

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 041291-EI

In the Matter of:

PETITION FOR AUTHORITY TO RECOVER  
PRUDENTLY INCURRED STORM RESTORATION  
COSTS RELATED TO 2004 STORM SEASON  
THAT EXCEED STORM RESERVE BALANCE,  
BY FLORIDA POWER & LIGHT COMPANY.



PROCEEDINGS: PORT CHARLOTTE SERVICE HEARING

BEFORE: CHAIRMAN BRAULIO L. BAEZ  
COMMISSIONER J. TERRY DEASON  
COMMISSIONER RUDOLPH "RUDY" BRADLEY  
COMMISSIONER CHARLES M. DAVIDSON  
COMMISSIONER LISA POLAK EDGAR

DATE: April 6, 2005

TIME: Commenced at 6:00 p.m.  
Concluded at 7:20 p.m.

PLACE: Charlotte County Commissioners Chambers  
Room 119  
18500 Murdock Circle  
Port Charlotte, Florida

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12 32399-0850, appearing on behalf of the Florida Public Service  
13 Commission Staff.

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(No exhibits identified.)

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

1  
2 CHAIRMAN BAEZ: Good evening. Call this service  
3 hearing to order. Welcome to all of you that took the time to  
4 come out. My name is Braulio Baez. I have the honor and  
5 privilege of serving as Chairman of the Public Service  
6 Commission. With me are three of the other four members of the  
7 Public Service Commission. To my left, Commissioner Rudy  
8 Bradley. To my right, Commissioner Terry Deason and  
9 Commissioner Charles Davidson.

10 We want to thank you all for coming out again. We  
11 are having these service hearings -- I believe this is the  
12 first the Public Service Commission has actually had a service  
13 hearing in Port Charlotte. Although, my friend, Commissioner  
14 Deason, might correct me, because his hearing time goes back a  
15 little longer. I believe this is the first time, and we are  
16 very glad to be here.

17 And this is the second, I think, in a series of  
18 service hearings that we will be holding concerning Florida  
19 Power and Light's petition for recovery of storm costs. It is  
20 one of those precious opportunities that we have as  
21 Commissioners to come out and hear comments from the public at  
22 large, and especially in a case like this. We have taken the  
23 opportunity and have been fortunate enough to actually get out  
24 into what is either at or close to ground zero of several of  
25 the hurricanes. And so, we are very fortunate to be able to

1 come out here and hear from you all.

2 We're going to get started by having counsel read the  
3 notice, and then I will go and describe what the process is  
4 going to be for the next hour or so, while we are hearing your  
5 input.

6 So, Mr. Keating, will you go ahead and read the  
7 notice, please?

8 MR. KEATING: Pursuant to notice, this time and place  
9 has been set for a customer service hearing in Docket Number  
10 041291-EI, Florida Power and Light Company's petition for  
11 authority to recover prudently incurred storm restoration costs  
12 related to the 2004 storm season that exceed the storm reserve  
13 balance.

14 CHAIRMAN BAEZ: Thank you, Mr. Keating.

15 As I mentioned before, this is part of our hearing  
16 process. By that I mean that those of you that are signed up  
17 to give testimony before the Commission are going to be sworn  
18 as witnesses, so you will be coming up to the podium and making  
19 your comments known to us. Having said that, those of you that  
20 are here that don't wish to address us publicly also do have an  
21 opportunity.

22 Some of our PSC staffers are outside. As you were  
23 walking in you may have noticed a table that had different kind  
24 of literature and so on. And it is, in fact, where you should  
25 have gone to sign up if you wanted to speak to us today. They

1 have, I believe it is a green special report it's called, and  
2 that has a space in the back. As well as summarizing the case  
3 for you all, it gives you some important information for you  
4 all. It gives you an opportunity to enter your comments in  
5 writing, and you can submit them to the Commission and they  
6 will be entered into the correspondence side of the file for us  
7 to be able to read.

8 You can also access the PSC website on the Internet  
9 and provide your comments in writing that way. You can also  
10 fax them to our offices as well. So there are several other  
11 ways that you can communicate with the Commission whatever your  
12 thoughts and feelings may be on the case at hand.

13 The way we are going to start the hearing, first we  
14 are going to have a series of brief presentations. There are  
15 official parties to this case. Staff is going to start off  
16 with a brief presentation. They're going to describe a little  
17 bit about what the future process is and what kind of  
18 information, what kind of comments we are trying to solicit to  
19 help us with our consideration of the issue.

20 Next we are also going to have a brief presentation  
21 by the company who has petitioned the Commission for this  
22 action. And next after that Public Counsel is going to give  
23 some brief remarks as well, I imagine. And after that then we  
24 will go ahead and swear the witnesses and take the public  
25 testimony. So if you will just bear with us, with these brief

1 presentations, we are going to get to what we came here for as  
2 soon as possible.

3           With that, Mr. Keating, go ahead and start your  
4 presentation.

5           MR. KEATING: Thank you, Chairman.

6           Good evening. My name is Cochran Keating. I'm a  
7 senior attorney with the Florida Public Service Commission. As  
8 you all know, we are here today to hear from FPL's customers  
9 concerning the company's request with regard to the storm  
10 restoration costs in excess of its storm reserve balance.

11           Some of you may be asking what the storm reserve is.  
12 Each of the large investor-owned electric utilities in Florida,  
13 including FPL, are required to set aside a certain amount of  
14 their revenues each year to cover the cost of storm damage.  
15 Currently FPL is accruing \$20.3 million per year to its storm  
16 reserve. After Hurricane Andrew in 1992, traditional insurance  
17 for transmission and distribution facilities became  
18 unaffordable and no longer provided adequate coverage. Thus,  
19 in 1993, the Commission approved the use of storm reserves to  
20 provide what is referred to as a self-insurance mechanism. In  
21 the event the utility's storm damage cost exceeded the amount  
22 in the reserve, the utility may ask for relief from the  
23 Commission. And that brings us to why we are here today.

24           Florida Power and Light has asked the Public Service  
25 Commission to approve a surcharge that would allow it to



1 recover storm damage costs related to the 2004 hurricane  
2 season. Particularly, the purpose of the surcharge is to  
3 recovery those costs in excess of the amount that was set aside  
4 in FPL's storm reserve.

5 Florida Power and Light has asked to recover  
6 approximately \$533 million through its proposed surcharge. In  
7 this slide you can see how FPL calculated that number. The top  
8 line is the estimated cost, or the estimated damages, from the  
9 storms for 2004. From that FPL subtracted insurance related to  
10 its power plants, and then has subtracted the amount that was  
11 in the storm reserve going into the storm season and, finally,  
12 they subtracted the amount related to the facilities not  
13 involved in retail service.

14 In January, the Commission authorized FPL to begin  
15 applying its proposed surcharge on a preliminary basis, meaning  
16 that the amount collected through the surcharge is subject to  
17 refund pending the Commission's final decision in this docket.  
18 The surcharge resulted in an increase of \$2.09 in the monthly  
19 bill for a residential customer using a thousand kilowatt hours  
20 per month. If you use less than a thousand kilowatt hours,  
21 that number will be higher -- I'm sorry -- it will be lower.  
22 If you use more, that number will be higher. FPL proposes that  
23 the surcharge remain in effect for a two-year period.

24 Briefly, I would like to talk about the Commission  
25 hearing process for this proceeding. As the slide points out,

1 he process started with FPL filing its petition. And after  
2 he petition was filed the Commission staff and the parties in  
3 he case began a fact-finding process referred to as discovery,  
4 and that process is still going on. Service hearings like this  
5 one have been scheduled. And, finally, there will be a  
6 technical hearing in Tallahassee that begins on April 20th.

