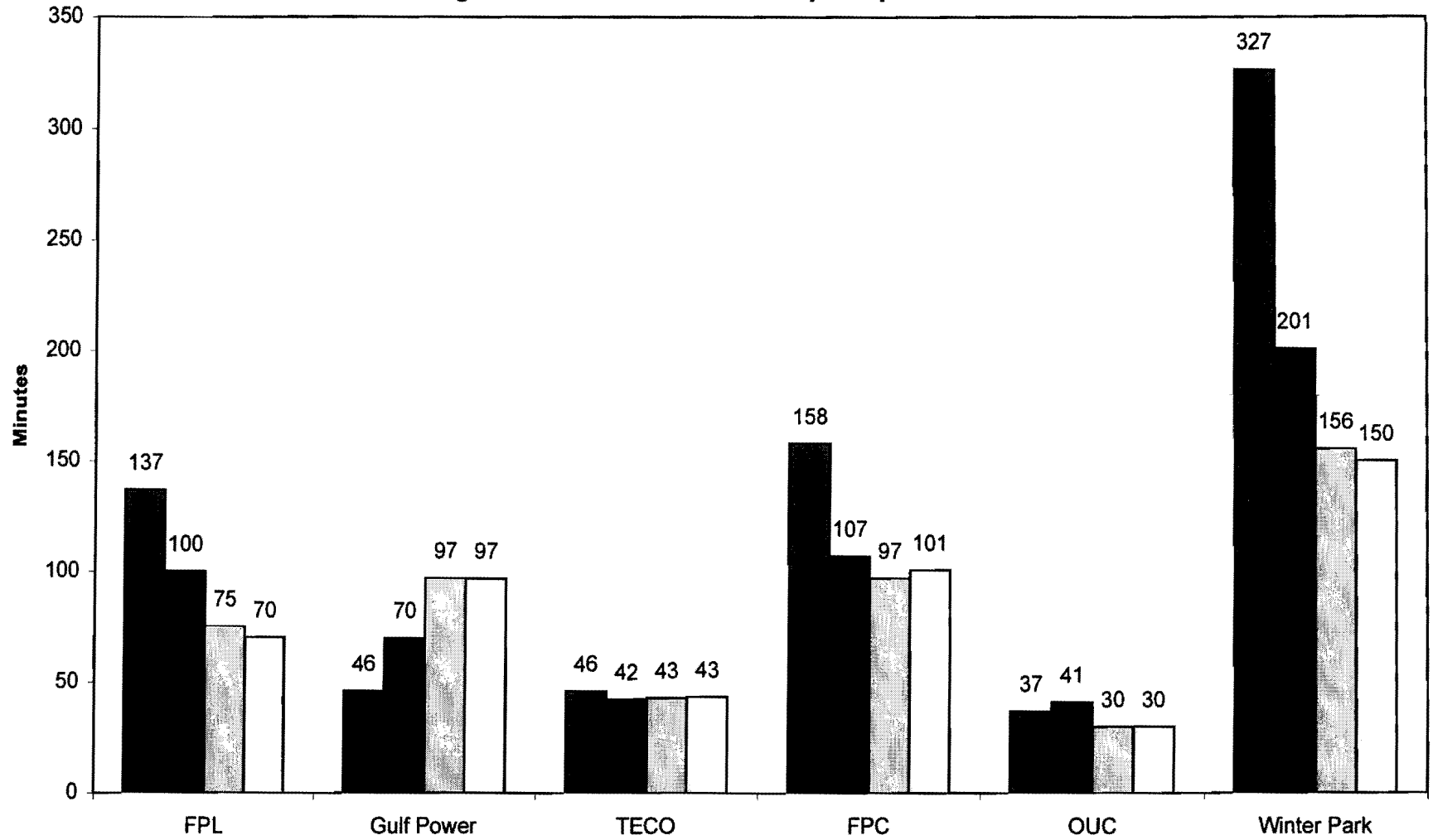
Reliability - SAIDI
average minutes of service interruption per customer



Sources: Florida Public Service Commission;
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■ 1997 ■ 1998 ■ 1999 □ 2000

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City of Winter Park Feeders Appearing on
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1993 Through 2000
(Source - Florida Public Service Commission)

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w0009	2000	6	34	w0003	1996	7	55
				w0008	1996	4	66
w0011	1995	4	52	w0011	1996	4	51
w0011	1996	4	51	w0014	1996	5	49
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w0014	1993	4	220				
w0014	1994	6	76	w0003	1997	3	119
w0014	1995	5	62	w0014	1997	4	33
w0014	1996	5	49	w0158	1997	4	32
w0014	1997	4	33				
				w0003	1998	3	53
w0150	1999	6	78				
				w0150	1999	6	78
w0152	1994	4	24				
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w0158	2000	4	33	w0158	2000	4	33
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Note: FPC has approximately 1,100 feeders in their system of which 17 serve Winter Park residents. Out of the 17 Winter Park feeders 10 different feeders have appeared on the worst performing feeder list in the last 8 years. Six have appeared multiple times.

L-Bar represents the average length of the outages.

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				w0152	1994	4	24
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				w0003	1995	4	103
w0008	1994	4	55	w0005	1995	6	15
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				w0014	1995	5	62
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				w0008	1996	4	66
w0011	1995	4	52	w0011	1996	4	51
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w0014	1997	4	33				
				w0003	1998	3	53
w0150	1999	6	78				
				w0150	1999	6	78
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Feeder	Year	Number	L-Bar	Feeder	Year	Number	L-Bar
w0003	1994	3	128	w0009	1993	4	25
w0003	1995	4	103	w0014	1993	4	220
w0003	1996	7	55				
w0003	1997	3	119	w0003	1994	3	128
w0003	1998	3	53	w0008	1994	4	55
w0003	2000	4	102	w0014	1994	6	76
				w0152	1994	4	24
w0005	1995	6	15				
				w0003	1995	4	103
w0008	1994	4	55	w0005	1995	6	15
w0008	1996	4	66	w0011	1995	4	52
				w0014	1995	5	62
w0009	1993	4	25				
w0009	2000	6	34	w0003	1996	7	55
				w0008	1996	4	66
w0011	1995	4	52	w0011	1996	4	51
w0011	1996	4	51	w0014	1996	5	49
				w0160	1996	5	30
w0014	1993	4	220				
w0014	1994	6	76	w0003	1997	3	119
w0014	1995	5	62	w0014	1997	4	33
w0014	1996	5	49	w0158	1997	4	32
w0014	1997	4	33				
				w0003	1998	3	53
w0150	1999	6	78				
				w0150	1999	6	78
w0152	1994	4	24				
				w0003	2000	4	102
w0158	1997	4	32	w0009	2000	6	34
w0158	2000	4	33	w0158	2000	4	33
w160	1996	5	30				

Note: FPC has approximately 1,100 feeders in their system of which 17 serve Winter Park residents. Out of the 17 Winter Park feeders 10 different feeders have appeared on the worst performing feeder list in the last 8 years. Six have appeared multiple times.

