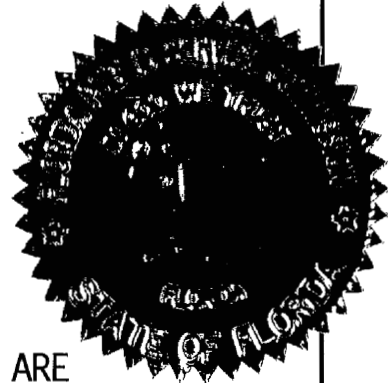


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030438-EI

In the Matter of:

PETITION FOR RATE INCREASE BY
FLORIDA PUBLIC UTILITIES COMPANY.



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PROCEEDINGS: FERNANDINA BEACH SERVICE HEARING

BEFORE: COMMISSIONER J. TERRY DEASON
COMMISSIONER RUDOLPH "RUDY" BRADLEY
COMMISSIONER CHARLES M. DAVIDSON

DATE: Wednesday, December 3, 2003

TIME: Commenced at 6:05 p.m.
Concluded at 7:35 p.m.

PLACE: Fernandina Beach City Hall
City Commission Chambers
204 Ash Street
Fernandina Beach, Florida

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

1 APPEARANCES:

2 NORMAN H. HORTON, JR., ESQUIRE, Messer Law Firm, P.O.
3 Box 1876, Tallahassee, Florida 32302-1876, appearing on behalf
4 of Florida Public Utilities Company.

5 STEPHEN C. BURGESS, ESQUIRE, Office of Public
6 Counsel, c/o The Florida Legislature, 111 West Madison Street,
7 Room 812, Tallahassee, Florida 32399-1400, appearing on behalf
8 of the Office of Public Counsel.

9 JENNIFER BRUBAKER, ESQUIRE, FPSC General Counsel's
10 Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida
11 32399-0850, appearing on behalf of the Commission Staff.

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P R O C E E D I N G S

1
2 COMMISSIONER DEASON: If I could have everyone's
3 attention, we'll call the hearing to order. Are these
4 microphones working? I can't get any closer than this. Maybe
5 if I speak louder. That's working now? Okay. Very good.

6 Let me take this opportunity to welcome everyone to
7 the hearing this evening. We will begin by having the notice
8 read, but before we do, let me announce that Commissioner
9 Bradley will be joining us shortly. We understand that he is
10 en route and that he has encountered some traffic problems. We
11 expect him momentarily. So we're going to go ahead and begin
12 and go through some of the preliminary matters. And I think
13 before we actually start taking customer testimony Commissioner
14 Bradley should be here.

15 Could we have the notice read, please.

16 MS. BRUBAKER: Certainly, Commissioner. Pursuant to
17 notice, this time and place has been set aside for the purpose
18 of conducting a service hearing for Docket 030438-EI. As
19 stated in the notice, the purpose of the hearing is to take
20 testimony as to the rates and services with respect to the
21 request by Florida Public Utilities Company. And the procedure
22 for this hearing will be as follows: The company will present
23 a brief summary of its case, and then members of the public
24 shall be allowed to come forth and testify. Members of the
25 public who wish to present testimony are urged to appear

1 promptly at the scheduled service hearing time because unless
2 you are here to actually testify, the hearing may be adjourned.
3 Witnesses are subject to cross-examination and will be asked to
4 testify pursuant to oath.

5 COMMISSIONER DEASON: Thank you. Have appearances,
6 please.

7 MR. HORTON: Commissioner, my name is Norman H.
8 Horton, Jr., Messer, Caparello & Self, Tallahassee, Florida.
9 I'm appearing on behalf of the Petitioner Florida Public
10 Utilities Company.

11 MR. BURGESS: Commissioner, my name is Steve Burgess.
12 I'm with the Office of Public Counsel. We represent the
13 Citizens of the state of Florida, the customers of the utility.

14 MS. BRUBAKER: And Jennifer Brubaker; I'm here for
15 the Commission.

16 COMMISSIONER DEASON: If I failed to do so, let me
17 introduce myself. My name is Terry Deason. I'm a member of
18 the Public Service Commission. I'll be Chairing the hearing
19 for this evening. Seated to my left is Commissioner Chuck
20 Davidson, and as I indicated earlier, we expect that
21 Commissioner Bradley will be arriving momentarily. We
22 constitute the panel of three Commissioners which will be
23 hearing this matter both at this hearing, the subsequent
24 service hearing that will be conducted tomorrow in Marianna and
25 the technical hearings which, I believe, are scheduled for

1 February in Tallahassee.

2 First, Ms. Brubaker, if you don't mind, if there are
3 any staff personnel you wish to introduce, now may be a good
4 time to do that.

5 MS. BRUBAKER: Certainly. Here to my left is David
6 Wheeler with -- which division exactly?

7 MR. WHEELER: Division of Economic Regulation.

8 MS. BRUBAKER: We also have staff court reporter,
9 Trish DeMarte, available here to my left also. In the back is
10 Dick Durbin, and he's with our consumer affairs division. I
11 believe most of you were introduced to him on your entry in
12 this evening.

13 COMMISSIONER DEASON: And as you heard earlier,
14 Mr. Burgess, seated up here, he's with the Office of Public
15 Counsel. He is not an employee of the Public Service
16 Commission. He's actually employed by the Legislature of the
17 state of Florida, and it's his responsibility to represent
18 consumers before the Commission. He'll be -- when it comes
19 time to take customer testimony, he'll be calling individuals
20 by name and he'll be sponsoring that testimony. He is, in
21 effect, your attorney in these proceedings.

22 The purpose of this hearing is to receive customer
23 input upon the pending rate application of Florida Public
24 Utilities Company. We are interested in your views on the
25 quality of service provided by this company. We're interested

1 in your views on the rate application itself, on the amount of
2 the increase, any rate structure concerned that you may have.
3 We're here generally to hear your concerns as customers of this
4 utility.

5 Your testimony will become part of the official
6 record in this proceeding. It will be evidence upon which the
7 Commission can and will rely in making its decision in this
8 case. We have a court reporter here with us this evening.
9 Your testimony will become part of the record. She will take
10 the testimony down. For it to become part of the record, it is
11 necessary for you to be sworn in as a witness. Please do not
12 be intimidated by this. It's just procedure and protocol. At
13 the appropriate time, I will ask all members of the public who
14 do wish to make a formal statement this evening to stand; we'll
15 swear everyone in at one time. It's more efficient that way.

16 You should have been given a -- mine is printed on
17 blue paper. I don't know if the ones in the back -- sometimes
18 they're printed on yellow. This report is printed on blue
19 paper. It is entitled, "Special Report." It gives you
20 essential background information upon the application that has
21 been filed. It gives you some other additional information on
22 Public Service Commission procedures.

23 Also, the last page of this handout is designed to be
24 detached. This is for those members of the public who do not
25 wish to make a formal statement this evening but who wish to

1 provide input to the Commission. You may use this page, write
2 your comments, fold it, and you can mail it to the Commission.
3 Also, there's information in here about contacting the
4 Commission either through our 800-number or through our Web
5 site. I would encourage you to take advantage of those
6 opportunities if you see fit.

7 The procedure we're going to follow this evening is
8 after we -- after I finish with the introductions, we're going
9 to allow the company to make a brief opening statement. It's
10 not testimony, it's not evidence, it's just an introductory
11 statement to provide some general background information for
12 the audience here this evening. After that opening
13 statement -- Mr. Burgess, do you have an opening statement?

14 MR. BURGESS: Yes, I think I will.

15 COMMISSIONER DEASON: Okay. Mr. Burgess will have a
16 brief opening statement to present his viewpoint in opposition
17 to the rate increase. After those opening statements are
18 presented, I will swear in all witnesses; Mr. Burgess will call
19 your name. When your name is called, we ask that you come
20 forward to the podium to my right, begin by giving us your name
21 and your address. If you think it would be helpful to the
22 court reporter, you may wish to spell your name so it is
23 recorded accurately, and then we just ask that you proceed with
24 your statement. We do not impose any strict time limits on
25 your statement, but we do ask that you be mindful that there

1 are a number of people waiting for their opportunity as well.
2 At the conclusion of your statement, wait for a moment. There
3 may be some clarifying questions either from myself, fellow
4 Commissioners or Mr. Burgess or Mr. Horton or Ms. Brubaker.
5 But it's not -- technically it's cross-examination but it's not
6 cross-examination in the sense that you see in some of the TV
7 shows. It's just mainly for clarification and trying to make
8 sure that the record is complete.

9 Ms. Brubaker, have I forgotten anything?

10 MS. BRUBAKER: I think you've got it covered.

11 COMMISSIONER DEASON: Got everything covered. Okay.
12 With that, Mr. Horton, we'll allow you to take care of your
13 preliminary matters.

14 MR. HORTON: Yes, sir. If we could, I'd like to get
15 a couple of exhibits marked. I have previously provided the
16 originals to the court reporter, but the first exhibit would
17 be -- it's a letter dated November 3rd containing the affidavit
18 from Mr. Bachman that the customer notice was sent to all the
19 customers. The original was filed with the Clerk's Office, and
20 I provided the reporter with a verified copy. If I could have
21 that marked as Exhibit 1, please, sir.