7 The purpose of the service hearing today is to hear  
8 from the customers of Florida Power and Light Company. The  
9 Commission is interested in your testimony concerning the  
10 company's request and the company's efforts to restore electric  
11 service after each hurricane that it experienced. The company  
12 and the intervenors will have an opportunity to present their  
13 case through the evidence and testimony taken at the technical  
14 hearing in Tallahassee. Because this is a hearing much like a  
15 court proceeding, you will be asked to be sworn in as a  
16 witness, as the Chairman indicated, if you wish to testify, so  
17 that your comments can be used in this proceeding.

18 Briefly with respect to the technical hearing that  
19 begins April 20th, at the technical hearing the parties will  
20 put forth witnesses and cross-examine other parties' witnesses.  
21 Once that hearing is completed, the parties will be responsible  
22 for filing legal briefs, which are a summary of the evidence as  
23 they see it and how they believe the Commission, based on that  
24 evidence, should decide the case.

25 After the hearing and after the legal briefs have

1 been filed, the Commission staff will prepare and present a  
2 recommendation to the Commissioners based on the evidence  
3 presented. The Commission will consider the recommendation of  
4 the public meeting, and then make a final vote.

5           Also I wanted to mention a few hurricane-related  
6 activities that have recently taken place and are taking place  
7 at the Commission. The first deals with underground power  
8 lines. The Commission recently conducted a study of what it  
9 would cost Florida utilities to move overhead facilities under  
10 ground. And the result of that study were provided to the  
11 Legislature at the beginning of this year's session beginning  
12 in March.

13           The second area involves tree trimming. The  
14 Commission routinely monitors the tree-trimming practices of  
15 electric utilities, and each utility is required to file what  
16 is called an annual distribution and reliability report. The  
17 report provides statistics concerning outages and the causes,  
18 discusses vegetation management, and it also discusses customer  
19 complaints concerning outages.

20           In addition to reviewing these annual reports, the  
21 Commission has initiated a quality-of-service audit for all  
22 investor-owned utilities in Florida. This audit is designed to  
23 take a comprehensive look at current utility management  
24 practices affecting quality of service and reliability.

25           Finally, as some of you may know, Florida Power and

1 light recently filed an application for a general rate  
2 increase. This service hearing today, however, is related only  
3 to Florida Power and Light's request to recover storm damage  
4 costs. The Commission will schedule separate service hearings  
5 to address Florida Power and Light's request for a general rate  
6 increase.

7 Chairman Baez, that concludes staff's presentation.

8 CHAIRMAN BAEZ: Thank you, Mr. Keating.

9 Mr. Hoffman. You guys can just enter your  
10 appearances as you come up.

11 MR. HOFFMAN: Thank you, Mr. Chairman. Good evening,  
12 Chairman and Commissioners. I would like to enter an  
13 appearance for myself, Kenneth Hoffman, along with Patrick  
14 Brian. We are here today as attorneys on behalf of Florida  
15 Power and Light Company.

16 Chairman, I want to first emphasize that the company  
17 has made available tonight on-line terminals that we have  
18 outside of the room. We have these facilities available  
19 specifically for our customers who are here this evening, so  
20 that we can help answer specific questions that they may have  
21 in connection with their specific account, with their service,  
22 or perhaps with the restoration activities that the company  
23 conducted that affect them specifically. So we have those  
24 on-line facilities available outside of the hearing room.

25 I also want to mention that the company also has with

1 as this evening Ms. Marlene Santos (phonetic), who is our vice  
2 president of customer service. She is here. She is available  
3 to talk with our customers and introduce them to the  
4 appropriate FPL employee who is available to answer any  
5 specific question that they may have.

6 Obviously, Commissioners, if you have any questions  
7 or if the customers have any questions that we are not able to  
8 answer this evening, we will certainly assist each customer  
9 with their concerns within 24 hours of this hearing. And any  
10 information that we are able to gain we will, of course,  
11 provide to the Commission as well as to our customers.

12 So with that, Commissioner, I would like to introduce  
13 Geisha Williams, who is FPL's Vice-President for Distribution.  
14 She is here this evening to provide the presentation on behalf  
15 of FPL.

16 Geisha.

17 MS. WILLIAMS: We are going to try it from up here so  
18 that I can face all of you.

19 Mr. Chairman, members of the Commission, PSC staff,  
20 ladies and gentlemen, good evening. My name is Geisha  
21 Williams. I am Vice-President of Distribution for Florida  
22 Power and Light Company. I'm responsible for the  
23 infrastructure that delivers electricity to the homes and  
24 businesses in our service territory. One of my key  
25 responsibilities is the restoration of power after hurricanes,

1 so that's why I am up here talking to you all today.

2 I want to thank the Public Service Commission for  
3 allowing us to speak to you about our storm response during  
4 this unprecedented 2004 storm season that we had. I especially  
5 want to thank all of you for being here, our public officials,  
6 our customers and any members of the Emergency Operations  
7 Centers that could be in attendance. At each of these hearings  
8 we are grateful for our customers's input, because it is an  
9 important part of our learning process. At FPL we have a  
10 culture of continuous improvement, and your feedback is an  
11 important part in us getting better.

12 Today I'm going to cover three basic areas. First,  
13 our commitment to reliability; second, our unprecedented  
14 restoration efforts; and, third, how we are preparing for the  
15 future, because we know there will be a next time. And we also  
16 know that we can do even better for the people that we serve.

17 FPL is committed to a strong and reliable power  
18 delivery system, because we know how important reliability is  
19 to our customers, to their families and the communities at  
20 large. We are so committed that over the last several years we  
21 have invested approximately \$4 billion in our generation,  
22 transmission, and distribution facilities for the sole purpose  
23 of enhancing service reliability.

24 Last year four major storms hit Florida, and three of  
25 them hit directly in our service territory. Nothing like that

1 has happened in the last 100 years in America. Now, even  
2 though mother nature can be unpredictable, it is our  
3 responsibility to be prepared for disaster in every way,  
4 operationally, financially, and technologically. We put a lot  
5 of time and energy in this effort, because as a matter of  
6 principle getting power back to our customers as quickly as  
7 possible as safely as possible is our top priority. And to  
8 that end our storm preparation begins long before storm season  
9 actually begins. Our employees have two jobs, their normal  
10 jobs and their storm job, and they practice the storm job every  
11 year.

12 In last year's unprecedented storm season, FPL  
13 mobilized more field crews over a more concentrated time frame  
14 than any company in the history of electrification. We had as  
15 many as 17,000 workers from 39 states and Canada all working to  
16 restore power for our customers, an effort of national and  
17 international teamwork not seen in this country since the  
18 tragedies of 9/11. We created a small army with one purpose in  
19 mind, and that was to get the lights back on as quickly as  
20 possible.

21 We had a lot of damage. We had thousands of downed  
22 poles, hundreds of miles of downed conductors. We literally  
23 had half a million splices or connections that had to be made  
24 with our overhead wires. And some of these repairs were  
25 actually completed in very difficult conditions. Some of them

1 in water that was waist deep.

2 Through it all, you know, our focus never wavered.  
3 Even when our own families were impacted, our focus was on our  
4 customers. Last year our employees, even those whose homes  
5 were damaged or even in some cases their homes were destroyed,  
6 our employees came to work for the sole purpose of restoring  
7 power to our customers. Our goal has always been to get the  
8 lights back on as quickly as possible. We know how important  
9 that is in getting the communities back to a level of normalcy.

10 Now, speed does come with a price. Nearly 80 percent  
11 of the cost of the restoration process is labor or labor  
12 related. Our 17,000 workforce, our workers, they had to be  
13 paid. Our crews worked 16 hours a day every day during the  
14 restoration process. Our crews, our people, had to be fed, so  
15 we fed them. Thirty-eight thousand meals a day, every day; and  
16 we delivered 20,000 gallons of water every day. Our workers  
17 needed hotel rooms, even though many of them had to sleep in  
18 their own cars and trucks or tents in the early going of the  
19 restoration effort. It was a huge commitment of resources and  
20 manpower costing millions and millions of dollars. But it was  
21 worth it.