L-Bar represents the average length of the outages.

City of Winter Park Feeders Appearing on
 FPC's 3% Worst Performing Feeders List
 1993 Through 2000
 (Source - Florida Public Service Commission)

Sorted By Feeder				Sorted By Year			
Feeder	Year	Number	L-Bar	Feeder	Year	Number	L-Bar
w0003	1994	3	128	w0009	1993	4	25
w0003	1995	4	103	w0014	1993	4	220
w0003	1996	7	55				
w0003	1997	3	119	w0003	1994	3	128
w0003	1998	3	53	w0008	1994	4	55
w0003	2000	4	102	w0014	1994	6	76
				w0152	1994	4	24
w0005	1995	6	15				
				w0003	1995	4	103
w0008	1994	4	55	w0005	1995	6	15
w0008	1996	4	66	w0011	1995	4	52
				w0014	1995	5	62
w0009	1993	4	25				
w0009	2000	6	34	w0003	1996	7	55
				w0008	1996	4	66
w0011	1995	4	52	w0011	1996	4	51
w0011	1996	4	51	w0014	1996	5	49
				w0160	1996	5	30
w0014	1993	4	220				
w0014	1994	6	76	w0003	1997	3	119
w0014	1995	5	62	w0014	1997	4	33
w0014	1996	5	49	w0158	1997	4	32
w0014	1997	4	33				
				w0003	1998	3	53
w0150	1999	6	78				
				w0150	1999	6	78
w0152	1994	4	24				
				w0003	2000	4	102
w0158	1997	4	32	w0009	2000	6	34
w0158	2000	4	33	w0158	2000	4	33
w160	1996	5	30				

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w0009	1993	4	25				
w0009	2000	6	34	w0003	1996	7	55
				w0008	1996	4	66
w0011	1995	4	52	w0011	1996	4	51
w0011	1996	4	51	w0014	1996	5	49
				w0160	1996	5	30
w0014	1993	4	220				
w0014	1994	6	76	w0003	1997	3	119
w0014	1995	5	62	w0014	1997	4	33
w0014	1996	5	49	w0158	1997	4	32
w0014	1997	4	33				
				w0003	1998	3	53
w0150	1999	6	78				
				w0150	1999	6	78
w0152	1994	4	24				
				w0003	2000	4	102
w0158	1997	4	32	w0009	2000	6	34
w0158	2000	4	33	w0158	2000	4	33
w160	1996	5	30				

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FPC's 3% Worst Performing Feeders List
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w0008	1994	4	55	w0005	1995	6	15
w0008	1996	4	66	w0011	1995	4	52
				w0014	1995	5	62
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w0009	2000	6	34	w0003	1996	7	55
				w0008	1996	4	66
w0011	1995	4	52	w0011	1996	4	51
w0011	1996	4	51	w0014	1996	5	49
				w0160	1996	5	30
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w0014	1994	6	76	w0003	1997	3	119
w0014	1995	5	62	w0014	1997	4	33
w0014	1996	5	49	w0158	1997	4	32
w0014	1997	4	33				
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w0158	1997	4	32	w0009	2000	6	34
w0158	2000	4	33	w0158	2000	4	33
w160	1996	5	30				