22 COMMISSIONER DEASON: Yes. Since this is the
23 first hearing, I guess we have no exhibits. This would be
24 Exhibit Number 1, and it will be so identified.

25 (Exhibit 1 marked for identification.)

1 MR. HORTON: And the second would be the proof of
2 publication of the notice of the hearing for tonight's hearing
3 that was run in the local newspaper. If we could have that
4 marked as an exhibit as well.

5 COMMISSIONER DEASON: In the top right-hand corner
6 there's the heading "News Leader;" is that correct?

7 MR. HORTON: That's correct, sir.

8 COMMISSIONER DEASON: We will identify that as
9 Exhibit Number 2.

10 (Exhibit 2 marked for identification.)

11 MR. HORTON: Thank you. And with that, the company's
12 opening statement will be presented by Mr. Mario Lacaci; that's
13 L-A-C-A-C-I.

14 COMMISSIONER DEASON: Mr. Horton, before you leave,
15 we've identified these exhibits. Do you wish to go ahead and
16 move them into evidence at this time, or do you wish to waive?

17 MR. HORTON: I was thinking I would do it tomorrow
18 night when we get the third one.

19 COMMISSIONER DEASON: That's fine. No problem.

20 MR. LACACI: Good evening, ladies and gentlemen,
21 Commissioners.

22 COMMISSIONER DEASON: Can everyone hear okay? Okay.
23 I just ask that you speak loudly.

24 MR. LACACI: My name is Mario Lacaci. I'm the
25 director of the northeast division for Florida Public

1 Utilities. Tonight, I will be providing a brief summary as
2 stated and basically to cover three items being what we are
3 asking for -- we being Florida Public Utilities -- why we are
4 asking for rate relief, and what the impact is on our
5 customers.

6 On August 14, 2003, we filed a petition with the
7 Florida Public Service Commission seeking approval to increase
8 rates and charges to produce additional revenues of
9 \$4.1 million. Florida Public Utilities is requesting this
10 increase in order to continue providing reasonable, sufficient,
11 and adequate service while having the opportunity to earn a
12 fair return on its investment. Several factors have played
13 into the necessity for this request. These factors include:
14 Increased insurance costs, increased pension costs, adjustments
15 in depreciation, the cumulative inflationary effects since our
16 last rate case which was 14 years ago in 1989, the need for
17 adequate storm reserves, and also the additional system
18 reliability and safety measures that we have put in place.

19 Without the requested relief, the overall return will
20 be considerably less than the allowable rate of return as set
21 forth by the Florida Public Service Commission previously. The
22 effects on our residential customers, the average customer who
23 uses 1,000-kilowatt hours of energy will see their bill go from
24 the current \$56.86 to \$66.74. Thank you very much.

25 COMMISSIONER DEASON: Thank you. Mr. Burgess.

1 MR. BURGESS: Yes. I'd just like to address a couple
2 of comments to the customers to let them know who we are and
3 what we're about. The Florida Legislature created the Office
4 of Public Counsel in Florida Statute some 25 to 30 years ago
5 and created the Office with the specific purpose of
6 representing customers in public utilities matters in rate
7 cases just like this that we're doing in this case. We've
8 intervened in the case, and we have hired consultants to
9 present expert testimony in the case. We've hired an
10 accounting firm in Detroit, Michigan, that has been providing
11 expert testimony in public utility cases for 30 years now.
12 We've also hired a financial consultant in Tallahassee who, as
13 a matter of fact, at one point worked for the Public Service
14 Commission and now is with a financial consulting firm in
15 Tallahassee.

16 We're in the process -- a preliminary process of
17 putting together a case, looking at the company's testimony,
18 looking at the company's information and specifically at this
19 point we're engaged in discovery. For those of you who may not
20 be as familiar with the legal process, discovery is the
21 pretrial information that is sought, exchanged among the
22 parties that we are seeking from the company. So we're
23 seeking -- the company has filed a great deal of information in
24 its initial filing. We've asked for a lot of additional
25 information. The Public Service Commission staff has asked for

1 a lot of additional as well.

2 As we gather that information and begin to look at it
3 and evaluate it, we'll be able to formulate better the issues
4 that we intend to raise. At this point though we don't have
5 all of the issues crystallized. Some jump out at us
6 immediately, of course, the particular organization or
7 reorganization of company, the company's capital structure and
8 the implications of that, but at this point, rather than try to
9 tell you about the issues that we think we may raise, we are
10 here to hear from you to hear what your concerns are. It is
11 your concerns and your testimony that I want to hear and that
12 the Commission wants to hear. And so I'll be interested in
13 hearing what you have to say tonight. Thank you.

14 COMMISSIONER DEASON: Thank you, Mr. Burgess. As I
15 indicated, Commissioner Bradley has joined us just at the right
16 time here in time to hear all of the customer testimony. I'm
17 going to ask all members of the public who wish to make a
18 statement this evening to please stand and raise your right
19 hand.

20 (Witnesses collectively sworn.)

21 COMMISSIONER DEASON: Thank you. Please be seated.
22 Mr. Burgess, you may call your first witness.

23 MR. BURGESS: Yes, Commissioner. The first witness
24 that we have listed is Mr. Robert Mearns.

25 ROBERT MEARNES

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. MEARNS: My name is Robert Mearns. My address is
5 204 Ash Street, Fernandina Beach, Florida 32034. I'm here on
6 behalf of the City Commission of the City of Fernandina Beach.
7 I'm here to read into the record and present as evidence a
8 resolution adopted by that Commission last evening. Before I
9 read the resolution, I should like to thank everyone for being
10 here in attendance. It is an honor for the City to host these
11 proceedings.

12 This is Resolution 2003-191. A resolution of the
13 City Commission of the City of Fernandina Beach, Florida,
14 opposing the petition for rate relief proposed by the Florida
15 Public Utility Company; requesting that the Office of Public
16 Counsel of the Florida Public Service Commission represent the
17 City in opposing the petition for rate relief; and providing
18 for an effective date.

19 WHEREAS, the City of Fernandina Beach is provided
20 electrical power by the Florida Public Utility Company; and

21 WHEREAS, the Florida Public Utility Company has filed
22 a petition for rate relief with the Florida Public Service
23 Commission to increase base rates for residential consumers of
24 electricity of approximately 35 percent in customer facilities
25 charges and 30 percent in energy charges and a base rate

1 increase for general service consumers of electricity of
2 approximately 49 percent in customer facilities charges and
3 19 percent in energy charges in order to consolidate its
4 Fernandina Beach division rates with those of its Mariana
5 division; and

6 WHEREAS, the Florida Public Utility Company proposes
7 to consolidate its Fernandina Beach division with its Marianna
8 division; and

9 WHEREAS, the City Commission believes that
10 consolidation of the divisions and the institution of uniform
11 rates is inherently detrimental to the interests of the
12 ratepayers of Fernandina Beach; and

13 WHEREAS, the City Commission requests that the Office
14 of Public Counsel represent the City in opposing the petition
15 for rate relief filed by Florida Public Utilities Company.

16 NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION
17 OF THE CITY OF FERNANDINA BEACH, FLORIDA, THAT:

18 Section 1. The City Commission hereby opposes the
19 petition for rate relief filed by Florida Public Utilities with
20 the Florida Public Service Commission.

21 Section 2. The City Commission hereby requests that
22 the Office of Public Counsel represent the City in opposing the
23 petition for rate relief filed by the Florida Public Utilities
24 Company.

25 Section 3. This resolution shall become effective

1 immediately upon passage.

2 Adopted this 2nd day of December, 2003 with a quorum
3 present and voting.

4 Signed Joe Gerrity, Commissioner-Mayor; attested by
5 Cassandra P. Mitchell, City Clerk.

6 Thank you.

7 COMMISSIONER DEASON: Thank you, sir. Mr. Burgess,
8 do you wish to have this identified as an exhibit, or how do
9 you wish to handle this, or just put it in the correspondence
10 side of the docket?

11 MR. BURGESS: For the time being, I think I'd like to
12 have it in the correspondence side of the docket. And if we
13 decide to have it entered officially in the record for purposes
14 of identifying it, then we'll do that at a later time.

15 COMMISSIONER DEASON: Very well. Any questions,
16 Mr. Horton? Any questions? Okay. Thank you, sir.

17 Mr. Burgess, you may call your next witness.

18 MR. BURGESS: Mr. David Crater.

19 DAVID CRATER

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

22 DIRECT STATEMENT

23 MR. CRATER: Good evening. My name is David Crater.
24 I live at 2965 Bailey Road, Fernandina. And I'd like to
25 welcome you folks to Fernandina.

1 COMMISSIONER DEASON: Thank you.

2 MR. CRATER: And I don't know as much about you all
3 as I did back when you were elected, but I think you all
4 probably do a fine job. I've been a customer of FPU for close
5 to 35 years, and they have always supplied me with good
6 service. And we have our little glitches now and then when the
7 power goes off, but usually they are pretty prompt in getting
8 the power back on. And since they haven't had an increase in
9 14 years, well, they probably do deserve something. I don't
10 know that I agree with how much they are asking for, but they
11 probably do deserve something.