22 First, for all three storms, 75 percent of our  
23 customers' service was restored within 72 hours. Ninety  
24 percent of our customers had their lights back on within five  
25 days.



1           An issue that was brought to light during last year's  
2 hurricanes is how do we go about restoring power. In essence,  
3 how do we deal with the essential customers and the essential  
4 functions of our various communities. Hospitals, police and  
5 fire, and other emergency facilities that are critical to the  
6 community's public health and safety, they get our top  
7 priority. But our process is flexible, and we are responsive  
8 to the changing needs of our communities.

9           For example, many of the communities we serve have  
10 large elderly populations, so we are working very closely with  
11 our Emergency Operations Centers of the different counties that  
12 we serve to ensure that we are in alignment in terms of  
13 restoration priority. We are also helping the customers,  
14 including nursing homes, be more prepared during this coming  
15 hurricane season.

16           In addition to planning for today, we have a  
17 responsibility to plan for the future. That's why we  
18 established the storm reserve fund that was discussed briefly a  
19 little while ago many, many years ago. Had Charley been the  
20 only storm we had last year, the storm reserve fund would have  
21 paid for the storm, the storm expense exactly as it was  
22 designed to do. But with three storms hitting us back, to  
23 back, to back in such a short period of time, frankly, it  
24 amounted to a billion -- almost a billion dollars. It used up  
25 our reserve fund and left us with a deficit of \$533 million.

1           We are seeking the recovery of the direct costs of  
2 just restoration. And, of course, in Charlotte County and in  
3 the area surrounding Charlotte County, it just wasn't  
4 restoration, it was rebuilding. At a temporary charge, roughly  
5 8 cents a day per household, we think that is a fair request.

6           Meanwhile, here we are two months away from the  
7 hurricane season of 2005, and we are getting ready. We have  
8 already begun, as a matter of fact, our preplanning process.  
9 And let me be specific. First, we are continuing to upgrade  
10 the logistics and support structures to ensure that we continue  
11 to provide rapid restoration. We are checking inventories of  
12 supplies, securing arrangements and contracts for food,  
13 transportation, and lodging.

14           Second, we are enhancing our communications systems,  
15 our computers, our telecommunication, our satellite systems,  
16 all aimed to improve our ability to communicate during  
17 disasters.

18           Third, we are expanding and examining our mutual aid  
19 commitment, if you will, with other utilities.

20           Fourth, we are continuing to collaborate with the  
21 Emergency Operations Centers to ensure that our restoration  
22 priorities are aligned.

23           And, fifth, and perhaps most important of all, we are  
24 continuing to enhance our efforts to provide more timely  
25 information and more of it to our customers, so that they can

1 find it in cases of a disaster.

2           Finally, we will begin very soon our last stage in  
3 preparing for our annual mock hurricane drill, what we call a  
4 dry run. We have been providing this process for decades, and  
5 every year we get better and better at it. All of this  
6 pre-storm planning is essential for us to be able to restore  
7 power to our customers quickly and to be able to provide  
8 information to our customers timely.

9           In closing, I would like to applaud the performance  
10 of our local governments and our Emergency Operations Centers  
11 during last year's storms. I think that it is never easy to be  
12 in the front lines during a disaster, and they performed in an  
13 exemplary manner in what were absolutely difficult conditions.

14           We all wish that hurricanes wouldn't come. But this  
15 is Florida, and it is beyond our ability to stop them. Our job  
16 is to respond quickly and safely to restore power to our  
17 customers in the least amount of time. We will make the  
18 necessary investments. We will apply the state of the art  
19 technology and continue to build on what we have already  
20 learned. And most importantly, we will continue to listen to  
21 the community and to learn what it expects from us. We will  
22 always strive to do more and to do it better, because we know  
23 that you are counting on us. And by working together with our  
24 communities, we know that Florida will have an even stronger  
25 future.

1 Thank you.

2 CHAIRMAN BAEZ: Thank you, Ms. Williams.

3 Mr. McGlothlin.

4 MR. MCGLOTHLIN: Chairman Baez, Commissioners, ladies  
5 and gentlemen, my name is Joe McGlothlin. I'm with the Office  
6 of Public Counsel. Please enter an appearance, also, for  
7 Harold McLean, Public Counsel, who is also present with us.

8 The Florida Legislature created the Office of Public  
9 Counsel to participate in proceedings before the Florida Public  
10 Service Commission on behalf of the utilities' customers. Our  
11 office has intervened in this docket and will present testimony  
12 during what has been described as the technical hearing, and  
13 what I will call the dollars and cents phase of this case later  
14 this month.

15 My purpose today is to spend a few minutes previewing  
16 for you the positions we intend to support during the technical  
17 phase of the hearing. From our point of view, the issue in  
18 this case, again referring to the dollars and cents aspect, is  
19 not whether FPL will be permitted to recover the reasonable  
20 costs it incurred in restoring service following the  
21 hurricanes. The issue, instead, is whether and to what extent  
22 FPL needs to increase its rates for that purpose. FPL has  
23 submitted a petition in which it asks for permission to collect  
24 \$533 million through a surcharge in customers' bills. We  
25 intend to support the position that at most the Commission

1 should permit FPL to collect \$225 million. The difference in  
2 these amounts is explained by two fundamental disagreements  
3 between FPL's approach and Public Counsel, who I will refer to  
4 as OPC.

5 First, OPC contends that the storm damage reserve  
6 that has been described here earlier should be restricted to  
7 the incremental and extraordinary expenses above and beyond  
8 what the utility would have incurred had there been no storms.

9 On the other hand, FPL contends that if it incurred a  
10 cost in the course of restoring service that cost should be  
11 charged to the storm reserve. FPL maintains that it should not  
12 be required to exclude or filter out from that overall sum the  
13 normal level of expenses that it would incur in any event.

14 This difference in approach applies to both operation  
15 and maintenance expense, such as payroll, and capital items  
16 such as poles, conductors, and other plant items. With respect  
17 to O&M, take the example of payroll, FPL would charge both the  
18 base payroll and overtime to the storm damage reserve. We  
19 contend that with respect to the base pay, that is already  
20 covered by the utility's base rates, and to charge that amount  
21 to the storm reserve and roll it into the surcharge would  
22 require customers to pay twice.

23 Similarly, whenever FPL replaced plant items, such as  
24 the poles and the conductors, it charged the full amount of  
25 that cost to the storm damage reserve. We agree that any

1 extraordinary costs associated with the poles made necessary by  
2 the premium paid for plant during the storm conditions or by  
3 the higher cost of labor is appropriately charged to the storm  
4 damage reserve. But we believe that the normal cost of  
5 replacement should be put into the company's rate base  
6 investment and collected not over two or three years through  
7 the storm surcharge as the company proposes, but over the 20 or  
8 30 years that it normally collects such investment costs  
9 through base rates.

10           The second area of fundamental disagreement is this:  
11 And this is one that matters more in terms of the dollars and  
12 cents involved. We contend that the Commission should take  
13 into account FPL's profitability when deciding how much of the  
14 storm cost it should require the customers to pay. We believe  
15 the applicable principles should be not to collect 100 percent  
16 of storm-related costs in the form of a surcharge and  
17 dollar-for-dollar indemnification type of approach, but to  
18 allow FPL to collect enough money from customers to ensure that  
19 the storms do not prevent FPL from earning a reasonable return  
20 on its investment.