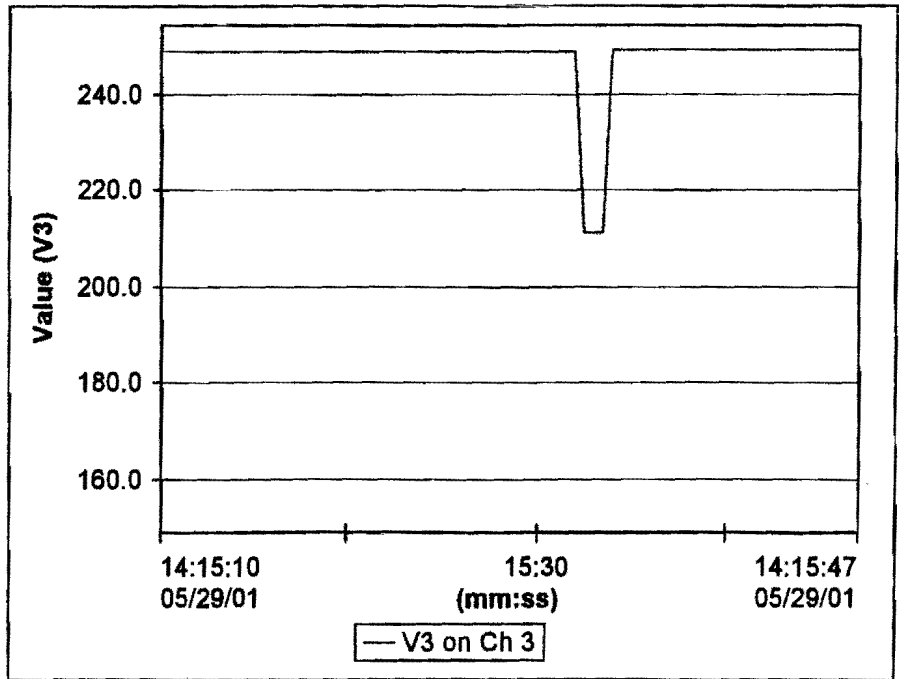
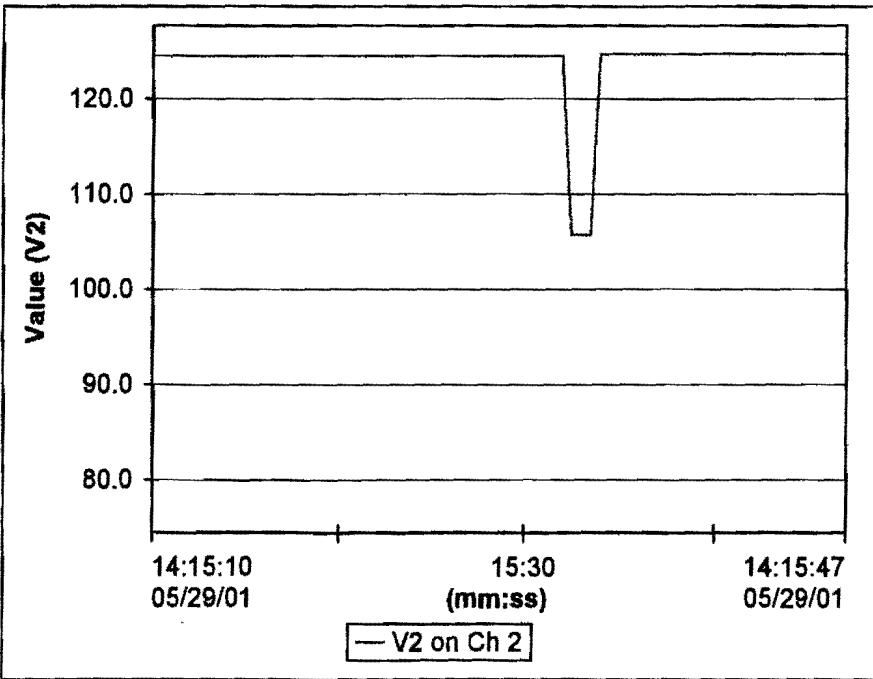
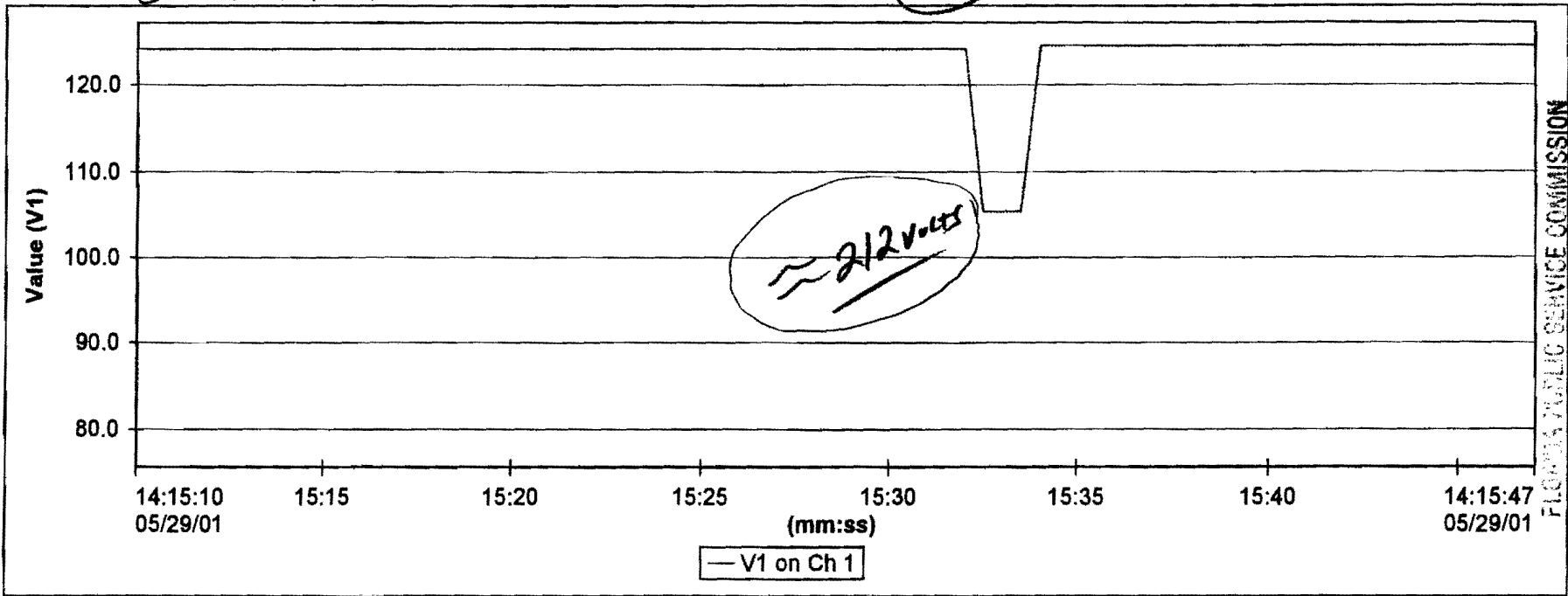
Note: FPC has approximately 1,100 feeders in their system of which 17 serve Winter Park residents. Out of the 17 Winter Park feeders 10 different feeders have appeared on the worst performing feeder list in the last 8 years. Six have appeared multiple times.

L-Bar represents the average length of the outages.

(B)