12 Since I retired about seven years ago, why, they
13 haven't had a rate increase, although the fuel oil adjustment
14 costs have gone kind of out of sight with the Arabs controlling
15 the oil and the environmentalists not letting us drill our own
16 oil, so anyway, it seems like since I retired, why, everything
17 has gone up except my pension. And so, therefore, you know, I
18 kind of go along with they could use a little increase.

19 But I have a couple of other questions here. I got
20 this letter back in -- I think it was dated August 14th.
21 Looking at the residential increase desired here, I don't
22 understand why they want Marianna -- their residential increase
23 would go up \$2.54 and Fernandina's would go up \$3.84, the way
24 this -- the way I read this. And the initial entitlement of
25 service, I assume that's the original hookup, Marianna's

1 increase is \$10.80 and ours is \$31. I really don't know what
2 Marianna has got to do with us. Does FPU buy their power from
3 the same people? I know that they buy our power from JEA over
4 here, which I've read is one of the -- probably the lowest cost
5 electricity in Florida. Now, I don't know where Marianna gets
6 their power, whether they generate their own or how that works,
7 but that was a couple of questions that I had.

8 COMMISSIONER DEASON: I'll be glad to attempt to
9 answer those. And, Mr. Horton and Mr. Burgess, if I need to be
10 corrected, please, you won't hurt my feelings if you do that.

11 Right now, there are two operating divisions. One is
12 Fernandina Beach and one is Marianna. And it's my
13 understanding that they are independently operated, and they
14 have their own cost structure. They do have some common costs
15 because they are jointly owned, and there are some costs, you
16 know, parent company type costs, certain functions that are
17 done at a consolidated level. My understanding, there is a
18 request for consideration that we combine the rate structures
19 of the utilities that will be -- of the divisions, rather, that
20 will be an issue before the Commission. I have no idea what
21 the outcome of that will be.

22 As far as purchasing wholesale power, Marianna
23 division does not generate, and it's my understanding that they
24 purchase that through the Southern Company. The Southern
25 Company is a large investor-owned utility which owns Georgia

1 Power, Alabama Power, Mississippi Power, and Gulf Power over in
2 the Panhandle of the state. Southern Company too is a low cost
3 provider of energy generally. I don't know how the rates
4 compare between -- the wholesale purchase rates compare between
5 Southern and JEA. I would anticipate that may be something
6 that would come out during the course of the hearing, but I
7 don't know that, you know, off the top of my head.

8 Mr. Horton, do you need to add anything to that?

9 MR. HORTON: No, sir.

10 COMMISSIONER DEASON: Mr. Burgess?

11 MR. BURGESS: No, that's fine.

12 COMMISSIONER DEASON: We'll be glad to answer any of
13 your other questions that you may have.

14 MR. CRATER: Okay. Just from reading this letter, it
15 seems like the Fernandina people are picking up an exorbitant
16 part of this cost. And just for the sake of them unifying
17 their two units, why, I don't know that we should have to bear
18 that cost. Thank you.

19 COMMISSIONER DEASON: Thank you, sir. Any other
20 questions? No. Thank you.

21 Mr. Burgess.

22 MR. BURGESS: Ms. Ann Robas.

23 MS. ROBAS: I'm going to wait (inaudible).

24 MR. BURGESS: Okay. That will be fine.

25 Ms. Anne Kendel.

1 MS. KENDEL: I'd also like to wait until later,
2 please.

3 MR. BURGESS: Very good. Mr. Richard Kendel.

4 MR. KENDEL: I too would like to wait a little bit.

5 MR. BURGESS: All right. Mr. Edwin Stewart.

6 EDWIN STEWART

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. STEWART: Thank you. My name is Ed Stewart. I
11 live on the island. I've been here for five -- almost five and
12 a half years. I agree with the previous speaker that the level
13 of service has been good. I spent my whole career in the New
14 York area, and the rates are -- I'm astonished how reasonable
15 they are. But I fail to understand what has happened in the
16 last year that is different than what went on before that
17 forces this company to suggest, in my case, a 17 percent
18 increase in utility rates.

19 I would agree with Mr. Crater that no rate increase
20 in 15 years is quite -- 14 years is quite astounding. I don't
21 know what the fuel sources are for JEA, whether it's coal. I
22 spent my lifetime in the investment business and followed the
23 utility industry for some time. But I am really surprised,
24 suggesting a level of incompetence at this company, that they
25 would not submit a rate increase for 14 years and then would

1 come in one fell swoop and ask for this rate increase.

2 Nobody knows also what's going to happen to fuel
3 charges -- to oil or gas. As I say, I would love to know what
4 their fuel sources are to get some idea of why these rates stay
5 what appears to be reasonably low.

6 Just to close up, I don't understand why somebody
7 that's been here five years like I've been is going to pay for
8 14 years of not asking for a rate increase. And it would seem
9 to me at least the Commission should consider a substantially
10 smaller rate of increase. Thank you very much for listening.

11 COMMISSIONER DEASON: Thank you. Maybe I could
12 clarify one thing that may be helpful. It is true that Florida
13 Public purchases their energy on a wholesale basis, which means
14 it's generated by others and they purchase it to distribute to
15 their customers. When they purchase that energy, that is
16 considered part of the fuel adjustment factor that the
17 Commission considers once a year. So it's not been 14 years
18 that there has not been any consideration of changes in fuel
19 costs. The Commission does that once a year.

20 In fact, we just concluded a proceeding in November
21 where we reset fuel adjustment factors. And the fuel cost
22 themselves that are part of that generation mix will not be
23 part of this case. These are for the nonfuel-related costs
24 that the company is asking for this increase. And I would
25 anticipate that's why they have been able to wait as long as

1 they have to come in because these are the more -- these are
2 the operating and maintenance expenses, general and
3 administrative expenses, things which the gentleman indicated
4 like insurance, pensions, those types of costs, not
5 fuel-related generation type costs.

6 Mr. Burgess, do you have anything to add to that?

7 MR. BURGESS: No, I don't.

8 COMMISSIONER DEASON: Mr. Horton?

9 MR. HORTON: No.

10 COMMISSIONER DEASON: You may call your next witness.

11 MR. BURGESS: Yes. Mr. Myers Kurtz.

12 MYERS KURTZ

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

15 DIRECT STATEMENT

16 MR. KURTZ: Good evening, ladies and gentlemen. My
17 names is Myers Kurtz, K-U-R-T-Z. I live at 95485 Captains Way
18 in Fernandina. I'd like to give a little background of my own
19 because of some of the comments I'm going to make. I'm a
20 retired military officer after 25 years in the service. I've
21 been in -- as a hospital administrator for 30 years after
22 retiring. I was director of mental health for the state of
23 Ohio where I was responsible for a \$1 billion biannual budget.
24 I've run hospitals with 4,000 patients with \$140 million
25 budgets. And every one of those organizations I was able to

1 cut costs by bringing in good management and good management
2 principles.

3 Now, as far as the company service is concerned, I
4 think they do a fine service. As far as requesting the type of
5 increase, I think it's way out of line, and I think that's what
6 I'm opposed to. When I consider that the number of people that
7 live on this island in this area, a lot of them are retired,
8 living on Social Security, and they will get a 2.1 percent
9 increase in their retirement come January. Now, the difference
10 between 2.1 and 17 percent on their electric bill alone is
11 going to be a wide gap.

12 I would like to know, number one, on the management
13 of the company what their CEO and top management, what their
14 salaries are and also the amount of increase that they have had
15 during the years. I also am convinced that there isn't an
16 organization that cannot tighten their belt and still give
17 service in cutting out some of the frills. And I would hope
18 that the Commission will require them in the data that they
19 present to you to show what they have done. As an example, on
20 the consolidation of the two, whenever we talked about
21 consolidation in my units, we talked about cost savings by
22 consolidating, doing away with duplication and the like. You
23 should be able to do a better job with less cost. So I think
24 they need to explain why consolidation is costing more, because
25 if it is, maybe they shouldn't consolidate.

1 Again, I am not opposed -- I certainly am for capital
2 and I certainly believe that they should have a fair return on
3 their investment but to the degree that they're asking all in
4 one fell swoop without requiring them to really show where this
5 large increase is necessary and I hope that you will force them
6 to do that in your deliberations. Thank you.

7 COMMISSIONER DEASON: Thank you.

8 MR. BURGESS: Mr. Gene Alley.

9 GENE ALLEY

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 MR. ALLEY: Good evening. My name is Gene Alley. I
14 live at 1892 Lakeside Drive South, Amelia Island. I'd like to
15 direct five comments and questions basically to the Commission,
16 please.

17 In considering the extent of any rate increase
18 granted to Florida Public Utilities, I would ask the Public
19 Service Commission to consider that a relatively low risk
20 investment today typically yields three to three-and-a-quarter
21 percent. And I would encourage you to -- in considering any
22 rate increase to Florida Public Utilities that given that it is
23 a monopoly, that any increase to them should be consistent with
24 that level of risk.

25 My second comment is something that may not be

1 completely appropriate in this venue, but I've noticed that the
2 fuel surcharge element of the variable costs in our electric
3 bills residentially is approximately 75 percent of the cost. I
4 would encourage the Commission to investigate methods and means
5 to incentivize Florida Public Utilities to purchase the
6 least-cost electric power available.

7 Third item, in noting the request for rate increase,
8 I believe the Public Service Commission should question why
9 residential rates are typically being raised 15 to 17 percent
10 while at the same time Florida Public Utilities is proposing
11 substantial decreases in the variable costs for industrial
12 users.