21           To require customers to pay 100 percent of the  
22 storm-related costs, as FPL is trying to do, would  
23 inappropriately place all the 100 percent of the risk of the  
24 storm on the customers. It would, also, at the same time,  
25 insulate the company's investors from the investment risk they

1 are paid to accept.

2           Deciding between those principles does matter  
3 significantly in this case. To the extent the utility already  
4 has healthy earnings and can afford to absorb some of the costs  
5 through earnings and still maintain a reasonable rate of  
6 return, that would amount to a reduction in the portion of the  
7 overall costs that the customers are called upon to bear.

8           We used, as a criterion, a ten percent return on  
9 equity. That stems from two sources. First, it is consistent  
10 with a stipulation that FPL signed at the conclusion of a rate  
11 case in 2002. Secondly, we will present expert testimony  
12 during the April 20th hearing from an analyst who supports ten  
13 percent as a reasonable return under current economic  
14 conditions.

15           Applying this sharing principle that I have described  
16 alone would reduce the amount to be collected from customers by  
17 approximately \$270 million.

18           Before I conclude, I want to mention one recent  
19 development that we think may bear on this overall situation.  
20 Earlier I said that at most the Commission should allow FPL to  
21 collect approximately \$225 million from customers through a  
22 surcharge. This recent development suggests that there is  
23 available an alternative course that could obviate the need for  
24 some or even all of this surcharge. FPL recently filed a new  
25 depreciation study in which FPL concluded that it has collected

1 more than a billion dollars that it needs currently to be on  
2 course to collect -- recoup its investment in plant through  
3 depreciation expense. Our office has filed a motion to  
4 consolidate this new depreciation case with both the storm  
5 damage docket and the company's rate case filing, so that the  
6 possibility of using those excess depreciation reserves to  
7 offset the need for a storm damage surcharge can be evaluated.

8           If our recommendations are accepted and approved,  
9 this would not mean that FPL would not recover all of its  
10 reasonable and prudent costs associated with the storm  
11 restoration activities. It means, instead, that it would  
12 recover a portion by absorbing these costs in earnings and/or  
13 in excess reserves, instead of tacking 100 percent of those  
14 costs onto customers' bills through a surcharge. At the end of  
15 the day, FPL will recover its full costs and still earn a  
16 reasonable return on its investment.

17           Those are all of my remarks. Thank you, Mr.  
18 Chairman.

19           CHAIRMAN BAEZ: Thank you, Mr. McGlothlin.

20           That concludes the presentations that we have  
21 scheduled to have. And at this point we will go ahead and  
22 swear in those of you who have signed up to give testimony  
23 before the Commission. So if you have signed up and wish to  
24 give testimony before the Commission, go ahead and stand up and  
25 raise your right hand, please.



1 (Witnesses sworn.)

2 CHAIRMAN BAEZ: Thank you all.

3 First we have Vice Mayor, Lawrence Friedman.

4 Welcome, sir.

5 LAWRENCE FRIEDMAN

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

7 testified as follows:

8 DIRECT STATEMENT

9 WITNESS FRIEDMAN: Mr. Chairman, Commissioners, thank  
10 you for the opportunity to be heard. My name is Larry  
11 Friedman. I'm the Vice Mayor of the City of Punta Gorda, and  
12 we are happy to have the opportunity to personally on behalf of  
13 the city of Punta Gorda, to relay our experience with Florida  
14 Power and Light as a result of Hurricane Charley.

15 On August 13th, Hurricane Charley passed right over  
16 the City of Punta Gorda, the city of approximately 17,000  
17 folks. The impact was devastating. We had recorded winds on a  
18 steady basis of 143 miles an hour. We had gusts in excess of  
19 170 miles per hour. More than 90 percent of the homes in the  
20 City of Punta Gorda suffered significant damage. More than 50  
21 percent of the businesses are still not back in operation. One  
22 of the few bright spots, and there were more than a few, but  
23 one of the early bright spots was the performance on the part  
24 of Florida Power and Light Company.

25 In my earlier working life I was an officer for one

1 the largest telephone companies up north, and as such, I  
2 supervised groups that were responsible for the outside plant  
3 facility and had been through hurricanes and ice storms and the  
4 like, nothing close to what I witnessed here this past August.

5           After several days we were told that the power would  
6 be back to everyone within the city within three weeks. I told  
7 my friends and neighbors, no way will that happen. It will be  
8 four or five weeks, perhaps even more. In retrospect, I'm  
9 delighted to report that my personal service was returned in  
10 nine days. And within two weeks, not the three promised,  
11 virtually 100 percent of the residences in Punta Gorda that  
12 still existed and were still standing had their power returned.  
13 It was nothing short of remarkable, and this is from someone  
14 that has some experience in that regard.

15           This morning the city council convened at its  
16 semi-monthly meeting in Punta Gorda, and I reported that I  
17 would be speaking before you this evening to ensure that my  
18 sentiments reflect that of the entire city council. And I can  
19 report to you that my four cohorts on the Council shared my  
20 respect for the most unusual and superb response that we  
21 enjoyed as a result of Florida Power and Light Company.

22           So thank you for this opportunity.

23           CHAIRMAN BAEZ: Questions for the Vice Mayor?

24           Thank you, sir, for coming out.

25           Excuse me. Next we have Mr. Michael Riley.

1 MICHAEL RILEY

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

4 DIRECT STATEMENT

5 WITNESS RILEY: Mr. Chairman, Commissioners, I'm Mike  
6 Riley. I'm the district spokesperson for Charlotte County  
7 Public Schools. Our superintendent, Dr. David Gaylor  
8 (phonetic), has asked me to come here and speak on behalf of  
9 him, our school board, our staff and our 18,000 students.

10 We were just overwhelmed by what happened, as  
11 Mr. Friedman said. And before you could bat an eye, Florida  
12 Power and Light was all over the place. I think all 17,000  
13 employees were right here in Charlotte County. We worked  
14 hand-in-hand at the Emergency Operations Center, which I shared  
15 part of the duties there with our district security person, and  
16 they had a team set up there. And not only the management,  
17 from wherever their top level management came at that center,  
18 to the men and women in the field, it was unbelievable. They  
19 had a plan, yet they were flexible enough when a situation  
20 would come up that they could react to it, whether it be an  
21 emergency or something was needed at the time.

22 As I said, we worked hand-in-hand. We lost eight  
23 schools out of 20 schools to this storm. Permanently we lost  
24 six. But within two weeks we had all 18,000 kids back in  
25 school. We were in double sessions. But it didn't matter if

1 it was a Sunday, it didn't matter if it was in the middle of  
2 the night, we were in constant contact with Florida Power and  
3 Light and people at the Emergency Operations Center. And they  
4 did everything they could in every way to help the students and  
5 people of Charlotte County to get back on their feet.

6           Personally, in my own situation, I witnessed some  
7 gentlemen working with a lady that lives across the street. A  
8 day or two after the storm, a power line had fallen across her  
9 house. One of the gentlemen, probably four blocks, he  
10 immediately stopped what he was doing and got in his truck,  
11 went to the lady's house and repaired the situation.

12           But speaking again for Charlotte County Public  
13 Schools, we also, on April 14th, we nominated Florida Power and  
14 Light Company as our Commissioner of Education Business Partner  
15 of the Year. They had that big of an impact. And they played  
16 a major role in us getting our children back in school and  
17 learning within two weeks. And we just salute everything that  
18 they have done.

19           Thank you very much.

20           CHAIRMAN BAEZ: Questions of Mr. Riley?

21           Thank you, sir.

22           Next I have Mr. Wayne Sallade.

23                           WAYNE SALLADE

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

## DIRECT TESTIMONY

1  
2 WITNESS SALLADE: Thank you, Mr. Chairman,  
3 Commissioners. I am the director of emergency management for  
4 Charlotte County, having served in that capacity for nearly 18  
5 years. It is my responsibility to oversee the preparedness of  
6 the entire community and, of course, the initial response to an  
7 event such as Hurricane Charley, something that none of us had  
8 ever experienced before in this particular area.