EXH. 6

OLIPHANT

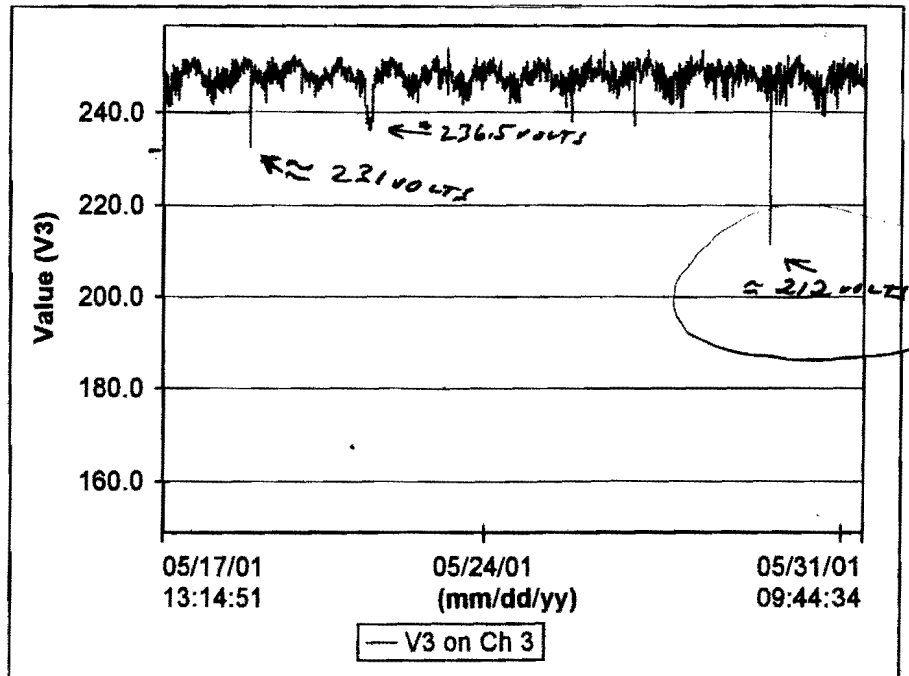
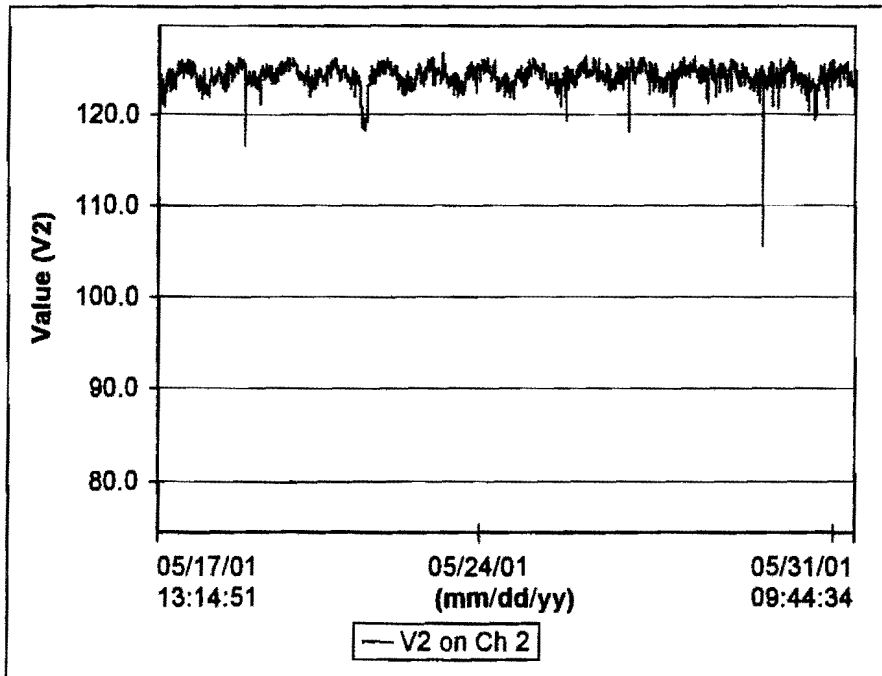
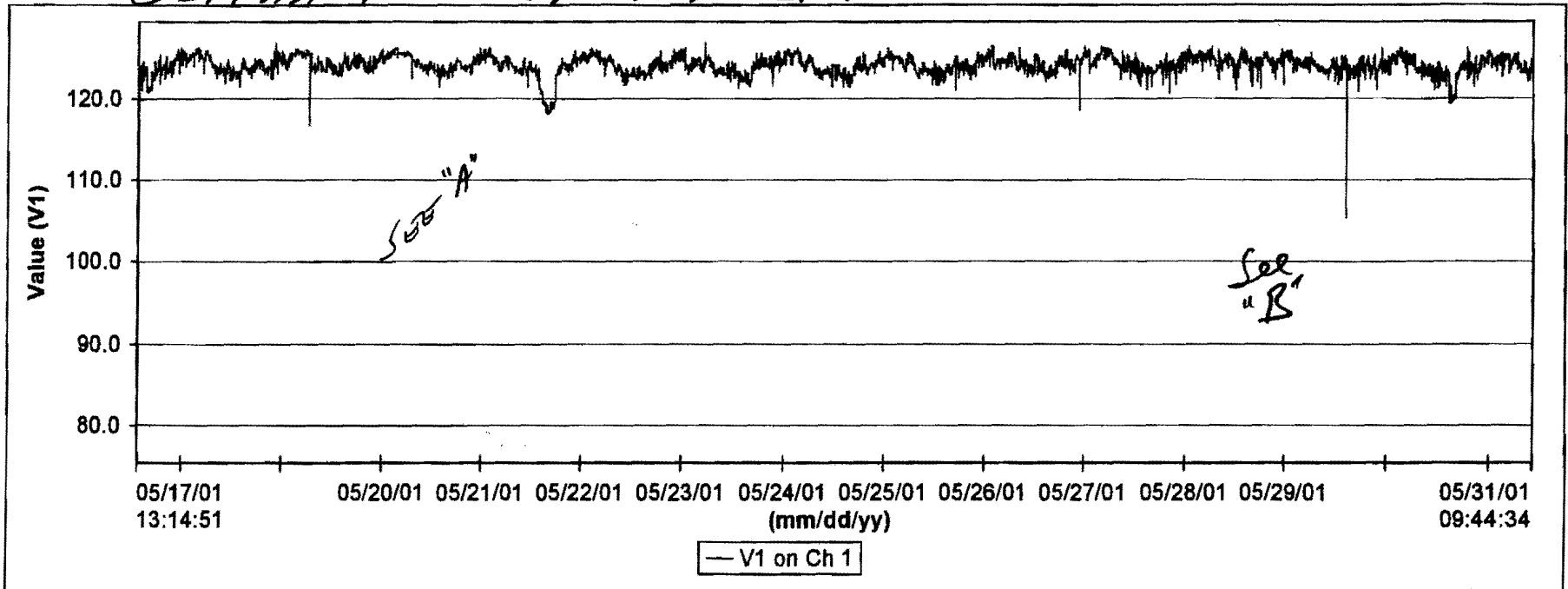