13 My fourth comment is in granting any increase to
14 Florida Public Utilities, I would encourage the Commission to
15 seek assurances and guarantees with respect to the length of
16 time that Florida Public Utilities will refrain from coming
17 before the Commission again and requesting an additional
18 increase.

19 And lastly, as a matter of fact, in the announcement,
20 the variable costs for energy is 1.220 cents per kilowatt hour.
21 I have noticed that for sometime my actual variable cost is
22 1.269 cents per kilowatt hour, a difference of approximately
23 4 percent. I think that that should be understood and whether
24 or not there has been any overcharging should be investigated.
25 Thank you very much.

1 COMMISSIONER DEASON: Sir, before you leave, could I
2 ask you a question?

3 MR. ALLEY: Certainly.

4 COMMISSIONER DEASON: Do you happen to have any of
5 your bills with you this evening?

6 MR. ALLEY: Yes, sir, I do.

7 COMMISSIONER DEASON: Okay. I'm going to ask you to
8 show that to -- if you could show that to Mr. Durbin. He's in
9 the back of the room. Mr. Durbin, could you raise your hand?

10 Okay. If there's a discrepancy with the rate that is
11 being charged, perhaps Mr. Durbin can answer that question for
12 you. He may need to take the bill back to Tallahassee and do
13 some analysis, I'm not sure, but I'm sure he'll be glad to get
14 you your copy back to you. I would just ask you to share that
15 with him.

16 MR. ALLEY: I'll be glad to. I can tell you that
17 it's a generally pervasive situation. A number of my neighbors
18 have confirmed that they have the same rate.

19 COMMISSIONER DEASON: The reason I want him to look
20 at it is because there are things such as gross receipts taxes
21 and things of that nature, and maybe there's some franchise
22 fees, maybe there are some conservation cost recovery factors
23 in there. There are a number of items which may contribute to
24 that. Not seeing your bill right now, I couldn't answer that,
25 but Mr. Durbin could help you with that. And if there's a

1 problem, Mr. Durbin will let us know.

2 MR. ALLEY: Very good.

3 COMMISSIONER DEASON: That's okay with you,
4 Mr. Burgess?

5 MR. BURGESS: Yes.

6 MR. ALLEY: Thank you very much.

7 COMMISSIONER DEASON: Mr. Horton.

8 MR. HORTON: Commissioner, Mr. Lacaci can also take a
9 look at that and help explain some of those items as well.

10 COMMISSIONER DEASON: Mr. Alley -- did you have a
11 question for Mr. Alley?

12 COMMISSIONER BRADLEY: Oh, no.

13 COMMISSIONER DEASON: Oh, I'm sorry. Okay. I
14 thought that the Commissioner had a question for you, but he
15 doesn't. Thank you, sir.

16 Mr. Horton, it may be that Mr. Durbin, I'm sure, will
17 share that information so that we can get -- we want correct,
18 accurate information and whatever is necessary to provide that
19 to the customer is what we want to do.

20 MR. HORTON: And we'll be glad to help you do that.

21 COMMISSIONER DEASON: Very well. Mr. Burgess.

22 MR. BURGESS: Yes. Mr. Clint Stone.

23 CLINT STONE

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. STONE: I'll come up but my points have really
3 been just made. Clint Stone, 2159 South Natures Gate Court,
4 Fernandina Beach. Again, I repeat what's been said before on a
5 number of cases. The service has been reasonable. It's been a
6 long time since the last rate increase. I have no idea what
7 the last rate increase was in terms of percentage. So I do
8 believe that the firm is entitled to some relief, but I raise
9 the same question. The bill -- the rates quoted are different
10 than what we're being charged. Now, either the rates are the
11 rates or they aren't the rates. And if this new rate doesn't
12 mean anything, you know, what's the point of all this
13 discussion? My bill is the same as this other gentleman,
14 five-tenths of a mil more than the quoted rate, and I don't
15 understand it. And it's been that way for some time.

16 I think the Commission should again look at this fuel
17 adjustment charge which represents a great majority of the
18 bill. If it's realistic, fine, but we should somehow get some
19 reassurance that that's the case. And the information provided
20 in these matters is very slim indeed. Thank you.

21 COMMISSIONER DEASON: Any questions? Thank you, sir.

22 MR. BURGESS: Mr. Robert White.

23 ROBERT WHITE

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. WHITE: My name is Robert White. I live at
3 502 Broome Street. In way of background, I'd like to tell you
4 one little fact. When lights were brought to my house in 1883,
5 or shortly thereafter, they hung one lightbulb in each of the
6 four rooms. The bill was \$1 per lightbulb per month. It
7 didn't make any difference whether you left the lights on or
8 off. I just cite it as an example of what our dollars have
9 gone for in recent years.

10 If this Public Utility franchise was looking for,
11 say, a 4 percent increase or something of that nature, I
12 wouldn't be down here, but I take issue with the stuff that has
13 been put on our letter. The first items are primarily
14 residential and they're asking most of us who are residential
15 customers to stand a greater part of this increase. The last
16 one, the general service that is large demand drops from
17 four-seventy-five to three-seventy-eight. That's almost 100
18 points. It's almost 25 percent. And this is our pulp mills.
19 And I see no reason for you to increase the peons of us that
20 are small taxpayers and then drop their rates like that at all.
21 It is inconsistent with good business policy.

22 I think you need to go back and refigure. As our
23 previous two or three Commissioners have said, these rates have
24 got to be changed and the application should be changed to come
25 up with something more consistent for the average peon that is

1 still living possibly like I am on Social Security. Thank you.

2 COMMISSIONER DEASON: Thank you. Questions?

3 Mr. Horton.

4 MR. HORTON: I have no questions of this individual,
5 but, Commissioner, if it will be helpful, Mr. Lacaci --
6 apparently there's several questions about the components of
7 the bill, and if it would be helpful, Mr. Lacaci can explain
8 that real quickly.

9 COMMISSIONER DEASON: Why don't we do this. Why
10 don't we go ahead and hear from customers, and then those that
11 want to stay and hear that statement, they're invited to stay.

12 MR. HORTON: Okay.

13 COMMISSIONER DEASON: But right now, we're in the
14 customer phase and let's just hear from all of the customers.
15 But we'll give him that opportunity at the end.

16 MR. HORTON: Okay. Thank you.

17 MR. BURGESS: Mr. Phillip Scanlan.

18 PHILLIP SCANLAN

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

21 DIRECT STATEMENT

22 MR. SCANLAN: My name Phillip Scanlan, S-C-A-N-L-A-N.
23 I live at 1832 Village Court on Amelia Island. And I'm
24 president of something called the Amelia Island Association.
25 That's an association of homeowner's associations on Amelia

1 Island. There are 33 homeowner's associations that are members
2 right now. Collectively, they include 39 percent of all the
3 homes on Amelia Island. And last night, we reviewed this
4 position that was a draft and made it a final. It was
5 unanimously supported by all the members present. So I'm
6 bringing it to you that, you know, you're basically looking at
7 something that represents 40 percent of the homeowners'
8 thinking right now, recognizing we don't have all the
9 information we'd like to have. For example, I'm retired and
10 spent a lot of time in business. I would never think of
11 approving or disapproving anybody's request until I saw all
12 their costs over a two- or three-year period, including a
13 projection of the next year and saw what are the cost changes.

14 Well, somebody came up here and listed a few things
15 that are cost increases. You know, I would want to see the
16 actual costs. I'd want to see what's increasing. I'd want to
17 see the highest increase to the lowest decrease, and I'd want
18 to know what they're doing about it to minimize it. And, you
19 know, we don't have access to that information. So I'll give
20 you an analysis of what we have had access to.

21 COMMISSIONER DEASON: Sir, I hesitate to interrupt,
22 but this may be a good -- I apologize for doing so.

23 MR. SCANLAN: Sure. Go ahead.

24 COMMISSIONER DEASON: You're correct. We need a lot
25 of information and we require a lot of information. There is

1 information we refer to as minimum filing requirements which is
2 the essential information just to file the case, and it
3 contains much of the very information you're seeking. That's a
4 public document. If there's not a copy of that provided in
5 this area at the public library, we can make sure that one is
6 provided.

7 MR. SCANLAN: I would be interested in looking at it.

8 COMMISSIONER DEASON: In addition, Mr. Burgess, I'm
9 sure he's conducting what we refer to as discovery in the form
10 of interrogatories, depositions, production of documents to
11 even get more information beyond what is just the minimum
12 filing amount. Our staff is engaging in that same exercise.
13 And if there has not been an audit done, I am confident that
14 staff -- is that audit in progress at this point?

15 MS. BRUBAKER: It is in progress.

16 COMMISSIONER DEASON: That audit is in progress at
17 this point, and there will be an audit report filed before this
18 case is concluded. So I want to assure you that the points
19 that you're making are right on point and that information will
20 be reviewed. And we will be glad to provide any additional
21 financial information or rate structure information that you or
22 your organization wishes to review. And I understand that what
23 you're about to provide to us is preliminary because you
24 haven't had that information as of yet. Once you review that
25 information, if you wish, I would encourage you to discuss it

1 with Mr. Burgess because he's the one that will be putting on
2 the customer side of the case at the technical hearing. And
3 anything that you have to add, based upon your review, would be
4 useful to us and we'd appreciate that.