9 In order to do that, you have got to have team work.  
10 You have got to have team work among the public, private, you  
11 have got to have the community buy in, everybody has got to be  
12 an equal partner. Florida Power and Light is a good team  
13 member. They were here immediately after the storm, began  
14 mapping out a plan for what we would have to do over the days  
15 and weeks ahead. Each day we had briefings at 7:00 a.m. and  
16 7:00 p.m. At those briefings they gave full, concise reports  
17 as to the progress that they had been making in terms of  
18 restoration. They were with us 24 hours a day for several  
19 weeks, immediately following hurricane Charley.

20 I can't recall a time that I looked up at the  
21 utility's table in the Emergency Operations Center and did not  
22 see, not only one, but as many as three representatives of FPL  
23 there at any given time. They were available at any time to  
24 discuss the flexibility issues as well, the need to possibly  
25 move one facility from maybe a lesser restoration priority to a

1 higher priority, if the need was demonstrated, if we had that  
2 need.

3 We had to do a lot of moving around of people from  
4 shelter to shelter site because of the four storms that  
5 affected this state. Although we were not directly affected,  
6 we were on the fringe of Frances and Jeanne. We had to take  
7 extraordinary measures in advance of Ivan, because there was a  
8 period of time in which we thought Ivan was coming up the west  
9 coast of Florida. So because of the damage we had already  
10 incurred, we had to take some extreme measures, maybe a little  
11 bit earlier than I might have otherwise. And Florida Power and  
12 Light, again, was very flexible, very much on board with us in  
13 the changes and the movement we had to make of people from one  
14 site to another and helping us in getting power restored  
15 quickly.

16 I echo what Councilman Friedman said to you about the  
17 14 days was one of the most extraordinary things I have ever  
18 personally witnessed. I served in this capacity during  
19 Hurricane Andrew. I made several tours of the south Dade  
20 County area. I know what the restoration problems were there.  
21 I know what the duration was. And when I looked at them on  
22 August 27th, 14 days after that hurricane, and they reported at  
23 about 4:00 o'clock in the afternoon that they had restored 100  
24 percent of those that were able to receive power, I was  
25 flabbergasted. I didn't think that was even remotely possible.

1 t was a great success story. We are very proud to call them  
2 members of our team.

3 To show you how far they go and how much we are on  
4 board with them as teammates, about two weeks ago, two or three  
5 weeks ago we spent a good part of the afternoon with the team  
6 of Florida Power and Light Company, sitting down and looking at  
7 our priority issues, looking at the season ahead, and mapping  
8 out our plans so we would know what we are going to do should  
9 we face this again.

10 So, again, I appreciate the opportunity to address  
11 you and to speak in terms of the partnership and the pride that  
12 we have in the job that Florida Power and Light did for the  
13 people of not only Charlotte County, but of southwest Florida  
14 and their entire service area.

15 Thank you.

16 CHAIRMAN BAEZ: Questions of Mr. Sallade?

17 Thank you, sir.

18 WITNESS SALLADE: Thank you.

19 CHAIRMAN BAEZ: Mr. Dean Juhlin.

20 DEAN JUHLIN

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

23 DIRECT STATEMENT

24 WITNESS JULIN: Chairman Baez and Commissioners, I  
25 can't say enough about the FPL situation. They did an

1 excellent job, and it doesn't pay to continue that, but we did  
2 get our power back within a week, and that was excellent. I do  
3 have just a quick fair solution, though. Nothing has been said  
4 about top management and stockholders not coming up with some  
5 of this money also.

6 Mr. McGlothlin has an excellent presentation, and I  
7 enjoyed that. But with over 372,000 stockholders, they could  
8 participate in the damage, also. I know that FPL would not  
9 like to hear that, but that is a problem.

10 Thank you very much.

11 CHAIRMAN BAEZ: Questions of Mr. Juhlin?

12 Thank you, sir.

13 Mr. Gary Quill.

14 GARY QUILL

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

17 DIRECT STATEMENT

18 WITNESS QUILL: Hi, Mr. Chairman, Commissioners. My  
19 name is Gary Quill. I'm director for Charlotte County Airport  
20 Authority, and I just want to go over with you tonight some of  
21 the effort that happened at the Charlotte County Airport after  
22 the storm. We were hammered, as was just about everybody else  
23 in the community. We had very serious damage, eight buildings  
24 destroyed, probably 25 damaged.

25 And we did -- I did want to point out the Emergency



1 Operation Center for the county is out at the airport. We  
2 ended up with probably 40 FEMA semi-tractor trailers on our  
3 main ramp. We had National Guard on our south ramp. We had  
4 FEMA personnel, law enforcement. But the thing I probably want  
5 to point out the most is FPL came in utilizing the Powell  
6 Doctrine (phonetic), overwhelming force. We probably had about  
7 several miles of pavement on the airport that were utilized.  
8 For example, this is Runway 1533, the poles you see up there,  
9 there's thousands of them that were stockpiled. The  
10 transformers are there.

11 In order to accomplish the recovery, FPL had to come  
12 in and provide manpower, had to provide a way for manpower to  
13 get to the airport. They had to feed all of these people. We  
14 had tents set up with air conditioning. People slept in the  
15 tents. They slept in vehicles.

16 This picture, which was also in FPL's presentation,  
17 this runway is almost a mile long. Overall we think there were  
18 over a thousand vehicles on the airport. We think there were  
19 13,000 people working off of the airport. It was pretty  
20 impressive logistics. Just to give you an idea, there's tree  
21 cutters, there's utility trucks. It just really was  
22 overwhelming. The equipment that was put out at the airport, I  
23 don't know a dollar figure on it, but it has to be amazing.

24 Again, this is another runway in the foreground.  
25 That runway is about a mile long. The runway to the north,

1 half of that was utilized, so that is about a half a mile, what  
2 you are seeing there.

3           Again, this is a tent city that sprung up. I think  
4 this was taken literally about day four after the hurricane.  
5 It was just an impressive response.

6           And one thing I would like to say as much activity as  
7 went on there, that was last year. Tomorrow morning at 10:00  
8 o'clock we are meeting with FPL for the coming season.

9           Thank you.

10           CHAIRMAN BAEZ: Questions of Mr. Quill?

11           I have one. Did they clean up properly when they  
12 left?

13           WITNESS QUILL: They sure did. They had crews out  
14 there probably -- I am going to guess, into late October  
15 cleaning up. Yes, pretty overwhelming. It was impressive.

16           CHAIRMAN BAEZ: Thank you, Mr. Quill.

17           COMMISSIONER BRADLEY: I have a question.

18           You said that you all are meeting tomorrow to plan  
19 for --

20           WITNESS QUILL: Contingencies for the coming  
21 hurricane season. Just over the land, airport. Basically, we  
22 were one of six airports around the state, I believe, FPL  
23 utilized. And in our case, we don't think there was an  
24 alternative to using Charlotte County Airport. There was  
25 nowhere else that afforded that type pavement.