FLORIDA PUBLIC SERVICE COMMISSION

NO. 200824-61 EXHIBIT NO. 6

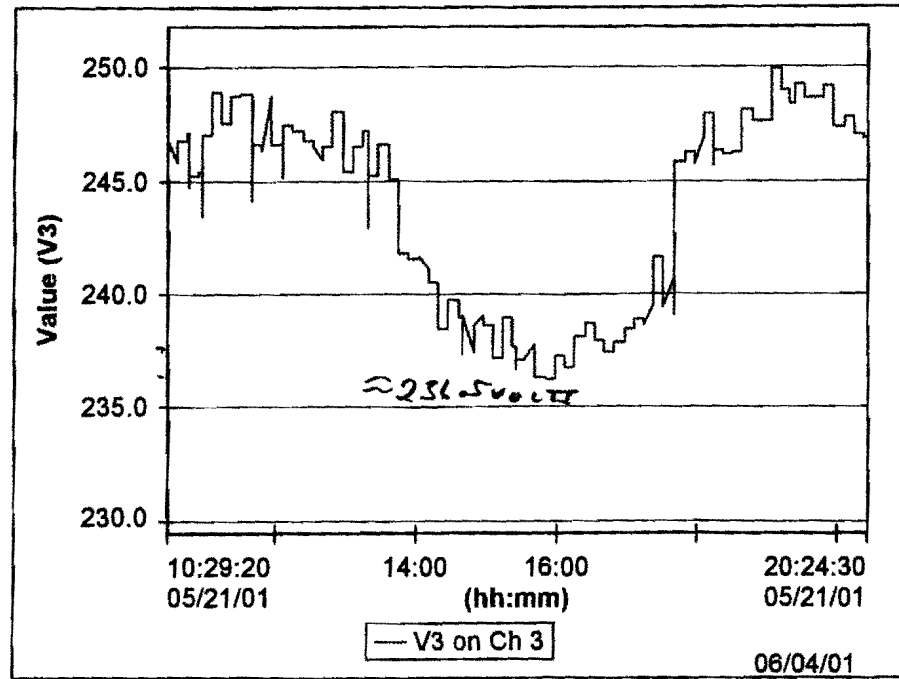
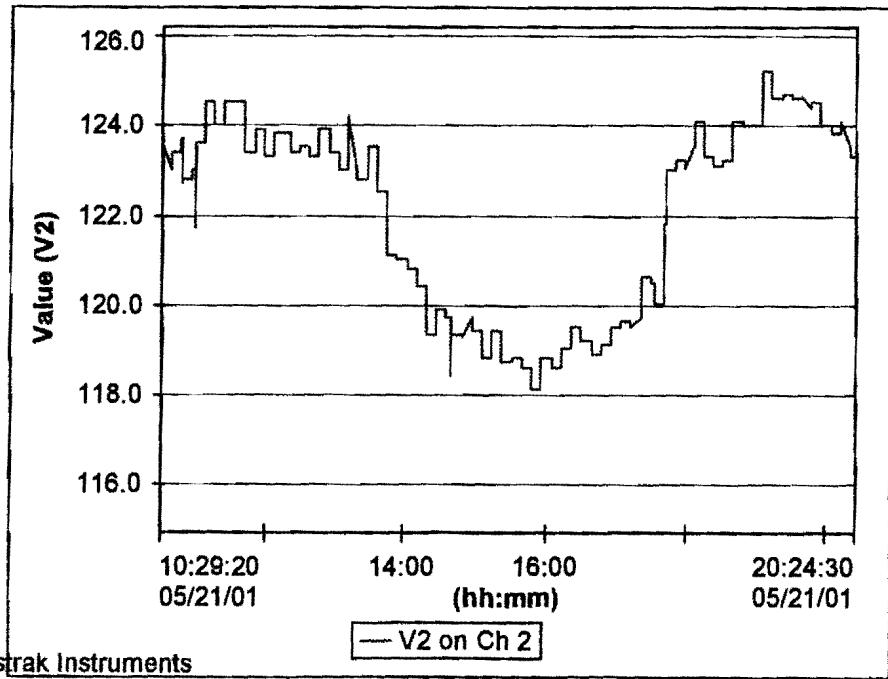
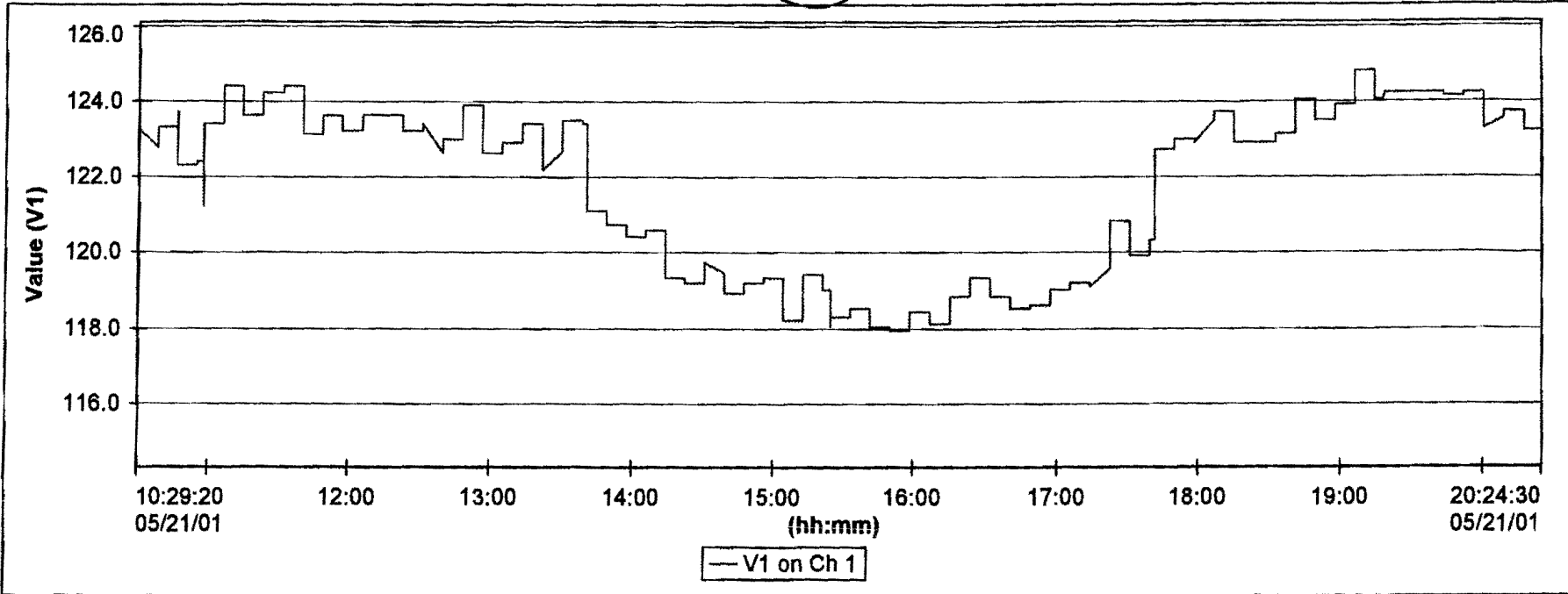
COMPANY: Oliphant
WITNESS: [Signature]