5 MR. SCANLAN: Okay. I've given him my contact
6 information.

7 The Amelia Island Association position on the FPUC
8 proposed rate increase is that it is an unreasonably large
9 increase on Amelia Island residential customers. The FPUC
10 proposed residential facilities monthly increase of 55 percent
11 and the proposed residential service increase of 37 percent are
12 both unreasonably high and should not be allowed.

13 The AIA also objects to the FPUC's large proposed
14 increase in residential rates while simultaneously proposing a
15 very large decrease, 20 to 63 percent, in business rates
16 without explanation, by the way. It seems unreasonable that
17 such a very large increase in residential service rates and a
18 simultaneous very large decrease in business rates could be
19 cost justified.

20 The maximum allowable return -- and I agree with
21 Mr. Alley's comment earlier that it seems awfully high in
22 today's environment for a low risk business. The maximum
23 allowable rate of return is 9.01 percent. Using the FPUC
24 projection of making only 2.73 percent next year, and I don't
25 know what they are making now, but they say they're going to

1 make 2.73 without a rate increase, then the maximum increase
2 needed to make the return on investment is a difference between
3 9.01 and 2.73 or 6.28 percent versus the 37 and 53 numbers I
4 just gave you or even the 17 number if you throw in the fuel
5 charge into the base. This assumes, this calculation, the
6 total revenue of FPUC is essentially equal to their investment
7 base because rate of returns on investment.

8 Investment base is reported as 39.8 million. The
9 total annual revenue is reported as 38.9. That's pretty close,
10 you know. So this maximum increase, given the highest rate of
11 return, is 6.28 percent, and that's, like, a third of the
12 17 percent that they're saying they're looking for in total
13 revenue. So I'm just, you know, a little baffled by, you know,
14 what they're asking for here.

15 In addition, even if I adjust for the difference
16 between revenue and investment, that makes that 6.28, 6.4
17 percent. Okay. That's a primary, it seems, basis of the way
18 you're setting the rates here. It makes 17 percent on
19 residence a little outlandish.

20 The supporting reasons for our comments: A
21 monopoly's increase in rates should be held to about --
22 somewhat in line with inflation, which is about 3 percent. By
23 the way, I retired from a little monopoly company myself that
24 was -- it's called AT&T. And when I started there, the rates
25 to make a long distance call to California from here was \$2.30

1 for a three-minute call, and when I left, it was 12 cents for a
2 three-minute call. And it's probably still going down. So,
3 you know, there are ways to reduce costs without always going
4 back for an increase in costs. If you use technology and
5 you've already taken the fuel charge out of it, which is a
6 sensitive issue, so, you know, you do -- I agree with the
7 gentlemen earlier that said these costs need to be managed.

8 The proposed FPUC rate increase is being communicated
9 as a 17 percent increase to the average customer's bill. This
10 tends to irritate me a little bit because they're built in the
11 fuel charge that they're going to increase separately. And I
12 think I read that they're planning to increase that a dollar
13 and a half or something like that very shortly, but that's not
14 in that number. So by putting that big 75 percent number in
15 and assuming it's not increased, they're talking about
16 increasing a lot more on the 25 percent that's left and then
17 making it look like 17. That's why these numbers we're showing
18 you, 55, 37, they're outlandish. It's not 17 they're asking
19 for on the cost they're managing.

20 The residential usage service charges proposed by
21 FPUC to increase from 12.20 to 17.40 per 1,000 kilowatts in
22 2004 is a 37 percent increase. If you compare the rate changes
23 to what's going on in business, residential on the energy usage
24 charge is up 37, the general service -- GSD is down 33, and the
25 GSLD is down 63 percent. I mean, they're asking the residents

1 to carry a big decrease in the businesses here. And by the
2 way, I happen to be on the Mill Rainier (phonetic) Committee.
3 I don't think they're looking for this particularly. They
4 produce 80 percent of their own power. So I'm not sure it's
5 the mills. I noticed a gentleman said he thought a lot of this
6 was going to the mills. From being on the environmental
7 committee at the mills, I don't perceive that's the case here.
8 I don't know what these businesses are and who's getting these
9 big increases or why.

10 Currently, the residential usage charges are
11 2.2 times the GSLD business charges. If you approve these
12 rates, increase for residence, decrease for business, residents
13 will be paying 8.5 times the GSLD business. You'll be going
14 from twice as much to over eight times as much.

15 The FPUC has also proposed a significant rate
16 reduction in the demand charge, another charge, and the
17 facility charge for general service large demand. Those
18 reductions are 20 percent. The residential customer fixed
19 monthly charge is proposed to increase from \$7 to \$10.84.
20 That's 55 percent.

21 And finally, the customer entitlement service charge
22 for residence is proposed to increase from \$13 to \$44. That's
23 a 238 percent increase. So you're looking at the actual
24 residential increases that you're being asked to approve of 37,
25 55, and 238 percent, you know, once you take the fuel charge

1 out of this. At the same time, you're being asked to make
2 major reductions in the business charges without -- I have no
3 idea what the rationale is here.

4 In summary, Amelia Island Association consists of
5 33 homes -- Amelia homeowner associations. It's over 4,000
6 homes on an island that has 10,000 homes. We represent
7 39 percent of the homeowners. We oppose this particular
8 request for the reasons I've stated. And it's been unanimously
9 approved by the members at our last meeting, which were 20
10 members. And just this afternoon, I got two more members
11 approved based by e-mail. I expect it will be probably
12 unanimous, but, you know, I'll be happy to tell you later how
13 they all come out. I'd appreciate you really dealing with
14 this.

15 COMMISSIONER DEASON: Thank you, sir. Any questions?
16 No questions. Thank you, sir. We appreciate this.

17 MR. BURGESS: Commissioner, if I might, I'd ask as
18 well that this receive the same treatment and be entered into
19 the correspondence side of the docket. And further, I wonder,
20 can we get a statement as to where the minimum filing
21 requirements are available for public perusal?

22 COMMISSIONER DEASON: Mr. Horton, can you answer that
23 question?

24 MR. HORTON: Yes, sir. They're at the offices, the
25 business offices as required by the Commission. There is a set

1 there available for the public.

2 COMMISSIONER DEASON: So there's a set there?

3 MR. HORTON: Yes.

4 COMMISSIONER DEASON: Is there a place where they can
5 go and peruse that at their leisure?

6 MR. HORTON: Yes, absolutely.

7 COMMISSIONER DAVIDSON: Commissioner, I have a
8 question for Mr. Horton here. If you know off the top of your
9 head without sorting of going into the numbers, I'm curious, as
10 we sit here, what is the rationale for such a large increase on
11 residential and a decrease on business, in a nutshell? If you
12 know.

13 MR. HORTON: I couldn't answer that right now,
14 Commissioner. And I'll be happy to get a response for you.

15 COMMISSIONER DAVIDSON: I'm sure we'll get through
16 that during the proceeding, but I was just curious just from
17 hearing the testimony.

18 MR. HORTON: I'm sorry. I don't have an answer for
19 you on that right now.

20 COMMISSIONER DAVIDSON: Thank you.

21 MR. BURGESS: Ms. Mavis Jump.

22 MAVIS JUMP

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. JUMP: My name is Mavis Jump. I live at
2 1543 Canterbury Lane in Fernandina. I have and would be happy
3 to give you a bill from last year and a bill from this year
4 that shows not the --

5 COMMISSIONER DEASON: Ma'am, I'm sorry. Could you
6 repeat what you just said into the microphone so the court
7 reporter can hear that?

8 MS. JUMP: Oh, I'm very sorry. Yes. I have with me
9 a bill from 2002. I'm sorry I didn't remember that figure.
10 You might read it for us. I think it's .1278.

11 COMMISSIONER DEASON: From 2002?

12 MS. JUMP: Yeah. And in 2003 it has been all year
13 long .1269 -- .01269. It was higher last year than it is this
14 year. And I went back to a February bill. And so that's a
15 little surprising to see that we're going to go from
16 .01220 when we've already been above that.

17 I have a couple of questions. Four million dollars
18 is a lot of money. You're in a lot of counties, and I only see
19 Marianna and Fernandina. Is that 4 million being raised in
20 these two localities?

21 COMMISSIONER DEASON: This particular rate
22 application is for the electric operations which are in the
23 Fernandina and Marianna area with Jackson County and some of
24 the surrounding areas over, that's correct.

25 MS. JUMP: The \$4 million that you need is not coming

1 from these two --

2 COMMISSIONER DEASON: It's not what I need, ma'am,
3 it's what they're asking for. If I had 4 million I probably
4 would retire.

5 MS. JUMP: All right. My question still remains. Is
6 the \$4 million coming from Marianna and Fernandina Beach? You
7 are -- the organization is in a lot of counties. I hope we're
8 not raising \$4 million. And I would like to have an answer for
9 that someplace along the line.

10 COMMISSIONER DEASON: Okay. I'll let the company
11 representative when he comes up at the end of the hearing to
12 address that.