1 CHAIRMAN BAEZ: Thank you, sir.

2 WITNESS QUILL: Thank you.

3 CHAIRMAN BAEZ: Is it Officer Rinehart? Is that you?

4 Please tell me, Officer.

5 CHUCK RINEHART

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

7 testified as follows:

8 DIRECT STATEMENT

9 WITNESS RINEHART: Mr. Chairman, Commissioners, Chuck  
10 Rinehart. I'm the chief of police of Punta Gorda.

11 CHAIRMAN BAEZ: I apologize.

12 WITNESS RINEHART: That's fine. I get paid the same  
13 no matter what.

14 I also wear another hat. I'm the Emergency  
15 Operations Coordinator for the city, also. I work hand in hand  
16 with Mr. Sallade. Punta Gorda is ground zero. I can tell you  
17 that when I walked out the door the evening after Charley went  
18 by, we all thought that power was probably weeks, months away.  
19 And we were never happier than in a couple of days to see  
20 Florida Power and Light Company roll in. One of the quickest  
21 things they did -- we lost all of our water supply, whether it  
22 be wastewater or drinking water, which supplies our county.  
23 And that was one of the main things that they jumped on right  
24 away. As we all know we cannot function if we cannot drink and  
25 flush. And they were very quick doing that.

1           Also, it was important to find out that they were  
2 quick to put someone in my EOC, and also attended daily  
3 briefings with my people and gave us a daily update, so that we  
4 could let our citizens know in the city whether the power was  
5 coming on within the next day or two. We found out that it was  
6 phenomenal working with them; a great group of people.

7           In my line of work we deal with instant command. It  
8 is big for us. I got a chance to go out to the airport and get  
9 a tour of the facility, how they were set up. And I can tell  
10 you that every public safety department in the United States  
11 should go see what Florida Power and Light does when it is in  
12 command. It's phenomenal. I had no idea until I walked in  
13 there. We thought we could do instant command, but we can  
14 learn a lot from how they can take that many people and that  
15 many resources and put it together and put a plan together and  
16 do what they did in 14 days. So we can all learn a lot from  
17 that.

18           And thank you for the chance to speak.

19           CHAIRMAN BAEZ: Thank you, Chief Rinehart.

20           Ms. Catherine Furr. Did I get your last name right?

21           MS. FURR: That will work. Thank you.

22           CHAIRMAN BAEZ: You will have to tell me.

23           MS. FURR: Furr is good.

24   CATHERINE FURR

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

1 testified as follows:

2 DIRECT STATEMENT

3 WITNESS FURR: I wanted to say thank you for the  
4 opportunity to come and express my views for Florida Power and  
5 Light, and our work experience during last season. I also  
6 spoke with our board of County Commissioner, our Chairman, the  
7 other day and he asked me to relay their wishes as well.

8 I have been in this line of work for a number of  
9 years, and I have always been told, Cathy, if you need us, we  
10 will be there. And, fortunately, we have never needed them.  
11 So when the time came, they were true to their word. They were  
12 there. Not only by phone, but they sent a number of people to  
13 staff our ESF-12 desk in the EFC. They sent three, four,  
14 whatever it took to be there to support us. They were there  
15 for 24 hours a day, seven days a week, from the time we began  
16 operation for response through our recovery process. For about  
17 35 days we had somebody there holding our hand, helping us  
18 address the issue of power.

19 Not only did they do their job, they did a lot more  
20 for us. They acted as a conduit to another utility provider  
21 that serves a small portion in our county. They didn't have  
22 the opportunity to send someone to support us in the EOC, so  
23 our Florida Power and Light rep reached out to them and would  
24 act as conduit to provide their information to us in our EOC.

25 Wayne indicated that daily briefings took place and

1 we were always very appreciative to be kept up-to-date with the  
2 activities they were doing. It got to the point where on our  
3 evening briefings, our staff would actually stand up and cheer  
4 and applaud for the progress that was being made because it  
5 showed that our community was coming back to a sense of  
6 normalcy.

7 But there were a lot of other things that they did to  
8 support us in our time of need. They worked very closely with  
9 us in providing their progress and other information to the  
10 public. Not only did they assist us in participating in our  
11 media briefings, or joint media briefings, but they also worked  
12 directly with our PIO to get the information to our local radio  
13 stations and did live, you know, on-air service announcements.  
14 They also set up a face-to-face process by which the public  
15 could go and meet with them at our local Wal-Mart, which helped  
16 our local people get their needs directly addressed.

17 Some of the other things that they did, I had the  
18 opportunity to tour their staging area that they had set up at  
19 the Turner Center. While it wasn't as large as what you saw in  
20 the Charlotte County area, it was awesome on our standards.  
21 And for that we are very appreciative for their level of skills  
22 and their knowledge they brought to bear during our time.

23 So, like I said, on behalf of our board and on behalf  
24 of the emergency management in DeSoto County, we are very  
25 appreciative for not only them doing their job, but going so

1 far and above their job, their commitment and their ability to  
2 show compassion for us when we were trying to deal with not  
3 only our own problems, but doing a job. So for that we are  
4 appreciative.

5 Thank you.

6 CHAIRMAN BAEZ: Any questions?

7 Thank you, Ms. Furr.

8 Pat Lehman.

9 PAT LEHMAN

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

12 DIRECT STATEMENT

13 WITNESS LEHMAN: Yes. Good evening, Mr. Chairman,  
14 Commissioners. My name is Patrick Lehman. I am executive  
15 director of the Peace River/Manasota Regional Water Supply  
16 Authority. We are a wholesale water authority made up of four  
17 counties, that being Manatee, Sarasota, Charlotte and Desoto  
18 County. We have -- our main facility is on the Peace River,  
19 approximately 15 miles upstream from where we stand right now.  
20 We are the sole provider to over 100,000 residents in the Port  
21 Charlotte area, including southwest Desoto County.

22 Certainly on August 13th, Friday the 13th, as we all  
23 remember, Hurricane Charley passed right over Port Charlotte,  
24 headed up Peace River, right over the Peace River facility  
25 heading on up toward Arcadia and Orlando.

1           We at the facility felt comfortable. We have  
2 emergency power generators on-site. Certainly, we had -- also  
3 have redundant lines to our sources, that being Peace River and  
4 also to an off-stream reservoir. Unfortunately, what we didn't  
5 realize or were too comfortable with redundant lines, because  
6 they were overhead and certainly any overhead lines in a  
7 hurricane may topple. So there we sat with our emergency power  
8 on-site. We could run our pumps for treatment, but didn't have  
9 a source of water. Certainly, the next day Florida Power came  
10 to our rescue.

11           Our overhead lines on site, yes, they are privately  
12 owned, but certainly Florida Power came to our rescue. They  
13 were also trying to find a tree trimmer to clear trees off of  
14 our overhead lines, which was totally impossible, as all the  
15 electric companies have them under contract. So, certainly,  
16 when you see five trucks coming like the calvary to the rescue,  
17 which we had within three days of a hurricane striking, it was  
18 a wonderful feeling to see that FPL had the crews on our site,  
19 clearing the lines, and we were back in operation on our own  
20 power. Certainly, looking at King's Highway and the tangled  
21 mess of seven miles from -- seven miles of lines to be replaced  
22 from approximately I-75 up to our facility. As you look at it,  
23 you shake your head and say, my gosh, how can anybody do that.  
24 That is a tangled mess of wires, broken poles and trees. But  
25 by Saturday, August 22nd, we were back on full line power.



1           And I want to say also that as we were out on our  
2 facility, the one thing you haven't heard, there was no  
3 telephone communication, no hard line telephone, no cell phone  
4 communication. We were basically out in a true never-never  
5 land of communications. So how did we communicate? Chat face  
6 to face. People from FPL came out to see how we were doing,  
7 what we needed. And that was because of years of relationship  
8 that had been established by having people assigned as reps to  
9 us from FPL. So, certainly, those years of relationships paid  
10 off, and we truly appreciate FPL service.