OLIPHANT 5-17-01 → 5-31-01



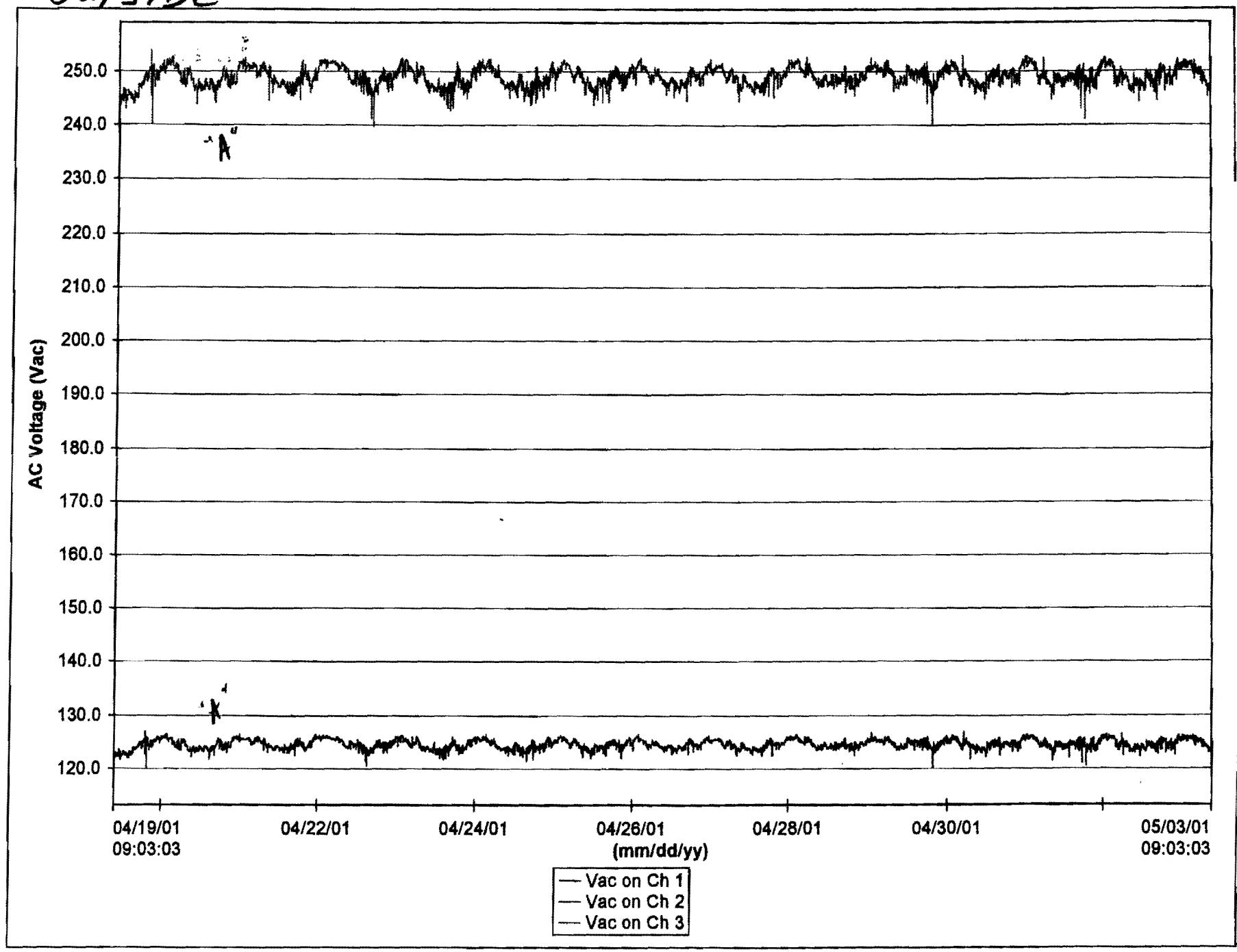
View1

A



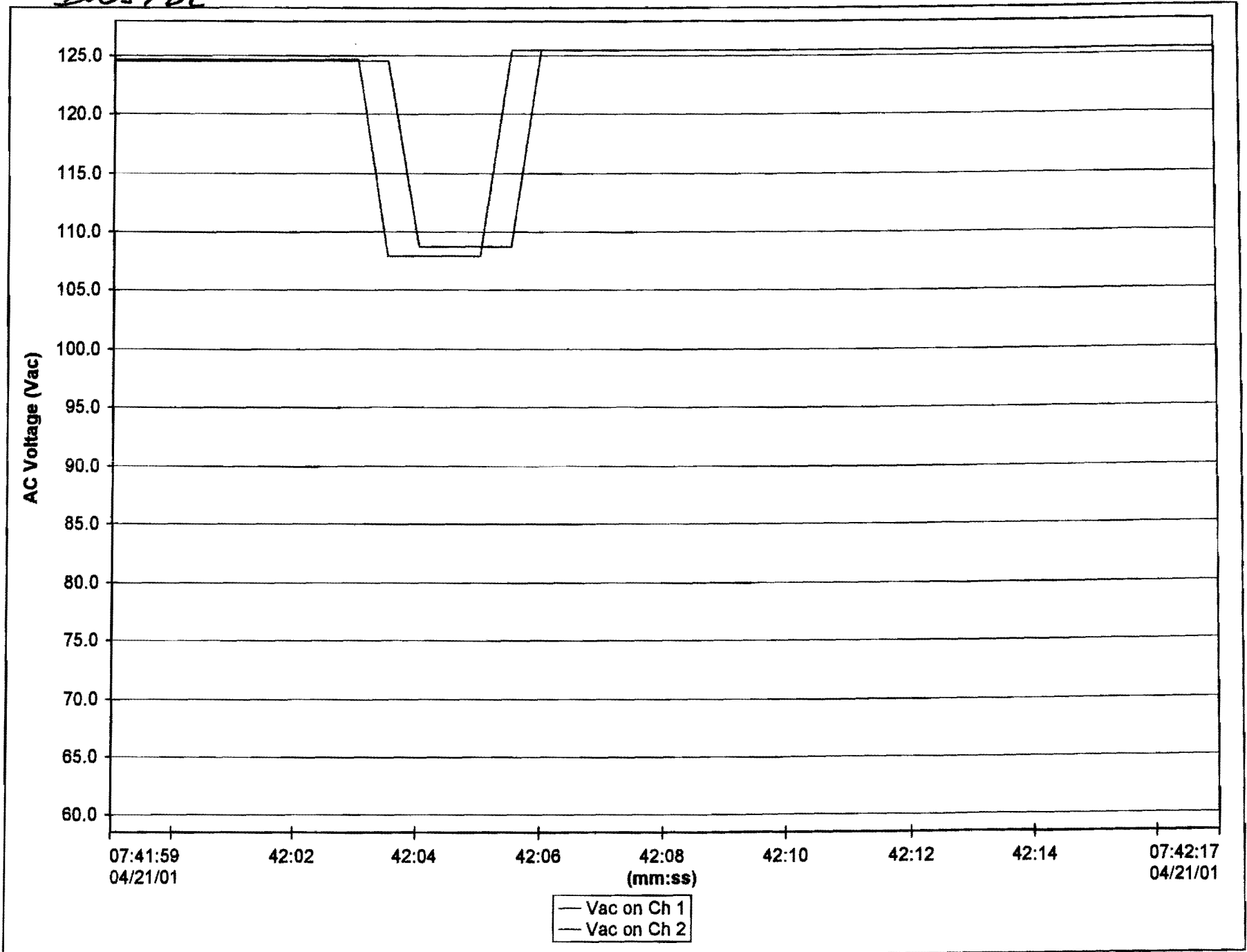
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View1