13 MS. JUMP: I have heard praise for the service of
14 Public Utilities and I have mixed feelings about that. Friday
15 morning we were getting ready to go see our sons in the
16 southwestern part of the state and the utilities went off. And
17 the dishwasher was going and the coffee pot was going. And we
18 had lights on in the place. We had to leave because I had to
19 also make a stop at the Mayo Clinic. The lights were off for
20 an hour and a half. It hasn't been very long ago, within a
21 matter of weeks, when our fire department was called out
22 because of a problem. I have a question. How much of this
23 increase is going to come to equipment in Fernandina Beach?
24 And that is something that really should be addressed to the
25 Commission. You can say what's in it for us, but we are not

1 without our power shortages. And we can say, well, somebody
2 hit a telephone pole, but I don't think that's always what it
3 is. Okay?

4 I have a question of something that I don't
5 understand. In the original paperwork that came out, not what
6 was handed out tonight, it says, "General service large
7 demand." The current demand charge is \$1.77 per kilowatt hour.
8 The proposed change would be 2.89. That is a very significant
9 change. Am I misunderstanding? Is that not for commercial?
10 Because to say commercial is getting a break, if that's true,
11 they're not getting a break. And if that's true, since
12 businesses have a right and a need to make a profit, we're
13 going to be helping share in that cost.

14 Now, I'm here tonight not on only -- we're not
15 thrilled about a 17 percent increase, but it's going to be more
16 than that because that will also raise the taxes. If I am
17 correct that those bottom figures on there that are going to go
18 from \$1.77 to \$2.48 and \$2.89, then our friends in business are
19 getting an increase also. I imagine most of us here can afford
20 that increase. We might not like it; we'll grumble. But I
21 have spent almost eight years with Habitat for Humanity. I
22 have dealt with poverty people long before I came to Fernandina
23 Beach. And I'll tell you firsthand there are people on this
24 island that cannot afford it. We've heard about the retired
25 people, those of us that have Social Security as a part of our

1 income. It isn't just the retired people, and there are
2 retired people whose Social Security is their only income. My
3 plea here tonight is for those who simply cannot afford this.
4 It's a hardship.

5 I thought about having a couple Habitat families
6 come, but I will not use them in any way that would embarrass
7 them. Of the ones that got Habitat homes, it was because they
8 met a very low minimum standard income. I spent my first year
9 in Habitat setting up the criteria for eligibility for families
10 to get Habitat homes. And they pay for those homes, by the
11 way. They're not given them. And there were many, many people
12 in this community who could not afford -- whose incomes were
13 not high enough to be eligible for a Habitat home. And those
14 people are still here. A lot of people think Fernandina Beach
15 is a land of plenty. We've got a lot of people here with a lot
16 money. There's a lot of "got rocks" on the island. There's a
17 lot of them here in Fernandina. But there are an awful lot of
18 people who are working as service people who are just hoping
19 they can get a job to get by.

20 I'm thinking of a couple. He's handicapped, Social
21 Security disabled. They have three children. She's not well.
22 This is a hardship. Unfortunately, we don't give enough
23 consideration to the people in our midst who are living in
24 poverty. And they're not there by choice. When their electric
25 bill is shut off, it's not by their choice. And look what it

1 says -- sorry, I have problems with my eyes. But the reconnect
2 charge is going from \$15 to \$37. Now, why are they
3 disconnected? Because they haven't got the money to pay the
4 bill. And if it happens that there's an emergency and it has
5 to be reconnected at night, it's \$60. And I just think that is
6 exorbitant. I also think that's a pretty healthy increase for
7 connecting in the first place, to go from \$13 to \$44.

8 I think that Public Utilities needs an increase. I
9 don't think there's any way in the world that they need the
10 increase they're talking about. So I'm here on behalf of the
11 people who aren't here to speak for themselves. Unfortunately,
12 one of the things I have found across the board, they're not
13 activists on their own behalf. They have been beaten down too
14 many times, too many of them. But please consider them in what
15 you're doing here.

16 I want to add, in our own household, if I went for 14
17 years, my husband and I, without doing anything for maintenance
18 or any improvements or anything else, we'd be in a mess. And I
19 question the judgment of a business organization that says, we
20 haven't had an increase for 14 years, now we've got to have
21 this much. That's just about the size of it.

22 Again, I think there's room for Fernandina service.
23 I wasn't too happy Friday morning. And it's sad when our fire
24 department has to be called out because of equipment that
25 doesn't function. And I'd like to see what's coming into

1 Fernandina Beach for this. But I think this increase that's
2 being requested is exorbitant. I think it needs to be kept
3 down to a much, much lower level, preferably under 5 percent.
4 Thank you.

5 COMMISSIONER DEASON: Ma'am?

6 MS. JUMP: Do you have any questions?

7 COMMISSIONER DEASON: Yes, ma'am. Commissioner
8 Bradley has a question.

9 COMMISSIONER BRADLEY: You said that the fire
10 department was called out. What did the fire department have
11 to do to --

12 MS. JUMP: I don't know. There was something about a
13 transformer or something. I'm sorry that the Mayor left and
14 Mr. Mearns is -- the Mayor had to go. But there was a problem
15 just within -- I don't know, somebody here might remember it --
16 two or three weeks ago.

17 COMMISSIONER BRADLEY: Because there was a fire at
18 the transformer, at the site?

19 MS. JUMP: And you're welcome to my utility bill.

20 UNIDENTIFIED SPEAKER: (Inaudible.)

21 COMMISSIONER DEASON: I'm sorry. Everything that has
22 to be said has to be taken by the court reporter. And what we
23 can do is after we get through the list of anyone that has
24 signed up, if anyone wants to come forward and add some
25 additional information, we'll be glad to hear it, but it needs

1 to be done through the microphone.

2 COMMISSIONER BRADLEY: For the sake of the court
3 reporter.

4 MS. JUMP: Can anyone answer my question on these
5 bills that go from \$1.77 to \$2.48 and \$2.49 for what I can only
6 construe to be commercial?

7 COMMISSIONER DEASON: Yes, ma'am. I'll attempt and
8 then I'll allow Mr. Burgess or Mr. Horton to elaborate.

9 MS. JUMP: Fine. Thank you.

10 COMMISSIONER DEASON: The large customers have two
11 components of their usage on their bill. They have a
12 straight -- an energy charge, a per kilowatt hour charge, and
13 there is also a demand charge based upon the amount of demand
14 they place on the system. And you are correct that there is a
15 proposal to have an increase in the demand charge. Those
16 demand charges are per kilowatt, not per kilowatt hour. Demand
17 charges are in terms of kilowatts. Energy charges are in terms
18 of kilowatt hours. Residential customers do not have demand
19 charges. All of their charges are based upon kilowatt hour
20 consumption.

21 But you're correct, part of large customers' bills
22 will be going up. There are decreases in the energy charge but
23 proposed increases in the demand charge. Now, how those two
24 actually weigh together in what the overall impact on the bill
25 is I can't say looking at this information, but I'm sure it's

1 something that we will review during the course of the
2 technical hearings.

3 MS. JUMP: I erred when I looked at that because I
4 saw what had happened above, but the bottom line looked to me
5 like there was a very significant increase there. And you're
6 saying there is an increase for the commercial entities.

7 COMMISSIONER DEASON: Well, at least for the general
8 service large demand and for the general service demand that
9 appears to be the case. Ma'am, before you leave, we have your
10 bills.

11 MS. JUMP: You are welcome to them. We have plenty
12 at home.

13 COMMISSIONER DEASON: Oh, okay. I just wanted you to
14 know that if you wanted it back, we made a notation on your
15 bill; I hope it was okay.

16 MS. JUMP: That's quite okay. I don't want them
17 back.

18 COMMISSIONER DEASON: You had a question about the
19 base amount of .0122 dollars per kilowatt hour and you were
20 actually being charged .01269.

21 MS. JUMP: That's correct, and have been all year.

22 COMMISSIONER DEASON: The difference I'm told is a
23 difference of .00049 and that is the conservation charge.
24 There is a monthly charge for the company's cost of providing
25 conservation measures to customers, efficiency measures, audits

1 of your home if customers request it, programs to enhance the
2 efficiency of customers' homes. That's the difference between
3 what you see on the sheet -- the letter that was mailed to you
4 and what you see on your bill.

5 MS. JUMP: That's very confusing. When I think
6 everybody saw the same thing and if they'd looked back last
7 year, they're going to see it was higher last year.

8 COMMISSIONER DEASON: Yes, ma'am. I mean, I would
9 have questioned the same thing. But as I mentioned earlier, I
10 thought that the difference may be something to do with
11 conservation or some type of an add-on to the base amount, and
12 it appears to be the case.

13 MS. JUMP: It would be helpful if that were spelled
14 out in your material. Thank you.

15 COMMISSIONER DEASON: Thank you, ma'am.

16 MR. BURGESS: I apologize if I'm misreading this.
17 Mr. Bob Martin (sic). Mr. Bob Martin at 1610 Regatta.

18 MR. MARTIN: (Inaudible.)

19 COMMISSIONER DEASON: You can just indicate for the
20 record --

21 MR. BURGESS: Can we say for the record that
22 Mr. Martin has indicated that he agrees with the points that
23 have been made by the other customers? Very good.