11           Thank you.

12           CHAIRMAN BAEZ: Questions of Mr. Lehman?

13           Thank you for your comments, sir.

14           Ms. van Sickel.

15           MS. VAN SICKEL: I knew you wouldn't tackle that  
16 first name.

17           CHAIRMAN BAEZ: I'm a coward. I'm sorry. Is it  
18 Megarie?

19           MS. VAN SICKEL: You could have done it.

20           CHAIRMAN BAEZ: See, I had it and I chickened out.  
21 Sorry.

22                           MEGARIE VAN SICKEL

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

25                           DIRECT STATEMENT

1           WITNESS VAN SICKEL: My name is Megarie van Sickle.  
2 Good evening. I'm executive director of the Charlotte County  
3 Chapter of the American Red Cross. One of the fundamental  
4 principles of the American Red Cross is neutrality. So I'm not  
5 here to be pro or con. I'm only here to share my observations  
6 with you. Working the first couple of days, 24 hours a day,  
7 slacking off then to 18 to 20-hour days, I have to tell you  
8 that every time I was on the road, regardless of whether it was  
9 2:00 o'clock in the morning or 5:00 o'clock in the afternoon or  
10 noontime, I was surrounded by power trucks.

11           It was an amazing sight to see the number of trucks  
12 that were here helping this community recover. We had  
13 approximately 53 emergency response vehicles on the road and  
14 several hundred volunteers from all over the country here  
15 helping us recover. And they, too, commented on the quick  
16 recovery of power. We were back into our facility within a  
17 week and worked the first three or four days on generator  
18 power. And I can't begin to tell you how wonderful it was when  
19 we could flip the switch and come back into the office and work  
20 full-time with full power.

21           So I just wanted to share my observations with you.  
22 It was a wonderful response, and I think the whole community  
23 applauds what FP&L did for us.

24           CHAIRMAN BAEZ: Questions?

25           Thank you.

1 Laurie Feagans.

2 MS. FEAGANS: You pronounced correctly.

3 CHAIRMAN BAEZ: This going to be a recurring theme, I  
4 can tell you.

5 LAURIE FEAGANS

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

8 DIRECT STATEMENT

9 WITNESS FRIEDMAN: Thank you, Mr. Chairman,  
10 Commissioners. I am Laurie Feagans. I'm Manatee County's  
11 emergency management chief. And I also would like to offer my  
12 support of FPL's efforts.

13 I had an opportunity to go down to Charlotte County  
14 and work 12 days in your EOC. And as Wayne said, those  
15 representatives were there every day, gave us briefings, helped  
16 prioritize areas to bring the power back up. That kind of  
17 partnership, actually in Manatee County goes year-round. I  
18 cannot tell you what a partnership we have with FP&L. Our  
19 representative participates in monthly meetings with us,  
20 strategy meetings with all of our emergency responders,  
21 planning sessions.

22 We do exercises with FP&L. They joined us. So the  
23 partnership is there. The EOC, or the Emergency Operations  
24 Center, we do have a liaison in our EOC for all four storms. I  
25 would encourage that to continue for all the counties that are

1 serviced by FPL, and then to have staffing, more staffing of  
2 it. My poor representative, I've been seeing him 24/7, it  
3 seemed like forever. So I know that is a monetary issue, but  
4 we would encourage that, more staffing for EOCs. The support  
5 that we get is phenomenal there.

6 I would also like to talk about first-in teams. We  
7 have emergency clearance teams that clear your critical routes  
8 to the hospitals and so forth. FPL is a partner with us on our  
9 teams. We have six teams, and they staff two of them with us.  
10 And what they do is they go out with our team to ensure that  
11 our first respondents aren't going to get electrocuted getting  
12 debris off the road. That's a year long partnership of  
13 building and training together. And I know that's a financial  
14 effort on their part, and I appreciate that they do do that  
15 with us.

16 I think it was Hurricane Jeanne, after four  
17 hurricanes they kind of blend together, but Lake Manatee, you  
18 may not be aware of, that is our water resource. And we  
19 provide water not only for Manatee County but for the City of  
20 Palmetto, for all our islands as well as Sarasota. We provide  
21 a lot of water. We had an internal power issue during  
22 Hurricane Jeanne. Our local rep heard from FPL what we were  
23 going through, a planning strategy, jumped right in and within  
24 four hours they came to our rescue and provided that service  
25 for us. That's the partnership, the cooperation, and you know

1 you can depend on them. That is what FP&L does give us. That  
2 is what I would like to say about them.

3 CHAIRMAN BAEZ: Thank you. Any questions?

4 Thank you, Ms. Feagans.

5 Luigi Dunekirchen. I got you, right? I knew it.

6 LUIGI DUNEKIRCHEN

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

9 DIRECT STATEMENT

10 WITNESS DUNEKIRCHEN: Mr. Chairman, Counsel, just a  
11 few remarks.

12 Residents and friends, I felt the response by FP&L in  
13 our neighborhood. And I'm a permanent resident of Port  
14 Charlotte, my wife and I are. And I thought it was  
15 exceptional. It was without doubt beyond our expectations, the  
16 quickness with which they responded. **Just as a side note, we**  
17 **were out of our house until December 1st, and during that time**  
18 **between August 13th and December 1st, we lived in my sister's**  
19 **condo which is three blocks south of where we live.**  
20 Unfortunately, she fell and broke her hip during the storm, and  
21 we waited seven and a half hours for EMS to get there. And  
22 this is kind of a personal note I wanted to throw in because a  
23 lot of this isn't very personal.

24 CHAIRMAN BAEZ: It is your floor, sir.

25 WITNESS DUNEKIRCHEN: Okay. She is a block and a

1 half from St. Joseph's Hospital, it is where her condo is  
2 located. We got her there at 1:30 in the morning, and I  
3 started home. And I was totally in shock and was totally  
4 disoriented. It took me an hour to walk a block and a half and  
5 find her condo again. But that is something that I'm sure a  
6 lot of people must have gone through that time of the night.

7           In all fairness, FPL was exceptional in terms of  
8 their service, getting the condo restored to power. And we all  
9 cheered when it went on. She lives in a 55 and older condo,  
10 and all the residents were ecstatic about it. And I would like  
11 to add that we were very, very pleased with the help from the  
12 out-of-state companies that came to the rescue. They were  
13 lined up on the board. And I don't know if that was FPL's  
14 doing, or Wayne Sallade's doing, or whose doing it was, but  
15 they were right on the spot. The condo was restored to power  
16 in three days.

17           And I think no one has spoken yet to what has taken  
18 place in the last several months, most of it was immediately  
19 after the storm. But in all fairness, I think people that are  
20 really understanding in terms of the plight of everyone  
21 involved waited, waited more -- well, waited longer than maybe  
22 they had to to call for assistance from FPL. And we waited,  
23 and we got cable removed, downed cables in the back, within an  
24 hour after we called.

25           Also, there was a lot of yard damage from the trucks

1 running through yards to install new power poles, this sort of  
2 thing. They were there within two days after we called. One  
3 phone call was all it took. And they filled, they filled it  
4 and seeded it, and it was pretty amazing. I expected a delay  
5 of a couple of months anyway.

6 One other thing I wanted to cite was the fact that  
7 they have a new automated telephone system. And if you have a  
8 power outage, you get a recording. They tell you exactly what  
9 the problem is, how long it is going to take to fix it, and  
10 they call you back immediately. It is a recorded message and  
11 an automated system, and I think that is a real plus for people  
12 getting information quick and no problems. Okay.