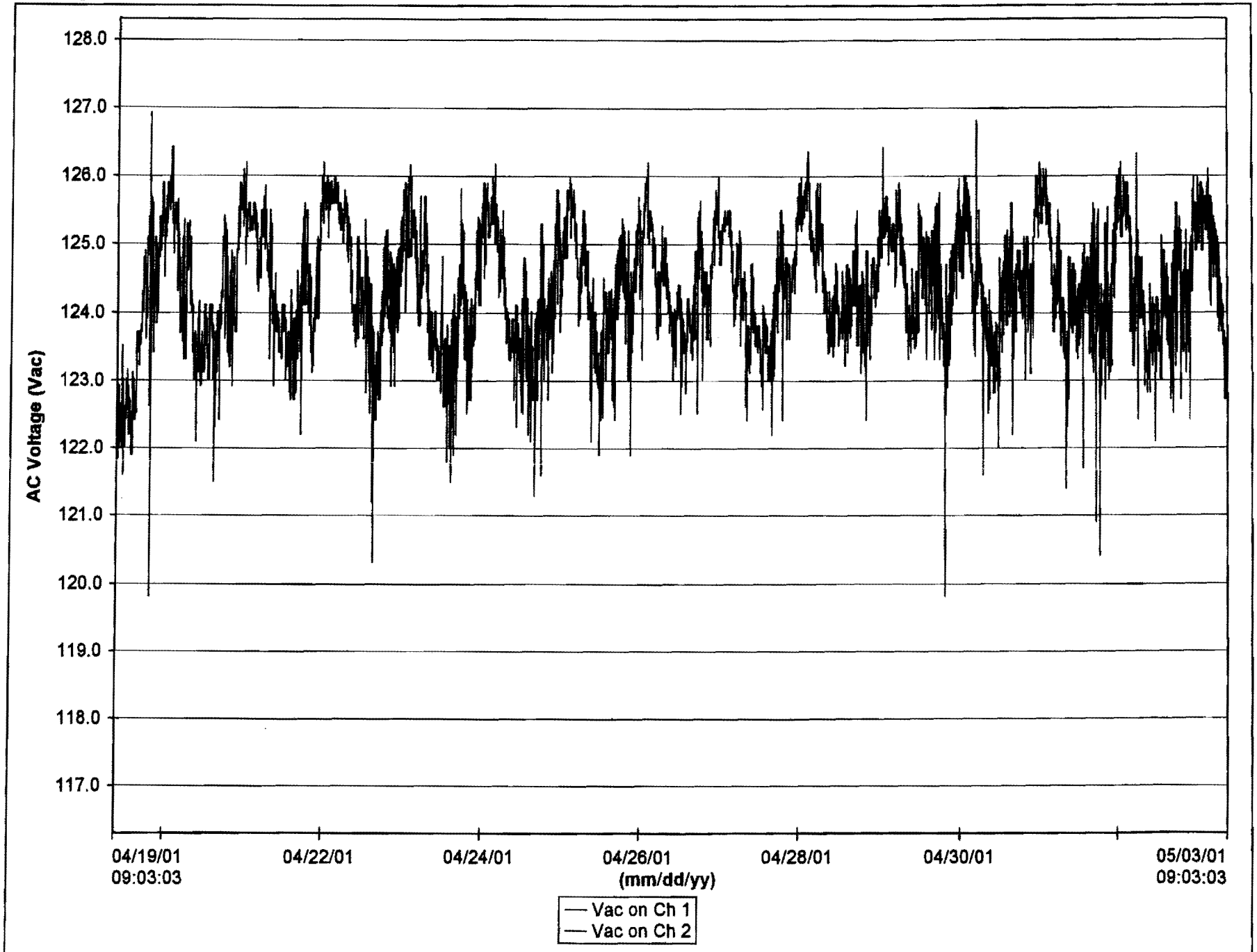
INSIDE H

View1



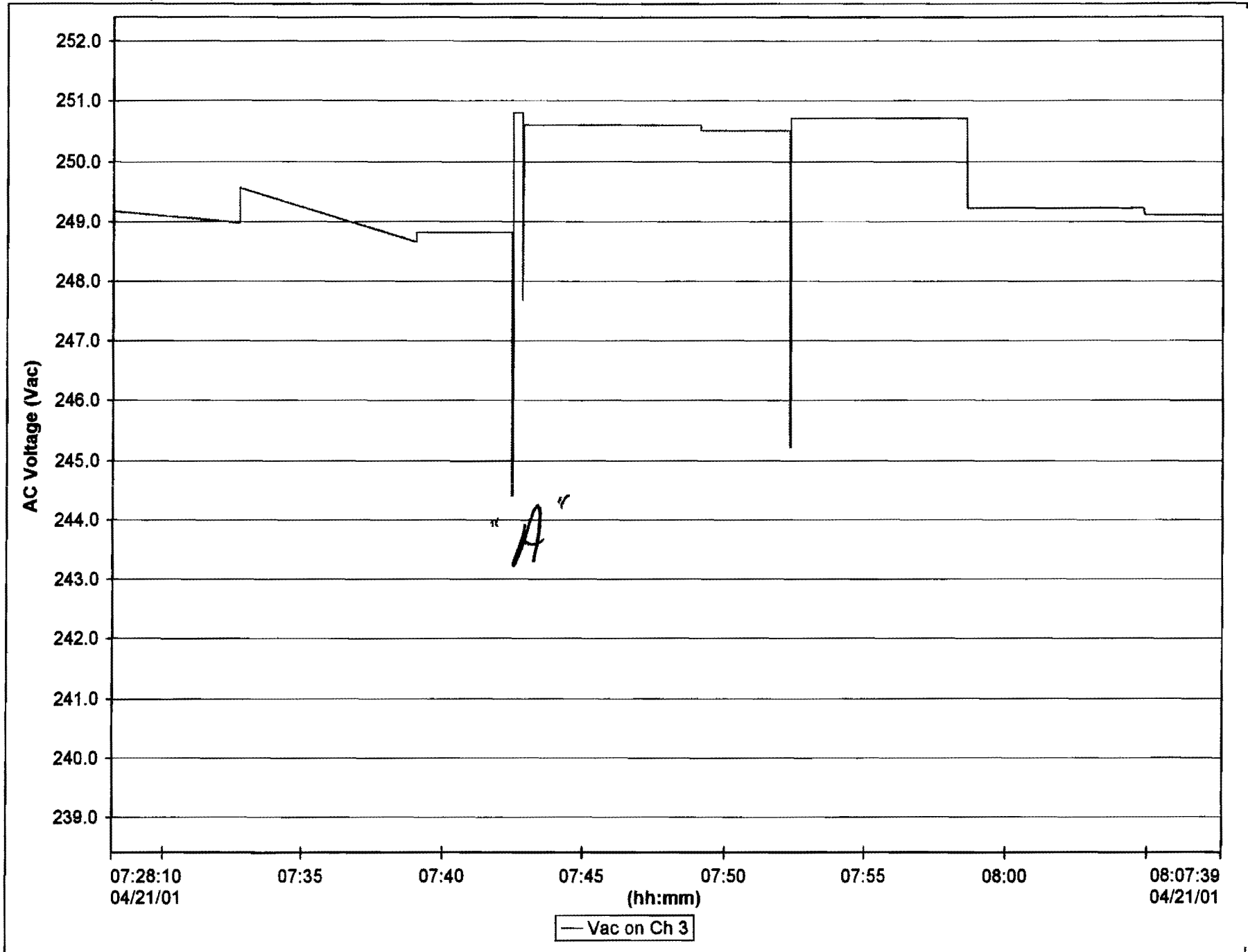
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View1