24 And I have Ms. Victoria Robas.

25 MR. DURBIN: She had to leave.

1 MR. BURGESS: Okay. Then we have the people who
2 wanted to -- that had signed up but had indicated they wanted
3 to wait or to hear what other people have said. If any of
4 those people would like to speak -- I can go back over the
5 names if you'd like.

6 COMMISSIONER DEASON: Call the names, Mr. Burgess,
7 please.

8 MR. BURGESS: It was Ms. Anne Kendel.

9 MS. KENDEL: (Inaudible.)

10 COMMISSIONER DEASON: Can you state that for the
11 record, Mr. Burgess?

12 MR. BURGESS: Yes. For the record, Ms. Kendel's
13 indicated that she agrees with Mr. Scanlan.

14 And Mr. Richard Kendel.

15 MR. KENDEL: (Inaudible.)

16 MR. BURGESS: Okay. He would have raised the same
17 points that have been raised by other customers at this point.

18 Finally, there was another -- I think that's all the
19 people that had indicated, yes. Oh, Ms. Ann Robas.

20 MS. ROBAS: (Inaudible.)

21 MR. BURGESS: Who also agrees with the earlier
22 customer testimony.

23 And that's all we have, Chairman Deason.

24 COMMISSIONER DEASON: Okay. At this point let me ask
25 then, are there any members of the public who joined us late

1 that did not sign up who wish to make a statement or wish to
2 elaborate upon a previous statement?

3 This lady right here raised her hand first and then
4 the gentleman towards the back. We'll recognize you. Ma'am,
5 were you here earlier when we swore in witnesses?

6 MS. SCANLAN: I was but I didn't raise my hand.
7 (Witness sworn.)

8 COMMISSIONER DEASON: Please give us your name and
9 address and proceed.

10 JANE SCANLAN

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 MS. SCANLAN: I'm Jane Scanlan, 1832 Village Court,
15 Amelia Island, and that's S-C-A-N-L-A-N. I did not understand
16 until tonight that the company was also proposing consolidation
17 of Fernandina Beach with Marianna for ratemaking purposes. I
18 as a customer would like you very carefully, Public Counsel and
19 the PSC, to look at the implications of that to understand why
20 that makes sense. I understand they also serve other parts of
21 Jackson County. I don't know why they wouldn't want to
22 consolidate Marianna with Jackson County. I would think that
23 there are better efficiencies in terms of their costs that they
24 are talking about there, Jackson County with Marianna.

25 Also, I would assume that that puts a burden more on

1 the ratepayers here in Fernandina because we have 10,000-plus
2 customers, or whatever we have, 12,000, I'm not sure how many
3 they serve here. They have 4,000, I believe, customers there.
4 So to me it looks like they're going to spread the
5 efficiencies, the cost efficiencies that we have here all over
6 on Marianna. And so immediately I think it's going to become
7 much cheaper for the Marianna ratepayer, and I think we're
8 going to end up paying -- subsidizing the Marianna side. So I
9 really -- I think we're going to be paying more. Already our
10 rates are higher, as an earlier speaker pointed out, and you
11 can see here on the paper that we are. So I don't know if
12 that's cost-based.

13 So I would like to see after they're proposing this
14 consolidation whether our rates are going to go down, which
15 obviously they aren't because they aren't proposing that. So
16 again, where is the cost justification for this consolidation
17 other than -- you know, are they proposing to drop a few
18 people? Are they proposing that some of their maintenance
19 expenses are going down? Obviously not.

20 Marianna is, you know, a couple hundred miles from
21 Fernandina. I don't know, you know, storm damage, reserve
22 requirements, I don't know what is going to change as a result
23 of this consolidation. I mean, I don't know, you know.
24 Northeast is really far away from northwest. So I really ask
25 you to look very, very carefully at that.

1 COMMISSIONER DEASON: Any questions?

2 MR. BURGESS: No.

3 COMMISSIONER DEASON: Thank you, ma'am.

4 Sir, if you'll come forward to the microphone.

5 MR. ARNOLD: My name is Wes Arnold. I live at

6 5409 --

7 COMMISSIONER DEASON: Sir, were you sworn earlier?

8 MR. ARNOLD: No, I wasn't. I'll tell the truth

9 though.

10 COMMISSIONER DEASON: Sir, I have no doubt that you
11 will, but I'm just doing my job.

12 (Witness sworn.)

13 COMMISSIONER DEASON: Please proceed.

14 WES ARNOLD

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. ARNOLD: I just have a couple of comments and a
19 couple of questions. The first question I have is, what is the
20 current rate of return for the company? And what is the
21 current allowable rate of return for the company?

22 COMMISSIONER DEASON: Sir, I don't have that right
23 now.

24 MR. ARNOLD: I was a little surprised that they did
25 not use that in their, you know, correspondence with their

1 customers to somewhat justify in our minds that they are really
2 entitled to a rate of return, you know. And the big question I
3 have is, why in the world did the Public Service Commission
4 even permit them to go 14 years without asking for a rate
5 increase?

6 COMMISSIONER DEASON: Well, sir, I can answer that.
7 We're not normally in the business of encouraging rate
8 increases. But I understand your point --

9 MR. ARNOLD: And there may be completely legitimate
10 reasons for it, but for people that have been in business, that
11 doesn't seem like a real way to run a ship, you know. And as
12 other people have, I really make a passionate appeal to you to
13 consider the number of folks that live on Amelia Island that
14 are 100 percent dependent upon Social Security income with a
15 2.1 increase. And most of these folks are -- you know, they're
16 getting maybe \$700, \$800 a month in Social Security, and this
17 type of increase is going to eat that up in a hurry. And I
18 realize that there are certain situations where they can get
19 help on their utilities and such, but a lot of people don't
20 want to have to go and ask for someone else to help them. They
21 try to pay their own bills. But I do ask that you really give
22 that consideration.

23 And, you know, the community may appear to be a
24 wealthy community, and there are an awful lot of wealthy people
25 here as you can see by the number of banks that we have, but

1 there are still a lot of service people, you know, that work at
2 the hotels that are retirees and are own fixed incomes. So I
3 ask that you do give that consideration. Thank you.

4 COMMISSIONER DEASON: Sir, I do have an answer to one
5 of your questions. I've been provided this information. It
6 indicates that Fernandina Beach has an authorized overall rate
7 of return of 9.01 percent.

8 MR. ARNOLD: I'll take it.

9 COMMISSIONER DEASON: I'll bet you would. I do not
10 have their earned rate of return. That will be a matter that
11 will be explored at the hearing. The company has the
12 obligation to put forward what they consider to be their earned
13 rate of return. But Mr. Burgess and some of his experts
14 probably will take issue with that, and maybe some of our staff
15 will take issue with that, and we will come out with a number
16 that we think that they are actually earning. And then we will
17 compare that to the authorized to see if there needs to be any
18 change in rates.

19 MR. ARNOLD: I would like to make one comment about
20 the service. I've lived here off and on most all of my life,
21 and as far as I'm concerned, the service is excellent. You
22 know, we have our outages. They respond to them, I think, as
23 quickly as anybody could expect them to, you know. So I think
24 that overall the service is really very, very good for a town
25 this size and for the community.

1 COMMISSIONER DEASON: Thank you, sir.

2 MR. ARNOLD: Thank you.

3 COMMISSIONER DEASON: Let me ask one more time. Is
4 there anyone else in the public who wishes to make a statement
5 or to reiterate or elaborate?

6 Sir, come forward. State your name for the record
7 again, please, and then you can proceed with your statement.

8 DAVID CRATER (Continued)

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

11 DIRECT STATEMENT

12 MR. CRATER: I don't want to take up a lot of your
13 folks' time, but David Crater, 2965 Bailey Road, Fernandina
14 Beach. I don't want to take up a lot of your time, but so many
15 people brought up so many interesting subjects I had a chance
16 to sit there and digest a little bit. And I'd like to ask a
17 couple of questions of one of you guys. I think it was you
18 that told us that the rate would increase from \$57.73 to
19 \$67.90; is that correct?

20 MR. LACACI: Yes.

21 MR. CRATER: Does that include fuel oil adjustment,
22 or is that just the rate that's going to be charged?

23 COMMISSIONER DEASON: Sir, well, let's do this. Ask
24 your questions in the microphone, and then we'll allow him to
25 come up to the microphone and answer.

1 MR. CRATER: I appreciate that. Anyway, I was
2 wondering whether this rate from \$57.73 to \$67.90 included the
3 fuel oil adjustment or whether that was just part of the -- or
4 that was the rate increase regardless of the fuel oil.

5 COMMISSIONER DEASON: Well, sir, when you see
6 there -- are you looking at the blue handout? Is that what you
7 have?

8 MR. CRATER: Right.

9 COMMISSIONER DEASON: Okay. When you see purchased
10 power amount and then the conservation amount, those are what
11 we usually refer to as the fuel costs. For a company that
12 generates their own electricity, they would be burning fuel.
13 This company doesn't generate. So what they purchase, in
14 essence, becomes their fuel adjustment allowance. So these
15 numbers would include fuel costs.

16 MR. CRATER: Okay. Good. In other words, if I get a
17 thousand kilowatt hours of power, I'm going to pay \$67.90 with
18 the proposed increase?

19 COMMISSIONER DEASON: That is what has been
20 requested. But I would caution you that there may be some
21 additional amounts on your bill if there are franchise fees or
22 things of that nature which would be added on to the bill.