13 CHAIRMAN BAEZ: Any questions for Mr. Dunekirchen?

14 Thank you, sir.

15 WITNESS DUNEKIRCHEN: My hat is off to FPL.

16 CHAIRMAN BAEZ: Thank you for your comments.

17 WITNESS DUNEKIRCHEN: Thank you.

18 CHAIRMAN BAEZ: Kim Lovejoy.

19 MS. LOVEJOY: You're having trouble if I'm a Mr. or  
20 Mrs., right?

21 CHAIRMAN BAEZ: If you don't write it down, I can't  
22 guess.

23 MS. LOVEJOY: That's all right.

24 CHAIRMAN BAEZ: Welcome.

25 MS. LOVEJOY: I thank you.

1 KIM LOVEJOY

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

4 DIRECT STATEMENT

5 WITNESS LOVEJOY: Good evening, Mr. Chairman and  
6 Commissioners. I'm Kim Lovejoy, and I'm the director of  
7 communications in the Charlotte County Chamber of Commerce.  
8 I'd like to thank FPL for restoring the power so quickly after  
9 Hurricane Charley. As you may know, the chamber staff kept  
10 track of and reported on businesses as they got back into  
11 action, and that number increased exponentially on a daily  
12 basis.

13 On a personal level, I would also like to give my  
14 thanks. I am a member of the Air National Guard, and my unit  
15 was activated and sent to the airport immediately after the  
16 hurricane. We worked long days, so I drove home most nights  
17 after dark. It was kind of thrilling to drive into Port  
18 Charlotte on 41 each night and see longer and longer stretches  
19 of light.

20 I have to say, too, how impressed I was with the  
21 workers. I was at home the afternoon the power at my own house  
22 came back. My neighbors and I were outside, and we could  
23 easily see the trucks and workers at the end of the street.  
24 When it was apparent that the power had been restored, I  
25 watched them smiling and high-fiving and shaking hands, and I



1 could just imagine them saying, yes, another block is back. So  
2 they weren't just doing a job, they really cared.

3 So I'm truly grateful to have this opportunity to  
4 publicly express my thanks, and those of the Charlotte County  
5 Chamber of Commerce.

6 CHAIRMAN BAEZ: Questions for Ms. Lovejoy?

7 Thank you for your comments.

8 Greg Feagans.

9 GREG FEAGANS

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

12 DIRECT STATEMENT

13 WITNESS G. FEAGANS: Mr. Chairman, I am Greg Feagans,  
14 Sarasota County Emergency Management. I have been in this  
15 business for 20 years. I guess I am going to be a member of  
16 the parade. Florida Power and Light Company always exceeds our  
17 expectations. They are great partners. We've worked with them  
18 constantly. We have over a 15-year relationship with Florida  
19 Power and Light, in the partnership that we have. We have  
20 training together, responding to events together, elevating  
21 both sides equally, so that we are able to respond in a timely  
22 manner to the public. And Florida Power and Light Company is  
23 always right there for us.

24 They help us in establishing priorities for  
25 re-establishment of power. It's a give and take process. They

1 listen to us; we listen to them. We come to a consensus with  
2 the intent of returning our community to service as quickly as  
3 possible. They did that time and time again during this  
4 hurricane season. They went that extra mile.

5           And let me just give you one example of what happened  
6 in Sarasota County after Hurricane Charley. When Charlotte  
7 County was hit, we acted as a liaison point for Charlotte  
8 County. And in that process, the nursing homes were without  
9 power and three hospitals in Charlotte County were destroyed.  
10 We had over a thousand people with special needs, medical  
11 patients, that we needed a place to shelter. They really  
12 needed air conditioning. And in our capacity, even in Sarasota  
13 County and other counties, we were pretty much maxed because of  
14 Charlotte and due to the damage.

15           We needed a place to house as many people as  
16 possible. And one site in Sarasota County was our fairgrounds.  
17 Florida Power and Light had the fairgrounds under contract for  
18 restoration. Working through our liaison in the EOC with  
19 Florida Power and Light, when they heard the dilemma we were in  
20 to find a place to house 400 people, they said, hey, we don't  
21 need the fairgrounds. We are moving everything forward to  
22 Charlotte County. You can have the fairgrounds. It's a  
23 covered area and it was intact. It took an unbelievable burden  
24 off of the Department of Health for the State, for Sarasota  
25 County, and gave the residents of Charlotte County and DeSoto

1 County a place to go and recover in safety. So it wasn't just  
2 they were concentrating on the power restoration, they were  
3 actually out there working in our community.

4 I just can't say enough good things about Florida  
5 Power and Light Company, the continued partnership and the  
6 staffing. Again in our EOC, they staff up with us. As a  
7 matter of fact, I am the liaison commander, and when I leave  
8 the floor nobody really gets excited. As a matter of fact,  
9 they are kind of relieved. When Florida Power and Light  
10 Company leaves the floor, everyone wants to know where are they  
11 going and when are they coming back.

12 So it's a great partnership, great team work. And we  
13 are ready again. We have only got 60 days before next year's  
14 season. We are already working with them. Again, we are  
15 thrilled they are returning. And if we get hit again this  
16 year, we will stand up with them. They have absolutely  
17 supported us. I talked with the county administrator. He  
18 said, go down and testify and make sure that Florida Power and  
19 Light gets credit for their efforts.

20 Thank you.

21 CHAIRMAN BAEZ: Thank you, sir, for your comments.

22 Joy Duperault. Did I get that one right?

23 MS. DUPERAULT: Yes, sir.

24 CHAIRMAN BAEZ: I'm getting better.

25 JOY DUPERAULT

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

3 DIRECT STATEMENT

4 WITNESS DUPERAULT: Thank you for letting us talk  
5 tonight. My name is Joy Duperault. I've lived here in Port  
6 Charlotte for 30 years, and I'm not speaking on behalf of any  
7 group, other than the fact that I might be a typical FPL  
8 customer. If you'd asked me a year ago how I felt about FPL, I  
9 would have told you that I was very angry because they came in  
10 my backyard and cut half of two of my large oak trees off. It  
11 was just, like, oh, my God, to get them away from the lines.  
12 But, of course, on the morning after Hurricane Charley, when  
13 all the rest of my oak trees and pine trees and cedars were  
14 laying all over my house and my yard, I was very grateful.

15 When I traveled around the next morning through our  
16 community and saw the devastation, to know that I had power in  
17 14 days was nothing short of a miracle, also due completely to  
18 the heroic efforts of FPL. And the only time I cried during  
19 the entire recovery those months was every time I saw a convoy  
20 of power trucks. It was just awesome. And I'm still --

21 So my concern is that FPL remains strong and thriving  
22 as a company, so that if we go another 44 years without a  
23 devastating storm like this, or if we have one in a couple of  
24 months, they are ready. So I appreciate Counselor McGlothlin's  
25 office and their efforts to protect the citizens, but I figure

1 if I've got to pay two or three dollars a month for the next  
2 two or three years to FPL so that they can do that again if I  
3 need them to, I say go for it. You know, give them what they  
4 need. They were fantastic.

5 Thank you.

6 CHAIRMAN BAEZ: Questions for Ms. Duperault?

7 Thank you, ma'am.

8 I am not showing anyone else signed up to speak. Is  
9 there anyone else in the room that didn't sign up to speak that  
10 would like to address the Commission?

11 Very well. Commissioners, unless there is any other  
12 pending matters that we need to discuss at this point, I am  
13 ready to adjourn.

14 I want to thank you all for coming out. We really do  
15 appreciate your comments, all those that did. And I will  
16 remind you, those of you that didn't make comments out loud,  
17 you can still take the opportunity to write them down and make  
18 them available to us.

19 Good night everyone. We are adjourned.

20 (The hearing adjourned at 7:20 p.m.)

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24

25

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


CERTIFICATE OF REPORTER

4  
5 I, JANE FAUROT, RPR, Chief, Office of Hearing  
6 Reporter Services, FPSC Division of Commission Clerk and  
7 Administrative Services, do hereby certify that the foregoing  
8 proceeding was heard at the time and place herein stated.

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

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

19 DATED THIS 12th day of April, 2005.

20  
21   
22 \_\_\_\_\_  
23 JANE FAUROT, RPR  
24 Chief, Office of Hearing Reporter Services  
25 FPSC Division of Commission Clerk and  
Administrative Services  
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