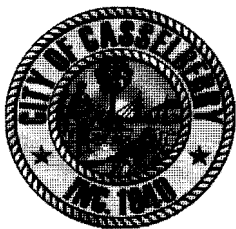


OUTSIDE A

View1



Ex. 7




CITY OF CASSELBERRY

95 TRIPLET LAKE DRIVE, CASSELBERRY, FLORIDA 32707 • TELEPHONE (407) 262-7725
FAX (407) 262-7767

Date: November 28, 2001

To: Jack Schluckebier, City Manager

From: Tony Segreto, Public Works Director 

Subject: Florida Power Concerns

We have worked diligently for several years through meetings and negotiations with Florida Power in an effort to secure a new franchise agreement. I have a number of concerns that relate to Florida Power's rates, reliability, and their inability to perform to the terms of previously existing contracts. My concerns are as follows:

1. There is no effective guarantee that our local community will receive consistent and reliable service. Florida Power now has a monopoly in this franchise area and we have been unable to successfully get reliability language inserted in our franchise.
2. In the last several months Florida Power has spent an inordinate amount of money involving itself in political shenanigans. They have hosted breakfasts, dinners, added local sponsorship to communities and have been involved in push polling to try and convince the customers that their service is reliable, when in fact, it is not. My concern is that they are using ratepayer's revenue to pay for this nonsense.
3. Florida has forced the City of Casselberry and other Cities to retain legal services and incur substantial legal costs to ensure that the language that already exists in our franchise is lived up to. In other words, Florida Power has been unwilling to abide by the previously agreed contract. Again, the ratepayers should not be paying for legal costs; they should be paying for reliable service.
4. There has been a great deal of time between rate studies, it would be more equitable to the customers that Florida Power demonstrate their needs for rate increases in a more timely manner. In Casselberry rate studies are done every 3 – 5 years. It is imperative that this takes place because market conditions do change, and ratepayers have a right to be heard.
5. In Casselberry, I believe that there is a huge disparity between the classes of customers. Casselberry is a predominately residential community, yet the residential rate base is subsidizing the industrial ratepayers. I do not think it is equitable that the electric customers in Casselberry subsidize industrial customers in other portions of the state. We would like to see a rate structure that is equitable to all classes of customers.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 000824-51 EXHIBIT NO. 7
COMPANY: Schluckebier
WITNESS: Schluckebier
DATE: 11-28-01

6. We believe that Florida Power is not providing any mechanism in the rate base to do significant undergrounding or anything else to encourage conservation across all classes of customers. The idea of undergrounding and load management for all classes of customers would be beneficial to all. The residential customer is at a significant disadvantage because they lack the capital to retrofit their homes to take advantage of lower rates that industrial customers can now receive through their load management programs. It is a severe economic barrier for people of medium and low income to retrofit their residential structures. We feel the rate base should include some mechanism to encourage conservation at the residential level.
7. Florida Power receives the benefit of the utilization of our right-of-way to provide service to our residents. Although they get the benefit of this use there is no mechanism within our franchise that guarantees that they provide our residents with quality and reliable service. It is very difficult for the City to achieve our objectives of ensuring fair rates and quality service if we can not have guarantees that requires performance and fair rates in our franchise agreement.

In closing, I would like to restate that we want fair rates for our customers and the ability to ensure reliable and consistent electric power service. Above all, I wish that Florida Power would abide by the terms and conditions of contracts that have been entered into in good faith by both parties. The residents should not be forced to fund legal fights to get what is already ours in the contract. In addition to our residents supporting legal fees in the City they are forced to pay for legal fees again in the rate base because Florida Power has substantial resources and is not making a consistent effort to abide by the contract terms.

TS/vlj



Clay Electric Cooperative, Inc.
PO Box 5500 CR316
Salt Springs, FL 32134-5500
(352) 685-2111

EXH. 8

November 21, 2001

STEWARD STEVE L
2908 COVE TRL
WINTER PARK FL 32789-1159

Dear Customer:

Power reliability is a major concern of your cooperative because we know our customers depend on us to keep their electricity flowing to their homes and businesses. When an outage occurs, we do our best to get your electricity back on as quickly and safely as possible.

Regretfully, your electricity was off for approximately four hours the evening of Monday, Nov. 19. You may recall there was another lengthy outage in mid-September that occurred a few days after the widespread outages caused by tropical storm Gabrielle.


The most recent power outage (Monday) and the outage in mid-September were caused by faults on a Florida Power Corporation (FPC) transmission line, which feeds two substations in your area. Therefore, all of the Clay Electric accounts served by these substations were without power.

As a result of these outages, we have expressed our displeasure with FPC officials over the lack of reliable service we are receiving. They have told us they understand our concerns and have pledged to work toward preventing future outages.

FPC officials have also said they're looking at installing bypass equipment which would enable them to feed our two substations from an alternate source in the event a piece of equipment fails. FPC personnel will begin a ground inspection of this troublesome stretch of transmission line on Nov. 26 with the intent of finding and replacing equipment that might fail and cause lengthy outages for Clay Electric customers.

Thank you for your patience during these outages. Be assured your co-op's management and employees are committed to providing you the best service possible. Please let me know if you should have a question about the service.

Sincerely,


William K. Thompson
Salt Springs/Palatka District Manager

/ep

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 000824-ET EXHIBIT NO. 8
COMPANY: Steward
WITNESS: _____
DATE: 11-28-01