23 MR. CRATER: Plus tax, et cetera, et cetera.

24 COMMISSIONER DEASON: Basically taxes would be added
25 on if they were applicable.

1 MR. CRATER: Okay. Another thing I'd like to comment
2 on is, I had reason to negotiate with FPU a few years ago, and
3 as I recall, their headquarters were in Palm Beach, Florida.
4 Is that still the case?

5 COMMISSIONER DEASON: Yes, sir, that's my
6 understanding. Their headquarters is still there.

7 MR. CRATER: They have no other interests other than
8 Fernandina and Marianna?

9 COMMISSIONER DEASON: No, sir. They have utility
10 interest in south Florida, but I think they're primarily
11 natural gas operations there. And I know at one point they had
12 some water operations, but these petitions that are filed in
13 front of us now deal strictly with their electric operations in
14 north Florida.

15 MR. CRATER: Well, I question why the necessity of
16 consolidating Marianna and Fernandina and not the rest of their
17 associated businesses.

18 COMMISSIONER DEASON: Okay.

19 MR. CRATER: One other thing. Is there any way --
20 has anyone made any comparisons to the -- like, I have a
21 daughter that lives off the island and gets her power from
22 Georgia Power. Can we compare our rates in any way possible to
23 compare our rates with off the island and on the island?

24 COMMISSIONER DEASON: Sir, I believe it's possible.
25 I think it's possible to get a Georgia Power rate and base it

1 on a thousand kilowatt hour amount to determine that. That's
2 the information that I don't have. It may be available on the
3 Internet. I think JEA at one time did some rate comparisons
4 within the state. Now, whether they did rate comparisons with
5 Georgia utilities, I'm not sure.

6 MR. CRATER: I mean, we're so closely associated with
7 just across the river, you know. This company, this electric
8 company over there is able to produce power for "X" number of
9 dollars, and I was just wondering how they would compare.

10 COMMISSIONER DEASON: I can tell you this, that the
11 rates as they compare with other Florida investor-owned
12 utilities, that the rates here are very attractive in
13 comparison.

14 MR. CRATER: Okay. That's good to know. What else
15 have I got here? Oh, yeah. There was references made to the
16 business costs, the decrease in business costs and some
17 reference made to the pulp mills getting the advantage of that.
18 I'm a retired electrician from -- well, we have always called
19 it container, but it's Jefferson Smurfit, the paper mill here
20 on the island. And we generate all our own power and, in fact,
21 feed power back to -- FPU buys power from us. And at one time
22 a few years ago, the main trunk line coming onto the island was
23 cut, and the mill supplied power to the island for several
24 hours while the repairs were made. So that's just a point of
25 information. It really has nothing do with setting the power.

1 Thank you.

2 COMMISSIONER DEASON: Thank you. Yes, sir. If you
3 could come forward. If you could state your name for the
4 record again, please.

5 PHILLIP SCANLAN

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 (Continued)

9 MR. SCANLAN: Phillip Scanlan, 1832 Village Court. A
10 follow-up question. On the blue sheet where it says,
11 "purchased power," you have a separate hearing to decide
12 whether that rate should go up or not?

13 COMMISSIONER DEASON: Yes, we do.

14 MR. SCANLAN: When do you do that?

15 COMMISSIONER DEASON: We do that in November of each
16 year.

17 MR. SCANLAN: Did you just do that? So it's next
18 November you'll decide that or --

19 COMMISSIONER DEASON: We just did that, and it would
20 be effective in January, the new rate.

21 MR. SCANLAN: And is this the January rate, this
22 \$37.45?

23 COMMISSIONER DEASON: I would anticipate not, but I
24 don't know that for a fact.

25 MR. SCANLAN: So there's another increase coming in

1 January?

2 COMMISSIONER DEASON: I don't know.

3 MR. SCANLAN: You don't know if there's another
4 increase coming in January?

5 COMMISSIONER DEASON: Sir, I don't know. Just
6 sitting here right now, I don't know.

7 MR. SCANLAN: I think there is. I mean, I read their
8 rate submittal that was in town to read, and it says there's
9 another rate increase coming in January on the fuel charge.
10 And I just think we ought to know that we're not only facing
11 the charges we have heard about tonight, but somebody really
12 isn't being fully honest with us and telling us, by the way,
13 there's another rate increase coming in January. That's the
14 way I feel.

15 COMMISSIONER DEASON: That's fine. And we'll try to
16 confirm whether that purchased power amount is the 2003 amount
17 or if that is the amount which will become effective in 2004.

18 Are there any other customers who wish to make a
19 statement? I think our staff may have some information to
20 address that. Is that information available?

21 MR. WHEELER: Yes. It's my understanding that --

22 COMMISSIONER DEASON: If you could identify yourself
23 for the record, please.

24 MR. WHEELER: My name is David Wheeler. I'm with the
25 Commission staff. The actual fuel rate for Fernandina Beach in

1 January will be going down actually. The current fuel
2 adjustment amount on a thousand kilowatt hour bill is \$37.45;
3 that will be going down to \$29.68 in January. The company, you
4 don't have that? I'm pretty sure that's correct. I picked
5 those numbers up before I --

6 COMMISSIONER DEASON: Mr. Scanlan, I will commit to
7 you that our staff will communicate with you and give you that
8 number so that you will have that.

9 MR. SCANLAN: It's a nice number. I'll take that
10 one.

11 COMMISSIONER DEASON: You'll take that one. Okay.
12 Any other witnesses at this point? Now, what I'm going to do
13 at this time, if we've concluded customer testimony, I'm going
14 to allow the company representative to come forward and to
15 attempt to answer questions that have been raised during the
16 course of the customer testimony. That's acceptable to you,
17 Mr. Burgess?

18 MR. BURGESS: Yes, that's fine.

19 COMMISSIONER DEASON: Okay. Mr. Horton, that's all
20 right with you?

21 MR. HORTON: Yes, sir.

22 COMMISSIONER DEASON: Come forward. Identify
23 yourself for the record again and attempt to answer the
24 questions to the best of your ability.

25 MR. LACACI: My name is Mario Lacaci and I live at

1 3105 First Avenue, Fernandina Beach. And Mr. Stone had raised
2 the question and you answered it, Commissioner, about the
3 five-tenths of a mil which is a component of the energy
4 conservation charge.

5 COMMISSIONER DEASON: So that's the difference in --

6 MR. LACACI: Yes.

7 COMMISSIONER DEASON: -- what was printed -- what
8 shows up as the energy charge on the bill and what was printed
9 in the handout --

10 MR. LACACI: That's correct.

11 COMMISSIONER DEASON: -- in the letter that was sent
12 to customers. Okay. Is there any other questions you need to
13 address?

14 MR. LACACI: No.

15 COMMISSIONER DEASON: I will -- if customers have any
16 questions that you want answered before you leave tonight,
17 while we have the company representative here, I will entertain
18 those if you wish to do so. Apparently not.

19 I would encourage you to take advantage -- I'm sorry,
20 sir. You had a question? Come to the microphone and ask it,
21 please.

22 WES ARNOLD

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 (Continued)

1 MR. ARNOLD: Wes Arnold, 5409 Florence Point Drive,
2 Fernandina. The conservation charge, is that an audited
3 number?

4 COMMISSIONER DEASON: Yes. Yes, that is an audited
5 number.

6 MR. ARNOLD: Is that set by the Commission, or is
7 that set by the company?

8 COMMISSIONER DEASON: It is set by the Commission.

9 MR. ARNOLD: The company collects that?

10 COMMISSIONER DEASON: To company collects that to
11 reimburse them for their conservation expenses.

12 MR. ARNOLD: Okay. But it is an audited number.

13 COMMISSIONER DEASON: Yes, sir, that number is
14 audited.

15 MR. ARNOLD: Okay. Thank you.

16 COMMISSIONER DEASON: Okay. As I was about to
17 indicate, I would encourage you, as this case goes forward, if
18 you have any additional questions or wish to provide any
19 additional comments, please take advantage of the means that
20 we've provided to communicate with us. We have an 800-number.
21 You can also e-mail us. You can get additional information on
22 our Web site. These are useful tools. And I would encourage
23 you to utilize those.

24 Mr. Horton, do you have anything else at this time?

25 MR. HORTON: No, sir.

1 COMMISSIONER DEASON: Mr. Burgess?

2 MR. BURGESS: No.

3 COMMISSIONER DEASON: Staff? Commissioners? Just
4 let me take this opportunity to thank everyone for coming out.
5 This has been extremely informative. You're very well prepared
6 witnesses and we appreciate that. And it's been useful
7 information. And we hope that we've been able to provide you
8 some information as well. Thank you. This hearing is
9 adjourned.

10 (Service Hearing concluded at 7:35 p.m.)

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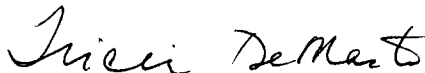
1 STATE OF FLORIDA)
2 : CERTIFICATE OF REPORTER
3 COUNTY OF LEON)

4
5 I, TRICIA DeMARTE, RPR, Official Commission Reporter, do
6 hereby certify that the foregoing proceeding was heard at the
7 time and 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 8th DAY OF DECEMBER, 2003.

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